

## **October 2011 Government Affairs Report**

With the National and State elections drawing more attention and in some races a bigger crowd, what are the real issues facing Montana in the next 12 months? Growing unemployment, oil and gas development, tourism, education...? We can't really predict what the 2013 Legislature will focus on; however, some of the issues being addressed in the Interim could indicate where legislators will direct their attention. It is still a ways off and the outcome of the 2012 election will play a significant role in how the issues are resolved.

In October, four interim committee meetings were held in Helena: Economic Affairs Interim Committee(EAIC); Select Committee on Efficiency in Government; Environmental Quality Council (EQC) and State Administration and Veterans' Affairs (SAVA).

The EAIC met for two days to hear summary reports on workers' compensation insurance and the State Fund, the Tourism Advisory Council, Board of Investments, economic development in the Governor's office; and jobs data from the Dept of Labor and Industry. The Governor's office reported on the Montana Small Business Credit, a loan program with local banks and business development corporations. They estimate 186 jobs have been created through the credit initiative.

The Select Committee on Efficiency in Government met in Helena for two days with a specific focus on healthcare efficiencies within Medicaid, Medicare, home healthcare services, and mental health. Senator Jon Sonju chairs the committee and Representatives Mark Blasdel and Scott Reichner also serve. The committee also heard from an informational technology panel about ways to improve efficiencies with new technologies and systems deployed in state government.

EQC (Senator Chas Vincent and Representative Gerry Bennett both of Libby serve on this committee) met to discuss the environmental assessment and permitting of bison to a new state location. The SAVA committee learned about the nine pension plans for public employees and teachers administered by the State and the actuarial stability of those plans. They also had a presentation on state employee benefits.

RTIC (Senator Bruce Tutvedt serves on this committee) spent two days at the end of September analyzing Montana's tax structure for individuals and corporations. Montana's tax structure has a number of issues that deserve a closer analysis: Tax credits – are they accomplishing the results they are intended to create through tax incentives? Centrally assessed properties – are those properties (companies) working within a predictable and equitable tax structure? Are the exemptions for nonprofit organizations appropriate? The next meeting of the RTIC is December 8-9 in Helena. It will continue as a dynamic forum

for discussion about changes to our tax structure and how those changes will impact our economy.

Rising healthcare costs, an appropriate tax structure, economic development and investment and creation of jobs, resource development, technology and of course education will likely dominate the headlines for the next twelve months. As candidates for all our state offices and legislature travel the state, problems and solutions will be discussed extensively. If there are specific issues that you would like to see explored in more detail, please let us know.

Next month (November), the Legislative Audit Committee will meet for two days to review financial compliance audits of 10 agency/departments. The Select Committee on Efficiency and Government will meet in Great Falls on November 14-15. Children, Families, Health and Human Services will meet November 14 and Energy and Telecommunications will meet on November 17.