



MONTANA LEGISLATIVE BRANCH

Legislative Fiscal Division

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Legislative Fiscal Analyst
CLAYTON SCHENCK

Legislative Finance Committee Montana State Fund/Workers' Compensation Subcommittee June 5, 2008 Minutes

Members in Attendance:

Representative Ron Erickson, Chairman
Senator Keith Bales
Senator David Wanzenried
Senator John Brueggeman

Staff in Attendance:

Kris Wilkinson, Legislative Fiscal Division

The June 5, 2008⁷ subcommittee meeting was called to order at 5:05 p.m. by Chairman Erickson.

The subcommittee heard:

A presentation by Jerry Keck, Employment Relations Division, Department of Labor and Industry on Labor Management Advisory Committee activities and potential legislation for the upcoming session

A presentation by Lanny Hubbard, MSF on Montana State Fund Safety Program

A discussion from Nancy Butler and Mark Barry, MSF, on MSF Legal Opinion on Reducing the Effectiveness of the Budgeting Function

A presentation by Kris Wilkinson, LFD, on Montanan State Fund Budgeted and Actual Expenditures Presented on Both a Cash Basis and Accrual Basis

A report by Kris Wilkinson, LFD, Oversight of MSF Provided Through the Legislative Audit Committee Compared with the Oversight of Private Insurance Companies Provided Through the State Auditor's Office

A presentation by Dan Gangler, MSF, on Differences and effects of the loss-cost multiplier and the individual mod factors on premium rates for MSF rate payers

A report on Montana State Fund Premium Assessments by Kris Wilkinson, LFD

Comments from Lanny Hubbard, MSF on State Agency Premium Assessment

Comments from Connie Welsh, Healthcare Benefits Divisions, Department of Administration, on State Agency Premium Assessment

Public Comments

The committee discussed a request of the MSF general counsel to respond in writing as to the statement that to implement the recommendation reduces the effectiveness of the budgeting function.

The committee requested additional reports on the following:
Policy Implications of Changing the Method Used to Select Workers' Compensation Insurance Policies for State Agencies

Meeting recessed at 8:25 p.m.

Meeting resumed at 12:15 p.m. June 6, 2008, Room 102

Committee Requested:

- MSF present budget, pro forma financial statements, and strategic business plan to determine if the information provided will address the questions on the information provided for an accrual basis compared with cash basis for budgeting MSF

Moved and approved a motion to recommend to the Legislative Finance Committee that a bill draft request be made to amend 39-71-2361, MCA to have Legislative Auditor complete an annual performance audit on MSF. The segments of operations within MSF which are to be audited will be developed in conjunction with MSF.