



FINANCIAL MODERNIZATION AND RISK ANALYSIS STUDY COMMITTEE

68th Montana Legislature

SENATE MEMBERS

Janet Ellis
Daniel Salomon

HOUSE MEMBERS

Mary Caferro
Llew Jones
Bill Mercer
Sharon Stewart Peregoy

COMMITTEE STAFF

Amy Carlson - Legislative Fiscal
Analyst
Julie Johnson - Attorney
Bethany McDowell James -
Secretary

PUBLIC MEMBERS

Mark Haggerty
Mike Hope
Dwaine Iverson
Heather O'Loughlin

MINUTES LOG

November 10, 2022
Room 102 / Zoom
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:

Rep. Llew Jones, Chair (R)
Rep. Mary Caferro (D)
Mark Haggerty, Public Member
Mike Hope, 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:

Sen. Janet Ellis, Vice Chair (D)

MEMBERS ABSENT:

STAFF PRESENT:

Amy Carlson, Legislative Fiscal
Analyst

Bethany McDowell James,
Secretary

AGENDA (Attachment 1)

CALL TO ORDER/ROLL CALL

10:07:17 Rep. Llew Jones called the meeting to order at 10:07 AM. The committee secretary took roll.

2040 MARA PROJECT WEBSITE PRODUCTS

Vision Summary and Accomplishments

10:08:42 Amy Carlson, Legislative Fiscal Analyst, Legislative Fiscal Division (LFD), began the discussion on the MARA Data Project. (Exhibit 1 - <https://leg.mt.gov/afd/mara-data-project/>)

10:11:26 Rep. Jones

Population and Personal Income

10:14:04 Ms. Carlson

10:14:45 Josh Poulette, Legislative Fiscal Analyst, LFD (See exhibit 1)

Committee Questions

10:20:50 Rep. Jones asked Mr. Poulette to demonstrate the tool on the website.

10:23:08 Rep. Mercer asked Mr. Poulette about the data on populations organized by age.

10:27:01 Rep. Mercer followed by asking about the projected reduction of populations.

10:27:55 Rep. Jones responded to Rep. Mercer.

10:29:21 Mr. Hope asked Rep. Jones if the committee could look at Missoula's data. (See exhibit 1)

10:30:00 Rep. Caferro joined the meeting.

10:31:55 Rep. Caferro asked Mr. Poulette about the definition of a "baby-boomer."

10:32:48 Mr. Iverson commented on the data relative to students coming out of college.

10:33:31 Mr. Hope responded to Mr. Iverson.

10:34:13 Rep. Jones responded to Mr. Iverson.

10:35:32 Mr. Haggerty responded to Rep. Jones. He followed by commenting on the national remote job market.

10:36:42 Rep. Jones commented on the effects on salary for remote jobs outside of Montana.

Cost of Living, Housing, and Childcare (Cost of Living)

10:37:08 Rep. Jones

10:37:41 Ms. Carlson

10:37:48 Sam Schaefer, Legislative Fiscal Analyst, LFD (See exhibit 1)
10:44:32 Rep. Jones

Committee Questions

10:45:03 Ms. O'Loughlin asked Mr. Schaefer about comparisons in the data between citizens under 65 and those over 65.
10:46:45 Mr. Hope asked Mr. Schaefer about the income flow for individuals moving from rural areas to larger cities in Montana.
10:47:25 Rep. Jones asked Mr. Poulette about the differences between rural and urban communities.
10:48:51 Mr. Hope commented on factors impacting economic development decisions in rural and urban communities.
10:49:22 Mr. Poulette responded to Mr. Hope.
10:50:13 Rep. Mercer asked Mr. Schaefer about his slides. (See exhibit 1)

10:52:48 Mr. Haggerty asked Mr. Schaefer about the rural and urban areas impacted by age differences.

Cost of Living, Housing, and Childcare (Housing)

10:55:37 Molly DelCurto, Legislative Fiscal Analyst, LFD (See exhibit 1)

Committee Questions

11:03:19 Rep. Jones commented on the interactive data tool for navigating the data on the website. (See exhibit 1)
11:05:10 Ms. O'Loughlin asked Ms. DelCurto for clarification on the presentation.
11:06:32 Rep. Jones asked Ms. DelCurto to demonstrate use of the data tool.

Cost of Living, Housing, and Childcare (Childcare)

11:08:08 Mr. Poulette (See exhibit 1)

Committee Questions

11:10:33 Ms. O'Loughlin asked Mr. Poulette about the reason for calculating daily numbers.
11:11:42 Ms. DelCurto responded to Ms. O'Loughlin.
11:12:16 Ms. O'Loughlin asked Ms. DelCurto about the best indicator for estimating childcare costs.
11:13:44 Mr. Haggerty asked Mr. Poulette for an estimate of individuals who are not working due to inaccessible childcare.

Public Safety

11:15:38 Quinn Holzer, Legislative Fiscal Analyst, LFD

Committee Questions

11:19:30 Ms. O'Loughlin asked Mr. Holzer about criminal justice data from 2021 to 2023.
11:21:27 Ms. O'Loughlin asked about assumptions in the data.
11:22:24 Ms. Carlson responded to Ms. O'Loughlin.
11:23:03 Nick VanBrown, Legislative Fiscal Analyst, LFD, responded to Ms. O'Loughlin.

Healthcare

11:24:32 Mr. Poulette (See exhibit 1)

Committee Questions

11:32:20 Rep. Caferro asked Mr. Poulette about Traditional and Expansion Medicaid data.

11:34:40 Rep. Caferro asked Mr. Poulette for clarification on the data.

11:35:17 Rep. Caferro commented on estimations in Medicaid data.

11:36:58 Rep. Caferro commented on the income effect in Medicaid Expansion.

11:38:45 Ms. O'Loughlin asked Mr. Poulette about different Medicaid expenditure rates for individuals.

11:39:45 Mr. Poulette commented on the reports on Healthcare data. (See exhibit 1)

11:40:00 Rep. Stewart-Peregoy joined the meeting.

11:41:10 Mr. Haggerty asked the legislators about the data's usefulness in addressing legislative issues.

11:42:07 Rep. Jones responded to Mr. Haggerty.

11:44:19 Mr. Poulette commented on the projected growth of the current data.

11:44:46 Sen. Salomon commented on the state's funding for Medicaid expansion.

11:45:42 Mr. Iverson commented on the costs of Medicaid related to increased nursing home usage.

11:46:56 Rep. Caferro commented on the Healthcare budget for Medicaid.

11:49:39 Ms. O'Loughlin commented on public safety expenditures.

11:51:12 Rep. Jones responded to Ms. O'Loughlin by commenting on the purity of data.

Education

11:53:32 Ms. Carlson

11:54:33 Pad McCracken, Legislative Research Analyst, Legislative Services Division (LSD)

11:57:20 Katie Guenther, Legislative Fiscal Analyst, LFD

11:58:26 Mr. McCracken

11:59:21 Rep. Jones

12:02:11 Ms. Carlson discussed the data tool. (See exhibit 1)

12:03:33 Mr. VanBrown demonstrated the data tool (See exhibit 1)

Committee Questions

12:09:58 Rep. Jones asked Mr. VanBrown about federal funding for certain schools. (See exhibit 1)

12:10:43 Ms. O'Loughlin asked Mr. VanBrown about the different sizes in the pie charts relative to the size of the schools.

12:11:47 Mr. VanBrown continued the presentation.

12:13:50 Rep. Jones asked Mr. VanBrown to compare different schools.

12:19:48 Mr. Haggerty commented on the purpose of the tool. He followed by asking about legislator use of the tool.

12:20:42 Rep. Jones responded to Mr. Haggerty.
12:22:13 Rep. Mercer commented on the function of MARA as a data gathering tool.
12:23:05 Mr. Haggerty commented on the necessity of training legislators in using the tool.
12:24:03 Rep. Jones responded to Mr. Haggerty. He followed by asking Ms. Carlson about the date for legislator training.
12:25:27 Rep. Jones commented on the permanence of the MARA system.
12:26:02 Sen. Salomon commented on the usefulness of the MARA tool.
12:27:59 Mr. Hope commented on the purity of data.
12:28:32 Rep. Stewart-Peregoy commented on data-driven decision-making.
12:30:20 Mr. Iverson commented on the separation of policy from data analyses.
12:31:04 Mr. McCracken commented on the interactive tool and the differences between each school district.

LUNCH / RECESS

12:32:44 Reconvened at 13:01:52 (1:32PM).

2040 MARA PROJECT WEBSITE PRODUCTS continued

Local Government

13:02:38 Kris Wilkinson, Legislative Fiscal Division, LFD
13:03:05 Tami Gunlock, Legislative Fiscal Division, LFD
13:03:35 Ms. Wilkinson (See exhibit 1)

Committee Questions

13:06:00 Rep. Jones asked Ms. Wilkinson about Gallatin County's data.
13:06:25 Ms. O'Loughlin asked for clarification of the data.
13:07:13 Ms. Carlson mentioned the census connection to the data.
13:09:56 Mr. Haggerty asked Ms. Wilkinson about local government information in the data.
13:11:03 Mr. Haggerty asked about inflation adjustments on historic data.
13:11:44 Ms. Carlson responded to Mr. Haggerty.
13:12:15 Rep. Jones mentioned a potential toggle to present different information on the same subject.

13:13:10 Mr. VanBrown continued the presentation. (See exhibit 1)

13:20:58 Mr. Iverson asked Mr. VanBrown about separating information in the data.

13:21:38 Mr. VanBrown continued the presentation. (See exhibit 1)

13:25:57 Ms. O'Loughlin asked Mr. VanBrown about federal funds received by local government.
13:26:23 Ms. Wilkinson responded to Ms. O'Loughlin.
13:26:54 Ms. O'Loughlin asked Mr. VanBrown about separating data per individual.
13:28:12 Rep. Jones commented on comparisons and trends in the data.

13:30:29 Mr. Iverson commented on using the data for discovering trends.
13:31:12 Mr. VanBrown responded to Mr. Iverson.
13:31:57 Mr. Haggerty asked Mr. VanBrown about adding summary categories to the data.
13:34:03 Rep. Jones commented on the construction and function of the tool.
13:35:27 Ms. O'Loughlin commented on including the differences between each municipality.
13:37:22 Rep. Jones responded to Ms. O'Loughlin.
13:38:12 Mr. VanBrown responded to Rep. Jones.
13:39:39 Mr. Haggerty asked Mr. VanBrown about adding slicers to the data tool.
13:41:06 Mr. Iverson commented on including reference points in the data.
13:41:51 Mr. Hope commented on local governments' interests in giving and receiving information.
13:42:51 Rep. Jones responded to Mr. Hope.
13:43:37 Ms. O'Loughlin commented on examining growth within local governments.
13:44:16 Ms. Carlson responded to Ms. O'Loughlin.
13:44:29 Mr. VanBrown responded to Ms. Carlson.
13:45:13 Mr. Iverson commented on other potentially useful tools that could determine factors related to economic booms.
13:46:01 Rep. Jones responded to Mr. Iverson.
13:47:17 Mr. Haggerty commented on connecting the data to other revenue-related sources across the state.
13:48:12 Mr. Iverson commented on separating revenue and expenditure sources.
13:48:46 Mr. Haggerty responded to Mr. Iverson.
13:49:37 Mr. Haggerty commented on the task of organizing this data.

Property Taxes and Changing Land Value and Use

13:51:02 Julia Pattin, Legislative Fiscal Analyst, LFD (Exhibit 2)
13:52:24 Megan Moore, Legislative Research Analyst, LSD

Committee Questions

13:53:09 Rep. Mercer asked Ms. Moore for clarification on the forms on the website.

13:54:00 Ms. Pattin continued the presentation. (See exhibits 1 and 2)

14:00:21 Rep. Jones asked Ms. Pattin about the growth rate in residential taxes.
14:01:43 Ms. O'Loughlin asked Ms. Pattin about reappraisals.
14:02:30 Rep. Jones responded to Ms. O'Loughlin.
14:02:43 Ms. O'Loughlin asked Rep. Jones about reappraisals.
14:03:34 Mr. Iverson asked Rep. Jones about including inflation adjustments in the data model.
14:04:07 Ms. Pattin responded to Mr. Iverson.

14:04:26 Ms. Pattin continued the presentation. (See exhibits 1 and 2)

14:05:47 Rep. Jones commented on the property growth rate. (See exhibit one)

14:10:42 Rep. Jones asked about previous and potential data-driven policy decisions.

14:13:06 Ms. O'Loughlin asked Ms. Pattin about Mineral County's new mills and their effect on tax percentages.

14:15:46 Mr. Iverson and Rep. Jones responded to Ms. O'Loughlin.

14:18:08 Mr. Haggerty commented on the different classifications of personal property in other states.

14:19:21 Mr. Iverson commented on local government responsibility.

14:19:59 Mr. Hope responded to Mr. Iverson.

14:20:17 Ms. O'Loughlin asked Ms. Pattin about voter levy taxes.

14:22:30 Rep. Jones commented on the request to receive comparison information between voted and non-voted mills.

14:23:33 Mr. Haggerty asked Rep. Jones about distinguishing terms.

14:24:00 Ms. Pattin continued the presentation.

14:28:37 Rep. Jones asked the committee for their thoughts on local government responses to growth rate increases.

14:30:48 Mr. Haggerty responded to Rep. Jones.

14:32:38 Rep. Jones asked the committee about the number of mills and successful equalization policies.

14:33:35 Mr. Haggerty responded to Rep. Jones.

14:35:46 Rep. Jones commented on oil and gas compared to the total economy in Big Sky.

14:36:43 Mr. Iverson responded to Rep. Jones.

14:38:01 Rep. Mercer responded to Mr. Iverson's comment.

14:38:29 Mr. Haggerty commented on the setup and accessibility of funds.

14:38:57 Ms. O'Loughlin commented on equalization connected to the number of mills.

14:41:24 Ms. Carlson shared a summary of guaranteed tax base areas of funding. (Exhibit 3)

14:43:01 Mr. Haggerty commented on the differences between state trust funds.

14:45:08 Ms. O'Loughlin asked about looking into other states' local governments' budget establishment and use.

14:47:04 Ms. Carlson responded to Ms. O'Loughlin.

14:47:18 Mr. Haggerty responded to Ms. O'Loughlin.

14:48:30 Ms. O'Loughlin asked about models of equalization.

14:49:14 Mr. Haggerty responded to Ms. O'Loughlin.

14:50:44 Rep. Jones responded to Ms. O'Loughlin.

14:52:30 Ms. O'Loughlin commented on a potential mechanism for improving equalization in local governments.

14:53:35 Mr. Haggerty commented on revenue capture procedures.

14:54:22 Mr. Iverson commented on the benefits of the data. (See exhibit 1)

Other Related Information

14:55:23 Ms. Carlson (See exhibit 1)
14:56:54 Mr. VanBrown (Exhibit 4)
15:04:12 Mr. Poulette (See exhibit 4)

Committee Questions

15:06:49 Mr. Iverson asked Mr. VanBrown about the rate at which data formats change.
15:08:37 Mr. Haggerty commented on the target user for certain data formats.

Next Steps for 2025 Biennium

15:09:22 Ms. Carlson (See exhibit 1)

Committee Questions

15:13:40 Rep. Jones asked the committee about extending the MARA study past the initial two years.
15:17:01 Sen. Salomon responded to Rep. Jones.
15:17:38 Mr. Hope asked Rep. Jones about the process for asking interim committees for data.
15:19:56 Rep. Mercer commented on continuing efforts in consolidating data between interim committees and interim budget committees.
15:23:02 Mr. Hope commented on receiving feedback on committee usage of the MARA tools.
15:23:35 Ms. O'Loughlin asked about housing MARA in the different interim budget committees.
15:25:14 Ms. O'Loughlin asked about interim budget committee communication and involvement with MARA.
15:26:59 Sen. Salomon commented on the interim budget committees' work.
15:28:05 Rep. Jones further explained the purpose of the interim budget committees compared to the mission of MARA.
15:28:49 Mr. Haggerty commented on the work of MARA.
15:30:07 Rep. Mercer commented on the potential future work from MARA.
15:32:59 Rep. Jones commented on the topic of criminal justice system data sharing.
15:35:08 Mr. Iverson asked about the effectiveness and return rates of expert speakers who present to interim committees.
15:36:25 Ms. O'Loughlin commented on the work and benefit of the Lincoln Institute with MARA over the interim.
15:37:08 Rep. Jones asked Ms. Carlson about drafting a committee bill.

MOTION

15:38:42 Rep. Mercer moved to draft a committee bill to reauthorize MARA in its current form, with no sunset provision on its work.

Discussion on the Motion

15:39:06 Sen. Salomon asked about extending MARA's work indefinitely.
15:39:22 Rep. Mercer clarified his motion to not include a sunset provision.
15:39:49 Mr. Iverson asked about the requirement of adding a Full-Time Employee (FTE).

15:40:57 Ms. O'Loughlin asked for clarification on the purpose of MARA in a potential committee bill.

VOTE

15:41:26 Motion carried unanimously by voice vote. Sen. Ellis voted by proxy.

PUBLIC COMMENT on any topic within MARA's jurisdiction

15:42:14 None

COMMUNICATION OUTREACH FOR THE 2023 LEGISLATURE

15:43:50 Ms. Carlson (Exhibit 5)

15:44:41 Rep. Jones

ADJOURNMENT

15:45:51 Rep. Jones adjourned the meeting at 15:45:51 (3:45pm).