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Economic Affairs Interim Committee

61st Montana Legislature

SENATE MEMBERS

ROY BROWN
KEN HANSEN
JIM KEANE
RYAN ZINKE

HOUSE MEMBERS

CHUCK HUNTER
MICHELE REINHART
DON ROBERTS
GORDON VANCE

COMMITTEE STAFF

PAT MURDO, Research Analyst
BART CAMPBELL, Staff Attorney
CLAUDIA (CJ) JOHNSON, Secretary

MINUTES

July 8, 2009

Room 137, State Capitol
Helena, Montana

Please note: These minutes provide abbreviated information about committee discussion, public testimony, action taken, and other activities. The minutes are accompanied by an audio recording. For each action listed, the minutes indicate the approximate amount of time in hours, minutes, and seconds that has elapsed since the start of the meeting. This time may be used to locate the activity on the audio recording.

An electronic copy of these minutes and the audio recording may be accessed from the Legislative Branch home page at <http://leg.mt.gov>. On the left-side column of the home page, select *Committees*, then *Interim*, and then the appropriate committee.

To view the minutes, locate the meeting date and click on minutes. To hear the audio recording, click on the Real Player icon. Note: You must have Real Player to listen to the audio recording.

COMMITTEE MEMBERS PRESENT

SEN. ROY BROWN
SEN. KEN HANSEN
SEN. JIM KEANE
SEN. RYAN ZINKE (by phone)

REP. CHUCK HUNTER
REP. MICHELE REINHART
REP. DON ROBERTS
REP. GORDON VANCE

STAFF PRESENT

PAT MURDO, Research Analyst
BART CAMPBELL, Staff Attorney
CLAUDIA (CJ) JOHNSON, Secretary

Visitors/agenda

Visitors' list, Attachment #1.
Agenda, Attachment #2

COMMITTEE ACTION

The Economic Affairs Interim Committee:

- approved the minutes from the September 12, 2008 meeting.
- approved the committee work plan with some issues deferred to the September meeting.
- elected Sen. Keane as Chair and Rep. Vance as Vice Chair.
- approved appointments for the State Fund Liaisons and the Rail Services Competition Council.

CALL TO ORDER AND ROLL CALL

00:01:04 Sen. Hansen called the committee to order at 11:00 a.m. The secretary called the roll. (Attachment #3) The committee members and staff introduced themselves. Sen. Zinke introduced himself via teleconference phone.

Approval of minutes

00:08:01 Rep. Hunter made the motion to approve the minutes from September 12, 2008. The motion **passed**.

AGENDA

ADMINISTRATIVE MATTERS - Pat Murdo, Lead Researcher, LSD

00:10:35 Ms. Murdo gave an overview on the guidelines for interim committees (Rules and Guidelines from the Legislative Council), and the role and responsibilities of the staff. **(Exhibit 1)**

00:12:02 Karen Berger, Financial Manager, LSD, explained the expense claim form and how to fill it out. **(Exhibit 2)**

Workers' Compensation Presentations for SJR 30:

Diana Ferriter, Bureau Chief, Workers' Compensation Claims Assistance, Employment Relations Division, Department of Labor and Industry (DLI)
Mike Taylor, National Council on Compensation Insurance, Inc. (NCCI)
Jerry Keck, Administrator, Employment Relations Division, Department of Labor and Industry (DLI)

00:16:55 Ms. Ferriter distributed and explained a PowerPoint presentation called Workers' Compensation 101. **(Exhibit 3)**

01:00:57 Mr. Taylor distributed and commented on a PowerPoint presentation called "Montana and the Nation: Workers' Compensation System Overview", and what is happening nationally with workers' compensation in comparison with Montana. **(Exhibit 4)**

Working lunch

01:50:44 Mr. Keck distributed a handout that follows his PowerPoint presentation called "SUMMARY - on Labor-Management Advisory Council (LMAC) on Workers'

Compensation." **(Exhibit 5)** He also distributed the proposed LMAC 2009-2010 Work Plan. **(Exhibit 6)**

Department/Agency Presentations

Evan Barrett, Chief Business Development Officer, Office of the Governor
Tony Preite, Director of the Department of Commerce
Keith Kelly, Commissioner, Department of Labor and Industry (DLI)
Ron De Yong, Director, Department of Agriculture,
Monica Lindeen, Montana Commissioner of Securities, and Insurance, State Auditor's Office (SAO)
Christian Mackay, Executive Officer, Department of Livestock (DOL)

- 02:29:24 Mr. Barrett distributed handouts on a PowerPoint presentation of the Governor's vision for Montana. **(Exhibit 7)** The informational materials are on the Governor's website www.business.mt.gov
- 02:45:14 Director Preite gave a PowerPoint presentation on funded economic development programs and how the grants will be distributed. **(Exhibit 8)**
- 03:10:04 Commissioner Kelly gave an overview on Montana's Unemployment Insurance Division and the Work Force Services Division.
- 03:37:16 Director De Yong talked about the two main industries in Montana, which are beef and wheat. He discussed a program called "Workforce Innovation Regional Economic Development (WIRED)", and how its funds are being used.
- 04:01:31 Commissioner Lindeen distributed a handout that addresses economic development, revenue for Montana, efficient service to consumers and producers, and recoveries for Montana investors and consumers. **(Exhibit 9)** She noted that her office is creating the Insure Montana Council.
- 04:16:34 Mr. Mackay updated the committee on the brucellosis situation in Montana, and commented on SJR 14, particularly in relation to DOL's lab in Bozeman.

BREAK

ELECTION OF OFFICERS

- 04:37:29 Sen. Zinke nominated Sen. Keane as Chair. The motion **passed**.
- 04:38:40 Sen. Keane nominated Rep. Vance as Vice Chair. The motion **passed**.
- 04:40:15 Sen. Keane explained his expectations of voting by proxy.

Appointment of State Fund liaisons and representatives

- 04:42:27 Sen. Keane named Sen. Zinke and Rep. Hunter as State Fund liaisons.

Appointment for the Rail Advisory Council

- 04:43:55 Sen. Keane named Sen. Hansen and Rep. Roberts as Rail Services Council members.

Administrative Rule Review

04:44:55 Bart Campbell, Legal staff, LSD, explained the administrative rules. **(Exhibit 10)**

Overview of the Economic Affairs' work plan

04:55:32 Pat Murdo, Research Analyst, LSD, explained the work plan. **(Exhibit 11)**

Ms. Murdo distributed:

- a memo from Sen. Don Steinbeisser on HB 445. **(Exhibit 12)**
- a handout on Workers' Compensation issues and status for SJR 30. **(Exhibit 13)**
- a Memorandum of Understanding between EAIC and the State Administration of Veterans Affairs Interim Committee (SAVA). **(Exhibit 14)**
- a letter from Kerry White, Citizens for Balanced Use (CBU). **(Exhibit 15)**
- a letter from Christina Brunkhorst, RN, Lewistown on Unjust Workers' Compensation Wage Loss law. **(Exhibit 16)**
- a letter from Karen Harrison with comments from an employer's standpoint regarding workers' compensation. **(Exhibit 17)**

05:05:46 The committee discussed the work plan.

Public Comment on the SJR 30 study was made by the following:

05:13:41 Jerry Keck, DLI

05:16:34 Bob Worthington, Co-Chair for the LMAC

05:17:34 Bruce Spencer, representing Property Casualty Insurers Association

EAIC discussion and questions

05:20:41 Rep. Hunter said the LMAC is already in place and questioned how will the committee approach the group. A discussion was held by the committee on how they will approach the study and work with LMAC.

EAIC schedule/travel

05:21:39 Sen. Zinke, Sen. Keane, and other committee members discussed traveling to other parts of the state. The budget has been cut by 2%, and will limit out-of-town travel. Ms. Murdo will check on the various places to determine costs and present at the next meeting.

EAIC assignments

- 05:33:53
- Sen. Zinke and Rep. Hunter - State Fund Liaisons
 - Sen. Hansen and Rep. Roberts - Rail Service Council Members

Committee Work Session

05:36:44 The committee reviewed the proposed work plan. They discussed staff time and hours

available for the studies. Sen. Hansen said the Rail Commission will be meeting before the next EAIC meeting and he will present information at that time. Sen. Brown wanted to make sure the committee maintain flexibility to study brucellosis and other issues that they may want to consider later. The committee agreed that SJR 14 - state labs, should be addressed.

Letter of agreement

05:47:36 The committee discussed the letter of agreement between EAIC and the State Administration and Veterans Affairs Interim Committee (SAVA) on the Memorandum of Understanding to monitor activities related to the Montana State Fund and the Banking Division. **(Exhibit 13)** Staff requested no action at this time on the letter.

Adoption of work schedule

05:50:39 Sen. Brown made the motion to adopt the work schedule as discussed with member issues deferred and recognizing flexibility on issues. The motion **passed**.

Public Comment on SJR 30 - Workers' Compensation

05:58:56 Don Judge, Montana Injured Workers Committee

06:07:55 Jon Bennion, Montana Chamber of Commerce

Public Comment on SJR 14 - state laboratory efficiencies

06:10:55 Bob Lashwate, Montana State University

Public Comment on SJR 30 - Workers' Compensation

06:13:45 Nancy Butler, Montana State Fund

06:14:12 Carl Kochman, Chairman of the Board for WorkSafe Montana

06:15:56 Bob Worthington, Montana Self-Insurers Compensation

Adjournment

06:18:45 Sen. Keane adjourned the committee meeting at 6:05 p.m.