



# Legislative Finance Committee

## 56<sup>th</sup> Montana Legislature

Room 494 Federal Building, • P.O. Box 201711 • Helena, MT 59620-1711 • (406) 444-2986 • FAX (406) 444-3971

### SENATE MEMBERS

GREG JERGESON, CHAIRMAN  
ARNIE MOHL, SECRETARY  
THOMAS A. "TOM" BECK  
B.F. "CHRIS" CHRISTIAENS  
EVE FRANKLIN  
CHARLES "CHUCK" SWYSGOOD

### HOUSE MEMBERS

LILA TAYLOR, VICE CHAIRMAN  
MATT McCANN  
BOB RANEY  
JOE TROPILA  
JOHN WITT  
TOM ZOOK

## MINUTES

Thursday, June 17, 1999  
Room B7, Federal Building  
Helena, Montana

### ROLL CALL FOR JUNE 17, 1999

Sen. Chuck Swysgood  
Sen. Tom Beck  
Sen. Chris Christiaens  
Sen. Eve Franklin  
Sen. Greg Jergeson  
Sen. Arnie Mohl, Excused  
Rep. Matt McCann  
Rep. Bob Raney  
Rep. Lila Taylor  
Rep. Joe Tropila  
Rep. John Witt  
Rep. Tom Zook  
Clayton Schenck, Legislative Fiscal Analyst  
Cindy Campbell, Committee Secretary

### Call to Order (Tape 1A-010)

The 171st meeting of the Legislative Finance Committee (LFC) was called to order at 9:10 a.m. by Senator Chuck Swysgood, Chair, on Thursday, June 17, 1999. The meeting was held in Room B7 of the Federal Building, Helena, Montana.

### 1. Approval of November 13, 1998 Minutes (Tape 1A-05)

Approval of the November 13, 1998, minutes was postponed until the end of the meeting to provide LFC members a chance to review them. However, the minutes were not presented again during this meeting and will be presented for approval at the October meeting.

## **2. Committee Business** (Tape 1A-011)

**Senator Swysgood** announced he was given the proxy for **Senator Mohl**, who was unable to attend today's LFC meeting.

Clayton Schenck, Director of the Legislative Fiscal Division (LFD), presented information to the committee on the election of officers and provided the members with copies of the committee rules and procedures. (Exhibit 1) **Senator Swysgood** explained the rules and procedures and then thanked the outgoing and ongoing committee members and staff for their excellent work and support during his term as chairman.

### Election of Officers

**Senator Swysgood** opened nominations for chair. **Representative Tropila** nominated **Senator Jergeson**. MOTION: **Representative Tropila** moved nominations be closed and the ballots be cast. Motion carried unanimously. **Senator Jergeson**, as newly elected chairman, presided over the remainder of the committee meeting and opened nominations for vice chair. **Representative Zook** nominated **Representative Taylor** for vice chair. MOTION: **Senator Franklin** moved nominations be closed and the ballots be cast. Motion carried unanimously. The chairman opened nominations for secretary and **Senator Swysgood** nominated **Senator Mohl**, then moved that nominations be closed and the ballots be cast. Motion carried unanimously.

## **3. 2001 Biennium Legislative Report** (Tape 1A-248)

Clayton Schenck presented the 2001 Biennium Legislative Report, which reviews the fiscal actions taken by the Fifty-sixth Legislature. He highlighted the fiscal issues detailed in the Overview Volume and answered questions from the LFC members. Dave Lewis, Director of the Office of Budget and Program Planning (OBPP), provided comments regarding the report.

Terry Johnson, Principal Fiscal Analyst with LFD, responded to questions on the revenue issues, including the impact of the tobacco settlement. He stated that Montana is assured of receiving a payment by June of 2000.

#### **4. Status of Mental Health Managed Care Contract** (Tape 1B-498)

Lois Steinbeck, Senior Fiscal Analyst, introduced the agenda item, Status of the Mental Health Managed Care Contract, and explained the four issues which the Department of Public Health and Human Services (DPHHS) was asked to address. (Exhibit 2) Laurie Ekanger, Director of DPHHS, provided information which addressed these issues, including: 1) Status of Transition Agreement Between DPHHS and Magellan Behavioral Health Services; 2) Fiscal Year 1999, estimated total department-wide general fund reversion, general fund shortfall for Montana State Hospital, and current Montana State Hospital ADP compared to 135 projection for FY00; 3) Implementation of Fee for Service Program July 1, 1999; and 4) Overview of Status of Mental Health Managed Care Program/Planning. (Exhibit 3) Ms. Ekanger also responded to questions from the committee members.

#### **5. HJR 35 – Interim Study of Mental Health Managed Care** (Tape 2A-695)

House Joint Resolution (HJR) 35 assigns “the duties of studying further development of and monitoring the transitions in the public mental health care system” to the LFC. Ms. Steinbeck presented recommendations to the LFC on fulfilling the requirements of HJR 35. These recommendations were developed in consultation with legislative staff from the Children, Families, Health and Human Services Interim Committee (CFHHS) and the Legislative Audit Committee. Each recommendation included a brief introduction, the recommendations, and then the rationale for making the recommendation. (Exhibit 4) Included in the recommendations were the proposed topic areas and the appointment of a subcommittee with members from the LFC, CFHHS, and the Legislative Audit Committee.

**MOTION:** **Senator Swysgood** moved that the LFC adopt the staff recommendations for the review of the mental health interim study as outlined in HJR 35 and that the chairman be authorized to appoint a subcommittee to handle the duties. **VOTE:** Motion carried unanimously.

**6. Non-Assumed Counties: Federal Administrative Costs** (Tape 2B-142)

This item was originally placed on the agenda on June 10, 1999. However, the issue was resolved late yesterday, June 16, 1999, so it was not presented to the committee. (Exhibit 5) **Senator Swysgood** offered an explanation of the issue and resolution. (Exhibit 5A)

**7. Required Reports** (Tape 2B-185)

Clayton Schenck presented the following required reports:

- A. Budget Amendment Summary Report (Exhibit 6)
- B. Travel and Dues Report (Exhibit 6A)
- C. SB 19 Operating Plan Change (Exhibit 6B)
- D. Time Sensitive Transactions Processed by the OBPP Approving Authority (Exhibit 6C)
- E. Appropriations Transfers (Exhibit 6D)

**Representative Raney** raised an issue on the increase in dues on Exhibit 6A and Mr. Schenck explained that this was the result of an extenuating circumstance. Discussion followed regarding how to handle exceptions on these reports and **Senator Jergeson** recommended they be presented to the subcommittees for examination.

**8. LFD Proposed Interim Work Plan** (Tape 2B-380)

Mr. Schenck presented the staff recommendations on the LFD Proposed Interim Work Plan for the 2001 Biennium. (Exhibit 7) The proposed work plan included projects in two main categories: 1) statutory and imperative; and 2) discretionary. In determining priorities for the proposed projects, LFC members voiced concerns about the current LFD workload and the staff's ability to increase the number of projects and yet decrease comp time. Significant discussion was held regarding the number of subcommittees and whether staff should be asked to support the subcommittee on Funding and Management of Wildlife Resources (HJR 33). The LFC is required by statute to appoint and oversee the following subcommittees: 1) Mental Health Managed Care (HJR 35); 2) Information Technology Management and Budget (HB 2); and 3) SB 378 (Dedicated revenues and Statutory Appropriations). These committees require the support of the LFD staff, which also supports the Postsecondary Education Policy and Budget Committee.

**MOTION:** Senator Swysgood moved that the LFC accept page one of the work plan as the LFD Interim Work Plan. **VOTE:** Motion carried unanimously.

At the request of **Representative Raney** the Management Advisory Committee will review the work plan during the interim to determine if there are resources available to staff the Funding and Management of Wildlife Resources (HJR 33) Subcommittee. Pat Graham, Director of the Department of Fish, Wildlife and Parks, offered the department's assistance in helping the subcommittee accomplish its goals.

**9. Other Committee Business** (Tape 3A-467)

**Senator Jergeson** announced the appointments to the subcommittees as follows (Exhibit 8):

Mental Health Managed Care (HJR 35)

Senator Swysgood, Chair	Representative Taylor
Senator Waterman	Representative McCann
Senator Keenan	Representative Barnhart
Senator Franklin	Representative Soft

Information Technology Management and Budget (HB 2)

Representative Raney, Chair	Senator Beck
Representative Zook	Senator Jergeson

SB 378 (Dedicated Revenues and Statutory Appropriations)

Senator Christiaens, Chair	Representative Witt
Senator Mohl	Representative Tropila

Management Advisory Committee

Senator Jergeson, Chair	Representative McCann
Senator Swysgood	Representative Zook

Legislative Council Personnel Subcommittee

Senator Jergeson	Representative Taylor
------------------	-----------------------

Clayton Schenck presented the LFC proposed meeting dates for the 2001 biennium interim. (Exhibit 9) **MOTION: Representative Zook** moved the acceptance of the proposed calendar of meeting dates. **VOTE:** Motion carried unanimously.

Mr. Schenck also presented the LFD Cost Report for Fiscal 1999 at 5/31/99 (Exhibit 9A), and the LFD Operating Plan for Fiscal 2000/2001 (Exhibit 9B). **MOTION: Senator Christiaens** moved the acceptance of the LFD Operating Plan for Fiscal 2000/2001. **VOTE:** Motion carried unanimously.

The Fiscal 1998 Appropriation Carryforward Request (Exhibit 9C) was the last item presented for approval by Clayton Schenck. **MOTION: Senator Swysgood** moved the LFC approve the carryforward request. **VOTE:** Motion carried unanimously.

**10. Special Recognition** (Tape 5A-601)

The LFC gave special recognition to **Senator Swysgood** as the outgoing chairman for his excellent leadership. Clayton Schenck presented him with a gift from the LFD staff.

**Next LFC Meeting**

The next meeting of the LFC is scheduled for October 7 and 8, 1999.

**ADJOURNMENT**

**MOTION: Representative Tropila** moved to adjourn. Motion carried unanimously. Meeting adjourned at 2:45 p.m.

---

Senator Greg Jergeson, Chairman

---

Cindy Campbell, Committee Secretary