



Economic Affairs Interim Committee

63rd Montana Legislature

SENATE MEMBERS

BRUCE TUTVEDT--Chair
ELSIE ARNTZEN
DICK BARRETT
TOM FACEY

HOUSE MEMBERS

RYAN LYNCH--Vice Chair
TOM BERRY
GREG HERTZ
LEA WHITFORD

COMMITTEE STAFF

PATRICIA MURDO, Lead Staff
BART CAMPBELL, Staff Attorney

MINUTES LOG

October 22, 2013

Room 137, State Capitol Building
Helena, Montana

Please note: These minutes provide abbreviated information about committee discussion, public testimony, action taken, and other activities. To the left of each section in these minutes is a time designation indicating the approximate amount of time in hours, minutes, and seconds that has elapsed since the start of the meeting. This time designation may be used to locate the referenced discussion on the audio or video recording of this meeting.

Access to an electronic copy of these minutes and the audio or video recording is provided from the Legislative Branch home page at <http://leg.mt.gov>. On the left-side menu of the home page, select *Committees*, then *Interim*. Once on the page for *Interim Committees*, scroll down to the appropriate committee. The written minutes summary, along with the audio and video recordings, are listed by meeting date on the interim committee's web page.

Hard copies of the exhibits for this meeting are available upon request. Legislative Council policy requires a charge of 15 cents a page for copies of the document.

COMMITTEE MEMBERS PRESENT

SEN. BRUCE TUTVEDT, Chair
REP. RYAN LYNCH, Vice Chair

SEN. ELSIE ARNTZEN
SEN. DICK BARRETT
SEN. TOM FACEY

REP. TOM BERRY
REP. GREG HERTZ
REP. LEA WHITFORD

STAFF PRESENT

PATRICIA MURDO, Lead Staff
BART CAMPBELL, Staff Attorney
KRIS WILKINSON, Fiscal Analyst
SCOT CONRADY, Fiscal Analyst

AGENDA & VISITORS' LIST

Agenda, [Attachment #1](#).
Visitors' list, [Attachment #2](#).

COMMITTEE ACTION

The Economic Affairs Interim Committee (EAIC):

- passed a motion to continue the Board of Clinical Laboratory Science Practitioners.
- passed a motion to continue the Board of Radiologic Technologists.
- passed a motion to continue the Board of Respiratory Care Practitioners.
- passed a motion to withdraw the objection to the noxious weed seed free forage fee increase.

AGENDA ITEM #1: CALL TO ORDER AND ROLL CALL

00:00:02 SEN. BRUCE TUTVEDT called the meeting to order at 8:30 AM. The secretary took the roll [Attachment #3](#). All were present.

00:00:31 Ms. Patricia Murdo, Lead Staff, Legislative Services Division (LSD)

00:00:51 SEN. TUTVEDT

AGENDA ITEM #2: MONTANA STATE FUND STRUCTURE ISSUES UNDER HJR 25 AND OLD FUND VALUES

00:01:18 Ms. Murdo gave an overview of the history of the Montana State Fund (Montana State Fund) ([Exhibit 1](#)) including a financial report, prepared by Kris Wilkinson, Senior Fiscal Analyst, LSD, on the impacts of the transfers of the Old Fund Surplus to the General Fund ([Exhibit 2](#)).

AGENDA ITEM #2A: PANEL ACTUARIAL REVIEWS FOR MONTANA STATE FUND (NEW THEN OLD FUND)

00:15:34 Mr. Russell Greig, Actuary, Towers Watson, and independent actuary for the Montana State Fund ([Exhibit 3](#)), gave a PowerPoint presentation on his actuarial report for the Montana State Fund, an overview of the actuarial process, and provided commentary on the results of the Financial Risk Analysis (FRA) review on the new fund and old fund values ([Exhibit 4](#)).

Committee Questions and Discussion

00:25:44 SEN. FACEY

00:26:00 Mr. Greig

00:27:03 SEN. BARRETT

00:27:15 Mr. Greig

00:28:29 SEN. BARRETT

00:28:38 Mr. Greig

00:28:54 SEN. TUTVEDT

00:29:03 Mr. Greig

00:29:21 SEN. TUTVEDT

00:29:38 Ms. Murdo

00:29:50 SEN. TUTVEDT

00:30:24 Mr. Greig
00:31:13 SEN. TUTVEDT

00:31:36 Mr. Greig continued his presentation.

Committee Questions and Discussion

00:36:56 REP. LYNCH
00:37:23 Mr. Greig
00:38:52 SEN. FACEY
00:39:24 Bart Campbell, Staff Attorney, LSD
00:39:43 SEN. FACEY
00:39:53 SEN. TUTVEDT

00:40:40 Dan Reppert, Actuary, Principal, Financial Risk Analysts, LLC, highlighted the actuarial report he completed for the Montana Commissioner of Securities and Insurance (CSI) on the Montana State Fund (**Exhibit 5**) and report to the EAIC (**Exhibit 6**).

Committee Questions and Discussion

00:52:25 SEN. TUTVEDT
00:52:45 Mr. Reppert
00:53:22 SEN. TUTVEDT
00:53:32 Mr. Reppert
00:54:40 SEN. TUTVEDT
00:54:46 Mr. Reppert
00:55:11 REP. BERRY
00:55:34 Mr. Reppert
00:55:59 REP. BERRY
00:56:08 Mr. Reppert
00:56:30 REP. HERTZ
00:56:59 Mr. Reppert
00:57:10 Mr. Greig

00:58:00 Mr. Reppert continued his presentation.
01:00:08 SEN. TUTVEDT

01:00:14 Mr. Reppert continued his presentation.

Committee Questions and Discussion

01:06:41 SEN. FACEY
01:07:22 Mr. Reppert

01:07:49 Mr. Reppert continued his presentation

Committee Questions and Discussion

01:16:10 SEN. TUTVEDT
01:16:46 Mr. Reppert
01:17:34 SEN. TUTVEDT

01:17:59 Ms. Murdo
01:20:38 SEN. ARNTZEN
01:21:18 Mr. Reppert
01:23:13 SEN. ARNTZEN
01:23:25 Mr. Greig
01:25:05 Ms. Murdo provided a copy of Montana State Fund's response to Mr. Reppert's report ([Exhibit 7](#)).

AGENDA ITEM #2B: OLD FUND FUNDING OPTIONS

01:25:46 Bruce Hockman, Executive Vice President and Workers Compensation Practice Leader, Towers Watson (TW), ([Exhibit 8](#)), gave a PowerPoint presentation on the history of the Montana State Fund legacy liabilities and current old fund funding options ([Exhibit 9](#)).

Committee Questions and Discussion

01:39:52 SEN. FACEY
01:40:07 Mr. Hockman continued his presentation

Committee Questions and Discussion

01:49:59 SEN. TUTVEDT
01:50:52 Mr. Hockman
01:51:46 SEN. TUTVEDT
01:52:16 Ms. Murdo
01:52:52 Mr. Laurence Hubbard, President and CEO, Montana State Fund
01:53:34 SEN. TUTVEDT
01:53:50 Mr. Hubbard
01:54:48 SEN. TUTVEDT
01:55:11 Mr. Hockman
01:57:04 SEN. TUTVEDT
01:57:10 Mr. Hockman
01:57:18 SEN. TUTVEDT
01:57:48 Mr. Campbell
01:59:19 SEN. TUTVEDT
02:00:09 Mr. Hubbard
02:02:58 REP. HERTZ

02:04:04 BREAK

02:19:05 SEN. TUTVEDT reconvened the meeting at 10:55 AM..

AGENDA ITEM #2C: OPTIONS FOR RESTRUCTURING OF MONTANA STATE FUND

02:19:35 Mr. Hubbard, Montana State Fund, discussed options for restructuring the Montana State Fund.

02:45:47 Mr. Hockman, TW

Committee Questions and Discussion

02:45:59 SEN. TUTVEDT
02:46:34 Mr. Hockman
02:48:41 SEN. TUTVEDT
02:48:47 Mr. Hockman
02:51:15 Mr. Reppert
02:53:15 REP. BERRY
02:53:40 Mr. Reppert

2D: State Fund/Private Insurer/Self-Insurer Panel Discussion on Montana State Fund's structure

02:54:46 Jacqueline Lenmark, representing American Insurance Association (AIA) and speaking for Bruce Spencer, representing the Property Casualty Insurance Association of America.

02:55:31 Bob Worthington, Executive Director, Montana Self-Insurer's Association (MSIA)

02:55:52 Mr. Hubbard, Montana State Fund

Committee Questions and Discussion

02:55:59 SEN. FACEY
02:56:05 Ms. Lenmark

02:56:25 Ms. Lenmark
03:10:03 Mr. Worthington
03:21:28 Mr. Hubbard

Committee Questions and Discussion

03:23:52 SEN. BARRETT
03:25:30 Mr. Hubbard
03:28:32 SEN. FACEY
03:29:34 Mr. Worthington
03:30:51 REP. HERTZ
03:31:03 Mr. Worthington
03:31:29 REP. BERRY
03:31:50 SEN. TUTVEDT
03:32:02 Ms. Lenmark
03:33:00 SEN. TUTVEDT

03:33:30 BREAK

04:46:38 SEN. TUTVEDT reconvened the meeting at 1:17 PM. REP. WHITFORD was excused.

PUBLIC COMMENT

04:47:03 Mr. Joe Brenneman, Board Member, Montana State Fund

04:47:57 Mr. Bob Biskupiak, Independent Insurance Agents Association
04:49:05 Mr. John Youngberg, Montana Farm Bureau Federation (MFBF)
04:51:51 Mr. Riley Johnson, National Association of Independent Businesses
04:54:17 Ms. Aimee Grmoljez, representing the Montana Chamber of Commerce and the Montana Bankers Association
04:55:07 Mr. Adam Schafer, Deputy Commissioner, Office of the Commissioner of Securities and Insurance, Montana State Auditor (CSI)
04:55:49 Rep. Chuck Hunter, HD 79

AGENDA ITEM 2E: COMMITTEE DISCUSSION/RECOMMENDATIONS FOR NEXT STEPS: MONTANA STATE FUND STRUCTURE, OLD FUND

05:01:19 SEN. FACEY asked about forming a working group with stakeholders.
05:02:12 Ms. Murdo
05:02:37 Mr. Campbell
05:03:42 SEN. FACEY
05:04:12 SEN. TUTVEDT
05:04:30 Mr. Schafer
05:05:02 SEN. TUTVEDT
05:05:20 Mr. Schafer
05:05:34 REP. BERRY
05:06:28 SEN. TUTVEDT
05:06:43 REP. BERRY
05:07:28 SEN. FACEY
05:07:50 SEN. TUTVEDT
05:08:00 SEN. FACEY
05:08:31 SEN. ARNTZEN
05:09:07 SEN. TUTVEDT
05:09:28 Ms. Murdo
05:10:22 SEN. TUTVEDT
05:10:38 SEN. ARNTZEN
05:11:06 Ms. Murdo
05:11:30 REP. BERRY
05:12:11 Ms. Murdo
05:12:28 SEN. FACEY
05:12:47 SEN. TUTVEDT
05:13:50 REP. BERRY
05:14:15 REP. HERTZ
05:14:54 SEN. TUTVEDT
05:15:01 SEN. BARRETT
05:15:14 SEN. TUTVEDT
05:15:24 Ms. Murdo
05:15:56 SEN. TUTVEDT
05:16:10 Ms. Murdo
05:16:28 REP. LYNCH
05:17:00 Ms. Murdo
05:17:07 SEN. TUTVEDT
05:17:16 REP. HERTZ

05:17:28 SEN. TUTVEDT

AGENDA ITEM #3: AGENCY MONITORING - STATE AUDITOR'S OFFICE

05:19:27 Ms. Monica Lindeen, Commissioner, CSI, discussed the securities restitution assistance fund, HB 87, the health insurance rate review bill and other 2013 legislation ([Exhibit 10](#)). She also discussed the Affordable Care Act and the Health Insurance Exchange in Montana.

Committee Questions and Discussion

05:34:13 REP. HERTZ
05:34:53 Ms. Lindeen
05:35:45 REP. HERTZ
05:36:45 Ms. Lindeen
05:38:27 REP. HERTZ
05:39:02 Ms. Lindeen
05:40:17 REP. BERRY
05:40:58 Ms. Lindeen
05:41:13 REP. BERRY
05:41:56 SEN. TUTVEDT
05:42:40 Ms. Lindeen
05:44:03 SEN. TUTVEDT
05:44:13 Ms. Lindeen
05:44:26 SEN. TUTVEDT
05:44:42 REP. HERTZ
05:45:33 Ms. Lindeen
05:46:10 SEN. TUTVEDT
05:46:47 Ms. Murdo
05:46:56 SEN. TUTVEDT
05:47:29 Ms. Murdo
05:47:34 SEN. TUTVEDT

AGENDA ITEM #4: HEALTH INSURANCE EXCHANGE UPDATE FROM NAVIGATORS, INSURANCE AGENTS

05:49:46 Ms. Kathy Burton, Certified Exchange Producer
05:50:12 Ms. Murdo referred the committee to the Insurance Briefing Paper for possible questions to ask the panelists ([Exhibit 11](#)).
05:51:09 Mr. Dick Brown, President, Montana Hospital Association (MHA)
05:51:16 Ms. Christine Kaufmann, Montana Primary Care Association (MPCA)
05:51:33 Ms. Lindsay Love, Planned Parenthood of Montana (PPMT)
05:51:43 Mr. Chris Hopkins, Montana Health Network (MHN)
05:52:06 Mr. Brown
05:54:52 Ms. Love
05:59:03 Ms. Kaufmann provided information describing the Montana Primary Care Association, Montana Community Health Centers, and a list of navigators and certified application counselors ([Exhibit 12](#)).
06:06:17 Mr. Hopkins

Committee Questions and Discussion

06:10:04 REP. HERTZ
06:10:25 Ms. Kaufmann
06:11:13 REP. HERTZ
06:12:34 Ms. Burton
06:13:25 REP. HERTZ
06:13:53 Ms. Burton
06:13:57 REP. HERTZ
06:14:15 Ms. Love
06:15:31 Mr. Hopkins
06:16:20 Ms. Burton
06:17:06 SEN. ARNTZEN
06:19:58 Mr. Schafer
06:20:09 SEN. ARNTZEN
06:20:14 Ms. Kaufmann
06:21:25 REP. BERRY
06:21:46 Ms. Burton
06:23:38 Mr. Hopkins
06:24:31 REP. HERTZ
06:25:05 Ms. Love
06:25:26 REP. HERTZ
06:25:32 Ms. Love
06:26:37 Ms. Kaufmann

AGENDA ITEM #5: HB 525 REVIEW OF LICENSING BOARDS PART 2

06:27:16 Ms. Murdo
06:28:03 SEN. TUTVEDT
06:29:02 SEN. BARRETT
06:29:42 Ms. Murdo
06:31:29 SEN. TUTVEDT
06:31:47 SEN. BARRETT
06:32:25 SEN. TUTVEDT
06:32:47 Ms. Murdo provided copies of a memo from Mike Foster with comments he received regarding licensing boards ([Exhibit 13](#)).
06:33:45 SEN. TUTVEDT
06:34:05 REP. HERTZ
06:35:02 Ms. Murdo
06:35:41 SEN. TUTVEDT

Representative of The Board of Clinical Laboratory Science Practitioners plus comments from licensees ([Exhibit 14](#))

06:35:55 Ms. Vicki Rice, Montana Board of Clinical Laboratory Science Practitioners ([Exhibit 15](#)). She indicated that national licensing, as shown on the decision matrix chart handed out at the August EAIC meeting ([Exhibit 16](#)), applies only to the lab and not the personnel.

Committee Questions and Discussion

06:46:49 SEN. ARNTZEN
06:47:18 Ms. Rice
06:49:05 SEN. BARRETT
06:49:23 Ms. Rice
06:52:41 REP. BERRY

PUBLIC COMMENT

06:53:18 Ms. Anne Weber, Independent Laboratory Consultant, provided a copy of her testimony ([Exhibit 17](#)).
06:54:42 Ms. Susan Keeney, American Society for Clinical Laboratory Science (ASCLS-MT)
06:56:05 SEN. TUTVEDT
06:56:34 Ms. Sadie Arnold, Billings Clinic
06:57:02 Ms. Grmoljez, representing Billings Clinic, Board of Clinical Laboratory Science Practitioners and the Board of Respiratory Care Practitioners
06:57:52 Ms. Mona Jamison, ASCLS-MT
06:58:36 SEN. TUTVEDT
06:59:41 Ms. Murdo

06:59:55 **Motion/Vote:** REP. BERRY moved to continue the Board of Clinical Laboratory Science Practitioners. The motion carried unanimously by voice vote of those present and voting.

Representatives of The Board of Radiologic Technologists plus comments from licensees ([Exhibit 18](#))

07:01:18 Ms. Kelli Bush, Vice Chairman, Montana Board of Radiologic Technologists

Committee Questions and Discussion

07:04:58 SEN. TUTVEDT
07:05:05 Ms. Bush
07:05:30 SEN. TUTVEDT
07:05:35 Ms. Bush
07:05:47 REP. HERTZ
07:05:57 Ms. Bush
07:06:15 REP. HERTZ
07:06:22 Ms. Bush
07:06:42 REP. HERTZ
07:06:59 Ms. Murdo
07:07:36 SEN. BARRETT (referred to exhibit 13)
07:08:26 Ms. Bush
07:08:47 SEN. BARRETT

07:09:05 Mr. Tom Liston, representing himself
07:11:48 Ms. Jerri Doyle, Montana Society of Radiologic Technologists and the American Society of Radiologic Technologists (ASRT)

07:12:58 Ms. Christine Lung, Counsel, ASRT

07:15:11 REP. HERTZ
07:15:50 Mr. Liston
07:16:24 SEN. TUTVEDT
07:17:08 Mr. Liston
07:17:34 REP. HERTZ
07:18:35 Mr. Liston
07:19:18 REP. BERRY

07:19:31 **Motion/Vote:** SEN. FACEY moved to continue the Board of Radiologic Technologists. The motion carried 5-2 by voice vote with REP. HERTZ and REP. BERRY voting no. REP. WHITFORD was excused.

07:20:21 Ms. Murdo provided copies of testimony in support of the Board of Respiratory Care Practitioners ([Exhibit 19](#)).

Representative from the Board of Respiratory Care Practitioners

07:21:15 Mr. Adam de Yong, Acting Division Administrator, Business Standards Division, Montana Department of Labor and Industry, provided testimony for Mr. Leonard Bates, Montana Board of Respiratory Care Practitioners.

PUBLIC COMMENT

07:22:01 Mr. de Yong

Committee Questions and Discussion

07:23:15 SEN. ARNTZEN
07:23:41 Ms. Murdo

07:24:23 **Motion/Vote:** REP. LYNCH moved to continue the Board of Respiratory Care Practitioners. The motion carried unanimously by voice vote of those present and voting.

07:25:02 BREAK

07:36:57 SEN. TUTVEDT reconvened the meeting at 4:10 PM.

AGENDA ITEM #6: NOXIOUS WEED SEED FREE FORAGE FEE INCREASE FOLLOWUP

07:37:45 Mr. Ron de Yong, Director, Department of Agriculture, asked the committee to remove its objection to the forage program fee increase and referenced the letter he sent to SEN. TUTVEDT, dated October 8, regarding the proposed fee increase ([Exhibit 20](#)). He also discussed how the number of tons produced is calculated ([Exhibit 21](#)).

PUBLIC COMMENT

- 07:56:29 Mr. John Youngberg, MFBF
07:58:01 Mr. John Moodry, Butte-Silverbow Weed District
08:00:05 Mr. John Hagengruber, Forest Service Liaison, U.S. Forest Service (USFS),
Region 1, presented a letter from Faye Krueger, Regional Forester, USFS
([Exhibit 22](#)).
08:02:26 Ms. Kelliann Morris, Ravalli County Noxious Weed Coordinator

Committee Questions and Discussion

- 08:04:32 SEN. FACEY
08:04:42 Ms. Morris
08:05:21 Ms. Murdo handed out public comment from Ms. Celestine Duncan ([Exhibit 23](#)).
08:05:41 REP. HERTZ
08:06:28 Mr. de Yong
08:07:38 REP. HERTZ
08:07:48 Mr. de Yong
08:07:59 REP. HERTZ
08:08:18 Mr. de Yong
08:08:34 Mr. Greg Ames, Administrator, Agricultural Science Division, Department of
Agriculture
08:09:11 REP. HERTZ
08:09:36 Mr. Ames
08:09:50 REP. LYNCH
08:10:13 Mr. de Yong
08:11:28 SEN. BARRETT
08:11:46 Mr. Campbell

08:12:43 **Motion:** SEN. BARRETT moved to withdraw the objection to the noxious weed
seed free forage fee increase.

Discussion:

- 08:12:54 SEN. FACEY
08:13:58 REP. HERTZ
08:14:09 Mr. Campbell
08:14:45 SEN. ARNTZEN
08:15:27 Mr. Cort Jensen, Attorney, Department of Agriculture
08:16:45 REP. HERTZ
08:17:39 REP. LYNCH

08:18:15 **Vote:** The motion carried unanimously by voice vote of those present and voting.

AGENDA ITEM #7: RULE REVIEW

- 08:18:37 Mr. Campbell

AGENDA ITEM #8: PUBLIC COMMENT ON ANY ITEM NOT ON THE AGENDA OR NOT YET DISCUSSED

08:19:16 Mr. Worthington, MSIA
08:20:22 Mr. Campbell

AGENDA ITEM #9: UPDATES FROM COMMITTEE LIAISONS

08:21:09 REP. LYNCH gave an update on the Labor Management Advisory Council
08:21:45 REP. HERTZ

08:21:54 REP. BERRY gave an update on the Montana State Fund.
08:23:36 SEN. TUTVEDT
08:23:54 REP. BERRY

08:24:16 SEN. TUTVEDT gave an update on the Rail Services Competition Council.
08:25:45 SEN. FACEY
08:26:10 SEN. TUTVEDT

AGENDA ITEM #10: DIRECTIONS TO STAFF - NEXT MEETING AGENDA

08:27:13 Ms. Murdo
08:27:26 SEN. TUTVEDT
08:27:32 REP. BERRY
08:27:36 Ms. Murdo
08:27:50 REP. BERRY
08:27:59 SEN. FACEY
08:28:10 SEN. ARNTZEN
08:28:15 REP. BERRY
08:28:35 REP. HERTZ
08:29:23 Ms. Murdo
08:30:40 SEN. TUTVEDT
08:30:46 Ms. Murdo
08:31:03 REP. LYNCH
08:31:19 Ms. Murdo

08:32:22 SEN. TUTVEDT adjourned the meeting at 5:05 PM.

CI0099 3308nsxa.