

State Legislative Update
Kalispell Chamber of Commerce
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2012 is off to a busy beginning at the Montana Capitol. Over the next nine months, interim committees will continue to shape and begin drafting proposed legislation for 2013. Legislators who do not have contested races have submitted 34 bill drafts requests to date. These include generally revising insurance laws, revising collective bargaining laws, revising school law and abolishing the death penalty. This time next year, the Montana legislature will be in full swing.

The **Select Committee on Efficiency in Government** (Rep. Mark Blasdel R-Somers; Rep. Scott Reichner R-Big Fork; Sen. Jon Sonju R-Kalispell) met for two days in Helena where legislators heard recommendations on technology efficiencies in state government. The complete report included 25 specific improvements and included such items as migration of state agencies to state data center; enhancing state cyber security; reviewing procurement for use of best and final offers; and increasing middle mile connectivity to increase access to dependable internet. For a complete report of technology recommendations, please visit: <http://leg.mt.gov/sceg>.

The committee also continued its look at Medicaid savings and efficiencies. Stakeholders suggested recommendations such as allowing a 2 yr eligibility period for qualifying for Medicaid; exploring value based payment models and primary care medical homes; developing a 5 yr pilot project to test tort reforms to protect Medicaid providers; and eliminating unit billing for mental health. For a complete list visit the SCEG website above.

HB 642 (SCEG) also requires a review of natural resource policy issues ranging from permitting and taxation to incentives and advanced technologies. SCEG started the discussion this month with presentations from agencies that permit, monitor and interact on natural resource development issues. Two panel discussions that included agency personnel and industry representatives discussed the natural resources regulatory environment and permitting perspectives. In addition, Tom Richmond, MT Board of Oil and Gas, presented on the new hydraulic fracking rules. Compliance with new rules has been good.

Environmental Quality Council (Rep. Jerry Bennett-R-Libby, Sen. Chas Vincent R-Libby) met on January 11-12. EQC heard an update on state parks, outdoor recreation and heritage resource programs; a status report on eminent domain and pending legal cases; a compliance report from various agencies and a wolf management update. There are 54 Montana state parks and 15 affiliated sites with an operating budget of \$7.5 million (12% comes from the state accommodations tax).

Water Policy Interim Committee (Sen. Chas Vincent R-Libby) met on January 10-11. WPIC discussed the Missouri River Management plan and heard concerns about moisture levels to date. Exempt well litigation and water leasing were also discussed.

The **Energy and Telecommunications Interim committee** (Sen. Verdell Jackson R-Kalispell) met on Friday, January 13. A significant amount of time was devoted to learning about the October bankruptcy decision of Southern MT Electric Coop and hearing from various stakeholders in the organization and impacted by the decision. A recommendation from the “One call” stakeholder group to hold off on proposed legislation was discussed due to Federal rules still under development. The nine elements of a desirable state damage prevention program (mandatory) are not the same as the nine elements of a state compliant one call statute (not mandatory) which includes enforcement and penalties. One Call is a significant issue for excavators, utility companies with pipelines or communications lines underground.

Also at ETIC, after looking more thoroughly at the Montana Public Service Commission structure, the committee determined the best course of action would be to NOT recommend any changes to the PSC structure.

Economic Affairs received an update on worker’s compensation issues on January 19-20 along with a review of various administrative boards. A panel discussion on the impacts of HB 334 (workers’ compensation reform) included representatives from all three plans. Rick Clark with Plum Creek Timber Company participated in the discussion about the workers’ compensation. Workers’ compensation insurance continues to be a concern for legislators and stakeholders. With the implementation of HB 334 underway, stakeholders are trying to understand how the industry is changing and whether or not additional changes are needed. Concerns continue to be raised about treating physicians, costs, and competition in providing WC insurance. The Dept. of Labor reported on professional employee leasing in MT. There are 465 employers using leasing companies for approximately 300 employees.

Education and Local Government met on January 23-24. A full day was dedicated to K-12 education, including data management and teacher training, recruitment and retention issues. The ELG committee also heard from the MT University system about tuition changes and education initiatives and programs. The committee received background on the family transfer exemption from local subdivision review and an overview of Montana’s public safety communications system.

Children, Families, Health, and Human Services met on January 23 to continue its study on childhood hunger. The committee determined to pursue legislation on a number of initiatives to school breakfast programs, support farm to school programs, and add flexibility in SNAP and TANF programs.

State Administration and Veterans Affairs met on January 27 to hear about the process for filing the Political Practices vacancy and receive updates on the broadband pay plan for state employees, state and teacher’s retirement plans, and election law changes. On Feb 2, The Commissioner of Political Practices Selection Committee meets to recommend candidates for the position to Governor Schweitzer.

Legislative meetings scheduled in February include: SCEG on Feb 6-7 in Bozeman; Legislative Audit committee on Feb 8 in Helena (Rep. Randy Brodehl-R-Kalispell); Computer System Planning Council on Feb 9 in Helena (Rep. Bill Beck R-Whitefish); Revenue and Transportation on Feb 16-17 (Sen. Bruce Tutvedt R-Kalispell); and District and Apportionment Commission on Feb 17 (Jim Regnier-Kalispell).

Other News:

State Demographics. In 2012, approximately 15.5% of Montana’s population is over 65 years of age. By 2015, that number is expected to be 20.5%.

Green Energy Jobs. The November, 2011 Montana Economy at a Glance newsletter published by the Montana Department of Labor and Industry has an interesting article written by Senior Economist Barbara Wagner related to information on Green Jobs. The survey indicates that about 3.6% of Montana workers are employed in positions that are green jobs. That number includes construction workers that install energy efficient upgrades and waste water engineers that work to minimize water pollution from runoff. The study estimates that about 22% of Montana businesses were involved in producing a green product or service. 85% of Montana businesses participate in some kind of green activities that include recycling (63.5% of businesses in the survey), improving building insulation (30.1%), install energy efficient lighting/water fixtures (50.2%), encourage worker to reduce energy use (63.9%), utilize solar/wind or other renewable energy sources (3.7%) or some other energy efficient activity (12.6%). Recycling, although high on the list of companies surveyed, was primarily done not to reduce costs (only 28% checked that box) but to do their share for protecting or improving the environment.

The Gordon Butte wind farm near Martinsdale is fully operational as of this month. Montana is ranked #1 in wind potential and has over 50 wind and transmission line projects in various stages across the state.