



LEGISLATIVE FINANCE COMMITTEE 67th Montana Legislature

SENATE MEMBERS

Mike Cuffe
Janet Ellis
Tom Jacobson
Bob Keenan
Ryan Lynch
Daniel Salomon

HOUSE MEMBERS

David Bedey
Mary Caferro
Frank Garner
Jim Hamilton
Kenneth Holmlund
Llew Jones
Jim Keane
Emma Kerr-Carpenter
Bill Mercer
Sharon Stewart Peregoy
Jonathan Windy Boy

COMMITTEE STAFF

Amy Carlson - Legislative Fiscal Analyst
Julie Johnson - Attorney
Kathy Sangray - Secretary

MINUTES LOG

March 17, 2022
Capitol Room 317
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. Daniel Salomon, Chair (R)
Rep. David Bedey (R)
Rep. Mary Caferro, Vice Chair (D)
Sen. Mike Cuffe (R)
Sen. Janet Ellis (D)
Rep. Frank Garner (R)
Rep. Jim Hamilton (D)
Rep. Kenneth Holmlund (R)
Sen. Tom Jacobson (D)
Rep. Llew Jones (R)
Sen. Bob Keenan (R)
Rep. Emma Kerr-Carpenter (D)
Sen. Ryan Lynch (D)
Rep. Bill Mercer (R)
Rep. Matt Regier
Rep. Sharon Stewart Peregoy (D)

MEMBERS EXCUSED:

Rep. Jim Keane
Rep. Jonathan Windy Boy (D)

MEMBERS ABSENT:

STAFF PRESENT:

Amy Carlson, Legislative Fiscal Analyst
Julie Johnson, Attorney
Caitlin Cashman, Secretary

AGENDA ([Attachment 1](#))

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

COMMITTEE ACTION

CALL TO ORDER/ROLL CALL

- 08:33:11 Chair Salomon-R called the meeting to order at 8:33 AM. The committee secretary took roll.
- 08:34:48 Sen. Cuffe's name was not on the Roll Call, but he was present and is a member. The Legislative Finance Committee Roll Call has since been updated.
- 08:35:06 Minutes from the last meeting were approved unanimously.

FY 2022 QUARTERLY FINANCIAL OVERVIEW & COVID UPDATE

- 08:35:17 Sam Schaefer, Legislative Fiscal Division (LFD)
[EXHIBIT1](#)
- 08:40:56 Vice Chair Caferro joined the meeting.
- 08:44:33 Rep. Garner asked where the income tax collections were roughly 10 years ago.
- 08:45:03 Sam Schaefer responded.
- 08:45:42 Mr. Schaefer continued with the presentation.
- 08:46:39 Sen. Jacobson asked a question regarding both the stability of the level of income, and the overall the stabilizing factor of various taxes.
- 08:47:20 Sam Schaefer responded.
- 08:50:12 Sen. Jacobson asked a follow-up question regarding businesses in Montana and corporate income tax.
- 08:50:54 Mr. Schaefer responded.
- 08:52:25 Mr. Schaefer continued with the presentation.
- 08:54:11 Sen. Jacobson shared concerns and asked questions regarding property taxes.
- 08:55:25 Mr. Schaefer responded.
- 08:59:04 Amy Carlson, Legislative Fiscal Analyst addressed the committee.
- 09:00:19 Chair Salomon called on Rep. Bedey to share a comment and a question.
- 09:00:37 Rep. Bedey stated that the funding formula itself drives the mills.
- 09:01:15 Mr. Schaefer continued with the presentation.
- 09:03:13 Chair called on Sen. Keenan.

09:03:25 Sen. Keenan asked a question about collecting data as it related to late payments over a period of time.

09:03:57 Sam Schaefer responded to the question.

09:04:23 Rep. Hamilton had a question regarding the lodging and rental car tax.

09:05:06 Mr. Schaefer responded.

09:07:04 Vice Chair Caferro asked a question that something that had not yet been covered in the meeting. Amy Carlson redirected Vice Chair Caferro.

09:07:45 Rep. Holmlund asked if there is a tax on tank cars that are sitting in Montana and not moving.

09:08:02 Mr. Schaefer asked a clarifying question.

09:08:10 Mr. Schaefer responded and will need to do some further investigating.

09:09:07 Susie Lindsay, Legislative Fiscal Division (LFD) continued with the presentation as it pertained to Exhibit 1.

09:24:37 Sen. Keenan asked a question about vacancy savings.

09:25:19 Ms. Lindsay responded.

09:25:50 Sen. Cuffe asked if the data is showing an efficiency savings or if there are not enough people to get the job done.

09:26:29 Ms. Lindsay responded.

09:27:06 Rep. Garner asked for clarification regarding some things that were covered in Section B the previous day.

09:28:06 Ms. Lindsay responded.

09:30:13 Rep. Garner followed up with a comment addressed to Chairman Salomon.

09:30:38 Chair Salomon asked if there were any additional questions of the committee. Rep. Mercer suggested a series of stock questions to be asked at each Interim Budget Committee meeting between now and the 2023 Session.

09:32:02 Sen. Jacobson responded to Rep. Mercer.

09:32:54 Amy Carlson thanked the committee for a great conversation on the budget.

09:33:35 Chair Salomon ushered in the next presentation.

2023 BIENNIUM BUDGET UPDATE - Governor's Budget Office

09:33:50 Ryan Osmundson, Director of the Governor's Office of Budget & Program Planning addressed the committee and presented the need for either a fiscal supplemental appropriation or a budget amendment for additional federal special authority to cover shortfalls in the Medicaid budget.

09:44:38 Mr. Osmundson discussed ARPA spending and provided handouts [EXHIBIT 2](#)

09:44:57 Chair Salomon asked if the committee had any questions.

09:45:01 Rep. Hamilton asked about the spending of ARPA dollars.

09:46:03 Mr. Osmundson responded.

09:48:49 Vice Chair Caferro gave a shout out of appreciation to Lieutenant Governor Kristen Juras. Vice Chair Caferro asked a question about the enhanced Federal Medical Assistance Program (e-FMAP) supplemental appropriation or budget amendment.

09:51:07 Mr. Osmundson responded.

09:51:51 Vice Chair Caferro asked if the contingency funding provided in the black box was helpful.

09:52:01 Mr. Osmundson responded.

09:52:52 Ryan Evans, Assistant Director of Montana Governor's Office came to the podium. Vice Chair Caferro asked about the e-FMAP savings.

09:54:00 Ryan Evans responded to Vice Chair Caferro.

09:54:42 Vice Chair Caferro asked a follow-up question regarding the projections for Medicaid.

09:55:42 Ryan Evans responded to Vice Chair Caferro.

09:56:10 Vice Chair Caferro asked if part of the calculation going into the second year of the biennium will be people being disenrolled from Medicaid.

09:56:50 Mr. Evans responded.

09:57:27 Vice Chair Caferro asked an additional follow-up question.

09:57:55 Mr. Evans responded.

09:58:42 Rep. Jones shared a preference for a budget change document versus a fiscal supplemental appropriation process and provided reasoning to the committee.

10:01:04 Mr. Evans generally agreed with Rep. Jones's comments.

10:01:39 Rep. Jones shared a general recommendation with the committee and thought no committee action was needed.

10:02:06 Vice Chair Caferro agreed with Rep. Jones.

10:03:19 Rep. Jones clarified comments for the committee.

10:04:14 Amy Carlson stated that the proper terminology was a budget amendment, not budget change document.

10:05:31 Ryan Osmundson would be happy to send a memo to the committee describing the projected federal budget authority deficit in DPHHS and the need for a budget amendment.

Interim Budget and MARA Committee Updates

10:05:50 Chair Salomon moved on to the next item on the agenda.

SECTION D – Public Safety

10:06:09 Rep. Mercer gave a report on IBC - Section D committee business.

10:19:37 Sen. Jacobson directed a question toward Rep. Mercer regarding pre-release programs across the state of Montana.

10:20:46 Rep. Mercer responded.

10:23:24 Sen. Jacobson shared the hope that this can be resolved.

10:24:08 Sen. Cuffe directed a question toward Rep. Mercer regarding bad characters, trafficking, and border protection.

10:24:09 Rep. Stewart-Peregoy joined the meeting via Zoom.

10:25:38 Rep. Mercer responded to Sen. Cuffe.

10:26:49 Sen. Cuffe made a follow-up statement.

10:27:34 Chair Salomon offered the committee an opportunity to take a break and the committee declined.

SECTION A – General Government

10:28:08 Sen. Lang gave the report on IBC - Section A committee business.

- 10:34:46 Rep. Regier asked a clarifying question regarding the dual programs mentioned in Sen. Lang's report.
- 10:34:59 Sen. Lang responded.
- 10:35:20 Rep. Regier asked a follow-up question.
- 10:35:33 Sen. Lang responded.
- 10:35:59 No additional questions from the committee.

SECTION B – Health and Human Services

- 10:36:11 Rep. Regier gave the report on IBC - Section B committee business.
- 10:41:02 Rep. Bedey asked why the DPHHS is not scrutinizing Medicaid proactively.
- 10:41:33 Rep. Regier responded.
- 10:42:35 No additional committee questions.

SECTION C – Natural Resources

- 10:42:45 Rep. Holmlund gave the report on IBC - Section C committee business.
- 10:58:07 Rep. Hamilton asked a question of Rep. Holmlund regarding the monies used for fighting forest fires.
- 10:58:31 Rep. Kenneth Holmlund responded.
- 10:59:12 Rep. Jim Hamilton asked a follow-up question regarding a projected cost for fighting fires in the year 2022.
- 10:59:16 Rep. Kenneth Holmlund responded.
- 10:59:46 Rep. Regier asked for a ballpark number on timber sales.
- 10:59:56 Rep. Holmlund responded as did Sen. Ellis.
- 11:00:07 Chair Salomon asked if there were any additional questions. There were none.

SECTION E - Education

- 11:00:13 Rep. Bedey gave the report on IBC - Section E committee business.
- 11:23:10 Chair Salomon asked if there were committee questions or comments. Sen. Cuffe commented on teacher pay in Wyoming.
- 11:23:48 Rep. Bedey responded.
- 11:24:25 Chair Salomon addressed the committee.
- 11:24:52 Sen. Keenan asked if there was anything to report on CSCT being part of the Section E workplan and made an additional comment.
- 11:25:47 Rep. Bedey responded to the second question first and then answered the remaining question.
- 11:26:46 Rep. Stewart-Peregoy recommended that Tribal leaders be contacted.
- 11:27:46 Rep. Bedey responded, set expectations, and will speak to Rep. Windy Boy who is also a IBC - E committee member.

MARA – Financial Modernization & Risk Analysis Study

- 11:28:49 Rep. Jones gave an update on MARA. He referenced a report provided by Sam Schaefer, LFD analyst on CY 2020 new residents income trends
[EXHIBIT 3](#)
- 11:45:03 Rep. Hamilton wondered what other states are finding an influx of wealthier retirees.
- 11:45:59 Rep. Jones responded.

11:50:11 Rep. Hamilton asked a question directly of Rep. Jones regarding data from other states.
11:50:31 Rep. Jones responded.
11:50:39 Rep. Jim Hamilton
11:50:40 Rep. Llew Jones
Rep. Hamilton suggested that the MARA committee look into the strata of real estate being purchased.
11:51:48 Rep. Jones responded.
11:52:34 Vice Chair Caferro appreciated Rep. Jones speaking about workforce shortages, as well as affordability and accessibility of housing.
11:53:35 Rep. Jones responded.
11:54:55 Chair Salomon asked the committee if there were any additional questions on MARA. There were none.
11:55:03 Amy Carlson addressed additional comments to the committee.
11:55:41 Rep. Jones gave a shout-out to the staff.
11:56:19 Rep. Bedey corrected Rep. Jones by saying that Montana has *the* best staff, not one of the best staffs, across the country.
11:56:38 Chair Salomon agreed with the Representatives regarding the Legislative staff.
11:56:43 Chair Salomon discussed changes to the agenda with the committee.

Summary of Statewide IT Policy Issues

11:56:58 Kevin Gilbertson, State Information Technology Services Division (SITSD) Chief Information Officer began the presentation.
[EXHIBIT 4](#)
[EXHIBIT 5](#)
[EXHIBIT 6](#)
[EXHIBIT 7](#)
[EXHIBIT 8](#)
[EXHIBIT 9](#)

11:59:45 Chair Salomon asked if the committee had any questions.
12:00:22 Rep. Garner addressed cyber security concerns.
12:00:48 Mr. Gilbertson responded.
12:01:55 Rep. Garner asked if Montana is relying on a third-party expertise in regard to cyber security or if it is taking place in house.
12:02:12 Mr. Gilbertson responded.
12:03:31 Chair Salomon asked if the committee had any additional questions. There were none.
12:03:39 Kevin Gilbertson finished the presentation and was available to stand for questions.
12:04:01 Vice Chair Caferro asked about a document that lists the projects from the CIO and if Kevin Gilbertson could provide that to the committee.
12:04:34 Mr. Gilbertson responded.
12:04:44 Sen. Ellis shared a comment.
12:05:25 Mr. Gilbertson responded.

12:07:23 Rep. Holmlund asked a question regarding software options.
12:07:43 Mr. Gilbertson responded.
12:09:52 Rep. Holmlund asked a follow-up question.
12:10:12 Mr. Gilbertson responded.
12:10:38 Chair Salomon asked if there were any additional questions. There were none.

Public Comment

12:10:54 Chair Salomon opened up the meeting for public comment. There was none.
12:11:24 Recess
13:06:17 Reconvene

Presentations on Suicide Prevention

13:06:25 Chair Salomon introduced Josh Poulette of the Legislative Fiscal Division (LFD).
13:06:32 Josh Poulette introduced Matt Kuntz for the presentation on Suicide Prevention.
13:07:59 Matt Kuntz, Executive Director of NAMI Montana began the presentation.

[EXHIBIT 10](#)

13:13:54 Rep. Hamilton addressed the committee and asked a question about prevalence in teen suicides and if Montana's is different than other states.
13:14:28 Matt Kuntz responded.
13:15:00 Mr. Kuntz continued with the presentation.
13:24:59 Chair Salomon thanked Mr. Kuntz for the presentation.
13:25:15 Josh Poulette introduced Karl Rosston of the Department of Health and Human Services (DPHHS) who began the next presentation.

[EXHIBIT 11](#)

13:58:50 Chair Salomon asked the committee if there were any questions.
13:58:56 Rep. Holmlund asked if there has been any work done with morticians.
13:59:04 Mr. Rosston responded.
13:59:25 Rep. Holmlund recommended a mortician in Miles City, Montana.
14:00:01 Rep. Holmlund asked if religious leaders have been asked to participate and Mr. Rosston responded.
14:00:57 Rep. Holmlund asked about the term "survivors." Mr. Rosston responded.
14:01:48 Rep. Holmlund asked if DPHHS or Mr. Rosston had ever contacted a group called, "Let's Talk Miles City." Mr. Rosston responded.
14:02:18 Rep. Garner asked how these groups coordinate. Mr. Rosston responded.
14:03:24 Chair Salomon waved formality to allow a natural conversation to take place and so an exchange between Rep. Garner and Karl Rosston began.
14:11:43 Rep. Hamilton made a comment about how it seems as though the Legislature is in the same spot as it was six years ago in terms of the funding of suicide prevention and is wondering what can be said to make him think differently.
14:12:31 Mr. Rosston responded.
14:13:51 Rep. Hamilton asked if there is another state that has traction in this area.
14:14:08 Mr. Rosston responded.
14:15:41 Rep. Bedey asked if the suicide prevention trainings are required for graduation.
14:16:16 Mr. Rosston responded.

- 14:17:13 Chair Salomon waved formality to allow a natural conversation to take place and so an exchange between Rep. Bedey and Karl Rosston ensued.
- 14:24:08 Chair called on Rep. Kerr-Carpenter.
- 14:24:18 Sen. Cuffe asked if Karl Rosston has heard of a program called Community Intervention.
- 14:24:23 Mr. Rosston responded.
- 14:24:38 Sen. Cuffe continued with a comment.
- 14:27:50 Mr. Rosston commented on substance abuse and mental health.
- 14:28:26 Sen. Cuffe responded.
- 14:28:48 Sen. Ellis commented on gun culture.
- 14:30:20 Mr. Rosston responded.
- 14:31:36 Chair Salomon asked if the committee had any additional questions. There were none.
- 14:31:56 Josh Poulette introduced the remaining panelists.
- 14:32:36 Verna Little, PsyD, LCSW began the presentation on Suicide Prevention in Healthcare.
[EXHIBIT 12](#)
- 14:46:18 Chair Salomon asked the committee if there were any questions. There were none.
- 14:46:28 Josh Poulette introduced Dr. Janet Lindow, Executive Director of The Rural Behavioral Health Institute.
- 14:47:29 Dr. Janet Lindow presented Screening Linked to Care.
[EXHIBIT 13](#)
- 15:05:01 Chair Salomon thanked the presenters.

Panelist Discussion

- 15:05:08 Josh Poulette invited guest speakers back to the table for questions.
- 15:05:21 Vice Chair Caferro asked a question of Matt Kuntz in regard to crisis services and screenings.
- 15:05:39 Mr. Kuntz responded.
- 15:07:50 Rep. Hamilton asked a question of Dr. Lindow in regard to how kids were selected for screening.
- 15:08:22 Dr. Lindow responded.
- 15:10:21 Rep. Garner commented that it is increasingly difficult to access primary care providers or specialists. How do we manage that or navigate that and how do we do better in terms of people getting people follow-up services.
- 15:11:25 Dr. Little responded.
- 15:12:22 Karl Rosston added a response.
- 15:12:51 Rep. Frank Garner
- 15:13:45 Mr. Kuntz responded to Rep. Garner's comments.
- 15:15:20 Dr. Lindow seconded what has been said in regard to supporting telehealth.
- 15:16:06 Chair Salomon asked for additional questions. There were none.
- 15:16:18 The committee thanked the panelists.

Work Group

- 15:17:01 Chair Salomon began addressing the committee to initiate the organization of the work group.
- 15:17:13 Amy Carlson addressed the committee.
- 15:17:35 Chair Salomon invited any committee member who is interested to participate in the work group.
- 15:17:53 Ms. Carlson mentioned additional people who will be involved.
- 15:18:18 Josh Poulette is happy to support the work group and expressed a need to have a handful of virtual meetings to discuss best practices before next session.
- 15:18:57 Rep. Holmlund shared a comment with the committee.
- 15:19:40 Chair Salomon turned the attention of the committee to a budget amendment provided by Director Ryan Osmundson.
[EXHIBIT 14](#)

Public Comment

- 15:20:13 Jean Branscum, Montana Medical Association provided some clarification to the committee regarding some agenda items.
- 15:35:55 Chair Salomon opened up the meeting for online public comment. There was none.

Dynamic Fiscal Note Study Report

- 15:36:29 Susie Lindsay, Legislative Fiscal Division (LFD)
[EXHIBIT 15](#)
- 15:42:00 Rep. Bedey asked if Texas has a full time legislature.
- 15:42:19 Susie Lindsey responded.
- 15:42:28 Rep. David Bedey
- 15:42:30 Josh Poulette responded.
- 15:42:39 Chair Salomon added comments regarding the Texas Legislature.
- 15:42:49 Ms. Lindsay responded.
- 15:42:57 Ms. Lindsay continued with the presentation.
- 15:53:25 Chair Salomon thanked Ms. Lindsay for the presentation and opened up the meeting to questions and comments from the committee.
- 15:53:38 Rep. Bedey asked if there was a simpler more focused way to deal with this sort of special case and referenced a specific bill from the 2021 Legislative Session.
- 15:54:33 Ms. Lindsay responded.
- 15:55:07 Rep. Bedey followed-up with a comment.
- 15:56:19 Sen. Keenan suggested taking the dynamic fiscal note structure and looking back at important fiscal notes previously.
- 15:58:56 Chair Salomon commented on Sen. Keenan's suggestion.
- 15:59:58 Sen. Ellis voiced concerns about committing to dynamic fiscal notes.
- 16:02:10 Rep. Bedey responded to Sen. Ellis.
- 16:03:14 Chair Salomon asked the committee if there were any additional comments. There were none.
- 16:03:35 Amy Carlson addressed the committee.

- 16:05:14 Chair Salomon addressed the committee.
16:06:14 Chair Salomon asked if there was any additional public comment. There was none.

Committee Business

- 16:06:30 Amy Carlson updated the committee on staff comings and goings.
16:07:54 Data Team staff introductions by Nick Van Brown, Legislative Fiscal Division (LFD).
16:10:45 Revenue Team staff introductions by Joe Triem, Legislative Fiscal Division (LFD).
16:16:42 Amy Carlson gave Katy Callon a 10-year pin.
16:18:15 Amy Carlson addressed the committee about LFD budget.
16:18:46 Chair Salomon began to wrap up the meeting.
16:19:03 Rep. Garner commended the staff and said, "Thank you."
16:19:52 Chair Salomon and Amy Carlson said goodbye to Karen Gilbert.
16:20:29 Ms. Carlson shared the dates for the next Legislative Finance Committee meeting.
16:21:04 Chair Salomon addressed the committee.

ADJOURNMENT

Adjournment: 16:21:16