

MINUTES

**MONTANA HOUSE OF REPRESENTATIVES
52nd LEGISLATURE - 1st SPECIAL SESSION**

COMMITTEE ON APPROPRIATIONS

Call to Order: By FRANCIS BARDANOUVE, on January 13, 1992, at
1:02 P.M.

ROLL CALL

Members Present:

Francis Bardanouve, Chairman (D)
Ray Peck, Vice-Chairman (D)
Dorothy Bradley (D)
John Cobb (R)
Dorothy Cody (D)
Mary Ellen Connelly (D)
Ed Grady (R)
Larry Grinde (R)
John Johnson (D)
Mike Kadas (D)
Berv Kimberley (D)
Wm. "Red" Menahan (D)
Jerry Nisbet (D)
Mary Lou Peterson (R)
Joe Quilici (D)
Chuck Swysgood (R)
Bob Thoft (R)
Tom Zook (R)

Members Excused: REPS. CONNELLY, GRADY, GRINDE, MENAHAN and
QUILICI

Staff Present: Terry Cohea, Legislative Fiscal Analyst
Sylvia Kinsey, Committee Secretary

Please Note: These are summary minutes. Testimony and
discussion are paraphrased and condensed.

Announcements/Discussion: None

CHANGES - HB 11

Informational Testimony: REP. KADAS said it is generally the
same as described before. There have been no significant changes
and is satisfied with where the Bill is now. The budget office
feels the same way about it.

Questions From Committee Members: REP. SWYSGOOD asked REP. KADAS
if he is comfortable with this and the amount of time for
reductions. REP. KADAS said if you look at the case they most
recently experienced, the Legislative Fiscal Analyst notified the
Budget Office in May that there were revenue problems. The
Budget Office began to acknowledge that sometime in June, they
then started the process of asking agencies in August. That

process wasn't finally completed until the cuts in late September. We are asking for 40 days, essentially for the legislative side. There are no limitations on the executive side for how long or how short they can or can't take. The days in there are to preserve their ability to get in and have some say. Unless they have that then their ability to have any say could be non-existent.

REP. SWYSGOOD said the most confusing part of the Bill deals with the percentage of 2%. Some of them asked last week if that amounted to a 12% authority. Is there an easy way to explain that section of the Bill? REP. KADAS said in terms of cutting, they only have 10% by program and "program" is defined in the main appropriations act. In terms of triggering the whole thing into action and coming up with allowing them to acquire up to a 2% ending fund balance, the money that comes from that 2% has to come from within the 10% cuts, not beyond the 10% cuts.

REP. COBB said the "projected General Fund budget deficit means an amount certified by the budget director to the governor, of projected ending fund balance for the biennium of less than 2% of all general fund appropriations during the biennium". Does that mean anything under the \$16 million ending fund balance would automatically trigger a budget deficit? REP. KADAS said it takes an act of the executive to trigger this thing. These are the parameters they can trigger within and this says they have the ability. REP. COBB said technically they have an \$10 million ending fund balance they can trigger right away because we are still in the biennium. For example: we leave knowing there is a \$10 million ending fund balance and it's 2% for the biennium, since we're under the \$800 million total General Fund, so could trigger this now to get up to the \$16 million. REP. KADAS said he is right as they have to make some kind of a line someplace and he has that flexibility. If they feel they are going into deficit again then they will trigger the thing and be able to achieve some kind of an ending fund balance, probably 2%.

REP. COBB referred to a portion of Page 3, EXHIBIT 1, "reductions in spending must be designed to have the least adverse impact on the provision of services determined to be most integral to the discharge of the agency's statutory responsibilities". He said he knows REP. KADAS wants that statement in there but thinks it is subjective and wondered if lawsuits might be involved. He realizes it is in there to give the agencies guidance but has a problem with it. REP. KADAS said that is a difficult problem because what the court said was that there wasn't enough guidance given, but for the committee to line out which program is going to get cut first, because they can't tie the executive down to that extent. There is some guidance but in the end you make the final decision.

REP. PECK referred to Page 6, EXHIBIT 1 subsection (3) "Subsection (2) terminates June 30, 1996", then the last Section says "This act is effective on passage and approval, AND [SECTION 2] TERMINATES JUNE 30, 1996". This is kind of confusing. What are we doing with the two citations about termination? Greg

Petes, Legislative Council said when you terminate a section of a Bill all that terminates is the amendment to that section. The Bill that was passed last session, and carried by REP. COBB, amended this section to insert Section 2. If that section terminated in the event they codified it, it would need subsection 2 terminated. The termination in this Bill means when Subsection 2 terminates, Subsection 3 will terminate also. REP. PECK said Subsection 2 was the one that allowed the University to retain their balances and there is a sunset for that on June 30, 1996.

REP. CODY asked how the Office of Budget and Program Planning determines what is mandatory or permissive Page 2, EXHIBIT 1. REP. KADAS they want the committee to look at that and to make the final call, to decide what is mandatory and what is not. Mr. Petesch said anytime the statute says "the department shall provide something" that would be a mandatory program. There may be some things within that program they can do to cut back on it, but they still have to provide that service, if the law requires it. That's what mandatory or permissive means.

REP. THOFT said if they can pinpoint supplementals that were in excess of the ending fund balance does it constitute a revenue shortage? REP. KADAS said no, only in the case of a school equalization account supplemental.

REP. THOFT said if we were spent down to the ending fund balance and knew the supplementals were greater than that, do we have the cash to fund the supplementals? Terry Cohea, Legislative Fiscal Analyst said, technically the supplemental means you move money from 1993 into 1992, then the legislature has to act to create more spending so if you were balanced within the biennium, moving it from 1993 to 1992 shouldn't cause the problem. What causes the problem is the additional appropriation the 1993 legislature would do. The only time this could be a problem would be if you had such a small ending fund balance. For example, you had a \$2 million ending fund balance and needed to move \$10 million of spending authority into 1992, you could have a problem. If the legislature makes a decision that fund balance is the thing that tells you if your are balanced as opposed to cash, you generally would not have a problem with supplementals in this case. The problem would come when you came to session again you may not have enough revenue to pay for the increased appropriations that you would have to approve the next session.

REP. SWYSGOOD said under that scenario you would never have a problem with the last year of the biennium. It's always the first year of the biennium as far as the ending fund balance goes because the legislature would have to act before the end of the biennium. Ms. Cohea gave an example: Say you were experiencing costs much greater than you had anticipated and had a projected \$20 million ending fund balance at the end of 1993 and \$30 million in 1992. You have expenditures that are much greater than anticipated so you have to move \$10 million of your 1993 spending authority into 1992. What happens is your ending fund

balance goes down to \$20 million. What you have to do in the 1993 legislature is to increase the appropriation. At that point if there is not sufficient revenue then you have to get revenue from some source to pay for it. The fact you are moving spending authority from 1993 to 1992 does not create a crisis under this as long as you have enough ending fund balance in 1992.

REP. PECK said that problem could be the same now. Motion/Vote:
REP. KADAS MOVED THE AMENDMENTS TO HB 11, EXHIBIT C. MOTION
PASSED UNANIMOUSLY.

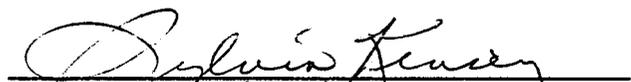
Motion/Vote: REP. KADAS MOVED HB 11 AS AMENDED. MOTION PASSED
UNANIMOUSLY.

SEE PAGE 5 FOR SIGNATURE PAGE.

ADJOURNMENT

Adjournment: 1:17 P.M.


REPRESENTATIVE BARDANOUE, Chair


Sylvia Kinsey, Secretary

FB/sk

HOUSE OF REPRESENTATIVES

APPROPRIATIONS COMMITTEE

ROLL CALL

DATE

1-13-92

NAME	PRESENT	ABSENT	EXCUSED
REP. FRANCIS BARDANOUVE, CHAIRMAN	✓		
REP. RAY PECK, VICE-CHAIRMAN	✓		
REP. DOROTHY BRADLEY	✓		
REP. JOHN COBB	✓		
REP. DOROTHY CODY	✓		
REP. MARY ELLEN CONNELLY			
REP. ED GRADY			
REP. LARRY GRINDE			
REP. JOHN JOHNSON	✓		
REP. MIKE KADAS	✓		
REP. BERV KIMBERLEY	✓		
REP. WM. "RED" MENAHAN			
REP. JERRY NISBET	✓		
REP. MARY LOU PETERSON	✓		
REP. JOE QUILICI			
REP. CHUCK SWYSGOOD	✓		
REP. BOB THOFT	✓		
REP. TOM ZOOK	✓		

HOUSE STANDING COMMITTEE REPORT

January 13, 1992

Page 1 of 5

Mr. Speaker: We, the committee on Appropriations report that HB 11 (first reading copy -- white) do pass as amended.

Signed: 
Francis Bardanouve, Chairman

And, that such amendments read:

1. Title, line 5.
Following: "DIRECT"
Strike: remainder of line 5 in its entirety
2. Title, lines 6 and 7.
Following: "A" on line 6
Strike: remainder of line 6 through "REVENUE" on line 7
Insert: "PROJECTED GENERAL FUND BUDGET DEFICIT"
3. Title, line 8.
Following: "REDUCE"
Insert: "GENERAL FUND"
Following: "SPENDING;"
Insert: "PROVIDING PROCEDURES TO BE USED IN DETERMINING WHEN A PROJECTED GENERAL FUND BUDGET DEFICIT EXISTS AND IN ESTABLISHING REDUCTIONS IN GENERAL FUND SPENDING; CLARIFYING THAT REVERSIONS FROM ALL GENERAL FUND APPROPRIATIONS THAT RESULT FROM REDUCTIONS IN SPENDING MUST REVERT TO THE GENERAL FUND;"
Following: "TERM"
Strike: ""SHORTFALL IN REVENUE""
Insert: ""PROJECTED GENERAL FUND BUDGET DEFICIT""
4. Title, line 9.
Strike: "SECTION"
Insert: "SECTIONS"
Following: "17-7-140"
Insert: "AND 17-7-304"
5. Title, line 10.
Following: "DATE"
Insert: "AND A TERMINATION DATE"
6. Page 1, line 18.
Following: "a"

Strike: "shortfall in revenue"
Insert: "projected general fund budget deficit"

7. Page 1, line 19.
Following: "governor"
Insert: ", taking into account the criteria provided in
subsection (1) (b),"
Following: "direct"
Strike: "executive branch"

8. Page 1, lines 20 and 21.
Following: "amount" on line 20
Strike: remainder of line 20 through "revenue" on line 21
Insert: "not to exceed the projected general fund budget deficit"

9. Page 1, lines 22 and 23.
Following: "reduce"
Insert: "general fund"
Following: "any" on line 22
Strike: remainder of line 22 through "item" on line 23
Insert: "program, as defined in each general appropriations act,"
Following: "than" on line 23
Strike: "15%"
Insert: "10% during a biennium"
Following: "."
Insert: "The legislature may exempt from a reduction an
appropriation item within a program or may direct that the
appropriation item may not be reduced by more than 10%."

10. Page 1, line 25 through page 2, line 2.
Following: "reduce"
Insert: "general fund"
Following: "expenditures" on page 1, line 25
Strike: remainder of line 25 through "revenue" on page 2, line 2

11. Page 2, line 3.
Following: "amount"
Strike: "equal to the shortfall in revenue"
Insert: "not to exceed the projected general fund budget deficit"

12. Page 2, line 5.
Following: "program"
Strike: "funded by an itemized"
Insert: "that receives a general fund"

13. Page 2, line 8.
Following: "."
Insert: "An agency shall submit its analysis to the office of
budget and program planning and shall at the same time

provide a copy of the analysis to the legislative fiscal analyst. The office of budget and program planning shall review each agency's analysis, and the budget director shall submit to the governor a copy of the office of budget and program planning's recommendations for reductions in spending. The budget director shall provide a copy of the recommendations to the legislative fiscal analyst at the time the recommendations are submitted to the governor and shall provide the legislative fiscal analyst with any proposed changes to the recommendations. The legislative finance committee shall meet within 20 days of the date that the proposed changes to the recommendations for reductions in spending are provided to the legislative fiscal analyst. The legislative fiscal analyst shall provide a copy of the legislative fiscal analyst's review of the proposed reductions in spending to the budget director at least 5 days before the meeting of the legislative finance committee. The committee may make recommendations concerning the proposed reductions in spending."

Following: "shall"

Strike: "use"

Insert: "consider"

14. Page 2, line 9.

Following: "analysis"

Insert: "and the recommendations of the office of budget and program planning and the legislative finance committee"

Following: " . "

Insert: "Reductions in spending must be designed to have the least adverse impact on the provision of services determined to be most integral to the discharge of the agency's statutory responsibilities."

15. Page 2, line 19.

Following: "(3)"

Insert: "(a)"

Following: " , "

Strike: "shortfall in revenue"

Insert: "projected general fund budget deficit"

16. Page 2, line 20.

Following: "an amount"

Insert: " , certified by the budget director to the governor, of projected ending general fund balance for the biennium of less than 2% of all general fund appropriations during the biennium or 2% of the general fund appropriations for the second fiscal year of the biennium. In determining the

amount of the projected general fund budget deficit, the budget director shall take into account revenue, established levels of appropriation, anticipated supplemental appropriations for school equalization aid, and anticipated reversions. (b) If the budget director determines that an amount of actual or projected receipts will result in an amount"

17. Page 2, line 21.

Following: "received"

Strike: "in a revenue category as determined"

18. Page 2, line 22.

Following: "5-18-107"

Insert: ", the budget director shall notify the revenue oversight committee of the estimated amount. Within 20 days of notification, the revenue oversight committee shall provide the budget director with any recommendations concerning the amount. The budget director shall consider any recommendations of the revenue oversight committee prior to certifying a projected general fund budget deficit to the governor."

19. Page 2, line 23.

Following: line 22

Insert: "(4) This section does not limit the authority of the governor or the legislature to call a special session of the legislature."

Section 2. Section 17-7-304, MCA, is amended to read:

"17-7-304. Disposal of unexpended appropriations. (1) All ~~moneys~~ money appropriated for any specific purpose except those appropriated for the university system units listed in subsection (2) shall, after the expiration of the time for which ~~se~~ appropriated, revert to the several funds and accounts from which originally appropriated. However, any unexpended balance in any specific appropriation may be used for the years for which the appropriation was made.

(2) Except as provided in 17-2-108 and subsection (3) of this section, all money appropriated for the university of Montana at Missoula, Montana state university at Bozeman, Montana college of mineral science and technology at Butte, eastern Montana college at Billings, northern Montana college at Havre, western Montana college of the university of Montana at Dillon, the agricultural experiment station with central offices at Bozeman, the forest and conservation experiment station with central offices at Missoula, the cooperative extension service with central offices at Bozeman, the bureau of mines and geology with central offices in Butte, and the vocational-technical

centers at Billings, Butte, Great Falls, Helena, and Missoula must, after the expiration of the time for which appropriated, revert to an account held by the board of regents. The board of regents is authorized to maintain a fund balance. There is a statutory appropriation, as provided in 17-7-502, to use the funds held in this account in accordance with a long-term plan for major and deferred maintenance expenditures and equipment or fixed assets purchases prepared by the affected university system units and approved by the board of regents. The affected university system units may, with the approval of the board of regents, modify the long-term plan at any time to address changing needs and priorities. The board of regents shall communicate the plan to each legislature, to the finance committee when requested by the committee, and to the office of budget and program planning.

(3) Subsection (2) does not apply to reversions that are the result of a reduction in spending directed by the governor pursuant to 17-7-140. Any amount that is a result of a reduction in spending directed by the governor must revert to the fund or account from which it was originally appropriated.

(Subsection (2) terminates June 30, 1996--sec. 23, Ch. 787, L. 1991.""

20. Page 2, line 23.

Following: "date"

Insert: "-- termination"

21. Page 2, line 24.

Following: "approval"

Insert: ", and [section 2] terminates June 30, 1996"

~~2/13/92~~
EXHIBIT 1
DATE 1-13-92
HB //

January 13, 1992

TO: Representative Mike Kadas

FROM: Greg Petesch *GP*

RE: House Bill No. 11

The attached revised draft version of House Bill No. 11 incorporates all of the agreed-upon changes discussed at the meeting with the Office of Budget and Program Planning at 9:30 this morning. The draft defines a "projected general fund budget deficit" and provides for legislative involvement in determining that revenues are not being received at the projected rate and in reviewing proposed reductions in spending. If the Appropriations Committee approves this version of the bill, I have the amendments prepared for the Committee report.

EXHIBIT 1
DATE 1/13/92
HB 11 LC4

8TH REVISED DRAFT

A Bill for an Act entitled: "An Act clarifying that the governor has the authority to direct ~~executive branch~~ agencies to reduce spending in the event of a ~~shortfall in revenue~~ PROJECTED GENERAL FUND BUDGET DEFICIT; providing guidelines for directing agencies to reduce spending; PROVIDING PROCEDURES TO BE USED IN DETERMINING WHEN A PROJECTED GENERAL FUND BUDGET DEFICIT EXISTS AND IN ESTABLISHING REDUCTIONS IN GENERAL FUND SPENDING; CLARIFYING THAT REVERSIONS FROM ALL GENERAL FUND APPROPRIATIONS THAT RESULT FROM REDUCTIONS IN SPENDING MUST REVERT TO THE GENERAL FUND; defining the term "~~shortfall in revenue~~ PROJECTED GENERAL FUND BUDGET DEFICIT"; amending ~~section~~ SECTIONS 17-7-140 AND 17-7-304, MCA; and providing an immediate effective date AND A TERMINATION DATE."

Be it enacted by the Legislature of the State of Montana:

Section 1. Section 17-7-140, MCA, is amended to read:

"17-7-140. Reduction of appropriation in spending. (1)(a) As the chief budget officer of the state, the governor shall ensure that the expenditure of appropriations does not exceed available revenue. Except as provided in subsection (2), in the event of a ~~shortfall in revenue~~ PROJECTED GENERAL FUND BUDGET DEFICIT, the governor, TAKING INTO ACCOUNT THE CRITERIA PROVIDED IN SUBSECTION (1)(B), may shall direct executive branch agencies to reduce appropriations spending in an amount equal to NOT TO EXCEED THE

DATE 1/13/92
HB
11

PROJECTED GENERAL FUND BUDGET DEFICIT. An appropriation agency may not be ~~reduced~~ required to reduce GENERAL FUND spending for any appropriation item PROGRAM, AS DEFINED IN EACH GENERAL APPROPRIATIONS ACT, by more than ~~±5%~~ 10% DURING A BIENNIUM. THE LEGISLATURE MAY EXEMPT FROM A REDUCTION AN APPROPRIATION ITEM WITHIN A PROGRAM OR MAY DIRECT THAT THE APPROPRIATION ITEM MAY NOT BE REDUCED BY MORE THAN 10%.

(b) The governor shall direct agencies to manage their budgets in order to reduce GENERAL FUND expenditures from the fund in the state treasury that is experiencing the shortfall in revenue. Prior to directing agencies to reduce spending in an amount equal to the shortfall in revenue NOT TO EXCEED THE PROJECTED GENERAL FUND BUDGET DEFICIT, the governor shall direct each agency to analyze the nature of each program funded by an itemized THAT RECEIVES A GENERAL FUND appropriation to determine if the program is mandatory or permissive and to analyze the impact of the proposed reduction in spending on the purpose of the program. AN AGENCY SHALL SUBMIT ITS ANALYSIS TO THE OFFICE OF BUDGET AND PROGRAM PLANNING AND SHALL AT THE SAME TIME PROVIDE A COPY OF THE ANALYSIS TO THE LEGISLATIVE FISCAL ANALYST. THE OFFICE OF BUDGET AND PROGRAM PLANNING SHALL REVIEW EACH AGENCY'S ANALYSIS, AND THE BUDGET DIRECTOR SHALL SUBMIT TO THE GOVERNOR A COPY OF THE OFFICE OF BUDGET AND PROGRAM PLANNING'S RECOMMENDATIONS FOR REDUCTIONS IN SPENDING. THE BUDGET DIRECTOR SHALL PROVIDE A COPY OF THE RECOMMENDATIONS TO THE LEGISLATIVE FISCAL ANALYST AT THE TIME THE RECOMMENDATIONS ARE SUBMITTED TO THE GOVERNOR AND SHALL PROVIDE THE LEGISLATIVE FISCAL ANALYST

WITH ANY PROPOSED CHANGES TO THE RECOMMENDATIONS. THE LEGISLATIVE FINANCE COMMITTEE SHALL MEET WITHIN 20 DAYS OF THE DATE THAT THE PROPOSED CHANGES TO THE RECOMMENDATIONS FOR REDUCTIONS IN SPENDING ARE PROVIDED TO THE LEGISLATIVE FISCAL ANALYST. THE LEGISLATIVE FISCAL ANALYST SHALL PROVIDE A COPY OF THE LEGISLATIVE FISCAL ANALYST'S REVIEW OF THE PROPOSED REDUCTIONS IN SPENDING TO THE BUDGET DIRECTOR AT LEAST 5 DAYS BEFORE THE MEETING OF THE LEGISLATIVE FINANCE COMMITTEE. THE COMMITTEE MAY MAKE RECOMMENDATIONS CONCERNING THE PROPOSED REDUCTIONS IN SPENDING. The governor shall use CONSIDER each agency's analysis AND THE RECOMMENDATIONS OF THE OFFICE OF BUDGET AND PROGRAM PLANNING AND THE LEGISLATIVE FINANCE COMMITTEE in determining the agency's reduction in spending. REDUCTIONS IN SPENDING MUST BE DESIGNED TO HAVE THE LEAST ADVERSE IMPACT ON THE PROVISION OF SERVICES DETERMINED TO BE MOST INTEGRAL TO THE DISCHARGE OF THE AGENCY'S STATUTORY RESPONSIBILITIES.

(2) ~~The appropriations~~ Reductions in spending for the following may not be ~~reduced~~ directed by the governor:

- (a) payment of interest and principal on state debt;
- (b) the legislative branch;
- (c) the judicial branch;
- (d) the school foundation program, including special education; and
- (e) salaries of elected officials during their terms of office.

(3) (A) As used in this section, "shortfall in revenue" "PROJECTED GENERAL FUND BUDGET DEFICIT" means an amount,

EXHIBIT 1
DATE 1/13/92
HB 11

CERTIFIED BY THE BUDGET DIRECTOR TO THE GOVERNOR, OF PROJECTED
ENDING GENERAL FUND BALANCE FOR THE BIENNIUM OF LESS THAN 2% OF
ALL GENERAL FUND APPROPRIATIONS DURING THE BIENNIUM OR 2% OF THE
GENERAL FUND APPROPRIATIONS FOR THE SECOND FISCAL YEAR OF THE
BIENNIUM. IN DETERMINING THE AMOUNT OF THE PROJECTED GENERAL
FUND BUDGET DEFICIT, THE BUDGET DIRECTOR SHALL TAKE INTO ACCOUNT
REVENUE, ESTABLISHED LEVELS OF APPROPRIATION, ANTICIPATED
SUPPLEMENTAL APPROPRIATIONS FOR SCHOOL EQUALIZATION AID, AND
ANTICIPATED REVERSIONS.

(B) IF THE BUDGET DIRECTOR DETERMINES THAT AN AMOUNT OF
ACTUAL OR PROJECTED RECEIPTS WILL RESULT IN AN AMOUNT less than
the amount projected to be received in a revenue category as
determined in the revenue estimate established pursuant to 5-18-
107, THE BUDGET DIRECTOR SHALL NOTIFY THE REVENUE OVERSIGHT
COMMITTEE OF THE ESTIMATED AMOUNT. WITHIN 20 DAYS OF
NOTIFICATION, THE REVENUE OVERSIGHT COMMITTEE SHALL PROVIDE THE
BUDGET DIRECTOR WITH ANY RECOMMENDATIONS CONCERNING THE AMOUNT.
THE BUDGET DIRECTOR SHALL CONSIDER ANY RECOMMENDATIONS OF THE
REVENUE OVERSIGHT COMMITTEE PRIOR TO CERTIFYING A PROJECTED
GENERAL FUND BUDGET DEFICIT TO THE GOVERNOR.

(4) THIS SECTION DOES NOT LIMIT THE AUTHORITY OF THE
GOVERNOR OR THE LEGISLATURE TO CALL A SPECIAL SESSION OF THE
LEGISLATURE."

{ Internal References to 17-7-140: None. }

Section 2. Section 17-7-304, MCA, is amended to read:

"17-7-304. Disposal of unexpended appropriations. (1) All

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Printed 12:50 pm on January 10, 1992

EXHIBIT 1
DATE 1/13/92
HB 11

moneys money appropriated for any specific purpose except those appropriated for the university system units listed in subsection (2) shall, after the expiration of the time for which so appropriated, revert to the several funds and accounts from which originally appropriated. However, any unexpended balance in any specific appropriation may be used for the years for which the appropriation was made.

(2) Except as provided in 17-2-108 and subsection (3) of this section, all money appropriated for the university of Montana at Missoula, Montana state university at Bozeman, Montana college of mineral science and technology at Butte, eastern Montana college at Billings, northern Montana college at Havre, western Montana college of the university of Montana at Dillon, the agricultural experiment station with central offices at Bozeman, the forest and conservation experiment station with central offices at Missoula, the cooperative extension service with central offices at Bozeman, the bureau of mines and geology with central offices in Butte, and the vocational-technical centers at Billings, Butte, Great Falls, Helena, and Missoula must, after the expiration of the time for which appropriated, revert to an account held by the board of regents. The board of regents is authorized to maintain a fund balance. There is a statutory appropriation, as provided in 17-7-502, to use the funds held in this account in accordance with a long-term plan for major and deferred maintenance expenditures and equipment or fixed assets purchases prepared by the affected university system units and approved by the board of regents. The affected

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HB 11

university system units may, with the approval of the board of regents, modify the long-term plan at any time to address changing needs and priorities. The board of regents shall communicate the plan to each legislature, to the finance committee when requested by the committee, and to the office of budget and program planning.

(3) Subsection (2) does not apply to reversions that are the result of a reduction in spending directed by the governor pursuant to 17-7-140. Any amount that is the result of a reduction in spending directed by the governor must revert to the funds or account from which it was originally appropriated.

(Subsection (2) terminates June 30, 1996--sec. 23, Ch. 787, L. 1991."")

NEW SECTION. Section 2. Effective date -- TERMINATION.

[This act] is effective on passage and approval, AND [SECTION 2] TERMINATES JUNE 30, 1996.

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Printed 12:50 pm on January 10, 1992

EXHIBIT 1
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HB 11

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appropriated for any specific purpose except those
for the university system units listed in subsection
at the expiration of the time for which se
revert to the several funds and accounts from which
appropriated. However, any unexpended balance in any
appropriation may be used for the years for which the
was made.
as provided in 17-2-108 and subsection (3) of
all money appropriated for the university of
Missoula, Montana state university at Bozeman, Montana
natural science and technology at Butte, eastern
Montana college at Havre,
Montana college of the university of Montana at Dillon,
Montana experiment station with central offices at
forest and conservation experiment station with
offices at Missoula, the cooperative extension service
offices at Bozeman, the bureau of mines and geology
offices in Butte, and the vocational-technical
schools at Billings, Butte, Great Falls, Helena, and Missoula
at the expiration of the time for which appropriated,
the account held by the board of regents. The board of
is authorized to maintain a fund balance. There is a
appropriation, as provided in 17-7-502, to use the
this account in accordance with a long-term plan
for deferred maintenance expenditures and equipment or
purchases prepared by the affected university system
approved by the board of regents. The affected

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787, L.

NATION.
SECTION 21

Ex. 2

1/13/92

HB 11

LC 0834/01

52nd Legislature

House, BILL NO. 975
Walker

1
2 INTRODUCED BY
3
4 A BILL FOR AN ACT ENTITLED: "AN ACT TO APPROPRIATE \$60,000
5 TO MONTANA STATE UNIVERSITY TO UPDATE AND REPRINT 500 COPIES
6 OF BULLETIN NUMBER 545, THE MONTANA LAW OF WATER RIGHTS."
7
8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:
9 NEW SECTION. Section 1. Appropriation. There is
10 appropriated \$60,000 from the coal severance tax money
11 deposited in the renewable resource development bond fund,
12 as provided in 15-35-108(3)(d), to Montana state university
13 for the biennium ending June 30, 1993, for the purposes of
14 updating and reprinting 500 copies of bulletin number 545,
15 The Montana Law of Water Rights.

-End-

INTRODUCED BILL
HB 975



Amendments to House Bill No. 11
First Reading Copy

For the Committee on Appropriations

Prepared by Greg Petesch
January 10, 1992

1. Title, line 5.
Following: "DIRECT"
Strike: remainder of line 5 in its entirety
2. Title, lines 6 and 7.
Following: "A" on line 6
Strike: remainder of line 6 through "REVENUE" on line 7
Insert: "PROJECTED GENERAL FUND BUDGET DEFICIT"
3. Title, line 8.
Following: "REDUCE"
Insert: "GENERAL FUND"
Following: "SPENDING;"
Insert: "PROVIDING PROCEDURES TO BE USED IN DETERMINING WHEN A
PROJECTED GENERAL FUND BUDGET DEFICIT EXISTS AND IN
ESTABLISHING REDUCTIONS IN GENERAL FUND SPENDING; CLARIFYING
THAT REVERSIONS FROM ALL GENERAL FUND APPROPRIATIONS THAT
RESULT FROM REDUCTIONS IN SPENDING MUST REVERT TO THE
GENERAL FUND;"
Following: "TERM"
Strike: ""SHORTFALL IN REVENUE""
Insert: ""PROJECTED GENERAL FUND BUDGET DEFICIT""
4. Title, line 9.
Strike: "SECTION"
Insert: "SECTIONS"
Following: "17-7-140"
Insert: "AND 17-7-304"
5. Title, line 10.
Following: "DATE"
Insert: "AND A TERMINATION DATE"
6. Page 1, line 18.
Following: "a"
Strike: "shortfall in revenue"
Insert: "projected general fund budget deficit"
7. Page 1, line 19.
Following: "governor"
Insert: ", taking into account the criteria provided in
subsection (1)(b),"
Following: "direct"
Strike: "executive branch"
8. Page 1, lines 20 and 21.
Following: "amount" on line 20

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Strike: remainder of line 20 through "revenue" on line 21
Insert: "not to exceed the projected general fund budget deficit"

9. Page 1, lines 22 and 23.

Following: "reduce"

Insert: "general fund"

Following: "any" on line 22

Strike: remainder of line 22 through "item" on line 23

Insert: "program, as defined in each general appropriations act,"

Following: "than" on line 23

Strike: "15%"

Insert: "5%"

Following: "."

Insert: "The legislature may exempt from a reduction an appropriation item within a program or may direct that the appropriation item may not be reduced by more than 5%."

10. Page 1, line 25 through page 2, line 2.

Following: "reduce"

Insert: "general fund"

Following: "expenditures" on page 1, line 25

Strike: remainder of line 25 through "revenue" on page 2, line 2

11. Page 2, line 3.

Following: "amount"

Strike: "equal to the shortfall in revenue"

Insert: "not to exceed the projected general fund budget deficit"

12. Page 2, line 5.

Following: "program"

Strike: "funded by an itemized"

Insert: "that receives a general fund"

13. Page 2, line 8.

Following: " _ "

Insert: "An agency shall submit its analysis to the office of budget and program planning and shall at the same time provide a copy of the analysis to the legislative fiscal analyst. The office of budget and program planning shall review each agency's analysis, and the budget director shall submit to the governor a copy of the office of budget and program planning's recommendations for reductions in spending. The budget director shall provide a copy of the recommendations to the legislative fiscal analyst at the time the recommendations are submitted to the governor and shall provide the legislative fiscal analyst with any proposed changes to the recommendations. The legislative finance committee shall meet within 20 days of the date that the proposed changes to the recommendations for reductions in spending are provided to the legislative fiscal analyst. The legislative fiscal analyst shall provide a copy of the legislative fiscal analyst's review of the proposed reductions in spending to the budget director at least 5 days before the meeting of the legislative finance committee. The committee may make recommendations

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concerning the proposed reductions in spending."
Following: "shall"
Strike: "use"
Insert: "consider"

14. Page 2, line 9.
Following: "analysis"
Insert: "and the recommendations of the office of budget and program planning and the legislative finance committee"
Following: " "
Insert: "Reductions in spending must be designed to have the least adverse impact on the provision of services determined to be most integral to the discharge of the agency's statutory responsibilities."

15. Page 2, line 19.
Following: "(3)"
Insert: "(a)"
Following: ", "
Strike: "\"shortfall in revenue\""
Insert: "\"projected general fund budget deficit\""

16. Page 2, line 20.
Following: "an amount"
Insert: "of projected ending general fund balance during the biennium of less than 2% of all general fund appropriations during the biennium or 2% of the general fund appropriations during the second fiscal year of the biennium certified by the budget director to the governor, taking into account revenue, established levels of appropriation, anticipated supplemental appropriations for school equalization aid, and anticipated reversions. (b) If the budget director determines that an amount of actual or projected receipts will result in an amount"

17. Page 2, line 21.
Following: "received"
Strike: "in a revenue category as determined"

18. Page 2, line 22.
Following: "5-18-107"
Insert: ", the budget director shall notify the revenue oversight committee of the estimated amount. Within 20 days, the revenue oversight committee shall provide the budget director with any recommendations concerning the amount. The budget director shall consider any recommendations of the revenue oversight committee prior to certifying a projected general fund budget deficit to the governor."

19. Page 2, line 23.
Following: line 22
Insert: "(4) This section does not limit the authority of the governor or the legislature to call a special session of the

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legislature.

Section 2. Section 17-7-304, MCA, is amended to read:

"17-7-304. Disposal of unexpended appropriations. (1) All ~~moneys~~ money appropriated for any specific purpose except those appropriated for the university system units listed in subsection (2) shall, after the expiration of the time for which ~~se~~ appropriated, revert to the several funds and accounts from which originally appropriated. However, any unexpended balance in any specific appropriation may be used for the years for which the appropriation was made.

(2) Except as provided in 17-2-108 and subsection (3) of this section, all money appropriated for the university of Montana at Missoula, Montana state university at Bozeman, Montana college of mineral science and technology at Butte, eastern Montana college at Billings, northern Montana college at Havre, western Montana college of the university of Montana at Dillon, the agricultural experiment station with central offices at Bozeman, the forest and conservation experiment station with central offices at Missoula, the cooperative extension service with central offices at Bozeman, the bureau of mines and geology with central offices in Butte, and the vocational-technical centers at Billings, Butte, Great Falls, Helena, and Missoula must, after the expiration of the time for which appropriated, revert to an account held by the board of regents. The board of regents is authorized to maintain a fund balance. There is a statutory appropriation, as provided in 17-7-502, to use the funds held in this account in accordance with a long-term plan for major and deferred maintenance expenditures and equipment or fixed assets purchases prepared by the affected university system units and approved by the board of regents. The affected university system units may, with the approval of the board of regents, modify the long-term plan at any time to address changing needs and priorities. The board of regents shall communicate the plan to each legislature, to the finance committee when requested by the committee, and to the office of budget and program planning.

(3) Subsection (2) does not apply to reversions that are the result of a reduction in spending directed by the governor pursuant to 17-7-140. Any amount that is a result of a reduction in spending directed by the governor must revert to the fund or account from which it was originally appropriated.

(Subsection (2) terminates June 30, 1996--sec. 23, Ch. 787, L. 1991."

20. Page 2, line 23.
Following: "date"
Insert: "-- termination"

21. Page 2, line 24.
Following: "approval"
Insert: ", and [section 2] terminates June 30, 1996"