



LEGISLATIVE AUDIT COMMITTEE

69th Montana Legislature

SENATE MEMBERS

Jason Ellsworth
Pat Flowers
Chris Friedel
Denise Hayman
Kathy Kelker
Forrest Mandeville

HOUSE MEMBERS

Lyn Hellegaard
SJ Howell
Emma Kerr-Carpenter
Fiona Nave
Jerry Schillinger
Laura Smith

COMMITTEE STAFF

Angus Maciver - Legislative Auditor
Candace Radovich - Secretary
Ken Varns - Attorney

MINUTES LOG

December 17, 2024
Room 152
Helena, Montana

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

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MEMBERS PRESENT:

Sen. Jason Ellsworth, Chair (R)
Rep. Laura Smith, Vice Chair (D)
Sen. Pat Flowers (D)
Sen. Chris Friedel (R)
Sen. Denise Hayman (D)
Rep. Lyn Hellegaard (R)
Rep. SJ Howell (D)
Sen. Forrest Mandeville (R)
Rep. Fiona Nave (R)
Rep. Jerry Schillinger (R)
Rep. Emma Kerr-Carpenter (D)

STAFF PRESENT:

Angus Maciver, Legislative Auditor
Candace Radovich, Secretary
Ken Varns, Attorney

AGENDA ([Attachment 1](#))

VISITORS' LIST ([Attachment 2](#))

COMMITTEE ACTION

CALL TO ORDER/ROLL CALL

09:04:06 Vice Chair Smith called the meeting to order at 9:04 a.m. noting the presence of a quorum. The committee secretary took roll. [\(Attachment 3\)](#)

APPROVE MINUTES

09:04:55

Motion

09:05:05 Rep Schillinger moved the committee approve the September 11-12, 2024, minutes.

09:05:11 **Vote:** Carried unanimously by voice vote.

OFFICE OF PUBLIC INSTRUCTION 23-37

09:06:13 *Presented by Jessica Curtis, Financial-Compliance Audit Supervisor*
[\(EXHIBIT 1\)](#) power point

Present from agency:

Elsie Arntzen, Superintendent

Dylan Martin, Chief Accountability Officer

April Grady, Chief Financial Officer

Julie Murgel, Chief Program Officer

Kristen Becker, Internal Auditor

Deann Willcut, Centralized Services Manager

Wendi Fawns, Director of ESSER - EANS

Agency Response

09:14:35 Presented by Superintendent Arntzen.

09:16:51 Presented by Mr. Martin.

09:19:14 Presented by Ms. Becker.

Committee Questions of Agency

09:19:51

09:20:08 Vice Chair Smith asked Superintendent Arntzen about internal controls within the agency.

Public Comment

09:23:22 none

Motion

09:22:36 Sen. Flowers moved the Committee acknowledge receipt of the audit report, that it was reviewed by the Committee, filed, and that copies of the audit report be distributed in accordance with law.

09:23:55 **Vote:** Carried unanimously by voice vote.

PUBLIC ACCESS TO LOBBYING INFORMATION 24P-02

09:23:15 *Presented by Christiane Rudmann, Associate Management & Program Analyst*
[\(EXHIBIT 2\)](#) power point

Present from Office of the Commissioner:

Chris Gallus, Commissioner

Kymberly Trujillo, Compliance Supervisor

Agency Response

09:39:29 Presented by Commissioner Gallus

09:50:57 Presented by Ms. Trujillo

Committee Questions of Agency

09:54:20

09:54:24 Rep. Nave asked Commissioner Gallus several questions about mandated electronic filing.

10:06:59 President Ellsworth asked Commissioner Gallus for clarification on legislative effort/bills.

10:09:37 Sen. Flowers commended the auditors for their work and appreciated the commissioner's response. Sen. Flowers noted a committee bill for this item, mandates electronic filing with one time only funding.

10:11:24 President Ellsworth agreed with Sen. Flowers.

10:11:52 Commissioner Gallus thanked the division and the committee.

Public Comment

10:12:54 none

Motion

10:13:09 Sen. Flowers moved the Committee acknowledge receipt of the audit report, that it was reviewed by the Committee, filed, and that copies of the audit report be distributed in accordance with law.

10:13:18 **Vote:** Carried unanimously by voice vote.

APPRAISING NEW CONSTRUCTION TO REDUCE PROPERTY TAX INEQUITY (23P-05)

10:13:14 *Presented by Austin Powell, Senior Management & Program Analyst*
(EXHIBIT 3) power point

Present from Department of Revenue:

Scott Mendenhall, Deputy Director

Paula Gilbert, Property Assessment Division Administrator

Robin Rude, Property Assessment Division Deputy Administrator

Agency Response

10:38:25 Presented by Mr. Mendenhall.

Agency Response

10:43:26 Presented by Ms. Rude **(EXHIBIT 4)**

Committee Questions of Agency

10:52:03

10:52:07 Rep. Nave asked Ms. Rude questions about state-based appraisers.

10:56:03 Rep. Nave asked Ms. Rude about aerial imagery.

10:58:35 Sen. Flowers asked Ms. Rude about impact on state taxpayers.

11:05:48 Sen. Flowers asked Mr. Rude for the cost to local governments to comply with a reporting requirement as laid out in the audit.

11:07:04 Legislative Auditor Maciver spoke to recommendations and solutions.

11:09:45 Rep. Nave asked Ms. Rude about workload requirements.

11:12:41 Chair Ellsworth asked Mr. Mendenhall about appraisal cycle and workload.

11:20:25 Vice Chair Smith asked Ms. Rude about impacts on ability to assess new construction.

Public Comment

11:22:30 none

Motion

11:22:41 Rep. Nave moved the Committee acknowledge receipt of the audit report, that it was reviewed by the Committee, filed, and that copies of the audit report be distributed in accordance with law.

11:22:55 **Vote:** Carried unanimously by voice vote.

OVERSIGHT IMPROVEMENTS IN THE OUTFITTING AND GUIDING INDUSTRY (23P-07)

11:35:48 *Presented by Jeremy Verhasselt, Senior Management & Program Analyst*
(EXHIBIT 5) power point
Present from Montana Board of Outfitters:
John Way, Chair
Present from Department of Labor and Industry:
Sarah Swanson, Commissioner
Graden Marcelle, Deputy Chief Legal

Agency Response

11:58:23

11:58:35 Presented by Commissioner of Swanson

Board Response

12:27:06 Presented by Chairman Way.

12:34:56 Legislative Auditor Maciver publicly thanked the constructive relationship with the Board.

Committee Questions of Agency

12:38:28

12:38:37 Sen. Flowers asked Director Swanson and Chair Way to speak to how the audit improved their jobs.

12:48:28 Sen. Flowers asked Mr. Way about enforcement behavior via result of the law that removed FWP.

Public Comment

12:51:29 Representative Eric Albus

12:52:33 William Israel

12:56:59 Greg Vanhorsen

Motion

13:04:10 Sen. Flowers moved the Committee acknowledge receipt of the audit report, that it was reviewed by the Committee, filed, and that copies of the audit report be distributed in accordance with law.

13:04:35 **Vote:** Carried unanimously by voice vote.

POTENTIAL LEGISLATION

13:17:08 *Presented by Legislative Auditor Maciver* **(EXHIBIT 6)**

13:20:30 Chair Ellsworth showed support for a committee bill.

Motion

13:20:50 Rep Nave moved the committee bring a bill to clarify auditing the lottery.

- 13:21:17 **Vote:** Carried unanimously by voice vote.
- 13:21:28 Sen. Flowers suggested a committee bill re: electronic filing be a requirement with one time only funding; change and update reporting requirements for the threshold.
- 13:23:42 Chair Ellsworth asked Sen. Flowers for clarification.
- 13:24:26 Sen. Kerr-Carpenter asked about a full committee bill versus split.
- 13:25:52 Chair Ellsworth commented on deciding now.
- Motion**
- 13:26:17 Sen. Flowers moved the committee endorse a bill for electronic filing and funding and change reporting requirements for lobbyists to monthly and quarterly.
- 13:27:08 **Vote:** Carried unanimously by voice vote.

IMPROVING PUBLIC ACCESS: UNLOCKING PUBLIC LANDS 24P-04

- 13:28:30 *Presented by Alyssa Sorenson, Management & Program Analyst Supervisor*
(EXHIBIT 7) power point
Present from Department of Fish, Wildlife & Parks
 Christine Clark, Director
 Melissa Watson, Chief of Staff
 Quentin Kujala, Chief of Conservation Policy
 Marina Yoshioka, Chief of Operations
 Jason Kool, Hunting Access Program Manager

Agency Response

- 13:40:10 Presented by Director Clark.
- 13:42:12 Sen. Flowers asked Mr. Kujala about the departments approach and efforts.

Public Comment

- 13:45:34 none

Motion

- 13:45:40 Rep. Nave moved the Committee acknowledge receipt of the audit report, that it was reviewed by the Committee, filed, and that copies of the audit report be distributed in accordance with law.
- 13:45:55 **Vote:** Carried unanimously by voice vote.

DEPARTMENT OF FISH, WILDLIFE & PARKS 23-36

- 13:47:29 *Presented by Justin Thomas, Associate Financial-Compliance Auditor*
(EXHIBIT 8) power point
Present from FWP
 Christy Clark, Director
 Melissa Watson, Chief of Staff
 Quentin Kujala, Chief of Conservation Policy
 Marina Yoshioka, Chief of Operations
 Robin Graham, Operations & Financial Services Administrator

Agency Response

- 13:51:51 Presented by Director Clark

Public Comment

- 13:52:52 none

Motion

13:52:58 Rep. Nave moved the Committee acknowledge receipt of the audit report, that it was reviewed by the Committee, filed, and that copies of the audit report be distributed in accordance with law.

13:53:24 **Vote:** Carried unanimously by voice vote.

PERFORMANCE AUDIT FOLLOW-UP**ANALYZING BONUS POINT ACCURACY (24SP-26)**

13:53:55 *Presented by Robert Bannatz, Associate Management & Program Analyst*

Present from Department of Fish, Wildlife & Parks

Christy Clark, Director

Melissa Watson, Chief of Staff

Quentin Kujala, Chief of Conservation Policy

Marina Yoshioka, Chief of Operations

Robin Graham, Operations & Financial Services Administrator

Agency Response

14:02:09 Presented by Director Clark

14:03:34 Vice Chair Smith asked Director Clark about specific agency feedback.

DEPARTMENT OF AGRICULTURE (23-38)

14:04:48 Presented by Adam Hefenieder, CPA, Senior Financial-Compliance Auditor

(EXHIBIT 9) power point

Present from agency:

Cody Pearce, Chief Financial Officer

Zach Coccoli, Interim Director

Agency Response

14:10:54 Presented by Interim Director Coccoli.

Public Comment

14:11:57 none

Motion

14:12:05 Rep. Nave moved the Committee acknowledge receipt of the audit report, that it was reviewed by the Committee, filed, and that copies of the audit report be distributed in accordance with law.

14:12:12 **Vote:** Carried unanimously by voice vote.

DEPARTMENT OF LIVESTOCK (23-39)

14:13:15 *Presented by Zachary Cook, Associate Financial-Compliance Auditor*

(EXHIBIT 10) power point

Present from agency:

Mike Honeycutt, Executive Director

Gene Curry, Chair

Jay Bodnar, Administrator, Brands Enforcement Division

Agency Response

14:23:48 Presented Director Honeycutt.

Public Comment

14:29:41 none

Motion

14:29:50 Sen. Flowers moved the Committee acknowledge receipt of the audit report, that it was reviewed by the Committee, filed, and that copies of the audit report be distributed in accordance with law.

14:30:11 **Vote:** Carried unanimously by voice vote.

INFORMATION TECHNOLOGY AUDIT SCOPE & OBJECTIVES**COMBINED HEALTHCARE INFORMATION AND MONTANA ELIGIBILITY SYSTEM (CHIMES) (24DP-02)**

14:32:30 Presented by Shaina Geubtner, Associate Information Technology Auditor
(EXHIBIT 11)

STATEWIDE COMMON CONTROLS (20DP-02)

14:34:49 Presented by Tyler J. Julian, Associate Information Technology Auditor
(EXHIBIT 12)

Public Comment

14:37:31 none

AGENCY STATUS UPDATES

14:37:49

14:38:12 Introduced by Legislative Auditor Maciver

Department of Corrections – Evaluating Education and Training Opportunities in Montana’s Prisons (22P-04)

Present from agency:

Scott Eychner, Rehab & Programs Chief Executive

14:43:00 Presented by Mr. Eychner. (EXHIBIT 13)

Committee Questions of Staff

14:43:02

14:43:05 Rep. Smith asked Mr. Eychner about education enhancements.

14:45:03 Rep. Smith asked Mr. Eychner about enrollment numbers.

14:47:04 Rep. Nave asked Mr. Eychner several questions.

14:53:42 Rep. Smith asked Mr. Eychner about expanding programming.

Department of Transportation – Fly the Big Sky: Division of Aeronautics and Yellowstone Airport Operations (21P-05)

Present from agency:

Larry Flynn, Deputy Director

Tim Conway, Administrator, Aeronautics Division

Natalie Gibson, Chief Auditor

14:54:50 Presented by Deputy Director Flynn

14:59:40 Sen. Flowers thanked the agency for their update.

STRATEGIC PLANNING

14:59:59

15:00:41 *Presented by Katie Majerus, CPA, Financial-Compliance Audit Manager*
(EXHIBIT 14)

15:11:35 (EXHIBIT 15)

15:12:19 (EXHIBIT 16)

15:17:17 Sen. Kerr-Carpenter asked Legislative Auditor Maciver about the value-added impact category.

15:18:09 Sen. Kerr-Carpenter asked Legislative Auditor Maciver about timing.

15:19:54 Sen. Flowers asked Legislative Auditor Maciver to send this document to the Commissioner of Political Practices as an example of where to start.

Public Comment

15:20:56 none

PERFORMANCE AUDIT STATUS UPDATE

15:21:04 *Presented by William Soller, Deputy Legislative Auditor* (EXHIBIT 17)

15:23:19 Rep. Nave asked Mr. Soller about the Railroad Safety legislation.

15:24:07 (EXHIBIT 18) Prioritization Status

15:26:29 Rep. Smith asked Mr. Soller about education funding.

INFORMATION TECHNOLOGY AUDIT STATUS UPDATE

15:27:20 *Presented by Miki Cestnik, Deputy Legislative Auditor* (EXHIBIT 19)

FINANCIAL AUDIT STATUS UPDATE

15:31:38 *Presented by Cindy Jorgenson, CPA, Deputy Legislative Auditor* (EXHIBIT 20)

15:33:51 Sen. Ellsworth recognized Cindy's service to the state.

15:34:55 Legislative Auditor Maciver noted end of March retirement date for Cindy.

PUBLIC COMMENT

15:36:38 none

OTHER

15:36:50 Rep. Nave asked about follow-up for the education at the Department of Corrections.

15:38:47 **Committee Request:** Rep. Nave requested the Department of Corrections come back to a future committee meeting October or December of 2025.

Motion

15:40:00 Chair Ellsworth invited the Department of Corrections to appear before the committee fall of 2025 for the Education report.

15:40:17 **Vote:** Carried unanimously by voice vote.

ADJOURNMENT

15:40:36 With there being no further business, the meeting was adjourned at 2:40 p.m.