



LEGISLATIVE FINANCE COMMITTEE

68th Montana Legislature

Room 110 Capitol Building * P.O. Box 201711 * Helena, MT 59620-1711 * (406) 444-2986 * FAX (406) 444-3036

SENATE MEMBERS

Janet Ellis
John Esp
Carl Glimm
Tom McGillvray
Shane Morigeau
Christopher Pope

HOUSE MEMBERS

David Bedey
Mary Caferro
Terry Falk
Jim Hamilton
Llew Jones
Eric Matthews

Amy Carlson, Legislative Fiscal Analyst
Julie Johnson, Deputy Legal Director
Grace Gibney, Executive Secretary

Ex Officio Members

Mike Hopkins
Bob Keenan
Bill Mercer
Terry Moore
Jerry Schillinger

December 14, 2023
Room 102
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)
Sen. Janet Ellis (D)
Sen. John Esp (R)
Sen. Carl Glimm (R)
Sen. Tom McGillvray (R)
Sen. Shane Morigeau (D)
Sen. Christopher Pope (D)
Rep. David Bedey (R)
Rep. Mary Caferro (D)
Rep. Terry Falk (R)
Rep. Jim Hamilton (D)
Rep. Eric Matthews (D)
Rep. Mike Hopkins (R)
Rep. Mike Keenan (R)
Rep. Bill Mercer (R)
Rep. Terry Moore (R)
Rep. Jerry Schillinger (R)

MEMBERS EXCUSED:

MEMBERS ABSENT:

STAFF PRESENT:

Amy Carlson, Lead Fiscal Analyst
Julie Johnson, Staff Attorney
Grace Gibney, Secretary

AGENDA ([Attachment 1](#))

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

COMMITTEE ACTION

CALL TO ORDER/ROLL CALL

08:35:02 Rep. Llew Jones called the meeting to order. Secretary took roll.

FINANCIAL UPDATES:

08:38:21 Susie Lindsay, Fiscal Analyst, (LFD) presented the 2025 Biennium Budget Quarterly Financial Overview Report. Discussed General Fund Ending Balance Updated Estimate FY 2025.

08:58:14 Rep. Mike Hopkins joined the meeting.

08:59:22 Josh Poulette, Senior Fiscal Analyst, (LFD) Discussion on provider rates, Medicaid redetermination and expansion.

09:36:04 Sam Schaefer, Lead Revenue Analyst, (LFD) continued presentation on 2025 Biennium Budget Quarterly Financial Overview Report. Discussed major sources including, Individual income tax, property tax, corporate income tax among others.

09:46:46 Ryan Evans, Assistant Budget Director, Governor's Office of Budget and Program Planning gave a brief financial update.

SUBCOMMITTEE REPORTS BY CHAIRS AND OTHER MEMBERS:

09:49:42 Rep. Terry Moore gave a report on Section A General Government Interim Budget Committee.

08:56:19 Rep. Bob Keenan gave a report on Section B Department of Health and Human Services Interim Budget Committee.

10:12:15 Rep. Jerry Schillinger gave an update on Section C Natural Resources and Transportation Interim Budget Committee

10:22:38 Rep. Bill Mercer gave an update on Section D Public Safety Interim Budget Committee. Answered questions relating to Arizona prison facility transfers and

costs to keep inmates in Montana. Expressed thoughts and ideas for 2024 June Legislative Week regarding future training for legislators.

- 10:31:15 Sen. Shane Morigeau joined the meeting.
- 11:00:06 Rep. David Bedey gave an update on Section E Education Interim Budget Committee
- 11:07:53 Rep. Mike Hopkins gave an update on Section F Long Range Planning Interim Budget Committee
- 11:10:03 Sen. John Esp gave an update on HB 5 Select Committee on Corrections Facility Capacity and System Development. Answered questions about workforce housing projects and HB 819 funding. Update on HB 424 State Budget Process and Personal Services Expenditure Appropriations working group.
- 11:30:22 Rep. Bob Keenan gave an update on HB 872 Behavioral Health System for Future Generations subcommittee. Discussion on work group for alternative settings
- 11:58:45 Rep. Llew Jones gave an update on the Modernization and Risk Analysis (MARA) committee. Spoke about committee meeting in Big Sky and main takeaways relating to property tax. Committee discussion on property appraisals.

BREAK:

12:20:25 Reconvened at 12:37:18

PROPERTY TAX TOOL UPDATES AND FURTHER ANALYSIS:

- 12:39:34 Amy Carlson, Director, (LFD) gave an introduction on property tax tools and analysis.
- 12:41:05 Julia Pattin, Fiscal Analyst, (LFD) presented report on property tax tools. Discussed updates and continuing analysis of property tax revenue. Answered questions relating to new and existing property by taxing unit.
- 12:55:15 Kurt Swimley, Fiscal Analyst, (LFD) gave updates on effective tax rate by levy district.

STATE INFORMATION TECHNOLOGY SYSTEMS DIVISION SUMMARY OF STATEWIDE IT POLICY ISSUES:

- 01:01:41 Kevin Gilbertson, Chief Information Officer, Department of Administration, State Information Technology Services Division, (SITSD) Presented Project Portfolio Summary for SITSD. Differentiated program versus project reports for future meetings.
- 01:37:49 Katie Guenther, Fiscal Analyst, (LFD) answered questions relating to analysis of SITSD IT Project Portfolio Quarterly Report.

PENSION SYSTEMS:

- 01:41:20 Dore Schwinden, Executive Director, Montana Public Employee Retirement Administration, (MPERA) presented MPERA Valuation Results report.
- 01:48:36 William Holahan, Deputy Director, (MERA) further discussed pension system actuarial valuations.
- 02:07:25 Shawn Graham, Executive Director, Teachers Retirement System, (TRS) gave an overview on pension system actuarial valuations.
- 02:16:53 Sam Schaefer, Lead Fiscal Analyst introduced Elizabeth Wiley and partnership with Cheiron. Explained plan to focus on requests from the legislature concerning risk analysis.
- 02:18:22 Elizabeth Wiley, Public Pension Coordinator, Cheiron

BREAK:

- 02:20:37 Reconvened 02:42:12.

PROPERTY TAX TOOL UPDATES AND FURTHER ANALYSIS:

- 02:42:20 Kurt Swimley, Fiscal Analyst, (LFD) continued to discuss presentation on Property Tax Tools. Discussed FY 2024 taxes paid by tax class, taxable value changes and residential effective tax rates for FY 2023 and 2024.
- 03:10:14 Julia Pattin, Fiscal Analyst, (LFD) presented examples of typical increases broken out by county. Discussion on non-levy revenue makes up a portion of what was decreased in the mills. Discussed next steps- goal to develop a tool that will model how changes to tax rates, mil amounts and GTB ratios affect property tax collections at each jurisdiction and class.

GOALS AND OBJECTIVES UPDATE:

- 04:08:23 Amy Carlson, Director, (LFD) gave an update on committee goals and objectives. Discussed efforts to work with Legislative Services Division and council members.
- 04:11:00 Nick Van Brown, Data Analyst, (LFD) presented Branch Integration of Finance Project updates. Integrate HB 2 with database system. Snowflake database system complications. Staff has developed plan- committee reports. Described issues with current system and efforts to develop new solutions within an automated system. Streamline bill and amendment process in coordination with Legislative Services Division. Amendments will be standardized after House Appropriations.
- 04:16:57 Amy Carlson, Director, (LFD) Announced proposed zoom meeting on January 9th to review fiscal transfer. Discussed tentative 2024 Timeline for the LFC/IBC meetings. Announced Legislative Week which would provide training, additional

resources for all legislators and an opportunity to bring together IBC and policy members

COMMITTEE BUSINESS:

04:32:44 Amy Carlson, Director, (LFD) introduced Kate Flavin, Fiscal Analyst. Congratulated Julia Pattin and Susie Lindsay and presented pins.

PUBLIC COMMENT:

04:37:04 Matt Kuntz, Executive Director, NAMI Montana made comments about sustainability dollars and HB 872 commission.

ADJOURNMENT:

04:40:10 Rep. Lew Jones adjourned the meeting.