

## MINUTES

MONTANA SENATE AND HOUSE  
52nd LEGISLATURE - 1st SPECIAL SESSION

## FREE CONFERENCE COMMITTEE ON HOUSE BILL 2

Call to Order: By Senator Judy Jacobson, Chairman, on January 16, 1992 at 10:15 a.m., Room 325.

## ROLL CALL

## Members Present:

Senator Judy Jacobson, Chairman (D)  
Senator Greg Jergeson (D)  
Senator Gary Aklestad (R)  
Representative Mike Kadas (D)  
Representative Ray Peck (D)  
Representative Bob Thoft (R)

Staff Present: Teresa Olcott Cohea (LFA)

DISCUSSION ON HOUSE BILL 2 CONFERENCE COMMITTEE

Senator Jacobson stated the free conference committee would go back to Section 1 of HB 2 since it was not closed in the joint conference committee that met January 15th. She informed the committee that we would begin with Section A.

Senator Aklestad moved that the committee go to Section E and work backwards. He said after hearing about the deficit and the fact that the budget still needed to be reduced by several million dollars within the committee, it would be necessary for every budget to contribute to the millions that will have to be reduced. He stated he finds it very uncomfortable as a committee member having amendments ready that deal with the social services area which is as tough in this session as it is in every session, that we are going to have to make additional cuts in those areas,

probably in each and every section of the budget to meet the deficit that we still have. He said he is sure that was discussed in the respective caucuses. He added he is not going to submit or go for reductions in social services areas when there are still areas in the budget that are not either taking a cut or where it indicates they are having a cut and when this session is over will not have taken a cut. He noted in that respect he was talking about the university. He said when the out of state tuition is implemented, they will primarily leave this session without having a cut. He stated that Rep. Peck knows far more about the budget than he does, but that is how he perceives it at this time. He said he would like to make sure that there is willingness on the part of the majority of the House and Senate committee members to take cuts fairly and evenly across the budget. He said he did not want to get in a position in the social services areas where it is hard to cut and leave one segment of this budget untouched. He concluded he would like to start with Section E and propose amendments for that.

Senator Jacobson asked the committee if anyone had any objection to starting with Section E and then revert to Section A. (No objection)

Senator Jacobson noted that the figures from today indicated we are in a positive balance of 10.3. She said the Governor's executive budget requested 11.1 so we are close to achieving what the Governor wanted. She added the university system has been asked to take \$2 million plus cut in the first year of the biennium. There was agreement between both parties and the Governor that we would not implement any tuition increases or ask the Board of Regents to do that mid-year for the students. The second year of the biennium the university system is taking a cut of 6.64 percent which is a little higher than some and perhaps a little less than others. She said if tuition is being included, then a tax increase would have to be talked about on 30,000 students. Also the university system even if they raise tuition to the level we anticipate they may, they will still be taking a cut of over \$2 million in each year of the biennium.

Senator Aklestad said he would like to address some of the subject matter mentioned by Senator Jacobson. Senator Jacobson asked him to please do it briefly.

Senator Aklestad said he would try to make it brief, however, this was gone over in the last legislative session and they made revenue projections that were not there and then left the session because they wanted to go home. He said at the special session, we all want to go home, but it is irresponsible for legislators to put going home ahead of acting responsible and making sure we leave the special session with a budget that will stay in balance until the end of the biennium. He said he has a concern with the numbers where there is an ending fund balance

that small when we achieved that fund balance by having revenue projections coming up in areas which he feels will never be achieved. He added his feeling there are things that have not been taken into consideration in the budget proposal as far as revenue when we are dealing with oil at \$18 a barrel at this time. He said there was an announcement made yesterday in the news that Russia is going to start trading oil for grain and he is assuming much of it will come from the U.S. He noted that would have a decline on the oil price. He said he feels interest rates will further have a decline when the federal government steps in to lower the prime and our portfolio interest rate will go down. He concluded his feeling that much of this isn't being taken into account in the numbers we now have. He added we will need that much or more money or we will be back in another special session.

Senator Jacobson said the Governor and his administration made revenue estimates prior to the special session. As of today, the brown sheet we have received shows we are within 1.2 million of the executive's recommendations. She concluded that is less than two-tenths of one percent difference from what the Governor has recommended.

Senator Aklestad said he would like to address that. He is not agreeing with the legislators' recommendation as far as revenue or the administration. He said he is looking at reality. Senator Jacobson said we do the best we can with the experts we have got.

Rep. Kadas asked Senator Aklestad if he was disagreeing with the viability of the executive revenue estimates. Senator Aklestad said it has not been all executive branch recommendations. The revenue oversight committee which is a legislative body made many of the recommendations prior to the Senate taking over that portion of revenue estimating. He said he disagrees with those assumptions; many of them were made last legislative session. He said we are now in special session because those assumptions did not have any merit and he has questions with those assumptions at this time.

Rep. Kadas said he thought all of the assumptions have been gone over by the revenue oversight committee, the House and now the Senate on almost all areas where there are differences. He said the legislature has come up with a revenue estimate that is extremely close to the executive's. There are differences in particular numbers but the bottom line is almost exactly the same. He felt it has been a fairly bipartisan process that has brought us to the revenue estimate that the legislature has come to and that estimate is close to the executive estimate; he felt we had to trust somebody at some point. He questioned how we could do much better than getting within two-tenths of one percent of each other.

SECTION E AMENDMENTS

Senator Aklestad moved to amend Section E (See Exhibit 1).

Senator Aklestad said this would put the bill back where it was in the House at one time where there was \$4 million. It would raise the appropriation level to \$13.188 million.

Senator Jacobson asked if this was the amendment that Senator Aklestad presented in Senate Finance and Claims that reduces the amount back to the level it came out of the subcommittee; Senator Aklestad said the subcommittee and full committee.

Senator Aklestad said he realizes the university system is very concerned and that many legislators are very concerned, but there are also many concerned citizens that don't want to see tax increases. He said it probably will be stated if they get a tuition, that is an indirect tax increase. He said that is very possible. He stated it is better for everyone to share in the responsibility and he questioned whether there is a necessity to have a tuition increase when most of this revenue will be taken on the second year. If they implement the out of state tuition and he questioned if there is an approximately \$235 million total appropriation to the university system that they cannot share in the responsibility of taking a cut. He said regarding the letter relating to dental work that can be done at least at two of the university systems, he questioned if that was necessary within the system. He said there are very few other states that do that. He said he came across a questionnaire sent out by the university system to the parents of students stating they would like the parents and students to consider implementation of a telephone answering system so every student would be able to have an answering service at one unit of the system. He questioned providing that type of service within a system and then demand Montana taxpayers to come up with additional money through tuition or any other tax increase. He concluded that even though students that come out of the system can help the state immensely, it is unfortunate when most of them leave the state because we appear to be anti-business and don't have a business for them to go into in Montana. He felt everyone should share in this responsibility, including the university system.

Senator Jergeson said he did not feel all the issues surrounding the university system should be debated but a few comments made by Senator Aklestad needed a response. Senator Jergeson said regarding the dental and health services provided at two of the units and a letter regarding telephone services, neither of those instances has anything to do with the state of Montana general fund. Those services are provided for students on an auxiliary basis and are not paid for by taxpayers but by the students if they use the services. It has nothing to do with

the operation of the university and is not a reflection on whether or not the university is well managed. He said the consequences of going back to the figures contained in Senator Aklestad's amendment are an increase in tuition. He said he likens those to a tax and to a user fee similar to motor fuel taxes, et cetera. Tuition increases on the rate of 35 percent to 40 percent are an increase in that form of taxation. To adopt the amendments proposed by Senator Aklestad means that form of taxation will see that type of an increase. The public would be outraged to see that in any other form of taxation. He concluded that Senator Aklestad's amendments would affect a broad spectrum of the Montana population.

Rep. Kadas said he would like to make a few comments. He noted this budget is going to cause a significant tuition increase on the order of almost \$200 a year for instate university system students, and he felt that was unavoidable. He said the second point is what is behind the tuition increase. He said the point is regarding the managers of the system who are the Board of Regents, and it is the Board of Regents that has made the decision that no more than \$2.1 million can be cut and they will raise tuition to find additional revenue. That was made clear in their proposed surcharge for fiscal year '92. He said the makeup of the Board of Regents had to be looked at. Five of the seven members were appointed by Governor Stephens. The chairman was appointed by Governor Schwinden and is the former Republican leader of the State Senate. He noted it is a fairly conservative group on the Board. If we are going to have a board that would find management efficiencies within the university system, that is found in the present Board of Regents. The fact that they cannot find additional cuts in the system indicates that the university system has been cut over the last ten years about as much as can be done. If we are going to maintain any type of quality, they cannot cut anymore, and he said that is the decision made by the Regents. They are going to increase tuition rather than sacrifice quality which faces us with the decision of having to accept their judgement on that because constitutionally that is their job as we can't tell them whether to take more cuts and less tuition. He said he felt as a member of the legislature he has a responsibility to try to at least minimize the tuition increases which he felt the House did in Rep. Harrington's amendment. Tuition is going to increase up to the peer averages. At the same time there are cuts in the system, there will be decreases in the number of sections offered, faculty and staff that will not get hired; students will be receiving less and paying more even under the way the bill is now. It would be that much worse if Senator Aklestad's amendments are accepted.

Rep. Thoft said he questioned Rep. Kadas' remarks that the university system has been taking cuts in the last ten years. He noted that they have taken cuts in what they wanted but have not

taken real cuts.

Rep. Kadas said in 1981 the university system was funded at 97 to 98 percent of its peers. The university system operates at a minimum a national market if not a global market when hiring faculty is concerned. Right now they are at no greater than 80 percent of their peers and probably somewhat less.

Rep. Thoft said in real dollars he felt there has been an increase in the university budget in the last ten years every session. Rep. Kadas said that was true but the cost of inflation cannot be ignored or competitive cost when it comes to hiring people. Rep. Thoft said the increases have been above the inflation rate. he said he wished Rep. Kadas would bring up those things along with the rest of his arguments.

Senator Jacobson said it was her understanding that Rep. Kadas was talking about the efficiencies that the Board of Regents has put into place through the years as we have been unable to increase the university system to the levels we felt were appropriate. She stated the Board of Regents has done a number of things in that regard. She said they have taken steps not to duplicate programs and she felt those are the type of efficiencies referred to by Rep. Kadas.

Rep. Peck said he would like to give the history on this matter. There were people that wanted to put the money in the subcommittee and it was decided the full House should be given the opportunity to vote on this, therefore it was agreed the Governor's budget would not be changed in the subcommittee. The full House put the money into the budget. He said he indicated to Senator Aklestad there may be some room for movement but the Legislature has moved toward the Governor from where we were in terms of what he presented. There has been a cut of over \$4 million in the second year for the university system so they will have to do some paring of items there. He said he does not see in Senator Aklestad's motion any movement from the executive or the Republican side and he is disappointed in that. He said it was his opinion that we are wasting time in talking about peers. We are not talking tuition level with the peers but budget level has to be talked about in this connection. To talk about peer level rather than dollar level is meaningless, and we have to be realistic. He concluded the executive cannot prevail against the majority in both houses of the legislature.

Senator Aklestad said the free conference committee had to come up with several million dollars worth of cuts. There are two major areas where there is money in the budget, which is social services and education, and he said those two areas will have to contribute to balance the budget.

Senator Jacobson said Senator Aklestad keeps referring to a

goal of several million dollars that has to be achieved by the committee. She said she has not been informed that she had to take several million dollars out of this budget.

Senator Aklestad's amendment motion (Exhibit 1) failed on a roll call vote.

Senator Aklestad moved to amend Section E (See Exhibit 2). He indicated this amendment would move the Senate floor action of \$8,713,000 to \$11,713,892 which would be approximately a \$3 million difference rather than \$4.47 million reduction.

Senator Aklestad said Rep. Peck noted there has not been any give on the part of the administration as far as what should be done. He stated this was his effort to show cooperation on his part and that of the administration to help balance the budget and still give the university system a part in the balancing act.

Rep. Peck said granted there is movement but not enough at this time to satisfy him.

Rep. Kadas said he felt this amendment would mean a tuition increase of probably \$300 a year which he felt is unacceptable at this point.

Senator Aklestad's amendment motion (Exhibit 2) failed on a roll call vote.

Senator Aklestad said he had no further amendments to Section E but would like to remind the committee of his opening statement that he as a legislator in good conscience cannot go into other budgets and make cuts when he finds Section E of the budget is unwilling to take cuts to try to balance the budget. He feels that is unfortunate and he does not know how he can offer amendments dealing with any subject matter, particularly in the social services area to children and people that cannot help themselves, when cuts cannot be made in the university area where we are dealing with students that may have to come up with an additional \$200. He said he realizes that may be hard in some areas even if that would have to happen, which he questions, when it might mean one less weekend party or less stereo discs they might buy in a six month period of time. He concluded we are dealing with apples and oranges there, and he could not go along with cuts in other areas until we justify and rectify what we have done here.

Senator Jacobson asked if Senator Aklestad had deep cuts in human services. Senator Aklestad said he is prepared to make cuts in human services at some point in time if we acknowledge everyone has to participate in the cuts, however he does not have cuts at this time.

Rep. Thoft said he had an amendment to Section E on lines 14 and 17 for the purpose of general fund accounting.

Senator Jacobson said as yet she has not seen a copy of the amendment.

It was decided that copies would be made and discussion held on Rep. Thoft's amendment when they got to Section E.

## SECTION A

Rep. Thoft moved to amend Section A (See Exhibit A-1).

Rep. Thoft said the amendment makes the money available for reimbursement to counties for district court expenses. It would be re-distributed to counties on a pro-rata basis.

Senator Jergeson questioned if the amendment changes general fund totals. Senator Jacobson said it did not. She noted it is something that MaCo would like to see happen. It would allow reimbursement for evaluation costs to the counties.

Senator Aklestad asked if this would allocate the money out on need rather than funds collected. Senator Jacobson said yes, it puts the vehicle fees into a fund which will be allocated to the county where they incur costs for court ordered evaluations.

Rep. Thoft's amendment motion (Exhibit A-1) carried unanimously.

Rep. Kadas moved to amend Section A (See Exhibit A-2).

Rep. Kadas said it adds money back into the Judiciary budget. It will move them to 5 and 5 cut.

Senator Aklestad questioned that their cut was that substantial if we are using general fund monies.

Rep. Kadas said right now in district court reimbursement and judges' salaries, their cut is 5 percent in the first year and 8 percent in the second year. The amendment reduces the cut in the second year from 8 percent to 5 percent.

Senator Aklestad asked to achieve the 5 percent in the first year and the 8 percent the second year are they using general fund monies plus other monies. Rep. Kadas said they were taken only in general fund operational budgets. He said the cut he proposed was entirely limited to general fund, and he said he is now trying to undo a little of what he did. He said Mr. Oppedahl made a fairly convincing argument to him that he was going to have a difficult time handling 8 percent in the second year.

Rep. Kadas' amendment motion (Exhibit A-2) carried unanimously.

Rep. Kadas moved to amend Section A (See Exhibit A-3).

Rep. Kadas said this would move the Department of Justice to an average cut over the biennium of 5 percent in their general fund operational budgets. He noted it is in line with the same kind of cuts most other large general fund agencies took.

Rep. Kadas' amendment motion (Exhibit A-3) carried unanimously.

Senator Aklestad said Mr. Racicot would like to address the previous amendment. Senator Jacobson said it was her impression that Mr. Racicot was aware of the amendment but she would certainly allow him the opportunity to discuss the amendment.

Marc Racicot, Attorney General, said he would like the record to reflect what is going on from their perspective. He said they have \$11.7 million a year in general fund spread through eight divisions having 26 programs. He said the regular session funded those programs and then eliminated \$733,000 for vacancy savings, another \$109,000 for across the board cut of .5 percent and another \$140,000 when they under-funded the pay plan. He said the special session took \$515,000 in HB 2 reductions and another \$292,000 in additional cuts on the House floor. He said now we have voted on an additional \$284,000. Without the cuts that the committee just voted on, the Department has \$1,800,000 less to perform the duties they are assigned than they originally began with which is an 8 percent cut. Adding another \$284,000 is going to put them in excess of \$2 million which is 9.2 percent. He said according to the LFA there are 13 agencies with lower percentage reductions and 20 agencies with higher percentage reductions. He said depending where the agency fits in the "food chain" that is the value judgment that is made in that particular process. His argument is their position is vitally important and he wanted the committee to know where the cuts would come. He noted that out of the total cuts made in Section A, Department of Justice has sustained 26 percent of them which is \$292,000 more than was recommended in the executive budget and now there is another \$284,000. He presented to the committee a document dated January 16, 1992 showing the reductions in their department (See Exhibit A-4).

Senator Aklestad said in respect to Mr. Racicot's testimony and the fact that it was not discussed when the amendment was offered, he would make a motion to reconsider our action on the amendment pertaining to the Department of Justice and have a re-vote on it.

Senator Aklestad's motion to reconsider the committee's

action on amendment (Exhibit A-3) carried unanimously.

Rep. Kadas moved the amendment (See Exhibit A-3).

Senator Aklestad said he is not fully convinced that the Department of Justice is making the 5 percent contribution and is more convinced that it is general fund monies after hearing Mr. Racicot's testimony. Due to the fact we are not making cuts in areas that he feels have substantial money to reduce the deficit, he finds it hard to take additional cuts to an area that we statutorily mandate in that the Department deals with justice and the criminal area in the state, especially in light of the good job done by Mr. Racicot and his people. He concluded he would vote against the motion.

Rep. Kadas said he tried to offer the Department of Justice as much money with this cut as possible; in fact, they are getting more flexibility than other departments that are taking precisely the same kind of cuts. He said there are different places where we want to eliminate the impact of cuts which are the priorities we come to. He noted what is called the general operations of state government can probably tighten up a little bit and hopefully there won't be as much damage done to other areas of the system that are stretched beyond what he feels is acceptable. He concluded that every place in state government is going to take cuts and he agreed it will make it more difficult for the Justice Department to do their statutory job but that is being done across State government. He stated he frankly did not see any way of dealing with this situation without raising revenue but until we get to that point, the services available to the people of Montana would have to be reduced.

Rep. Kadas' amendment motion (Exhibit A-3) carried with Senator Aklestad and Rep. Thoft opposed.

Rep. Thoft moved to amend Section A (See Exhibit A-5).

Rep. Thoft said the language was adopted by the Senate, and there is a legal opinion that it is an improper insertion into an appropriation bill.

Jack Ellery, Department of Revenue, said the language attempts to put substantive law into an appropriations act. He said their problem with the amendment is that it attempts to tie the hands of the Department in its contracting with liquor store agents. They are responsible for seeing that certain things in the procurement process are followed, such as requiring performance bonds, etc. He said the contracts in the 90's did not require a performance bond because their loss liability was self insured by the state but that no longer is the case.

Rep. Peck questioned if the attorney opinion referenced is

the Department of Revenue attorney.

Mr. Ellery said it is a Department of Revenue attorney, but it was in consultation with Greg Petesch of the Legislative Council.

Senator Jacobson said she has an amendment to the section that Rep. Thoft is trying to remove. She said this language was placed in the bill by Senator Halligan who is an attorney, and she would like him to address the amendment and the legalities.

Senator Mike Halligan said the purpose of the original amendment was that with currently existing agency stores, as their contracts were coming due, the Department in an attempt to what he and some others felt was obfuscating existing law and dismantling the existing liquor system in Montana were not honoring the contracts in terms of renewal provisions. He said regarding a little agency store in Victor, Montana, the lady had a five year renewal in her contract and the Department as if they were letting bids again was ignoring the contract and simply giving her the new bid and telling her to take it or leave it and it will be put out for bid and removing the preference provisions the existing contractees had. He said it was not an attempt to do anything other than require the Department to honor the existing agreements that they had in place with the agency stores rather than have them go month to month. In the appropriations bill, he felt is not substantive law but the intent of the legislature to have the Department honor existing law, and that is all it was attempting to do.

Rep. Thoft said the Department of Revenue feels the insertion of this by the Senate was illegal and if Mr. Petesch feels the same way regardless of what was said about it, he feels it is illegal to take this action in an appropriations bill.

Senator Aklestad questioned Senator Halligan if he felt it was changing or inserting statutory language. Senator Halligan said it is not an insertion. Senator Jacobson said she felt Senator Halligan was saying by inserting it into HB 2 it is only in existence until we come back into session. The bill doesn't go into statutes.

Rep. Peck said there are other places where we express the intent of the legislature in this bill and other appropriation bills. He stated he sees nothing illegal with it and said he would not support the idea that it be removed.

Senator Aklestad asked if under the existing rules, there is an absolute preference at this time. Senator Halligan said it is totally within the bidding process as he understands it. It is in the contract they signed. They have a three year option for renewal that he feels is a preference they have in their own bid;

some contracts have it and some don't. Those that don't come on a month to month. He concluded there is nothing in the statute that he is aware of that gives them any preference.

Senator Aklestad questioned why we didn't do it in boiler plate language in another fashion.

Rep. Thoft said he would like to have Mr. Petesch speak on the issue.

Greg Petesch, Legislative Council, said that language in the appropriations bill is questionable substantive basis. He said anything you want can be put in an appropriations bill; whether it is enforceable is an entirely separate issue. If it is in the appropriations bill and the Department of Revenue chooses not to do it, he suspects when someone went to court to try to make them do it that it would be determined they were not required to based upon that language.

Senator Jacobson said on the other hand if they wished to please the legislature, they might decide to do it.

Rep. Thoft's amendment motion (Exhibit A-5) failed with Rep. Thoft and Senator Aklestad in favor of the motion.

Senator Jergeson moved to amend Section A (See Exhibit A-6). He asked Senator Halligan to address the amendment.

Senator Halligan said in the amendment it is expressing the intent of the legislature that as the contracts come up that the renewal options in the existing agency agreement simply be honored as they existed on January 1, 1991. He noted there is a task force in place studying the liquor system and he wants to allow them to do their work for the next year until the legislature convenes. He said they may make some substantive recommendations on changes of the existing state agency stores. This amendment lets those agency stores along with the state owned stores operate as is until the legislature convenes in 1993 and the task force gives their recommendations.

Rep. Thoft questioned if the amendment says that the state cannot change liquor store operators under any circumstances. Senator Jacobson said it was her understanding from what Senator Halligan said that he wanted to leave things as is while the issue is being studied. She asked Senator Halligan to comment.

Senator Halligan said if the three year renewal is up and if the second three year renewal is up, this simply says they can put it out to bid; it does not stop that. It does say if there is a three year contract and it terminates in a month that the three year renewal has to be honored, which is in the existing contract. If it is not there or is not a term or condition of

the contract, they can put it out to bid to a new agency person or anybody else that wants to bid on it.

Senator Aklestad questioned if there is a set criteria for them to be able to renew. Senator Halligan said the Department has wanted the flexibility to try to be able to change the terms and conditions of the contracts as they come due. He said that may be a good thing. He said with the task force looking at the issues of whether bonding requirements and the bidding preferences should be changed, the system should stay in place at least for the time being.

Senator Jergeson's amendment motion (Exhibit A-6) carried with Senator Aklestad and Rep. Thoft opposed.

Rep. Kadas moved to amend Section A (See Exhibit A-7).

Rep. Kadas said this amendment adds four FTE in the Department of Revenue for collections of accounts receivable. This is to match action taken in the Senate taxation committee on the revenue estimate, and he thought there was agreement between the Department of Revenue and the members of the taxation committee that with these additional FTE, he thought they could generate another \$1 million in income tax collections of accounts receivable.

Rep. Thoft said Rep. Kadas indicated he thought it could generate \$1 million; he stated he would like Rep. Kadas to be more firm in his opinion. Rep. Kadas said he knows the Senate adopted an additional \$1 million on the condition that four FTE be added in and that the Department of Revenue agreed to those numbers.

Senator Aklestad asked Rep. Kadas regarding the income tax audits. Rep. Kadas said these are not audits; they are accounts receivable. The money has already been identified.

Senator Jacobson asked if they are delinquent taxes. Rep. Kadas said they are.

Senator Aklestad said he was under the impression we were going to add four FTE's at some point in time that would deal with corporation and income tax audit. He asked if these four are in addition to those FTE's being recommended. Rep. Kadas said it was his understanding these are for personal income tax. They also said they would generate an additional \$2 million in corporate income tax but they didn't need personnel to do that. He said the Department of Revenue could be called on to address that.

Jack Ellery, Department of Revenue, said \$5 million of the \$6.5 million was for corporation tax audits within current agency

resources. He said they moved resources from other programs to the corporation tax division to fully fund them so they could perform out of state corporation audits. Regarding the four FTE's, he noted they were asked by the Senate taxation committee to come back with a proposal to generate additional revenue. He said they spent yesterday afternoon trying to come up with that number, and the number they came up with was \$1 million and he indicated it would take an additional four FTE's at a cost of approximately \$166,000 to generate that money. He noted that money is currently in HJR 1.

Senator Aklestad questioned how much more money they would be collecting. Mr. Ellery said \$1 million. Senator Aklestad stated his opinion that in the last regular session the Department was given FTE's to raise an additional \$1.5 million in approximately the same manner. He asked if this is an ongoing effort of that or is this an additional effort. Mr. Ellery said it is true they were given additional FTE to address their accounts receivable problems and compliance problems last session. He said the revenue estimate tagged to that increase was \$4.1 million. He said they are currently on track in collecting that money. The money in question right now is an additional \$1 million over and above what was in the original HJR 24.

Senator Aklestad said it is his understanding that the Department is projecting due to the last legislative session and the FTE put on that we would be able to collect \$1.5 million additional. Due to the recommendation and in the House within the FTE's they are hoping to collect approximately \$6.5; corporate tax being \$5 million and income tax audits being \$1.5. He added there was \$3 million additional found yesterday someplace that would be collected and now we are dealing with \$1 million more to be collected so we are talking about \$12 million collection that the Department of Revenue feels they will be able to make between now and July '93.

Mr. Ellery said the Governor's original proposal called for \$1.5 million additional revenue within existing resources in the income tax division and \$5 million in corporation tax audit. Yesterday in Senate taxation, Mr. Ellery said they identified \$1 million and the four FTE now being discussed plus another \$2 million in corporate license tax from audits.

Senator Aklestad said he stands corrected in that \$1 million is part of the \$3 million found yesterday. Mr. Ellery said that is correct.

Senator Aklestad asked if the Department feels they will find \$10 million in the time frame mentioned. Mr. Ellery said that is correct.

Rep. Kadas' amendment motion (Exhibit A-7) carried with Senator Aklestad and Rep. Thoft opposed.

Senator Jacobson said the next amendment has her name on it. (See Exhibit A-8). She moved the amendment. The effect would be to reduce agency operations in the Department of SRS by \$50,000 in the first year and \$100,000 in the second year. She noted she consulted yesterday with Rep. Bradley who handles this budget and asked if there was anywhere within her budget that additional cuts could be taken without severely affecting programs. She added Ms. Robinson at the outset sent a memo to Finance and Claims suggesting much larger cuts in this area but Senator Jacobson said much of the money has to do with eligibility technicians and she did not want to hamper her operations so she is now asking for this amount. She concluded she just gave the proposed amendment to Ms. Robinson and would give her the opportunity to respond.

Julia Robinson, Department of Social and Rehabilitation Services, said when they originally started working on the cuts, they proposed a large cut in personal services because last year they had about a six percent vacancy savings so that could be done without impacting their staff. That had to be pulled back because their turnover right now is about one percent, and she said they still have to find four percent to fund their pay plan. They have been holding at SRS since October a freeze on all vacancies, which she added is being done across the state as well as in-house. She said it is about one percent this year, two percent next year. It is less than some of the other agencies she heard about this morning but it will mean they will have to keep holding vacancies. She distributed to the committee handouts detailing her position. (See Exhibits A-9 and A-10)

Ms. Robinson said the graphs show the historical trend at SRS in expenditures and staff. She indicated her agency has maintained the same staff levels with tremendous increases in case loads and benefit production. She stated her concern with an amendment offered last Tuesday that was much larger than this. With this amendment, they will have to hold their vacancies. She said her agency has not grown in size. Two years ago she came in and reduced her management staff voluntarily. She added they have tried to operate efficiently. This amendment will mean they will definitely have to cut back.

Senator Aklestad said he would like to make a comment although he is going to vote against Senator Jacobson's motion for reasons he mentioned previously. He said he agrees with the graph but feels that unfortunately some of it has been brought on by ourselves and the legislature at some time will have to address where we have state statutory language that goes above and beyond what the federal mandates are, and that is causing some of the problem on the graphs. He said federal mandates

cause supplementals coming down from the federal government where those monies have to be matched. He would hope the Department would address that problem and write a letter to the proper people in Washington stating their dissatisfaction with the mandates coming down to the state level that we have to meet. He concluded the legislature and the Department should go on record expressing our dissatisfaction with the position that the Congress and Washington are putting us in.

Ms. Robinson said they have been in constant communication with proper authorities. She noted Governor Stephens signs most of those letters personally noting concerns on how the federal government is driving state budgets. She said all 50 governors a year ago asked for a moratorium from Congress on further mandates, but it was ignored by them. She said there is no question that states are losing a lot of their ability to administer these programs through mandated requirements by the federal government.

Senator Jacobson's amendment motion (Exhibit A-8) carried with Senator Aklestad and Rep. Thoft opposed.

Rep. Peck moved to amend Section A (See Exhibit A-11).

Rep. Peck said this amendment would bring the Legislative Auditor to the five percent level with the other agencies.

Senator Jergeson said he would resist the amendment. He said the Legislative Auditor provides considerable service to the legislature during special sessions, in addition to the financial compliance audits and performance audits. He said they did at his request considerable analysis of the Governor's liquor store proposal. Following the publication of that analysis, they worked closely with Department people in an attempt to figure out a way to make the proposal work. He noted they did not ask for any additional money from the legislature for that additional work they did. In the 1989 special session they were asked to do extra work for that session. Many costs were incurred by the Legislative Auditor in doing expensive computer runs for school equalization. He said yesterday as chairman of the Legislative Audit committee he received a letter signed by members of the legislature asking for a special performance audit on Montana State Prison. He noted we keep piling work on this agency as we do other legislative agencies. He said they haven't come in and asked for additional money for the additional work the legislators demand of our own agency. He concluded it is unfair for them to take a cut when they are providing this kind of service in critical times to this legislature.

Rep. Peck said with regard to providing special services to this special session, there are many agencies doing that. He reminded the committee that this cut deals with FY '93 and he

added we do not want to be in the position of giving favorite treatment to any agency. He concluded that he did not find a lot of satisfaction in proposing this but added we have to be consistent.

Rep. Peck's amendment motion (Exhibit A-11) failed with Rep. Peck and Senator Aklestad voting in favor of the motion.

Senator Jacobson presented her amendment to Section A (See Exhibit A-12).

Senator Jacobson said this amendment has to do with the end stage renal disease program. She said the level of funding is \$125,000 and she would like the second year for \$75,000 reinstated. She said she likened this program with the vocational technical school program that asks for equipment grants and needs for their high cost programs. This particular program deals with people having end stage renal disease and are on dialysis and having tremendous costs for their health care. She concluded it is her concern if the program is taken away entirely, we are giving a signal to the people that we are not particularly concerned. They are used to having the money run out before their needs are met but we would be leaving some money to meet some of their needs.

Senator Jacobson called on Senator Hager to address the amendment.

Senator Tom Hager said this program is critical to the people that need medication for transplant rejection. In some cases the costs are as high as \$500 a month. The Health Department has \$125,000 a year in this program which is not nearly enough, but he noted the program should not be cut out simply because more money is needed. A former representative stated if the cuts had to be made, they probably should be made in administrative positions rather than funds for services to people. He said he spoke to people at Deaconess Hospital in Billings regarding this issue and they were unaware the program was being cancelled. He said they would have protested had they known because people suffering from renal disease need the help afforded by this program. He concluded that people with kidney failure have a real fight to stay alive and they should be given every benefit.

Rep. Peck said it is difficult to oppose this motion but he pointed out the program was cancelled because committee discussion indicated that people come on a first come, first served basis. When the money runs out, those following are not assisted; therefore, it is a discriminatory program in that respect. He added there are many other health conditions where there are not specific or special programs with appropriations to assist citizens.

Senator Jacobson said she would agree the program needs to be looked at. She indicated her opinion that Senator Turnage was the first one to bring this program in. She said vo ed monies also run out and they are on a first come, first served basis, and there was a lot of screaming when that money was taken away from them; and they now have more back than they had before. She concluded that it is not necessarily bad to have a program just because the money runs out. She said the people are used to the money now and if the program is taken out altogether, she fears it will never be reinstated. If we ever wanted to give money to a program that means a lot which has no administration money in it, this is pure grant money to people that need the program.

Senator Jergeson moved for concurrence on the proposed amendment (Exhibit A-12).

Senator Jergeson's motion failed on a roll call vote with Senator Jacobson, Senator Jergeson and Rep. Kadas in favor of the motion.

Senator Jacobson stated at this point we would recess for lunch and reconvene at 1:00 p.m.

(LUNCH RECESS - 12:05 P.M.)

(HEARING RESUMES - 1:05 P.M.)

Senator Jacobson reconvened the free conference committee on House Bill 2 and asked for amendments on Section B (NO RESPONSE). She next asked for proposed amendments to Section C.

### SECTION C

Rep. Kadas moved to amend Section C (See Exhibit C-1).

Rep. Kadas stated this amendment proposes a \$50,000 cut in the \$300,000 appropriation to State Lands for their economic study of the access to state lands. He added his opinion that the study could be done for less than \$250,000 and this would still allow them to do the study.

Rep. Thoft said he would like to have someone speak to this proposed amendment.

Jim Peterson, Montana Stockgrowers Association, stated this study was initiated as a result of rules being developed by the Department of State Lands for opening up recreational access to state lands. The study originally appropriated to study the economic and environmental impact of the change of use of more than 3 million acres of state land. It originally was estimated to cost more than \$300,000 and the appropriation ended up to be \$300,000; however \$50,000 was taken out of the study to implement

the new rules. The study is actually down to \$250,000, and this \$50,000 will reduce it to \$200,000. He strongly recommended if the committee went along with Rep. Kadas' proposed amendment that the scope of the study be narrowed to the change of use which is the recreational access.

Rep. Kadas questioned Mr. Peterson if his concern was that the study as it is now might come back and recommend that fees are too low for grazing and it might come in higher and they would rather not study that portion of the study as it is now. Mr. Peterson said not at all, that they are not opposed to the study of grazing. It has been studied in the past. He stated if the appropriation for the study is going to be cut, the scope should be narrowed to the change of use.

Rep. Kadas questioned what that would eliminate that would not be studied. Mr. Peterson said he did not know, however the original study was going to be broad and address all uses. He concluded if the appropriation was cut, the study should be narrowed to the change of use that has taken place which initiated the study to begin with.

Senator Jergeson asked Mr. Peterson if the language he had shown him which permitted the State Land Board to reduce the scope of the study would be satisfactory. Mr. Peterson said it was his preference that the committee be specific about the study, but if that was not possible, he concluded it would be more appropriate to direct where the money should be used.

Senator Jergeson stated his feeling that the Land Board possibly is in a better position to determine how to narrow the scope of the study than the free conference committee. He indicated if Rep. Kadas' motion is successful he would offer an amendment that would permit the State Land Board to narrow the scope of the study to meet the available funds.

Mr. Peterson stated his opinion that the rules themselves address recreational use only and not other uses, as the funding is cut, the study should address the change of use also.

Rep. Peck said he would like the Department of State Lands to address the issue of the study.

Bob Kuchenbrod, Department of State Lands, stated \$50,000 of the \$300,000 that was appropriated was for the set-up costs, and \$7,000 of that has been expended as of December, which does not include meetings that were held throughout the state. He noted that in anticipation that this was one of the cuts to be taken from State Lands, the \$250,000 has not been obligated.

Rep. Peck asked for a statement on what the study was going to address. Mr. Kuchenbrod said work has been done on it by the

attorneys and the recreational specialist that has been working on it.

Rep. Kadas questioned the effect on the ability to do the project if \$50,000 was taken from the study. Mr. Kuchenbrod said he did not have specifics on what they were going for in the study, but the cut would limit the study.

Rep. Thoft stated he would like to see any language addressing what the scope of the study would be if there is any that came out of the last legislative session. Senator Jergeson said it is page C-12, line 3. Rep. Thoft said that addresses emphasis on recreational use. He questioned what change the Montana Stockgrowers would recommend in this language to limit the scope and if the language would have to be changed.

Mr. Kuchenbrod stated the language has to be changed. He indicated the meetings around the state noted many concerns about the use of these lands.

Rep. Thoft questioned Mr. Kuchenbrod if they can limit the scope of the study if \$50,000 is taken out of the amount of money. Mr. Kuchenbrod said he is sure they can. Rep. Thoft questioned if a change in language is not needed to limit the scope of the study. Mr. Kuchenbrod said the issue is whether with the dollar amount that can be contracted, would the result of the study be accomplished.

Rep. Kadas said he has seen Senator Jergeson's proposed amendment which he is not supporting. Rep. Kadas stated his opinion that the Department of State lands can handle the proposed flexibility and they should have the flexibility to manage the study without getting the Land Board into the business of redefining the studies.

Rep. Kadas' amendment motion (Exhibit C-1) carried with Senator Aklestad and Rep. Thoft opposed.

Senator Jergeson moved to amend Section C (See Exhibit C-2).

Senator Jergeson questioned Mr. Kuchenbrod if the Department had defined the study enough to put it out for bid. Mr. Kuchenbrod said to his knowledge, that was correct. Senator Jergeson said his proposed amendment would allow the Land Board to look at the areas to be studied and make a determination as to them.

Rep. Kadas stated his opinion they should still continue on the bid process. If they don't get bids for the amount, then the scope can be reduced. He concluded we should try to get the most for our dollar, and that there was a fairly clear definition of what was wanted in the study in the last legislative session.

To allow the Land Board to redefine the scope of the study is not right.

Senator Jacobson noted the language in the proposed amendment states the Land Board has the authority to reduce the scope; if they choose not to exercise that authority that is their prerogative. Senator Jergeson said that is his thought as well.

Senator Jergeson's amendment (Exhibit C-2) failed with Rep. Kadas and Rep. Peck opposed.

Senator Jacobson asked for further amendments to Section C. (NO RESPONSE) She then asked for amendments to Section D.

#### SECTION D

Rep. Kadas moved to amend Section D (See Exhibit D-1).

Rep. Kadas said this amendment was discussed by the conference committee at a previous hearing and with Mr. Chisholm. Rep. Kadas said his amendment would deal with the first year of the biennium. He noted at the time the budget books were handed out, none of this was expended and he felt that was largely the rationale of the subcommittee in taking the money. He said he is taking the \$66,120 in the first year and leaving it in the second year.

When questioned by Senator Jacobson if the payments would kick in for the first time ever in the second year, Rep. Kadas said that was correct.

Senator Aklestad questioned if there would be zero funding in '92. Senator Jacobson said that was correct.

Rep. Thoft said it was his understanding from previous testimony that there are bills now that have to be paid and he questioned if Rep. Kadas' motion would leave them unpaid. Rep. Kadas said if money is needed to pay bills that are in now, money can be moved from '93 to '92.

Rep. Thoft said this is part of the program to try and relieve crowding at Montana State Prison, and he felt it had nothing to do with saving money. He concluded we are creating a problem for the Department of Corrections and in his opinion the amendment does not make any sense.

Rep. Kadas said recognizing Rep. Thoft's interest in this area, he would withdraw the amendment.

Senator Jacobson called a recess of the committee because of the reconvening of the full Senate.

(RECESS - 1:25 P.M.)

(COMMITTEE RECONVENES - 3:00 P.M.)

Senator Jergeson moved that the committee reconsider their previous action on the end stage renal disease program.

Senator Jergeson's motion failed with Rep. Peck and Rep. Thoft opposed.

#### SECTION A (Continued)

Rep. Kadas said he had an error to correct in Section A, Judiciary.

Rep. Kadas moved his amendment to Section A (See Exhibit A-13).

Rep. Kadas said this amendment would reduce the fiscal year 1993 general fund by an additional \$34,000. He concluded his previous amendment was not what he had intended to adopt.

Rep. Kadas' amendment motion (Exhibit A-13) carried unanimously.

#### SECTION E (Continued)

Rep. Peck moved to amend Section E (See Exhibit E-1).

In response to a question from Senator Aklestad, Rep. Peck said a portion of the quarterly tax payment goes into the school equalization account. The general fund amount of \$41,534,000 is reduced. The amount of general fund transferred in the bill into the school equalization account is \$24,130,000.

Rep. Peck's amendment motion (Exhibit E-1) carried unanimously.

Rep. Thoft moved to amend Section E (See Exhibit E-2).

Rep. Thoft said his amendment clarifies that school equalization supplemental appropriation may not be used for other purposes within the distribution to schools program.

Rep. Peck noted it is the Senate amendment that provided for the transfer of funds within 09 programs. He asked for Jane Hamman from the OBPP to explain that.

Jane Hamman, Office of Budget, said her concern with the amendment without the technical clarification is there was no distinction among the distribution to schools. If there were extra funds in gifted and talented moved to secondary vo ed or

whatever, they were also including the school equalization supplemental funding in that.

Rep. Thoft's amendment motion (Exhibit E-2) carried unanimously.

Rep. Peck moved to amend Section E (Exhibit E-3).

Rep. Peck indicated his amendment takes \$65,059 out of the Commissioner of Higher Education's budget. He said John Hutchinson, Commissioner of Higher Education, would like to address the amendment.

John Hutchinson, Commissioner of Higher Education, said it does appear his office will have some balance in the REARS portion of their budget which is a line item appropriation that would normally be reverted anyway. If that happens, they could take out \$55,000 in the first year of the biennium and with careful management could come to almost \$10,000 in the second year of the biennium. He concluded if there is any further programming necessary for REARS in the balance of this fiscal year if the \$55,000 is lost, there may not be any available funds for completing that programming. As it now stands he said it would appear they could make this contribution.

Rep. Peck's amendment motion (Exhibit E-3) carried unanimously.

#### LONG RANGE BUILDING

Rep. Peck moved to amend page OA-7 (See Exhibit E-4).

Rep. Peck said this is a language item of \$150,000 for a shop at the agriculture experiment station at Havre and they neglected to add funds and/or donations. The amendment gives them the necessary spending authority for the privately raised money.

Rep. Peck's amendment motion (Exhibit E-4) carried unanimously.

Rep. Kadas moved to amend the long range building (See Exhibit E-5).

Rep. Kadas said in the long range building, there are projects with a balance left over, and this amendment would collect the balances. He said the amendment does not affect any projects. He concluded his opinion that the Department of Administration is in agreement as to the amounts on the amendment.

In a question from Senator Aklestad regarding programs on

line, Rep. Peck said it is a substitution of money as it relates to the gym but it picks up some balances. He noted that Rep. Bardanouve dealt with the Legislative Auditor on this, and he felt it was correct.

Senator Jacobson said she was told the Department of Administration agreed to this. She asked Mr. Tom O'Connell regarding these as being ending funds left after projects were completed.

Tom O'Connell, Administrator, Architecture and Engineering Division, said he met with Rep. Bardanouve on this. The money being discussed is from completed projects that would normally be rolled into their revenue estimate that would be brought before the next regular session of the legislature. It is also revenue projection money coming in from the cigarette tax; a combination of funds would be used to fund this transfer.

Rep. Kadas amendment motion (Exhibit E-5) carried unanimously.

Senator Jergeson said regarding amendment (Exhibit E-6), Rep. Connelly had a redraft of the amendment for the committee's consideration that changes "may" to "shall".

Senator Jacobson asked for a motion on the amendment. There being no motion on the amendment (Exhibit E-6), Senator Jacobson said we would move to the next amendment.

Senator Jacobson said the next document is a memorandum from Joyce Andrus. (See Exhibit E-7). She asked Terry Cohea, LFA, to explain this.

Ms. Cohea said this deals with a printout of every agency and program total as it stood through the salmon colored HB 2. She indicated boiler plate was adopted in the last legislative session which continued in HB 2 saying that the agency and program appropriation tables and the LFA narrative accompanying this bill showing first level expenditures and funding for the 1993 biennium are adopted as legislative intent. The Legislative Auditor needs a record of what personal services are by programs. Since they have been line itemed, money cannot be moved out of them. Greg Petesch said it was necessary for members of the legislature to have the tables in front of them to vote on the conference committee this day so that it becomes part of the legislative record what the personal services were. If the committee agrees to the proposed language in the memo to Rep. Peck (Exhibit E-7), it would be included as part of the conference committee report which will be delivered to each legislator's desk, therefore the legal requirement will have been met.

Rep. Peck questioned if that was done at the end of the regular session. Ms. Cohea said yes, but the tables reflect the changes that have been made prior to the conference committee, and the motion will reflect these tables as amended by the conference committee action.

Rep. Peck moved that the narrative and tables accompanying House Bill 2 be adopted as legislative intent.

Rep. Thoft questioned if this is in boiler plate language. Ms. Cohea directed Rep. Thoft to page BP-2, Section 3 which is the language referred to in the memorandum (Exhibit E-7).

Senator Aklestad said the action taken in the last legislative session mandated that this be taken care of. Ms. Cohea said yes. In order to make it plain what legislative intent was concerning personal service reductions, both Houses made a separate motion to adopt the tables.

Senator Aklestad questioned if it was statutory language that each legislator get a complete copy. Ms. Cohea said no, that because things have been moving so fast this special session they have been providing long sheets showing changes but that Mr. Petesch said in case there was ever a legal challenge concerning this, every legislator needed to have these before them when they voted. Therefore they were printed by the legislative printing shop yesterday.

Senator Aklestad indicated this could be changed now but added his opinion it was a lot of paper that probably would be destroyed by the legislators. Ms. Cohea said the document would be one reference of the legislature's action until the completion of the appropriation report in approximately a month.

The motion carried unanimously to adopt the document (See Exhibit E-7).

Rep. Thoft moved to amend page BP-2 and 3. (See Exhibit E-8).

Rep. Thoft said this amendment would strike Section 8 in its entirety.

Rep. Jacobson said it was her belief that this was language put into the bill by Rep. Cobb in the previous conference committee on HB 2.

Rep. Thoft's amendment motion (Exhibit E-8) carried with Rep. Kadas opposed.

#### SECTION C (Continued)

Rep. Kadas moved to amend Section C (See Exhibit E-9).

Rep. Kadas said this amendment deals with the Treasure State Endowment, and both appropriations are contingent upon passage by the electorate of the Treasure State endowment. This would provide money to get some of the necessary work done. He said Rep. Harper would like to speak on this.

Rep. Hal Harper said this deals with a list of prioritized projects to be presented to the next legislative session. If this is approved in June by the voters it would go into effect October 1st. There is time to prepare a prioritized list for the next legislature. Part of the work is at DNRC. There is one person responsible for the water bonding program. They had the special revenue fund project as well as coal technology project "dumped" on them. This places an added responsibility on them and he indicated they have the FTE spot available and the money could possibly get them by in this effort. The major part of the effort is in the Department of Commerce that is currently responsible for the community development block grant and other grant efforts. They would be doing the majority of the work, and the amount proposed in the amendment would allow them the money to do the job, and there would be a complete list of prioritized projects for the next legislative session. He concluded the money is minimal; it is less than that asked for by Rep. Cobb on the House floor. He noted the fiscal note with the bill indicated that community affairs could try to absorb the cost this session, but he did not think the fiscal note was written with the idea that the bill had a chance of passing. He said he expects the bill to pass and that the money should be contingent upon passage of the bill.

Rep. Thoft said the Cobb amendment for \$500,000 and the Rice amendment for \$100,000 failed. Rep. Harper said his opinion in the hearing held on this in Senate Finance and Claims committee was there was a mixup on what was coal board money and what this money was and it ended up that both of the amounts were eliminated which put the fate of the bill uncertain. However, the bill is now headed for the primary ballot and he felt this minimal amount of money should be included which is not for the up front engineering studies as the larger amounts of money were for but to cover the staff help to make sure projects currently underway for public health and safety needs could be prioritized and presented to the next legislature.

Senator Aklestad said he has a concern that the money could be better spent in another place or else saved to help the budget. He said many communities across the state are aggressively trying to get new development and working on their infrastructure and they have potential projects available for anyone to look at. Some of the projects have existing studies on them. He said although he realizes some of the money being discussed will evaluate some of the existing studies, he felt the money could be saved. He concluded the communities could be

telephoned and asked what they felt should happen with the money if the people of the state are in favor of the bill.

Rep. Kadas' amendment motion (Exhibit E-9) carried with Senator Aklestad and Rep. Thoft opposed.

#### SECTION A

Senator Jergeson moved that the free conference committee reconsider our earlier amendment increasing the reduction of the budget for the Department of Military Affairs. He noted if his motion is successful, he would offer an amendment which brings the Department of Military Affairs' percentage down to 4 percent rather than 5 percent.

When questioned by Rep. Thoft what Senator Jergeson intends to do, Senator Jacobson said it would be less of a reduction than was originally taken.

Senator Jergeson's motion to reconsider our action carried unanimously.

Senator Jergeson moved to amend Section A (See Exhibit E-10).

Rep. Peck questioned the amount of the change. Senator Jergeson said the amount of reduction is approximately 77,000 in comparison to the reduction taken earlier of approximately \$128,000.

Senator Jergeson's amendment motion (Exhibit E-10) carried with Senator Aklestad opposed.

#### SECTION C (Continued)

Rep. Kadas said he had an amendment he would like the committee to consider. (See Exhibit E-11).

Rep. Kadas said this is regarding the Department of Commerce. He said up to this point we have reduced the amount of coal grants that the Coal Board can give out by a considerable amount. In line with that, he said it seems reasonable to consider reducing their staff since they will not have nearly the workload. This amendment would eliminate one evaluator FTE in the Coal Board.

Rep. Thoft questioned if this would have an impact on the general fund. Ms. Cohea, LFA, said if the money is not spent, any unexpended balance reverts to the school equalization account which reduces the general fund needed for the supplemental.

Rep. Kadas asked if anyone from the Department of Commerce would comment as to any positions being held vacant in the Coal Board for vacancy savings.

Carolyn Doering, Management Services Division, said there is a vacant position. There is a request in to put a temporary into that position because they have about \$800,000 worth of project applications this fiscal year as well as projects they are currently monitoring.

When questioned by Senator Jacobson as to how many people they have working on the grants, Ms. Doering said there are two and one-half. She said there is an administrator for the Board, a project evaluator and one-half of a secretary. She noted the project evaluator position is proposed to be filled on a temporary basis for a period of time to get through the project monitoring.

Rep. Kadas said in view of the fact that the revenue that can be used for grants was significantly reduced by the legislature, did she still think the Board would need as much staff. Ms. Doering said she did not like to speak for the Board or the Department Director, but in her opinion definitely not in '92. There is \$800,000 worth of grant applications and if those applications are awarded, there will be a monitoring process that will have to go on into '93 or '94.

Senator Aklestad asked what the application amounts have been in prior years. Ms. Doering said it varies from biennium to biennium. There have been bienniums where the legislature has not given the Coal Board any grant money except for one biennium in which there was \$700,000 for the jail facility in Yellowstone County. Last biennium they spent up to their appropriated level so it was about \$2.5 million worth of projects. When asked by Senator Aklestad how many applications are in, Ms. Doering said granted to date, there is \$1,064,000 worth of projects. There is \$458,000 of full applications that are in and another \$352,000 of pre-applications. Senator Aklestad asked how many applications makes up that monetary amount. Ms. Doering stated of the \$1,064,000, there is about ten applications. Of the \$458,000, there are three, and of the pre-applications, there are two.

Senator Aklestad questioned how long a period of time they have to go over the applications; from the time they are submitted, is there a statutory deadline that they have to look at the applications and make a decision on them. Ms. Doering said she does not have that answer, but she is sure in the rules there is a time period that they have to consider applications, but she did not think it was statutory. She said she could get someone from that division to answer Senator Aklestad's questions if he would like.

Senator Aklestad stated that \$800,000 does not seem to be a lot of money for projects in the scope of dealing with the State budget and 15 applications does not seem to be a lot of applications to deal with considering one and one-half FTE's, although he felt it probably depended on the time frame in which that had to be accomplished. Ms. Doering said there is language in the statute which does allow grants to be carried over a period of ten years, and there are some that go back to 1986. She said that the new applications makes up the \$800,000 and not any that have been carried over.

Senator Jergeson made a substitute motion that item number two on the amendment (Exhibit E-11) be adopted and not item number one. Also there will be language in the boiler plate that the Legislative Fiscal Analyst would have to amend to match.

When questioned by Rep. Kadas, Senator Jergeson said there is a procedure set up now that they would have to review the applications as we face the end of the year, and he felt the money should be left in for this year so they can finish that. As they amend their operating procedures and make budget changes for next year, they will have a portion of a year to make those adjustments.

Senator Jergeson's substitute motion to only take the money in the second year of the biennium (Exhibit E-11, item 2) carried unanimously.

Senator Jacobson recessed the free conference committee and stated they would reconvene at approximately 5 o'clock.

(COMMITTEE RECESS - 3:45 P.M.)

(COMMITTEE RECONVENES - 5:15 P.M.)

Senator Jacobson reconvened the free conference committee on HB 2.

Rep. Kadas moved an amendment to HB 2 (See Exhibit E-12).

Rep. Kadas said currently there is approximately \$1 million noted in the executive budget that is from the Forest Service for fires that is owed to the State of Montana that is not included in any of the legislative estimates thus far. This brings that money into general fund. The second and third part of his proposed amendment are similar issues. He said the budget office estimated a growth in personal property tax reimbursement in the local government block grant in the second year at 2 percent and the LFA has been using 3.8 percent. This motion adopts the executive recommendation for growth. That generates \$900,000 less in spending for the local government block grant. He said the amendment also deals with guaranteed tax base. The executive

estimate on growth in guaranteed tax base he thought was zero percent; the LFA has been using 4.3 percent. This amendment would adopt the executive estimate on growth in guaranteed tax base which is worth about \$700,000. The total motion involves about \$2.6 million.

Rep. Thoft said he would like to have Curt Nichols from the Budget Office comment on that.

Curt Nichols, Budget Office, said he understands these actions conform with the LFA status that is being used to the one being used by the OBPP. He said if adjustments are being made to affect the ending fund balance, it will increase the projection shown by LFA but will have no impact on the balance shown by the OBPP because they are incorporated in those figures.

Rep. Kadas' amendment motion (See Exhibit E-12) carried with Rep. Thoft opposed.

#### SECTION A (continued)

Rep. Thoft moved to amend page A-9 (See Exhibit E-13).

Rep. Thoft said this is a technical amendment with no increase and no effect on the general fund.

Senator Jacobson said the LFA agrees on the amendment.

Rep. Thoft's amendment motion (Exhibit E-13) carried unanimously.

#### SECTION E (CONTINUED)

Senator Jacobson said referring to the amendment just given to committee members (See Exhibit E-14), it is in the Office of Superintendent of Public Instruction and it is taking some line items in that and rolling it into the total.

Senator Aklestad asked for an explanation of the amendment. Carroll South of the LFA's office said the amendment rolls up all of the individual line items in the administration program in OPI into the program appropriation so there would be one appropriation rather than a page and a half of line items plus the program appropriation.

Senator Jergeson moved the amendment (Exhibit E-14)

Senator Aklestad questioned if the figures on the amendment correlate with what has been done to this date. Senator Jacobson said it does not change the bottom line; it makes it a single line appropriation rather than a number of line items.

Senator Jergeson's amendment motion (Exhibit E-14) carried

with Senator Aklestad and Rep. Thoft opposed.

SECTION A (CONTINUED)

Senator Jergeson moved to amend Section A (See Exhibit E-15).

Senator Jergeson said this amendment eliminates two line item appropriations and adds them to the program appropriation in the Secretary of State's Office.

Senator Aklestad questioned if they had been line itemed in the past. Senator Jacobson said they were budget modifications added in the regular session, and they were line itemed in House Bill 2 previously. They are now being rolled into the program.

When Senator Aklestad questioned if that is somewhat different than what was done on the last motion, Senator Jacobson said it is the same thing.

Senator Jergeson's amendment motion (Exhibit E-15) carried with Senator Aklestad and Rep. Thoft opposed.

BOILER PLATE

Senator Jergeson moved to amend page BP-4 (See Exhibit E-16).

Senator Jergeson said he did not take pleasure in offering this measure because he supported the action of the Finance and Claims Committee to put the language that currently exists in the bill. He noted there has been suggestions made that special treatment was offered to the university system, and this is one of the items that was part of that accusation or suggestion. He said he did not like to have to make this amendment motion but that all six members of the free conference committee in the session from time to time had to make motions or cast votes that did not bring them any particular pleasure but we have lived up to our responsibilities and done it. In an effort to answer some of the questions about whether or not there has been fairness with respect to our relationship with the university system, that is the reason he is offering the amendment. It will remove the exemption that was granted to the university system for personal services transfer, however it will keep the exemption which applied to the 12 months in vacant positions. He stated the reason he divided the issue that was in Section 15 is there are many programs in the university system and at least Northern Montana College and Montana State University in the nursing program where they require master's trained instructors. He said it is hard to compete for those people to get them away from the private sector, so those positions sometimes cannot be filled for a long time.

Rep. Kadas said it was just brought to his attention from the LFA that if Senator Jergeson's amendment is adopted, some stricken language would have to be reinserted on page E-24, line 2 through line 12.

Senator Jergeson said if the committee did not object, he would include that in his motion. There was no objection to inclusion of that in the motion.

Senator Aklestad questioned if the transfers that were going to be able to be taken from personal services into operating would not happen at this time but the transfers within personal services still can. Senator Jacobson said money can be transferred into personal services but money cannot be transferred out. Senator Aklestad asked if in the old amendment, we were taking money from personal services into operating. Senator Jacobson said that was correct.

Senator Aklestad said he would like to have an explanation of what areas can still take personal services money into operating under Senator Jergeson's amendment. Senator Jergeson said there are none; they would be treated like other agencies with respect to that issue.

Senator Jergeson's amendment motion (Exhibit E-16) carried with Senator Jacobson and Rep. Peck opposed.

Senator Jacobson asked for any other amendments.

Rep. Kadas said he would like to check with the leadership on any other changes.

Senator Jacobson asked Senate President Mazurek to comment.

Senator Mazurek indicated to the committee that they should move on without the leadership. He noted he was advised by the Speaker of the House and the Minority Leader of the House that they do not like the idea that is currently before them.

Senator Jacobson said it was her opinion if the free conference committee concludes its work, another option would have to be found. Senator Mazurek said that may well be, but he was advised that the Speaker of the House and the House Minority Leader do not like what the Senate has come up with.

Senator Jacobson said we will recess for a few moments.

(BRIEF RECESS)

Senator Aklestad questioned if it was the intent to bring the free conference committee to a conclusion and send HB 2 as is. Senator Jacobson said as far as she knew, there have been no

further amendments that have been proposed.

Senator Aklestad questioned Ms. Cohea, LFA, if she had the figures from the supplementals being projected for the upcoming biennium. Ms. Cohea said she had prepared at the request of one of the leaders an analysis of the Budget Office's revised list of supplementals. The revised list totalled \$8.9 million. The LFA staff after having reviewed the material estimates that the total may be slightly higher than that.

Senator Jacobson asked if the LFA was coming off of the Budget Office numbers. Ms. Cohea said yes, they were asked to analyze the Budget Office's revised projections.

Senator Aklestad asked the LFA what their analysis was. Ms. Cohea said this was contained in a letter sent to the legislative leadership on January 14, 1992 which showed that the Governor in the executive budget had requested supplementals in HB 2 of \$20.8 million and that a reserve be set aside for \$8.5 million of supplementals. The legislature through the reference copy had adopted supplementals of approximately \$9.8 million. Based on the request from a leader, the LFA analyzed the possible potential above that and found that they were in the range of \$11 million to \$14 million, however it was with available information impossible to predict the fire supplemental, AFDC caseload or GA. With that estimate, the total supplementals for the '93 biennium would be in the range of \$33.8 million in comparison to supplementals for last biennium of \$19.9 million.

Senator Aklestad questioned Ms. Cohea if she was projecting an increase of approximately \$13 million. Ms. Cohea said the executive budget requested a reserve of \$8.5 million in excess of what was requested in HB 2. OBPP's latest revised sheet shows \$8.9 million. The LFA analysis shows that it could exceed that amount, possibly in the range of \$11 million to \$14 million, bringing the supplementals to the \$33.8 million number.

Senator Aklestad said he would like to address that issue at this time. He said that none of the supplementals are being addressed as far as the LFA report, the brown sheet, where it shows \$10 million ending fund balance when the committee started today. He said using ballpark figures and not exact figures, we have gained over \$3 million here but over \$2 million of that the OBPP already has in theirs. He said working off that sheet, that would be \$3 million that we have saved. He said saying that puts it up to \$13 million, we then go to the supplementals and for the sake of argument, using \$10 million which is a happy medium between the executive and the LFA, he is asking the majority party that is going to send this bill out that it is going to show an ending fund balance not in accordance with what he feels either party would agree on. He asked if the bill was going to be sent to the floor with a lesser ending fund balance or if they

are disregarding the supplementals that are almost a definite situation at this time.

Senator Jacobson said \$8.5 million was never in HB 2. The Governor asked for an \$11.1 ending fund balance. As of now we have \$14.7. She stated her feeling about supplementals is if we are going to be honest about what we need in supplementals in the next legislative session, the whole picture has to be looked at. The whole picture would have to include the state equalization account. She added when the next legislative session convenes, we will be talking \$50 million to \$60 million worth of supplementals. She added her feeling that we cannot achieve that kind of a total in our ending fund balance in this legislative session. We have said for them to do their very best to manage. She concluded that to her, acknowledging the fact that supplementals will have to be asked for is like saying they are going to overspend their budget and give them the money to do it. She said we are now at \$13.7 and we have achieved more than the Governor has asked for. He asked for \$11.1 and we are at \$13.7 so we have done our job.

Senator Aklestad said it is too bad that the \$8.9 million has been labeled as supplementals because those expenditures are almost a given if they are going to be there. In the past when we have left a regular session or a special session dealing with budgets, we were hoping there would be no supplementals and assumed there would be no supplementals. He added there usually is. This time we are assuming there is going to be supplementals of at least approximately \$9 million and that is being left on the table. He said he would recommend that the administration not allow us to leave with that hanging in the air because it is a given that we have a balance here of probably \$3 million or \$4 million rather than the figure being talked about by Senator Jacobson. He said he wanted to go on record as acknowledging that, even though the bill will be passed out of here the way it is. He concluded his opinion that we have not dealt with all the expenditures that we know are going to occur in this budget.

Senator Jacobson said if the Governor truly believes the supplementals are there, they should have been identified and appropriated.

Rep. Kadas said he wanted to reinforce the fact that if we put supplementals into this budget now, there is no incentive on the part of the agencies to manage their budgets to keep the supplementals down. He noted these are the budgets they recommended during the regular biennium with the budget cuts and so on that has been worked on in the special session. If the executive thought there was supposed to be more money in those particular line items, they should have come forward. He said regarding ending fund balance, we have still not included \$5.6 million of miscellaneous taxes in our revenue estimate that the

Governor has included in his revenue estimate. If the Governor wants to add that on also it is up to over \$19 million ending fund balance.

Senator Jacobson said that would include \$8.5 million.

Rep. Peck questioned Senator Aklestad that if these are very firm expenditures why they were not proposed for inclusion in the budget. Senator Aklestad said he does not know, and he understands and respects the question. He added it is too bad that they weren't, the way it was presented. He said we have never had a situation where the OBPP is stating that there is going to be a supplemental and had agreement by the LFA that can show that there is going to be a supplemental before we tie up the bill; he said that has never happened in the time he has been in the legislature that the LFA acknowledges there are supplementals already going to occur in this bill. He concluded we have never left a legislative session with that hanging in the air.

Rep. Peck said that was correct. He noted that everyone agrees that we are probably going to have supplementals when we come back in the regular session; it is something we have to do, but he noted we don't propose to put \$9 million out there and tell them to try to achieve that \$9 million supplemental. That has always been left to the action of the regular session. He concluded he is puzzled that Senator Aklestad is saying there is \$9 million, yet it was never proposed for appropriation in the bill.

Rep. Kadas moved that if the leadership which is the Speaker, President and the two minority leaders agree to studies and the format of those studies, then the funds left over from the feed bill may be used to fund those studies.

Rep. Thoft said he could support that if it was unanimous agreement by the leadership as indicated by Rep. Kadas.

Rep. Kadas said he is not opposed to that.

Senator Jacobson said the leadership is struggling with some language and if the free conference committee wraps up the bill, they can't do anything. She said this way they will have some flexibility. If they don't get it done, the money will revert to the general fund.

Senator Aklestad questioned if they do get it done, how will it roll in. Senator Jacobson said the motion by Rep. Kadas is to sort of leave it open. If all four members of leadership unanimously decide to put this study together, we are allowing them to utilize the money left over in the feed bill to do that. If they choose not to or can't agree, the money will revert to

the general fun.

Senator Aklestad asked if this is an expansion of that study. Rep. Kadas said there is no study as such at this point; until this amendment is adopted, there is no study.

Senator Aklestad questioned if there has been a proposed study brought up at this session. Senator Jacobson said that was correct.

When questioned by Senator Aklestad if that proposed study has been funded, Rep. Kadas said it has not, no studies have been funded up to this point.

Rep. Peck said his understanding of this is that leadership has had under discussion or seemed to have arrived at an agreement that they would expand the responsibility of the public schools study and the university interim group which Senator Jacobson is a member so that one would do studying on the university side and one would do studying on the public schools side. The membership of those may be expanded. The idea was to use the remaining fund in the feed bill to support any additional costs due to that membership. He concluded the way the motion now stands that it would be unanimous agreement leaves it open and makes it feasible that they could go that direction or some other direction if leadership can achieve agreement.

Senator Aklestad questioned if the money left over from the session does not go into this area is the study not funded of any type. Rep. Peck said the two existing committees that he mentioned were funded in the regular session and are already at work.

Senator Aklestad said that was his concern, that it is an expansion. He questioned what the original appropriation was and how much will the expansion appropriation be for the committee.

Senator Jacobson said it was her opinion we are funded for 12 days and we are currently in day 9. If the legislature concludes its work this evening, there will be 3 days at approximately \$36,000 a day.

Rep. Thoft questioned if there could be language drafted that could control the money; that there would have to be unanimous agreement on how much money is going to be spent.

Rep. Peck stated that carries it a little far. Once the leadership agrees on the study and the direction and definition of it, then if we tell them they need unanimous agreement on doing everything, their hands would be tied and nothing would be done.

Senator Jacobson asked Senator Mazurek his opinion on that. Senator Mazurek said his understanding of the motion is writing some language allowing any money left from the feed bill to be placed into a study. He said they have been working on some language.

Senator Jacobson said we were trying to give the leadership some flexibility. She advised Senator Mazurek that the motion currently before the free conference committee is if the leadership are in unanimous agreement on a study, it will be left up to the leadership to decide what the study is and they can utilize the funds from the feed bill. If the leadership can come to an agreement, the money is there to be used.

Rep. Harper said they have requested amendments which are now being proofed and edited. He said there are different points of view but he felt what the free conference committee is talking about sounds fair and is something we know we have to do and the efforts have to be refocused. He said he does not like to have to delay the work of the free conference committee and added that may be an appropriate motion.

Senator Jacobson indicated her opinion that it makes more sense in our boiler plate language for us to give the leadership that kind of amendment than to lay out particulars in HB 2.

Rep. Harper said he felt that was correct.

Senator Mazurek said he would have to agree. He noted they don't have agreement on the makeup. It is not a division between the parties as much as it is a disagreement between the houses at this point. He added the opportunity may still be there to put things together although it is going to take some work. He concluded there is still a way to go before they have unanimous agreement on how to proceed.

Rep. Kadas mentioned that Bob Person from Legislative Council believes there would be about \$50,000 available.

Senator Aklestad said it was his understanding that the money would run out on Saturday and one day was saved because of the recess.

Rep. Kadas stated the \$50,000 is primarily legislative per diem and salary and there would be some savings in printing costs.

Rep. Peck said the LFA staff would like to have the motion restated.

Rep. Kadas moved that any remaining funds left over from the feed bill be allowed to be expended upon unanimous agreement of

the House and Senate leadership, being the President, Speaker, and both Minority Leaders, as to the makeup and scope of interim studies.

Senator Aklestad said he would vote against the motion. He said there were Departments that are screaming and scratching to save \$50,000 or \$100,000. Also, he noted that Senator Hager wanted a little money to go for a program he thought was beneficial; that did not pass. Now we have the legislature which is probably the biggest abuser of expanding things all the time and in fact the legislative branch has expanded more than the bureaucracy which Senator Aklestad said he usually "gives a lot of static to". He said he would think that the money that is already appropriated for that study is probably enough and we should not spend another \$50,000 or \$100,000 or whatever it is expanding a study to pacify the legislators. He said he would like to see that money revert back into the general fund and help on the ending fund balance which will help at some point in time when we come in next session, possibly for less taxation on the people. He said it is only a little amount, but it is there.

Rep. Kadas said he would like to try to justify the motion. He said it is clear that the studies that were implemented during the regular session were implemented under entirely different fiscal circumstances than what we now face. It is clear that in the next biennium we face a significant budget deficit and we have extreme problems with matching revenues and expenditures. He stated it is important for us to take some time and try to work through those problems as best we can over the interim and begin to build a base of some action for the next legislature. We are going to have problems bigger than we have had anytime in the last 20 years, and we need to begin the process of dealing with those problems. He concluded that this is a reasonable expenditure of funds to allow us to begin the work that we are going to have to prepare ourselves for in the next session.

Rep. Thoft said he would like to have Rep. Kadas expand a little more on what might come out of this that would help the next session.

Rep. Kadas said he would hope for some measure of how effective our expenditures in school administration, K through 12 are. He added he would hope for the same kind of information regarding the university system, and the most important thing is he would hope for some sense of where our tax base is in relation to other states. He would like to see us build a foundation of information regarding our tax base so that we can have some common numbers to begin working off of in the same way we did when we worked on school equalization and tried to do when working on Workers' Compensation.

Rep. Kadas' motion carried with Senator Aklestad and Rep.

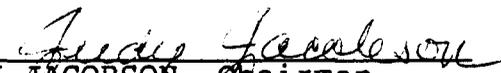
Thoft opposed to the motion.

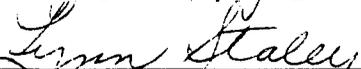
Rep. Kadas moved for the adoption of the committee report.

Rep. Kadas' motion carried with Senator Aklestad and Rep. Thoft opposed to the motion.

ADJOURNMENT

Adjournment At: 6:02 P.M.

  
\_\_\_\_\_  
JUDY JACOBSON, Chairman

  
\_\_\_\_\_  
LYNN STALEY, Secretary



*Aklestad*

Amendments to House Bill No. 2  
Reference Copy

Requested by Aklestad  
For the Free Conference Committee

Prepared by Taryn Purdy  
January 15, 1992

1. Page E-6, line 11.  
Strike: "81,545"  
Insert: "138,585"
2. Page E-7, line 6.  
Strike: "87,478"  
Insert: "165,008"
3. Page E-8, line 1.  
Strike: "110,576"  
Insert: "184,276"
4. Page E-8, line 21.  
Strike: "115,834"  
Insert: "221,327"
5. Page E-9, line 16.  
Strike: "114,410"  
Insert: "223,985"
6. Page E-13, line 9.  
Strike: "143,861"  
Insert: "201,569"
7. Page E-13, line 12.  
Strike: "152,634"  
Insert: "337,220"
8. Page E-15, line 16.  
Strike: "2,672,011"  
Insert: "3,225,856"
9. Page E-17, line 12.  
Strike: "2,870,909"  
Insert: "3,941,603"
10. Page E-18, line 22.  
Strike: "510,299"  
Insert: "831,464"
11. Page E-20, line 11.  
Strike: "855,491"  
Insert: "1,198,048"

SENATE FINANCE AND CLAIMS  
EXHIBIT NO. 1  
DATE 1/16/92  
Free Conf. BILL NO. HB 2

Ex. 1

1/16/92

Free Conf. on HB

12. Page E-21, line 21.

Strike: "387,812"

Insert: "688,758"

13. Page E-23, line 3.

Strike: "250,655"

Insert: "396,923"

14. Page E-24, line 23.

Strike: "214,819"

Insert: "854,420"

15. Page E-25, line 14.

Strike: "82,408"

Insert: "329,178"

16. Page E-26, line 5.

Strike: "36,536"

Insert: "79,845"

17. Page E-26, line 21.

Strike: "20,172"

Insert: "144,981"

18. Page E-28, line 18.

Strike: "6,442"

Insert: "25,886"

ROLL CALL VOTE

~~SENATE COMMITTEE~~ \_\_\_\_\_

Date 1/16/92 House Bill No. 2 Time \_\_\_\_\_

NAME	YES	NO
REPRESENTATIVE THOFT	✓	
REPRESENTATIVE KADAS		✓
REPRESENTATIVE PECK		✓
SENATOR AKLESTAD	✓	
SENATOR JERGESON		✓
SENATOR JACOBSON		✓

Lynn Stealy  
Secretary

Chairman

Motion: Sen. Aklestad amendment motion  
(Exhibit 1).

Motion Failed.

Amendments to House Bill No. 2  
Reference Copy

*Aklestad*

Requested by Aklestad  
For the Free Conference Committee

Prepared by Taryn Purdy  
January 15, 1992

1. Page E-6, line 11.  
Strike: "81,545"  
Insert: "112,391"
2. Page E-7, line 6.  
Strike: "87,478"  
Insert: "124,205"
3. Page E-8, line 1.  
Strike: "110,576"  
Insert: "151,592"
4. Page E-8, line 21.  
Strike: "115,834"  
Insert: "165,097"
5. Page E-9, line 16.  
Strike: "114,410"  
Insert: "164,265"
6. Page E-13, line 9.  
Strike: "143,861"  
Insert: "205,361"
7. Page E-13, line 12.  
Strike: "152,634"  
Insert: "251,917"
8. Page E-15, line 16.  
Strike: "2,672,011"  
Insert: "3,390,021"
9. Page E-17, line 12.  
Strike: "2,870,909"  
Insert: "3,771,783"
10. Page E-18, line 22.  
Strike: "510,299"  
Insert: "695,366"
11. Page E-20, line 11.  
Strike: "855,491"  
Insert: "1,122,152"

SENATE FINANCE AND CLAIMS

EXHIBIT NO. 2

DATE 1/15/92

Free Conf. BILL NO. HB 2

Er. 2

Free Conf. on

HB 2

1/16/92

12. Page E-21, line 21.

Strike: "387,812"

Insert: "541,116"

13. Page E-23, line 3.

Strike: "250,655"

Insert: "339,002"

14. Page E-24, line 23.

Strike: "214,819"

Insert: "404,995"

15. Page E-25, line 14.

Strike: "82,408"

Insert: "155,676"

16. Page E-26, line 5.

Strike: "36,536"

Insert: "54,308"

17. Page E-26, line 21.

Strike: "20,172"

Insert: "52,442"

18. Page E-28, line 18.

Strike: "6,442"

Insert: "12,204"



Thoft  
a-1

Free Conference Committee on House Bill 2  
January 14, 1992  
Representative Thoft

Mr. Chairman, I move to amend HOUSE BILL 2. (reference bill as amended...salmon) to increase the fiscal 1993 appropriation for district court criminal reimbursement by \$256,000, which is the estimated amount of excess vehicle license fee revenue over the appropriation amount. This will enable the program to provide additional reimbursement for court-ordered evaluations in criminal cases. Without this amendment, these funds would be returned to counties on a prorata basis for general purposes.

Signed: \_\_\_\_\_  
Representative Bob Thoft

And, that such amendment read as follows:

- 1. Page A-7, line 24.  
Strike: 2,806,573 (FY93 General Fund)  
Insert: 3,062,573

LFA will amend totals.

t:\pc12\2110amnd.dcr

Free Conf. Comm.  
SENATE FINANCE AND CLAIMS  
EXHIBIT NO. a-1  
DATE 1/16/92  
BILL NO. HB 2

Amendments to House Bill No. 2  
Reference Copy

Requested by Representative Kadas  
For the Free Conference Committee

Prepared by Lois Steinbeck  
January 16, 1992

1. Page A-8, line 5.  
Strike: "123,710"  
Insert: "86,987"

LFA will amend totals

This amendment reduces the Judiciary fiscal 1993 budget reduction to 5 percent from 8 percent. Excluded from the base appropriation are: elected officials' salaries, two fee-funded services, and pass through grants to counties for reimbursement of criminal court costs. This amendment reduces the fiscal 1993 general reduction by \$26,839 general fund.

*passed*

*Free Conf. Comm.*  
SENATE FINANCE AND CLAIMS  
EXHIBIT NO. A-2  
DATE 1/16/92  
BILL NO. HB 2

Amendments to House Bill No. 2  
Reference Copy

Requested by Representative Kadas  
For the Free Conference Committee

Prepared by Clayton Schenck  
January 15, 1992

1. Page A-20, line 4.

Strike: "93,315"      "308,576"

Insert: "304,762"      "381,749"

LFA will amend totals.

This amendment increases the total operational cuts in the Department of Justice from 2.11 percent for the biennium to 5 percent. It reduces the agency appropriation \$211,447 in fiscal 1992 and \$73,173 in fiscal 1993, a biennium reduction of \$284,620.

Free Conf. Comm.  
SENATE FINANCE AND CLAIMS  
EXHIBIT NO. A-3  
DATE 1/16/92  
BILL NO. HB2

*Attorney General's  
Presentation*

HOUSE BILL 2 REDUCTIONS  
DEPARTMENT OF JUSTICE  
January 16, 1992

*Receipt*

A. Budget reductions to date, prior to action on House Bill 2 by the Conference Committee, will effect:

- 1) a partial reduction in the fire marshal program authorized by the regular session of the 52nd Legislature;
- 2) an elimination of the VIN inspection created by Senate Bill 232;
- 3) a reduction in the extradition and transportation of prisoners;
- 4) a reduction in vehicle titling and registration services and implementation of the automated title and registration system.

B. Further budget reductions proposed in the amount of approximately 284,000 but not yet adopted by the Conference Committee will effect:

- 1) elimination of the fire marshal expansion program authorized by the regular session of the 52nd Legislature;
- 2) further reductions in the extradition and transportation of prisoners fund;
- 3) a reduction in the funds available to pay costs of complex litigation;
- 4) further reductions in the vehicle titling and registration services.

*Free Conf. Comm.*

SENATE FINANCE AND CLAIMS

EXHIBIT NO. A-4

DATE 1/16/92

BILL NO. HB 2

Amendment by Rep. ThofT.  
HB2, Reference Copy

1. Page A-25, line 2  
Following line 2  
Strike lines 3 and 4 in their entirety

Free Conf. Comm.

SENATE FINANCE AND CLAIMS

EXHIBIT NO. A-5

DATE 1/16/92

BILL NO. HB 2

Amendments to House Bill No. 2  
Reference Copy

Requested by Senator Jacobson  
For the Free Conference Committee

Prepared by Lois Steinbeck  
January 15, 1992

1. Page A-25, line 4.

Following: "APPLICANT"

Insert: "Those agency agreements that contain renewal options  
must be honored as per the terms of the agency contract and  
request for bids in existence prior to January 1, 1991"

*passed*

*Free Conf. Comm.*

SENATE FINANCE AND CLAIMS

EXHIBIT NO. A-6

DATE 1/16/92

BILL NO. HB 2

Amendments to House Bill No. 2  
Reference Copy

Requested by Representative Kadas  
For the Free Conference Committee

Prepared by Lois Steinbeck  
January 16, 1992

1. Page A-24, following line 1.  
Insert: f. Revenue Enhancement  
(general fund fiscal 1992) "39,667"  
(general fund fiscal 1993) "126,761"

LFA will amend totals

This amendment adds 4.0 FTE (1 grade 12 and 3 grade 10), equipment, and operating expenses to enhance collection of taxes owed the state. Accounts receivable for taxes administered by the Department of Revenue are about \$40 million. The major components of that amount are \$19.975 million of individual income tax; \$2.926 million of withholding; \$10.244 of dangerous drug tax; \$162,000 of accommodations tax; \$123,000 payroll tax; and \$4.68 million of miscellaneous taxes. The last legislature authorized 6.0 new FTE (3.0 collection FTE and 3.0 accounts receivable FTE) to strengthen accounts receivable collection efforts.

*Revised*

Free Conf. Comm.

SENATE FINANCE AND CLAIMS

EXHIBIT NO. A-7

DATE 1/16/92

BILL NO. HB2

Amendments to House Bill No. 2  
Reference Copy

Requested by Senator Jacobson  
For the Free Conference Committee

Prepared by Carroll South  
January 16, 1992

1. Page B-16, following line 2.  
Insert: "14. Budget Reduction (Line Item)"  
50,000 100,000"

LFA will amend totals.

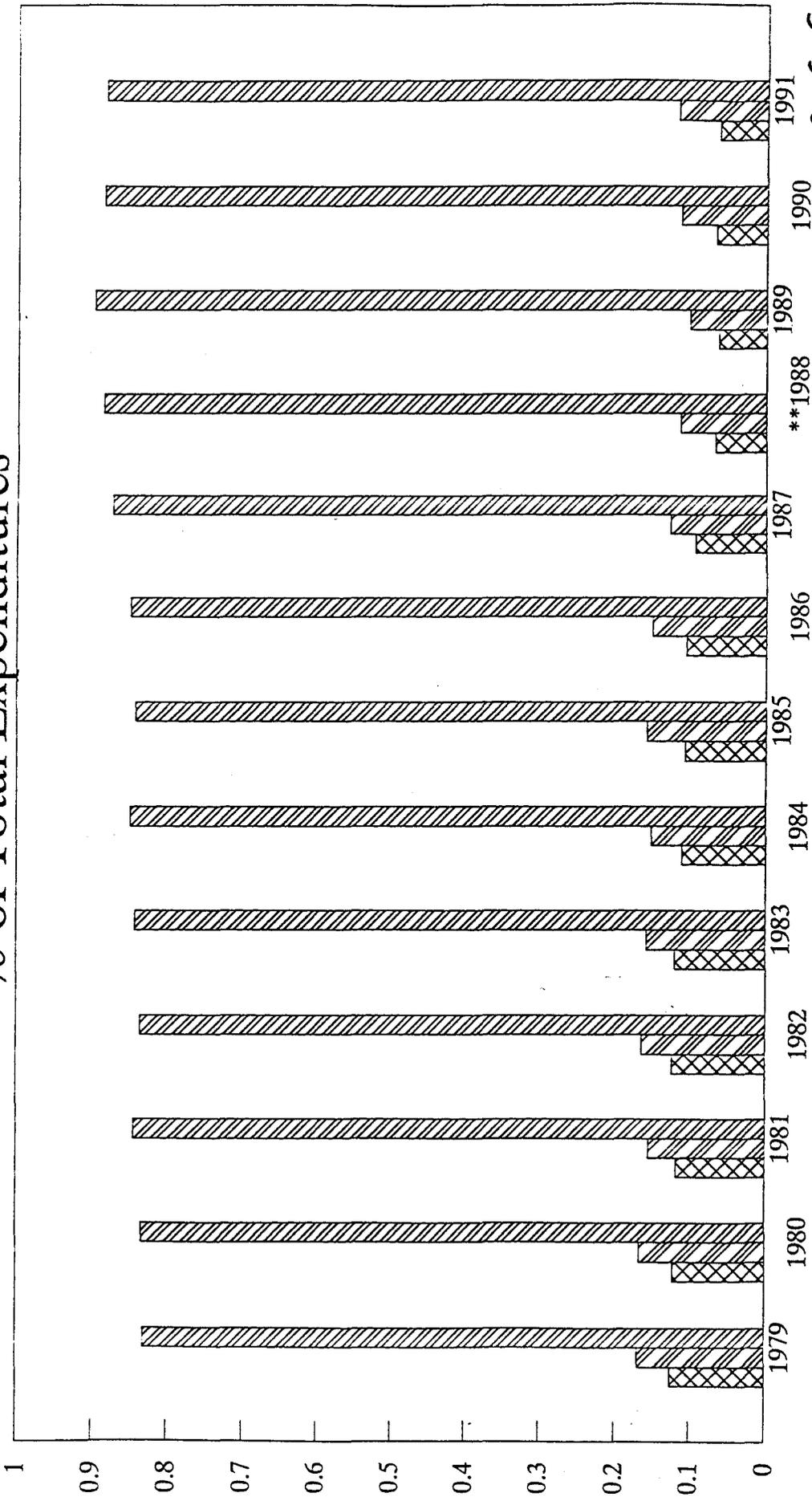
This amendment reduces the agency general fund appropriation by \$50,000 in FY92 and \$100,000 in FY93.

*Jacobson*  
*passed*

*Free Conf. Comm.*  
SENATE FINANCE AND CLAIMS  
EXHIBIT NO. A-8  
DATE 1/16/92  
BILL NO. HB 21

# SRS EXPENDITURE HISTORY

% of Total Expenditures



Personal Services
  Total Administrative
  Benefits

Free Conf. Comm.  
 SENATE FINANCE AND CLAIMS  
 EXHIBIT NO. A-9  
 DATE 1/16/92

*Spillover benefit*

## SRS HISTORY OF EXPENDITURES

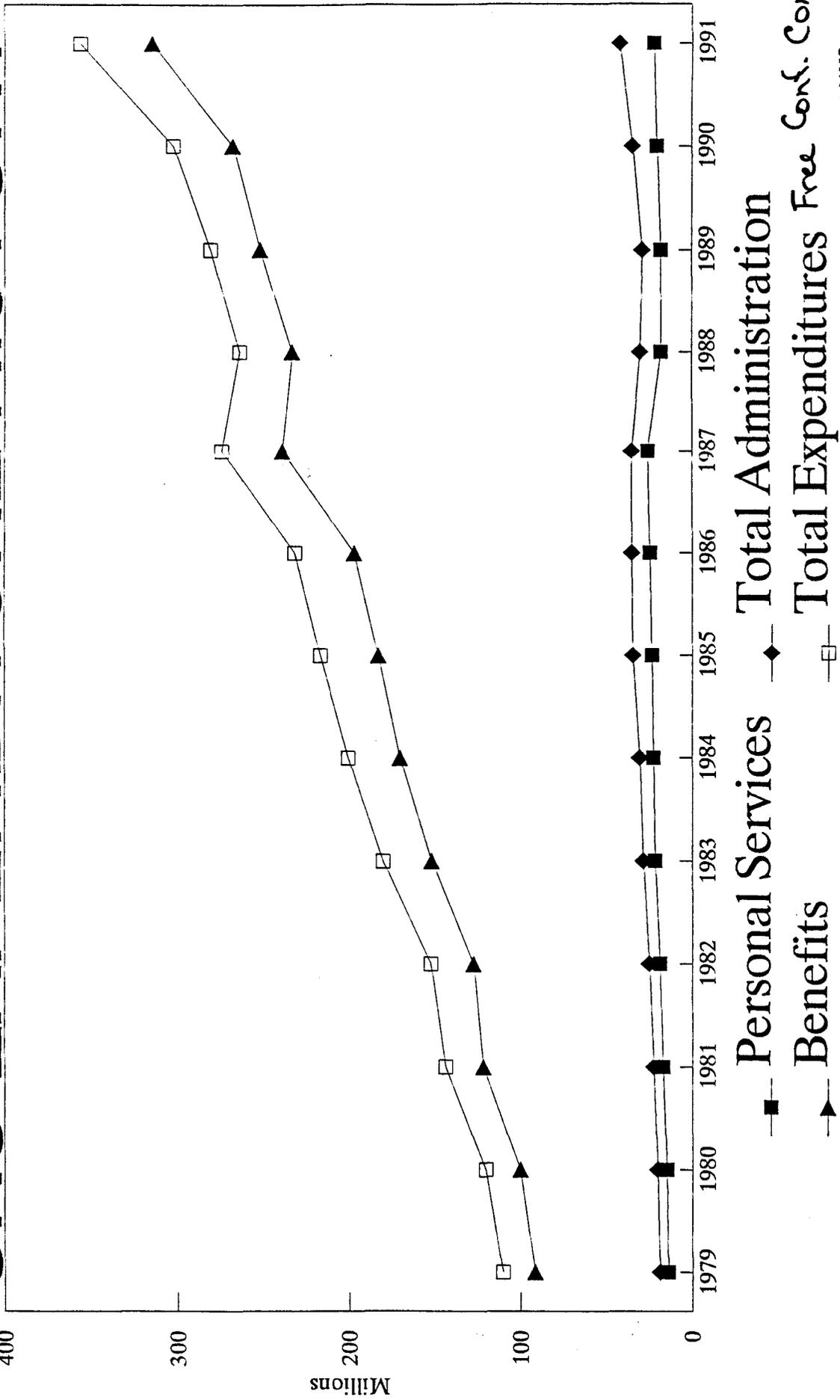
Table B.....Percent of Total

STATE FISCAL YEAR	FTE	HOURS	PERSONAL SERVICES	OPERATIONS	EQUIPMENT	TOTAL OPERATIONS	BENEFITS	TOTAL EXPENDITURES
1979			12.56%	4.29%	0.07%	16.92%	83.08%	100.00%
1980			12.27%	4.19%	0.20%	16.66%	83.34%	100.00%
1981			11.82%	3.70%	0.03%	15.54%	84.46%	100.00%
1982			12.35%	4.03%	0.07%	16.44%	83.56%	100.00%
1983	1,092.21	2,140,819	12.03%	3.63%	0.13%	15.79%	84.21%	100.00%
1984	1,043.12	2,094,393	11.12%	3.88%	0.18%	15.18%	84.82%	100.00%
1985	1,044.62	2,112,302	10.72%	4.96%	0.14%	15.82%	84.18%	100.00%
1986	1,112.20	2,171,951	10.57%	4.42%	0.10%	15.09%	84.91%	100.00%
1987	1,112.51	2,191,519	9.35%	3.26%	0.08%	12.69%	87.31%	100.00%
**1988	774.63	1,517,665	6.79%	4.37%	0.27%	11.43%	88.57%	100.00%
1989	772.93	1,505,089	6.37%	3.39%	0.47%	10.23%	89.77%	100.00%
1990	886.08	1,660,435	6.71%	4.41%	0.28%	11.40%	88.60%	100.00%
1991	922.40	1,784,765	6.22%	5.25%	0.27%	11.75%	88.25%	100.00%

\*\* 1988 reflects the transfer of the Community Services Division to the Department of Family Services.

*see back*

# SRS EXPENDITURE HISTORY



Personal Services    Total Administration

Benefits    Total Expenditures Free Cont. Comm.

SET/ATE FINANCE AND CLAIMS

EXHIBIT NO. A-10

DATE 11/6/92

RII NO 1482

SRS HISTORY OF EXPENDITURES

Table A..... Actual Expenses

STATE FISCAL YEAR	FTE	HOURS	PERSONAL SERVICES	OPERATIONS	EQUIPMENT	TOTAL OPERATIONS	BENEFITS	TOTAL EXPENDITURES
1979			13,857,725	4,733,023	81,381	18,672,128	91,676,214	110,348,342
1980			14,744,371	5,034,399	245,220	20,023,989	100,133,176	120,157,165
1981			16,997,523	5,319,851	43,212	22,360,587	121,496,798	143,857,385
1982			18,810,015	6,134,677	100,018	25,044,710	127,272,484	152,317,194
1983	1,092.21	2,140,819	21,659,058	6,527,694	235,403	28,422,156	151,624,313	180,046,469 <sup>84%</sup>
1984	1,043.12	2,094,393	22,301,438	7,790,028	359,998	30,451,465	170,156,879	200,608,344
1985	1,044.62	2,112,302	23,297,656	10,770,493	295,482	34,363,632	182,903,759	217,267,390
1986	1,112.20	2,171,951	24,526,083	10,246,501	241,696	35,014,280	197,000,939 <sup>41%</sup>	232,015,219
1987	1,112.51	2,191,519	25,599,732	8,938,852	222,182	34,760,766	239,091,670 <sup>131%</sup>	273,852,435
**1988	774.63	1,517,665	17,894,243	11,522,067	706,369	30,122,679	233,423,232	263,545,911
1989	772.93	1,505,089	17,872,375	9,491,642	1,317,829	28,681,847	251,709,659	280,391,506
1990	886.08	1,660,435	20,277,383	13,326,445	852,010	34,455,838	267,680,578	302,136,416
1991	922.40	1,784,765	22,182,304	18,728,246	979,210	41,889,760	314,599,700	356,489,460 <sup>199%</sup>

SOURCES:

- Expenditures: BSR for '90 & '91
- SBAS 99000 (662) for '88,'89
- SBAS 6901 (662) for '87 - '79
- FTE/Hours: PPP

\*\* 1988 reflects the transfer of the Community Services Division to the Department of Family Services.

*Cost per \$ of benefit delivered*

1983

Amendments to House Bill No. 2  
Reference Copy

Requested by Representative Peck  
For the Free Conference Committee

Prepared by Terri Perrigo  
January 15, 1992

1. Page A-1, line 5.  
Strike: "1,146,687"  
Insert: "1,103,347"

Decreases the Legislative Auditor's fiscal 1993 general fund appropriation by \$43,340, which when added to the fiscal 1992 personal service reversion of \$18,512 (proposed by the Legislative Auditor to be part of FY93 five percent operational cuts) brings their fiscal 1993 general fund operational cut to five percent.

*Joined*

Free Conf. Comm.  
SENATE FINANCE AND CLAIMS  
EXHIBIT NO. A-11  
DATE 1/26/92  
BILL NO. HB 2

Amendments to House Bill No. 2  
Reference Copy

Requested by Senator Jacobson  
For the Free Conference Committee

Prepared by Taryn Purdy  
January 16, 1992

1. Page B-5, line 2.  
Strike: "91,795"  
Insert: "166,795"

This amendment adds \$75,000 to the department of health for the  
End Stage Renal Disease program.

*forward*

*Free Conf. Comm.*  
SENATE FINANCE AND CLAIMS  
EXHIBIT NO. A-12  
DATE 1/16/92  
BILL NO. HB2

Amendments to House Bill No. 2  
Reference Copy

Requested by Representative Kadas  
For the Free Conference Committee

Prepared by Roger Lloyd  
January 15, 1992

1. Page C-9, line 9.  
Strike: "300,000" (FY92, General Fund)  
Insert: "250,000" (FY92, General Fund)

LFA will amend totals.

2. Page C-12, line 3.  
Following: "The"  
Strike: "\$300,000"  
Insert: "\$250,000"  
Following: "study"  
Strike: "(\$250,000)"  
Insert: "(\$200,000)"

*revised*

*Free Conf. Comm.*  
SENATE FINANCE AND CLAIMS  
EXHIBIT NO. C-1  
DATE 1/16/92  
BILL NO. HB 2

Amendments to House Bill No. 2  
Reference Copy

Requested by Senator Jergeson  
For the Free Conference Committee

Prepared by Roger Lloyd  
January 16, 1992

1. Page C-12, line 5.

Following: "recreation!"

Insert: "The state land board has the authority to reduce the  
scope of the economic study in response to available  
funding."

*Failed*

*Free Conf. Comm.*  
SENATE FINANCE AND CLAIMS  
EXHIBIT NO. C-2  
DATE 1/16/92  
BILL NO. HB 2

Amendment by Rep. Kodar  
HB2, Reference Copy

1. Page D-8, line 3

Strike: "66,120" (fiscal 1992)

Insert: "0"

*withdrawn*

Free Conf. Comm.

SENATE FINANCE AND CLAIMS

EXHIBIT NO. D-1

DATE 7/16/92

BILL NO. HB2

Amendments to House Bill No. 2  
Reference Copy

For the Free Conference Committee

Prepared by Lois Steinbeck  
January 16, 1992

1. Page A-8, line 5.  
Strike: "123,710"  
Insert: "52,060"

LFA will amend totals.

This amendment brings the judiciary fiscal 1993 budget reduction to 5% from 8%. This technical amendment corrects an amendment already passed by the committee. It reduces the fiscal 1993 general fund by an additional \$34,367.

*Free Conf. Comm.*  
SENATE FINANCE AND CLAIMS  
EXHIBIT NO. A-13  
DATE 1/16/92  
BILL NO. HB 2

Amendments to House Bill No. 2  
Reference Copy

Requested by Representative Peck  
For the Free Conference Committee

Prepared by Skip Culver  
January 16, 1992

1. Page E-5, line 3.  
Strike: "41,534,000"  
Insert: "24,130,000"

*Peck*

*Free Conf. Comm.*

SENATE FINANCE AND CLAIMS

EXHIBIT NO. E-1

DATE 1/16/92

BILL NO. HB 2

Amendments to House Bill No. 2  
Reference Copy

Requested by Representative Thoft  
For the Free Conference Committee

Prepared by Skip Culver  
January 16, 1992

1. Page E-5, line 14.

Following: "APPROPRIATION"

Insert: "EXCLUDING ITEM 2R, SCHOOL EQUALIZATION SUPPLEMENTAL  
FUNDING,"

This amendment clarifies that the school equalization supplemental appropriation may not be used for other purposes within the distribution to schools program.

*passed*

*Free Conf. Comm.*

SENATE FINANCE AND CLAIMS

EXHIBIT NO. F-2

DATE 1/16/92

BILL NO. HB 2

Amendments to House Bill No. 2  
Reference Copy

Requested by Representative Peck  
For the Free Conference Committee

Prepared by Taryn Purdy  
January 16, 1992

1. Page E-13, line 7.  
Strike: "307,913"  
Insert: "362,913"

2. Page E-13, line 9.  
Strike: "143,861"  
Insert: "153,920"

LFA will amend totals.

Free Conf. Comm.

SENATE FINANCE AND CLAIMS  
EXHIBIT NO. E-3  
DATE 1/16/92  
BILL NO. NB 2

Amendments to House Bill No. 2  
Reference Copy as Amended

Requested by Senator Hockett  
For Conference Committee

Prepared by Jim Haubein  
January 14, 1992

*passed*

1. Page OA-7, line 9.

Insert: "150,000 Higher Education Funds and/or Donations"

*Free Conf. Comm.*  
SENATE FINANCE AND CLAIMS  
EXHIBIT NO. *E-4*  
DATE *1/14/92*  
BILL NO. *NB 2*

Amendments to House Bill No. 2  
Reference Copy as Amended

Requested by Representative Bardanouve  
For the Free Conference Committee

Prepared by Jim Haubein  
January 16, 1992

1. Page OA 7, line 10.  
Strike: "584,500"  
Insert: "934,500"

2. Page OA 8, line 6.  
Strike: "633,000"  
Insert: "283,000"

*ES  
K...  
...*

This amendment does not reduce any projects. It reduces the general fund appropriation by \$350,000 for the Northern Montana College Gym repairs and increases the Capitol Projects Fund appropriation for this project by a like amount.

*Free Conf. Comm.*

SENATE FINANCE AND CLAIMS

EXHIBIT NO. E-5

DATE 1/16/92

BILL NO. HB2

Amendments to House Bill No. 2  
Reference Copy Amended

Requested by Representative Connelly  
For the Free Conference Committee

Prepared by Jim Haubein  
January 16, 1992

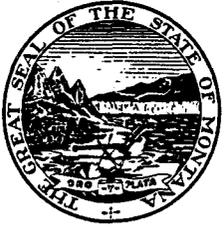
E-6

1. Page OA 7, following line 12.

Insert: "(2) For the window retrofit for the museum building, Montana tech, the department shall investigate the possibility of covering the windows rather than replacing them to determine if it would prove more energy-efficient."

Renumber: subsequent sections

Free Conf. Comm.  
SENATE FINANCE AND CLAIMS  
EXHIBIT NO. E-6  
DATE 1/16/92  
BILL NO. NB 2



*The Big Sky Country*

## MONTANA HOUSE OF REPRESENTATIVES

JOYCE ANDRUS  
CHIEF CLERK

P.O. BOX 161  
CAPITOL STATION  
HELENA, MT 59620-0144  
(406) 444-4822

HOME ADDRESS:  
AFTER MAY 1, 1990:  
1610 HUDSON, #3  
HELENA, MT 59601

January 15, 1992

### MEMORANDUM

TO: RAY PECK

FROM: JOYCE ANDRUS

RE: ADDITION TO CONFERENCE COMMITTEE REPORT ON HB 2

In consultation with Greg Petesch, he approved the following language for the conference committee report on House Bill 2. I asked him if we could handle this boilerplate language in the report rather than take it up separately in both houses and he agreed. Please see me if you have any questions. Thank you.

### FINAL PARAGRAPH TO CONFERENCE COMMITTEE REPORT ON HB 2

The Committee recommends that the narrative and tables accompanying House Bill 2 be adopted as legislative intent.

cc: Sylvia Kinsey

*Free Conf. Comm.*

SENATE FINANCE AND CLAIMS

EXHIBIT NO. E-7

DATE 1/16/92

BILL NO. NB 2

FREE CONFERENCE COMMITTEE ON HOUSE BILL 2

E 8

1. Page BP-2 and 3  
Strike: Section 8 in its entirety.

This amendment strikes the employee training documentation requirements which were new in the last regular session. The budget reductions are such that this additional workload will be a burden for many agencies. Moreover, it is unlikely that there will be sufficient revenue in the 1993 Session to fund training needs identified by this analysis.

Free Conf. Comm.

SENATE FINANCE AND CLAIMS

EXHIBIT NO. E-8

DATE 1/16/92

BILL NO. HB 2

Amendments to House Bill No. 2  
Reference Copy

Requested by Representative Harper  
For the Free Conference Committee

E 9

Prepared by Roger Lloyd  
January 15, 1992

1. Page C-16, line 4.

Following: line 4

Insert: "k. Treasure State Endowment -- HB 19  
20,000" (FY93, General Fund)

LFA will amend totals

2. Page C-17, line 23.

Following: line 23

Insert: "Item 4k is to implement House Bill No. 19 and is  
contingent on passage of House Bill No. 19 and on electoral  
approval."

3. Page C-23, line 9.

Following: line 9

Insert: "c. Treasure State Endowment -- HB 19  
35,000" (FY93, General Fund)

LFA will amend totals

4. Page C-27, line 14.

Following: line 14

Insert: "Item 10c is to implement House Bill No. 19 and is  
contingent on passage of House Bill No. 19 and on electoral  
approval."

Free Conf. Comm.

SENATE FINANCE AND CLAIMS

EXHIBIT NO. E-9

DATE 1/16/92

BILL NO. HB 2

Amendment to House Bill 2  
Second Reading Copy

Requested by Representative Kadas  
For the Committee of the Whole (House)

Prepared by Lois Steinbeck  
January 16, 1992

1. Page A-33, line 22.

Strike:	"11,055"	"10,019"
Insert:	"31,834"	"67,732"

LFA will amend totals

This amendment reduces the Department of Military Affairs general fund appropriation by slightly less than 4% each year. The amount of the reduction is \$20,779 in fiscal 1992 and \$57,713 in fiscal 1993.

*Free Conf. Comm.*

SENATE FINANCE AND CLAIMS

EXHIBIT NO. E 10

DATE 1/16/92

BILL NO. HB 2

Amendments to House Bill No. 2  
Reference Copy

*sent  
3:15*

Requested by Representative Kadas  
For the Free Conference Committee

Prepared by Terri Perrigo  
January 15, 1992

*offered*

1. Page C-23, line 2.  
Strike: "2,295,493"  
Insert: "2,260,262"

*not offered*

*(E11)*

LFA will amend totals

*passed*

2. Page C-23, line 5.  
Strike: "1,296,279"  
Insert: "1,260,916"

LFA will amend totals

Eliminates 1.0 FTE project evaluator for the Coal Board, and reduces the Coal Board's local impact account appropriation by \$35,231 in fiscal 1992 and \$35,363 in fiscal 1993.

*Free Conf. Comm.*

SENATE FINANCE AND CLAIMS

EXHIBIT NO. E 11

DATE 1/16/92

BILL NO. HB 2

Amendments to House Bill No. 2  
Reference Copy

Requested by Representative Kadas  
For the Free Conference Committee

Prepared by Teresa Olcott Cohea  
January 16, 1992

1. The Legislative Fiscal Analyst is directed to reflect on its general fund summary sheets and in the Appropriation Report the following statutory appropriations at the level shown in the Executive Budget:

	<u>FY93 (Millions)</u>
Guaranteed Tax Base	\$47.436
Personal property tax reimbursement	19.037

The Legislative Fiscal Analyst is further directed to reflect on its general fund summary sheets and in the Appropriations Report the \$1.0 million fund balance adjustment for federal fire suppression cost reimbursement shown in the Executive Budget (page 9).

*Free Conf. Comm.*  
SENATE FINANCE AND CLAIMS  
EXHIBIT NO. E 12  
DATE 1/16/92  
BILL NO. NB 2

Amendment to House Bill No. 2  
Reference Copy

Requested by Representative \_\_\_\_\_  
For Free Conference Committee

Prepared by OBPP  
January 16, 1992

1. Page A-9, line 25.

Strike: "15,000" State Special Revenue Fiscal 1992  
"15,000" State Special Revenue Fiscal 1993

Insert: "15,000" Federal Special Revenue Fiscal 1992  
"15,000" Federal Special Revenue Fiscal 1993

LFA will amend the totals.

Free Conf. Comm.  
SENATE FINANCE AND CLAIMS  
EXHIBIT NO. E 13  
DATE 1/16/92  
BILL NO. HB 2

Amendments to House Bill No. 2  
Reference Copy

Requested by Senator Jacobson  
For the Free Conference Committee

Prepared by Skip Culver  
January 16, 1992

1. Page E-1, line 20.

Strike: "367,521 2,719,428 832,959 367,773 2,717,688 827,733"

Insert: "470,021 4,248,382 904,728 381,305 4,089,022 887,460"

2. Page E-1, line 21.

Strike: "2,977,475 2,963,514"

Insert: "3,540,725 3,338,426"

3. Page E-1, following line 23.

Strike: lines 24 and 25 in their entirety.

4. Page E-2.

Strike: lines 1 through 25 in their entirety.

5. Page E-3.

Strike: lines 1 through 11 in their entirety.

6. Page E-5.

Strike: line 13

Insert: "included in item 1 is a biennial appropriation of \$136,000 general fund and \$82,000 state special for audiology services."

LFA will amend totals.

This amendment eliminates line item appropriations for the administration program and adds them to the program appropriation.

Free Conf. Comm. SENATE FINANCE AND CLAIMS  
EXHIBIT NO. E 14  
DATE 1/16/92  
BILL NO. 74B 2  
HBX02630.AL6

Amendments to House Bill No. 2  
Reference Copy

Requested by Senator Jacobson  
For the Free Conference Committee

Prepared by Carroll South  
January 16, 1992

1. Page A-10, line 21.

Strike: "876,288" "876,789"

Insert: "948,712" "935,751"

2. Page A-10, following line 23.

Strike: lines 24 and 25 in their entirety.

3. Page A-11, following line 6.

Strike: Strike line 7 and 8 in their entirety.

LFA will amend totals.

This amendment eliminates two line item appropriations and adds them to the program appropriation.

*Free Conf. Comm.*

SENATE FINANCE AND CLAIMS

EXHIBIT NO. E 15

DATE 1/16/92

BILL NO. HB 2

Amendments to House Bill No. 2  
Reference Copy

Requested by Senator Jergeson  
For the Free Conference Committee

Prepared by Taryn Purdy  
January 16, 1992

1. Page BP-4, line 20.

Following: "SYSTEM"

Strike: "PERSONAL SERVICES TRANSFER AND"

2. Page BP-4, line 21.

Strike: "PERSONAL SERVICES TRANSFER PROVISIONS IN [SECTION 2] AND  
THE"

Free Conf. Comm.

SENATE FINANCE AND CLAIMS

EXHIBIT NO. E 16

DATE 1/16/92

BILL NO. HB 2