



# 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

March 14, 2024  
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. Terry Falk (R)  
Rep. Jim Hamilton (D)  
Rep. Eric Matthews (D)  
Rep. Bob Keenan (R)  
Rep. Bill Mercer (R)  
Rep. Terry Moore (R)  
Rep. Jerry Schillinger (R)  
Rep Mike Hopkins (R)

**MEMBERS EXCUSED:**

Rep Mary Caferro (D)

**MEMBERS ABSENT:**

**STAFF PRESENT:**

Amy Carlson, Legislative Fiscal Analyst

Julie Johnson, Staff Attorney

Jennifer Whitt, Secretary

**AGENDA** ([Attachment 1](#))

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

**COMMITTEE ACTION**

**CALL TO ORDER/ROLL CALL**

08:02:18 Rep. Llew Jones called the meeting to order. Secretary took roll.

**FINANCIAL UPDATES:**

08:04:06 Susie Lindsay, Lead Fiscal Analyst, (LFD) presented the 2025 Biennium Budget Quarterly Financial Overview Report. Discussed general fund ending balance updated estimate for FY 2025.

08:11:12 Sen. Janet Ellis requested clarification on reversion in Medicaid

08:12:19 Josh Poulette, Senior Fiscal Analyst, (LFD) and Julia Hamilton, Fiscal Analyst (LFD) provided responses

08:13:03 Sen Janet Ellis with follow up question on clarification of Medicaid Expansion distribution

08:14:32 Rep Jim Hamilton requested clarification of data in financial report

08:19:26 Sam Schaefer, Lead Revenue Analyst, (LFD) continued presentation on 2025 Biennium Budget Quarterly Financial Overview Report. Discussed revenue update for February.

08:33:30 Sen Tom McGillvray requested clarification regarding mineral taxes

08:35:08 Rep Jim Hamilton requested more data on capital gains and projections

08:37:09 Sen Christopher Pope requested clarification on data within report regarding oil rigs

08:39:34 Sam Schaefer, Lead Revenue Analyst, (LFD) concluded presentation

08:41:08 Ryan Evans, Assistant Director of the Governor's Office of Budget and Program Planning, updated the committee on the budget

- 08:46:50 Kevin Gilbertson, State Chief Information Officer, outlined the state information technology strategic plan
- 08:53:48 Committee members started discussion on how to quantify efficiencies and achievements. Requested detailed report in advance on next meeting outlining those numbers.
- 09:04:34 Kevin Gilbertson continued outlining strategic plan
- 09:12:18 Rep Bill Mercer requested clarification on feedback structure

**SUBCOMMITTEE REPORTS BY CHAIRS AND OTHER MEMBERS:**

- 09:17:01 Rep. Terry Moore gave a report on Section A General Government Interim Budget Committee. Answered questions on differential in revenue sources
- 09:37:57 Rep. Bob Keenan gave a report on Section B Department of Health and Human Services Interim Budget Committee.
- 09:40:17 Rep. Jerry Schillinger gave an update on Section C Natural Resources and Transportation Interim Budget Committee.
- 09:48:50 Rep. Tom McGillvray gave an update on Section D Public Safety Interim Budget Committee.
- 09:58:11 Rep. David Bedey gave an update on Section E Education Interim Budget Committee. Discussion ensued about attendance and enrollment rates, local community inflation affecting the schools, and Superintendent Elsie Arntzen.
- 10:39:49 Rep. Mike Hopkins gave an update on Section F Long Range Planning Interim Budget Committee.
- 10:44:44 Sen. John Esp gave an update on HB 5 Select Committee on Corrections Facility Capacity and System Development. Answered questions about how inflation would affect future builds.
- 10:54:36 Sen John Esp gave update on HB 424 Study on State Budget Process and Personal Services Expenditures Sub-committee
- 10:57:51 Rep. Bob Keenan gave an update on HB 872 Behavioral Health System for Future Generations Commission. Discussion on creating detailed proposal.
- 11:10:05 Rep. Llew Jones gave an update on the Modernization and Risk Analysis Committee (MARA). Discussion on demographics, national trends and variations between states

**COMMITTEE BUSINESS:**

- 11:35:50 Amy Carlson, Director, (LFD) reported on Branch Integration of Finance (BIF) Project
- 11:36:38 Nick VanBrown, Lead Data Scientist, (LFD) reported on HB 2 portion of the BIF project and structure of bill. Answered questions on prototype timeline, manipulation and management of data

- 11:41:41 Susie Lindsay, Lead Fiscal Analyst, (LFD) answered questions on implementation process of fiscal notes and new website
- 11:43:42 Joe Triem, Deputy Director, (LFD) reported on Space Planning Update
- 11:52:09 Amy Carlson, Director, (LFD) introduced Adam Sechrist, Fiscal Analyst; Ethan Bergen, Fiscal Analyst; and Jennifer Whitt, Executive Secretary.

**PUBLIC COMMENT:**

- 11:54:23 Rep Lew Jones opened floor for public comment. None heard.

**BREAK**

- 11:54:56 Reconvened at 13:31:53. Joined by SAVA committee

**JOINT LFC AND SAVA MEETING CALL TO ORDER/ROLL CALL**

- 13:31:53 Rep. Lew Jones called the joint meeting to order. Secretary took roll.

**SJ 4: Provide for interim study of PERS and TRS**

- 13:33:48 Elizabeth Wiley, Public Pension Coordinator and Consulting Actuary with Cheiron, presented on the retirement system overview
- 14:30:10 Rep Kelly Kortum requested information on presented information from employee's point of view
- 14:32:20 Rep Terry Hamilton questioned the assumed rate and how other states chose/implemented that rate
- 14:35:45 David Draine, Principal Officer of PEW Charitable Trusts, presented the State Fiscal Policy Project
- 15:01:06 Rep Jim Hamilton enquired about frequency of stress tests, trends around the country, and rough estimates on types of investments with private investing
- 15:07:07 Rep Terry Moore requested clarification on MT TRS and PERS data
- 15:15:45 Sen Forrest Mandeville questioned trends among younger employees and pensions
- 15:19:22 Sen Tom McGillvray questioned trends in other states
- 15:24:01 Rep Eric Matthews questioned volatility, hybrid and unfunded liability, and Alaska's trends
- 15:34:18 Rebecca Power, Research Analyst (LSD), asked what adjustable benefits looks like for the employee, is it for current or new employees. Asked about reserve funds and how it is funded and timeline of utilization, whether by legislative action or if it has a default activator.

15:43:07 Dore Schwinden, Executive Director at Montana Public Employee Retirement Administration, provided comments on pensions

### **RESEARCH REQUESTS**

15:49:29 Rep. Terry Moore requested current state status to include unfunded liabilities

### **COMMITTEE DISCUSSION:**

15:51:39 Rep Eric Matthews suggested focusing on recruitment and retention

15:53:23 Sen Tom McGillvray questioned why people are leaving state employment

15:58:09 Sen Tom McGillvray mentioned private sector buyouts as possible option for state employees

### **PUBLIC COMMENT**

15:59:35 Shawn Graham, Executive Director of Teacher's Retirement System, provided comments on pension and retirement system

16:02:10 Dan Villa, Director of Board of Investments, provided comments via zoom

16:07:09 Kim Popham, Director of Public Policy and Research for Montana Federation of Public Employees, expressed concerns over Deferred Benefit (DB) to Defined Contribution (DC) transitions

16:08:21 Mark Murphy, presented testimony on DC plan and buyout options

16:15:02 Rep Jim Hamilton requested data on how old accounts are

### **SAVA ADJOURNMENT**

16:18:53 Rep Julie Dooling recessed SAVA committee

### **LFC COMMITTEE BUSINESS**

16:21:21 Amy Carlson, Director (LFD), presented timeline of projects to committee

16:30:58 Rep Eric Matthews inquired as to who is invited to LEG Days

16:33:28 Rep Terry Falk inquired as to whether a bill could be flagged with the session it is in

16:34:06 Sen Tom McGillvray suggested a new numbering system when introducing bills, such as adding year to them like 2025HB0002

### **ADJOURNMENT**

16:36:20 Rep Llew Jones adjourned the meeting.