



## Select Committee on Efficiency in Government

### 62nd Montana Legislature

#### SENATE MEMBERS

JON SONJU--Chair  
EDWARD BUTTREY  
MARY CAFERRO  
JIM KEANE  
EDWARD WALKER  
DAVID WANZENRIED

#### HOUSE MEMBERS

MARK BLASDEL  
RON EHLI  
GALEN HOLLENBAUGH  
PAT NOONAN  
SCOTT REICHNER  
KATHLEEN WILLIAMS

#### COMMITTEE STAFF TEAM

DAVE BOHYER, Lead Staff  
DAVID NISS, Staff Attorney  
DAWN FIELD, Secretary  
SUE O'CONNELL, LSD, Health Care  
JASON MOHR, LSD, Nat'l Res.  
QUINN HOLZER, LFD, Health Care  
TARYN PURDY, LFD, Budgeting Process  
BARBARA SMITH, LFD, Technology  
LOIS STEINBECK, LFD, Health Care

# MINUTES

## June 18-19, 2012

June 18, 2012

MSU-Northern  
Havre, 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. You must have Real Player to listen to the audio recording or to view the video.

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. Jon Sonju, Chair  
Sen. Mary Caferro  
Sen. Jim Keane  
Sen. Edward Walker  
Sen. David Wanzenried

Rep. Mark Blasdel  
Rep. Ron Ehli  
Rep. Galen Hollenbaugh  
Rep. Pat Noonan  
Rep. Scott Reichner  
Rep. Kathleen Williams

#### COMMITTEE MEMBERS EXCUSED

Sen. Edward Buttrey

#### STAFF PRESENT

Dave Bohyer, Lead Staff  
Fong Hom, Secretary

## AGENDA and VISITORS' LIST

Agenda (**Attachment 1**)  
Visitors' list (**Attachment 2**)

### COMMITTEE ACTION

- The committee approved LSSC20, LSCS21, and LCSC22 as committee bills.

### CALL TO ORDER AND ROLL CALL

00:00:01 SEN. SONJU called the meeting to order at 1:10 p.m. The committee secretary call roll. Sen. Buttrey was excused.

### AGENDA

#### **LOCAL INTERESTS AND STATE GOVERNMENT EFFICIENCY INTERSECTS**

**Paul Tuss, Executive Director, Bear Paw Development Corporation**  
**Kathy Bessette, Hill County Commissioner**  
**Tim Solomon, Mayor, City of Havre**  
**David Henry, President/CEO, Northwest Montana Health Care**  
**Mary Heller, General Manager, North Central Regional Water System**

00:03:45 **Paul Tuss, Bear Paw Development Corporation**, gave a presentation on the Bear Paw Development Corporation. Mr. Tuss distributed the annual report of the Bear Paw Development Corporation (**Exhibit 1**).

00:07:21 **Kathy Bessette, Hill County Commissioner**, gave a perspective from the Office of the County Commission on what works and doesn't work between the state and the county, and discussed concerns that the county had with the landfill and gravel pits.

00:17:11 **Tim Solomon, Mayor, City of Havre**, discussed the problems that local governments deal with.

00:22:33 **Mary Heller, General Manager, North Central Montana Regional Water Authority**, gave a presentation on the Regional Water System Project (**Exhibit 2**).

00:38:43 **David Henry, President/CEO, Northern Montana Health Care**, gave a presentation on Northern Montana Health Care.

#### **PUBLIC COMMENT**

00:48:27 **Doug Kaercher, Finance Director, City of Havre**, commented on the legislator's role in local government.

- 00:49:54 **Greg Jergeson, Chinook**, commented on the Select Committee coming to Havre to hear the panel's presentations. He said that efficiency in government is a great standard and one that everybody who works in the public field should be cognizant of.
- Committee questions**
- 00:55:49 SEN. CAFERRO asked Mr. Tuss for an example of a business that has been assisted by some of the programs that he mentioned. **Mr. Tuss** said that because of the confidentiality agreements with those businesses, he cannot provide that information.
- 00:58:57 REP. HOLLENBAUGH asked Ms. Heller about the water waste projects. **Ms. Heller** discussed the TSEP regional water program.
- 01:09:23 REP. EHLLI asked about the Fort Peck Project. **Ms. Heller** said that the Fort Peck Project is further ahead of them because they received more funding.
- 01:11:23 SEN. SONJU asked what the breakdown is between private, Medicaid, and charity care in the Northern Montana Health Care's revenue. **Mr. Henry** said that they are 2/3 Medicare/Medicaid, 14% insured, the rest is private pay, and last is charity care.
- 01:11:46 SEN. KEANE asked Ms. Bessette and Mr. Solomon to comment on how they are going to pay for the water systems. **Ms. Bessette** said that the county sends all its revenue to the state and then waits for the state to send to the county, its share. **Mr. Solomon** discussed the mandates that make it harder for local governments to raise taxes.
- 01:17:52 SEN. CAFERRO asked Mr. Henry to elaborate on his discussion about gross revenue and net revenue that goes away with contractual Medicaid and Medicare. **Mr. Henry** said that the \$33 million dollars is called contractual or discounts that the government, Medicare, or Medicaid takes automatically. The private pay individual, or the Blue Cross patient, will pay close to 100% unless they are in the cash discount.
- 01:20:19 SEN. CAFERRO asked Mr. Henry if the reimbursement rates for Medicaid has kept up with his costs of doing business. **Mr. Henry** said no.
- 01:21:55 REP. BLASDEL asked Ms. Bessette and Mr. Solomon if their offices have identified statutes that are hindering their projects. **Ms. Bessette** discussed the fact that DEQ controls most of the work that they do.
- 01:28:09 REP. WILLIAMS asked Mr. Solomon to elaborate on the requirements for narrow banding. **Mr. Solomon** said it is a federal requirement but the burden is on the equipment needed to meet that requirement.
- 01:31:00 **Ms. Heller** commented that regulations that come from the Environmental Protection Agency are not a one-size fits all. She urged the committee to support Montana's natural resource development in a responsible manner and look at the

common sense of the regulations on small communities.

**BREAK - reconvened at 3:17 p.m.**

**DRAFT LEGISLATION**

- **LCSC20: Clarify the term "at the office" for local governments in context of accessibility to electronic records**

02:09:27 Mr. Bohyer discussed LCSC20 (**Exhibit 3**).

**PUBLIC COMMENT - none**

**Motion by Rep. Hollenbaugh**

02:12:09 HOLLENBAUGH moved that LSSC20 be approved as a committee bill. The motion passed unanimously by voice vote.

02:12:44 REP. WILLIAMS volunteered to sponsor LSSC20.

- **LCSC21: Study electronic records management**

02:13:44 Mr. Bohyer discussed LCSC21 (**Exhibit 4**).

**Committee discussion**

02:15:57 REP. HOLLENBAUGH asked if there was a way to redraft the title of the bill. **Mr. Bohyer** said that the title could be revised, but unless you make it a bill, it is still a resolution of the Legislature and doesn't have the force of law.

02:17:54 REP. HOLLENBAUGH said that the reason why he was trying to direct this to a standing interim committee is that the budget is already taken care of and if the workload is added to an existing committee, there shouldn't have to be a separate appropriation.

02:19:47 Mr. Bohyer discussed how interim studies are dealt with.

02:21:32 REP. HOLLENBAUGH said that he will ask the Legislative Council to include LCSC21 in an interim committee.

02:21:59 REP. WILLIAMS said that the other option would be a small bill that would direct the Secretary of State and the CIO of the Department of Administration to collaborate on something. **Rep. Hollenbaugh** said that there will have to be a contract let for digitizing records or storing records, and it is best to keep the control of the purse strings at the legislative level.

**Motion by Rep. Hollenbaugh**

02:23:25 REP. HOLLENBAUGH moved LSCS21 be approved as a committee bill. The motion passed with Sen. Walker voting no. Rep. Hollenbaugh volunteered to sponsor the bill.

- **LCSC22: Revising or eliminating certain provisions regarding the notarization of documents**

02:24:55 Mr. Bohyer discussed LCSC22 (**Exhibit 5**).

**Committee questions**

02:28:37 SEN. SONJU asked about the words "under oath" in section 1. **Mr. Bohyer** said that "under oath" is that you would have to be in front of someone who is authorized to give oaths.

02:34:08 SEN. SONJU asked about the language in section 6. **Mr. Bohyer** said strike the words "made under oath and" so that it reads, "... report must be in a form..."  
SEN. SONJU said to strike "made under oath and be".

02:35:20 REP. WILLIAMS asked if a licensee is a different entity than an owner, manager, or president as described in section 5, subsection (3). **Mr. Bohyer** said that the owner could be the licensee; the manager could be the licensee; or the president, if it were a company or corporation, could be the licensee. It allows for different forms of business, a single proprietor, a small business, corporation, or full corporation.

REP. WILLIAMS asked if the committee wanted to delete "by the oath". **Mr. Bohyer** restated that subsection (3) would read "a report must be verified by the owner, manager, or president of the deferred deposit lender", taking out "oath" through "the" on the line below.

02:38:10 **Mr. Bohyer** discussed proposed changes to sections 9, 10, 11, and 12 of LCSC22. He said that those changes would clean up the statutes by eliminating some of the requirements for notarization or other oaths or affirmations that are archaic.

02:46:20 SEN. SONJU asked about the language on page 8. **Mr. Bohyer** said that on page 8, the committee will strike the words "oath" through "the" so that the sentence would read "a report must be verified by the owner, manager, or president of the deferred deposit lender".

**Motion by Rep. Hollenbaugh**

02:49:15 REP. HOLLENBAUGH moved LCSC22 be approved as a committee bill. The motion passed unanimously by voice vote. Sen. Buttrey will sponsor the bill.

**MEMBER ISSUES**

- **Records management**

02:50:24 Mr. Bohyer said that Sen. Buttrey had asked him to give a presentation on the current statutory requirements regarding "Records Management" (**Exhibit 6**). Sen. Buttrey also had asked Mr. Bohyer to distribute copies of the Strategic Plan of the Montana Electronic Records Initiative (**Exhibit 7**).

- 02:52:37 • **Health care legislation**  
 SEN. WANZENRIED distributed a copy of a fax from Intermountain and the Yellowstone Boys & Girls Ranch (**Exhibit 8**). He said that he met with the mental health people and revisited the issue of reimbursements.
- 02:58:10 • **Western Montana Mental Health Center - John Lynn, Deputy Director**  
 Mr. Lynn discussed his recommendations that the state adopt a model of a cost-based system (**Exhibit 9**).
- 03:04:04 **Pam Beis, Registered Nurse and Adult Case Manager, Community Mental Health**, supported Mr. Lynn's proposal.
- 03:08:04 SEN. WANZENRIED said that he would like the committee to discuss Mr. Lynn's recommendations and make a decision as to whether or not the committee could advance this into a bill.
- 03:09:46 SEN. WALKER asked Sen. Wanzenried how this proposal is different from the one that the committee has been discussing regarding the 15-minute increment. **SEN. WANZENRIED** said it wouldn't change the interval, but the interval would be closer to cost than it is now.
- 03:14:28 SEN. WALKER said that he wanted to go on record that he has heard that at one time the interval was 7 minutes and then it was moved to 15 minutes.
- 03:15:10 SEN. SONJU said that Sen. Wanzenried should look at this and try to get a fiscal note. **SEN. WANZENRIED** said he doesn't have access to resources who has the expertise and time to develop a fiscal note.
- 03:17:29 **Mr. Bohyer** asked Mr. Lynn if his proposal was requesting that the mental health centers be reimbursed in the same way as federally qualified health centers payments are calculated and reimbursed. **Mr. Lynn** said yes.
- 03:21:24 **Mr. Bohyer** discussed the code section that Mr. Lynn referred to and asked, from a bill drafting perspective, how he would like that section changed.
- 03:22:38 SEN. WANZENRIED asked if Mr. Bohyer would like the bill to be in a more conceptual format. **Mr. Bohyer** said that he would have to know what it says in order to get the fiscal information.

## STAFF UPDATES AND REPORTS

- 03:24:18 • **Update on the meeting between the Mining Association and the Department of Environmental Quality**  
 Mr. Bohyer discussed Jason Mohr's memo (**Exhibit 10**) regarding the meeting between the Mining Association and the Department of Environmental Quality. Mr. Bohyer said Barb Smith, Legislative Fiscal Division, will brief the committee on the Montana Information Technology Act audit at the next meeting.

**RECESS**

03:26:15 SEN. SONJU recessed the meeting at 4:38 p.m., to reconvene at 8:30 a.m., on June 19, 2012.

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