

MINUTES

**MONTANA HOUSE OF REPRESENTATIVES
52nd LEGISLATURE - 2nd SPECIAL SESSION**

COMMITTEE ON APPROPRIATIONS

Call to Order: By Chair Bardanoue, on July 9, 1992, at 9 a.m.

ROLL CALL

Members Present:

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

Members Excused:

John Johnson (D)

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

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

HEARING ON HOUSE BILL 2

Ms. Cohea handed out two blue sheets in regard to the status of the general fund, cuts etc. and a comparison of LFA and Executive analysis with any differences being shown and explained them to the committee. **EXHIBITS 1 and 2.** The Chair opened the hearing referring to the budget books - **EXHIBIT 3** provided by the LFA and **EXHIBIT 4**, the Governor's Executive Budget.

GENERAL GOVERNMENT SUBCOMMITTEE: Section A

REP QUILICI, Chair, noted that on the blue sheets it shows the budget at \$1.8 million under the Governor's recommendation. You should note on the blue sheets it said \$3 million under what the Legislature did. The Executive asked for \$5 million for fire suppression. In REP KIMBERLEY's subcommittee they cut that down to \$3 million. They concurred and that was transferred from the Dept. of State Lands into the OBPP. He said he would present an amendment to the full Appropriations Committee to have that \$3 million budgeted directly to the Dept. of State Lands, earmarked for fire suppression purposes only and, with legislative oversight, they can spend that money. The numbers are not correct. The correct number for Section A is that the subcommittee cut \$1,195,242 out of section A.

Legislative Auditor:

The Executive recommended cut was \$95,704. The subcommittee recommended \$39,428 be cut. The reason was the director of the agency said they had unfunded pay plans and to be able to do the job they were mandated to take they could not operate because all the cuts would be in personnel.

Legislative Fiscal Analyst:

The Executive recommendation was \$23,700. The committee cut \$35,000, which was more than the Governor recommended and the Legislative Fiscal Analyst recommended it.

Legislative Council:

Executive recommended cut was \$56,100, which the committee accepted.

Environmental Quality Council:

Executive recommended cut was \$15,473, which the committee accepted. REP QUILICI reminded the committee that this is a one half-time person in EQC, which is not filled. There could be a need for it, but felt the cut was appropriate at this time.

Consumer Council:

No general fund, no cuts, any money that comes in are automatically deducted from the next fiscal year's budget.

Judiciary:

The Executive asked us to cut \$323,077. The committee only cut \$50,000. The reason is that built into the base is the district judge's salaries and also the salaries of the supreme court judges. The committee did not see how they could take away salaries or a portion of them from the judges. He said that would bring them up on the percentage deduction on general fund appropriation.

CHAIR BARDANOUVE asked where the \$50,000 was deducted. **REP QUILICI** said they drew off the salaries of the district judges and supreme court judges and looked at the amount that would bring them up to the 8%. We asked them to use discretion as to where they took the \$50,000 from.

Governor's Office:

The \$3 million is going to OBPP and with the amendment it will be budgeted to State Lands.

CHAIR BARDANOUVE asked for clarification as to why the fire was reduced by \$2 million. **REP QUILICI** said it was the understanding after talking to the Director of Natural Resources and going over it with our subcommittee that with the way the rain has been coming into the state lately, we would gamble on cutting that amount of fire suppression from \$5 million to \$3 million and hope we don't have a bad fire season.

Secretary of State:

Executive recommended cut was \$34,401. The subcommittee cut \$34,401. **REP QUILICI** said the Secretary of State's budget is real lean, but we did take the Executive's recommendation with some reluctance on the part of most of the committee members.

Commissioner of Political Practices:

REP QUILICI said he thought if another dollar was taken from that agency it would not even function.

State Auditor's Office:

No money was taken from this office because they had nearly 9% out of their budget and the problem is that 90% of their duties are mandated by statute. The Executive also recommended taking out nothing.

Crime Control Division:

Executive recommended cut was \$22,676. The committee recommended cutting only \$7,000. The reason for this is that without these funds they cannot live up to the federal mandates. We could lose millions of dollars in funds that are pass-through monies to local governments if we don't have adequate funds in this division to handle the federal mandates.

Highway Traffic Safety:

These are all pass-through monies and there was nothing available to take.

Justice Department:

The Executive recommended cut was \$136,954. The committee cut \$160,000. There was about \$40,000 taken out of motor vehicles and they think with the other cuts and with some discretion they can handle this cut. REP QUILICI said there has to be some discretion for these agencies if they are going to work some of these cuts. They should let them run their agencies in a business like manner.

Transportation:

The majority of these funds are federal funds, but there was some general fund in rails and transportation. The Executive recommended no cut, but the committee took \$60,000. It was brought forth from the department they would have no problem with this.

Department of Revenue:

Executive recommended cut was \$706,947. The committee cut \$706,947. REP QUILICI said this was the biggest cuts in all the agencies, but it always is since DoR is the biggest agency. Most of this money came from the property assessment division. About \$440,000 out of that, the remainder out of data processing, centralized services, income tax division and split up in most of their divisions.

CHAIR BARDANOUVE said during the special session earlier we gave them more money on the reappraisal. Will this affect what we did in the first special session? REP QUILICI said he thought so. Mr. Ellery is here and could explain.

Mr. Ellery, DOR, said they got creative in some areas. One of the major cuts of that \$400,000 was a \$270,000 proposal to the subcommittee to defer some debt service in the department to refinance the CAMAS system (Computer Assisted Mass Appraisal System). The other reductions were unmandated travel, the application of a 4% vacancy savings on elected assessors and deputies and eliminating some informational brochures that they would send out with their reassessment notices. As a result of last fiscal year they have an appropriation transfer of \$850,000 to get a lot of work done in fiscal year '92. They feel they are on track right now but the quality of the work that remains to be done in FY '93 could be jeopardized somewhat, but they will do the best they can to make reappraisal the best it has ever been.

REP KADAS asked if the department doesn't already have a request for \$1.5 million supplemental? **Mr. Ellery** said no, they have transferred \$850,000 from FY '93 and do not anticipate requesting any additional funding in FY '93. That was an initial estimate that was put out during the last session which said there was a potential for \$800,000 perhaps in FY '92 and another \$700,000 roughly in FY '93. They are no longer anticipating that requirement.

REP KADAS asked **Mrs. Cohea** if in her projections for the deficit, did she anticipate a supplemental from the DOR? **Mrs. Cohea** said yes, they have anticipated it at the \$1.5 million level because that was the number that was submitted to the Finance Committee in April. At that meeting they requested a transfer up to \$975,000 from '93 to '92 up to that amount and the committee approved that. At that point the agency felt they would need an additional approximately \$.5 million in '93. She understood that since that time they have revised that estimate and have only transferred \$850,000 down, but have never received that in writing so they did include that in their estimate the figures they provided to the Finance Committee in April.

REP KADAS asked if this was all before the \$700,000 cut? **Mrs. Cohea** said yes. The request in April for the transfer because the agency said they would run out of money in mid June. That request was prior to the current proposed reduction.

REP KADAS asked **Mr. Ellery** if he was essentially telling the committee that between April and now you have eliminated not only a \$1.5 million supplemental, but are able to take a \$700,000 cut for a \$2.2 million swing? **Mr. Ellery** said that is not true. He said they got \$850,000 and at the time they put together some figures and the budget office participated in it. They anticipated full funding of the property assessment program for

the biennium. We are facing some tough times now and are going to live within our vacancy savings and take some cuts in our operational budget.

REP QUILICI said the subcommittee had gone over this supplemental that was proposed in April of this year quite thoroughly with the DOR because they had some of the same questions REP KADAS had asked about. As Chairman of that committee he was very concerned and hoped that the reappraisal can be done in the property tax division with this cut. He had been concerned in April if there were some games being played to inflate their budget.

CHAIR BARDANOUVE asked Mrs. Cohea if they had made adjustments for this change in the supplemental for the Dept. of Revenue and Mrs. Cohea said no. At this point in the status sheet before you, included in the ending fund balance is \$1.5 million total supplemental for the DOR. She had met with her management committee the first day of the session and they went through differences in expenditures between the OBPP projections and our projections. They are slightly higher for debt service, TRANS, etc. so when all were netted out against each other out of \$1.1 billion there was a \$126,000 difference. For that reason, the management committee suggested that we leave our supplemental numbers as they are. If this committee directs me to change that she would do so, but she wanted the committee to be aware there is offsetting between the two offices, so the bottom line is relatively the same.

REP KADAS asked the OBPP if in their calculations of the projected deficit were there any supplementals figured in for the DOR? Ms. Hammond said at this point in time she did not believe there is any supplemental calculated in. As Mrs. Cohea was saying, we have a few minor differences, but the bottom line is essentially the same and they have not gone back in the past 10 days and reviewed everything with the agency again. We reviewed it just before publication of the executive budget and have been putting extreme downward pressure on the agencies since prior to the April meeting of the Legislative Finance Committee and as we started to recognize the revenue was not coming in. She said that is why you are seeing these changes in these supplemental projections because agencies are no longer doing business as usual.

Department of Administration:

No cuts were recommended from the Executive. The subcommittee concurred with the recommendation.

CHAIR BARDANOUE asked if there was a feeling something should be taken out? REP QUILICI said there was a feeling by the chairman that some should have been taken out, and could be brought up later. The Department of Administration had taken nearly a 9% reduction in the first special session and he felt that was the reason for the motion to accept the executive recommendation.

The State Fund:

REP QUILICI said when the state fund goes through the subcommittee, all they do is glance at it. We all know what problems there are and we naturally will not take anything out of it at the present time. When we get into full session he felt there would be some real scrutiny of this fund being done by the Legislature.

Public Employees Retirement:

REP QUILICI said there is nothing out of PERS.

Teachers Retirement:

Nothing out of this budget.

Military Affairs:

REP QUILICI said the executive asked for \$30,893, and the subcommittee accepted that recommendation. There is very little general fund money in Military Affairs. Some of this money that is taken out is out of the Veterans Affairs Division. This Division is badly underfunded now, and not taking care of duties, especially in rural areas in eastern, northeastern and southeastern Montana. Reluctantly the committee took this money out. We do have an amendment which will go before the full Appropriations Committee that will give the Department some discretion on the use of these monies. There was a bill put in to have veterans' license plates and thought the sale of these plates could go in to help with the upkeep of the cemetery for the Military Affairs budget and perhaps they could use some innovative financing to transfer some of this other \$22,000 out of the cemetery funding into Veterans' Affairs.

Questions:

REP CODY asked about the fire suppression costs. She said in the regular session in '91, did you budget a specific amount for fire suppression costs? REP QUILICI answered yes.

REP CODY asked if we have had a policy where we have always addressed that amount before the fact or how has that been treated before in budgeting? REP QUILICI said it has always been treated through a supplemental. When an amount was used for fire suppression, the DSL (Department of State Lands) would come in for a supplemental. They would have to go through the budget office before they could receive that money.

REP CODY said there is a lot of money represented here and asked if there is any actual dollar amount that has been spent so far for fire suppression? REP QUILICI said yes and Ms. Cohea said as of last week, during the January special session you had approved \$5.6 million to pay for the cost of the fall fires and there was an estimate of what the spring fires would be. As of last week they were within \$80,000 of that amount. She said she believed through fiscal '92 the amount appropriated in January was sufficient to pay those bills. The \$3 million or \$5 million that is being requested is essentially to get the agency to January when you would be session. The way it is expressed in the executive budget is to avoid the necessity of another special session. Historically the agency has used other general fund money that is appropriated to the agency and for '93 that is about \$8 million. That has been used to pay fire suppression costs until you come to session and then you replenish it.

CHAIR BARDANOUVE said it was not necessary to know what the projected supplemental might be because we always had enough balance in the general fund to pay in the regular session. Now, in trying to balance the budget, it will be an obligation if we don't take that into consideration now and if we ignore it, it could mean the budget is not balanced. We have to calculate it now because we will not have enough surplus cash in the general fund to pay it if we don't take it into consideration at this time.

REP COBB asked Mrs. Cohea if there was money available from the last session or the last special session for a tax plan study that was to be conducted by the Legislative Council? Mrs. Cohea said language was added in the Free Conference Committee that said any unexpended portion of the feed bill for the January 1992 special session was reappropriated to the Legislative Council and could be spent upon unanimous agreement of the four leaders for a study of fiscal issues. There was approximately \$145,000 that was not spent and is now established for the Legislative Council to spend if there is agreement among the leadership at this point in time. None of that reappropriated money has been spent.

REP COBB asked if a motion could be made to delete that amount.

Mrs. Cohea said the net effect would be that it would either revert to the general fund or could be reappropriated somewhere else.

SEN GAGE congratulated Chair Quilici and his committee for recommending that more discretion be given to the agencies with their funds as to how they can use them and suggest to both the Appropriations Committee and the Finance & Claims committee that in future sessions consideration be given to doing a lot more of that. He felt these people are a lot better managers, know what is going on in their departments and have a better idea of what is needed. As a result they can do a much better job than the Legislature can when we try to mini-manage the departments.

EXECUTIVE ACTION ON HOUSE BILL 2

Amendments:

MOTION TO AMEND: REP SWYSGOOD moved that in all agencies where the executive budget recommended cuts were not taken shall be taken.

Discussion: REP SWYSGOOD clarified his motion by saying where they didn't take as much, if they took more--good.

REP QUILICI said in all agencies where the executive budget was not taken it is grabbing at every agency without giving consideration as to the reason the subcommittee took the action. He gave the example of the Judiciary where they were asked by the executive to take \$323,000 and did not take into consideration the supreme court judge's and district court judge's salaries and these are mandated by law. He asked how we could take this kind of a cut out of that kind of budget.

Amendment to Amendment: REP SWYSGOOD said he would amend his amendment to say with the exception of the fire suppression costs, which we will leave at \$3 million and reduce it by \$2 million.

Discussion: REP ZOOK said he would have to resist the motion. He said there is not that much flexibility in the courts to take care of the salaries and did not think the figure in the Governor's budget which was an automatic bring up to the 8% should not include mandated salaries.

Tape 1, side B

Vote: Motion failed 7 yes, 10 no. Roll call vote # 1.

MOTION: REP COBB moved the \$140,000 plus for the tax study be reverted to the general fund.

Discussion: Mrs. Cohea addressed the technicalities of this. It is in a different bill, the feed bill for the last session had the language reappropriating it, so if this motion passes the staff would insert language in the current House Bill 2 saying any funds not expended from that would revert to the general fund.

Disposition: Motion passed unanimously.

GENERAL GOVERNMENT AND HIGHWAYS

MOTION: REP QUILICI moved to accept section A as amended.

Vote: Motion passed 15 yes, 2 no. Reps Grinde and Swysgood voting no.

MOTION: REP QUILICI moved to reopen section A to reconsider the last motion.

Vote: Motion passed unanimously.

MOTION: REP QUILICI moved to amend the section relating to the Department of Military Affairs. EXHIBIT 5

Vote: Motion passed unanimously.

MOTION: REP QUILICI moved to amend DSL on fire suppression costs. EXHIBIT 6

Discussion: REP QUILICI said this provides a contingency appropriation of \$3 million.

REP KADAS said in essence we would have \$3 million here, another \$2 million in the Governor's emergency authority and possibly as much as \$4 million within the department's budget that could be shifted forward that could be used for a total of \$9 million to cover potential fire costs. Mrs. Cohea said that is roughly correct, the only thing she did not know was if any of the \$2 million for emergencies that is statutorily appropriated for the biennium has been used. She felt if some had it would be a relatively small amount.

REP KADAS said in '89 we had fire costs of over \$11 million. If we were to have a repeat of '89 which is still a possibility, we would have to come into special session to make up the difference

between the \$9 million and the \$11 million. Ms. Cohea said that is theoretically correct. As a practical matter, the Feds don't bill instantaneously for the state part of the fire cost. There is a process of doing the bills and there is some lag. To the extent that it could be delayed to January, the department might not have to pay the bill until January. REP KADAS asked for a rough estimate of the time lag and REP QUILICI said last time he thought it was over six months.

Vote: Motion passed unanimously.

MOTION: REP QUILICI moved section A, as amended, do pass.

Vote: Motion passed unanimously.

Discussion: REP KADAS asked if the subcommittee had made any decisions to give more budget authority to any of the departments. REP QUILICI said no, they had recommended it but left it up to the full committee to take any action.

HUMAN SERVICES SUBCOMMITTEE

REP DOROTHY BRADLEY, Chair, reviewed this section of the budget.

Health and Environmental Sciences:

Executive recommended cut was \$93,352 and the subcommittee cut \$33,352. REP BRADLEY said this brings the Dept. of Health to the 8% cut. She said it was contemplated by the committee, see footnote 1 on worksheet. There is discretion contemplated, and did not discuss how much of this could be made up with fee increases, and yet there needs to be some understanding that it is a likelihood and the footnote needs to be included. They met proposal to return the general fund dollars and feel the best way to accomplish that is with departmental flexibility within the budget. There was also an understanding that some fee increases may make up these lost dollars. There is a permitting system that is mandated for the department to carry out as efficiently as possible. She said while they did not go into detail, they definitely understood that some fee increases might take place.

REP SWYSGOOD asked what fees will be increased, did they indicate which ones? REP BRADLEY said there was no specific indication, but we had a choice of doing two things. A number of days ago when Interim Finance met she had asked Mr. Yeakel if detailed budget would be brought before the committees specifying what the executive cuts were to be. These were not before us initially,

therefore the committee requested the department to bring forth a slated list of specific cuts. It included everything from the Legal Counsel to the Tumor Registry to Family Planning, reduction in Occupational Health etc. and the committee felt rather than going through the agony of crippling those specific programs we would leave it to good management in the department to carry it out as they felt fit. She said she could not tell them what fee increases might be contemplated. It is something this committee could track a year from now and find out how the management had decided to pursue it.

REP SWYSGOOD asked if the department didn't do the same thing during the last special session in order to come up with their share of the cuts, they increased fees, and aren't most of those fees passed on to local governments? **REP BRADLEY** said no. She said she had the list of the fees that could go up. The ones that could be taken up by department discretion include Air Quality, Birth and Death Certificates, the Public Health Lab and the Chemistry Lab. It would take legislation to increase the Subdivision fees and the Food and Consumer Safety fees. In the last emergency session this committee contemplated that. It wasn't something that was slipped through by the department.

REP SWYSGOOD said he did not mean to infer that the department had slipped anything through. It just seems two of those areas you mentioned of possible fee increases--the Chemical Lab and the Public Health Lab are pass through monies to local government for water tests and things they do and these are becoming quite a burden on those entities because of I-105 and their inability to raise funds to compensate for this. It is being passed on to the rate payers through increased costs in water and sewer rates etc. He said it disturbed him that the department was continually passing these costs on through. **REP BRADLEY** said she thought the only one, which would be a question more to the department, that might be passed on to local government would be the public health lab fees.

CHAIR BARDANOUVE asked about those which would require legislation and if there had been legislation introduced to allow these increases. **REP BRADLEY** said no. Two of these would be specifically excluded from their options because there is no legislation. The four she mentioned could take place without specific statutory changes.

Department of Social & Rehabilitation Services:

1. General Budget Reduction: Executive recommendation of \$295,929 adopted by the committee and brings the operating budget to 8% reduction.

2. AFDC Benefits @ 38%: Executive recommendation of \$865,812 adopted by the subcommittee with language making it contingent upon 4% reduction in public schools foundation schedules.

REP BRADLEY said the executive proposal was to change the AFDC benefit level and the general assistance benefit level as well, which is #6 which has been at the 42% poverty level determined by the federal government, down to 38%. She said as a matter of information, the poverty level for a family is approximately \$13,900 and gives you an idea for a family of four what 38% or 42% is. This would be an actual decrease of dollars received per month from \$488.00 at 42% where it is today to \$442.00 where it would go in September. It was added by the majority of the committee that this be contingent upon a 4% reduction in the public school foundation schedules.

3. AFDC Budget Methodology: Executive recommendation \$371,987, adopted by the subcommittee. REP BRADLEY said this was adopted by the subcommittee to try to offset the pain that is produced by item 2. This methodology involves subtracting a payment for an AFDC recipient who has some work--subtracting that payment for employment from the Needs Standard as opposed to the present which is the Payment Standard. This means they are allowed to earn more dollars in a position of work without losing your AFDC benefits. At this time, the only people who benefit are the 14% of the population who have some work, so you are penalizing or decreasing the benefits of a substantial number of people but providing an incentive and some help from 14%, and was felt that the first decrease of 38% could not take place without the second.

4. AFDC Time Limit: REP BRADLEY said this recommendation was not adopted by the committee for lack of information as much as any thing else. The concept here was to allow about a year's benefits with a strong incentive to be working at that time or benefits would be substantially reduced. We did not have enough information as to who would be hurt and what the implications were.

5. At Risk Day Care Transfer: REP BRADLEY said this was a proposal to switch a substantial number of dollars, it was not a

savings but would switch dollars that are presently in the self initiated day care program which is for AFDC recipients who are trying to gain an education. It would switch some of those dollars to create a new program for at risk day care. The committee felt it had a lot of merit so far as the philosophy and certainly had a need out there. The purpose was to help people who were low income but not welfare with day care costs. Considering this would start a new program when we can't keep up with the ones we have, and did not adopt the concept.

6. GA Benefits @ 38%: REP BRADLEY said this goes along with item 2, one inevitably goes with the other and they are tied together, so this was adopted. (\$285,761)

7. Project Work Program Increase: REP BRADLEY said this was adopted by the subcommittee for \$219,788 and the key part of the proposal was to put 10 chemical dependency counselors in the different areas where this program is run. She said this is aimed at trying to help two specific populations where it is discovered that chemical dependency is the most serious problem with people who could be employable but have substantial barriers they have to overcome. The second is for individuals over the age of 55. This was increased to be able to absorb some of the problems that follow in some of the cuts we made.

8. GA Waiting Period/\$50 Reduction: Executive cut \$100,000 was adopted by the committee and REP BRADLEY said it deals with the waiting period with the general assistance population. There was enough information for the subcommittee to think that, because other states do not have this program, perhaps while it is a little risky legally, these proposals have at least a substantial chance of being constitutional if they were challenged. There was some thought by the committee if there is any fear that Montana is a magnet, attracting a welfare population who can get benefits a little too fast, then this would be a good place to try to slow the process down. This would hold off giving any benefits to an out-of-state individual who comes into Montana, increase it from 2 to 4 weeks and following that to decrease those GA benefits by \$50 for the first two months they are eligible.

9. GA 4/6 Months in 18 Months: REP BRADLEY said it was proposed by the executive \$10,000 and not adopted by the subcommittee that the general assistance population, which has either short term problems or larger employment barriers, these individuals now either get 4 months out of the year benefits or 6 months and instead of out of the year, it would be increased to 18 months.

Ms. Robinson is under the assumption that this population just rolls in, takes as many months out of the year that they can get and continue to rotate year after year. Her intent was to try to break what might be becoming an entrenched cycle. The subcommittee decided to resist it for the reason that the committee was very deeply involved in the Welfare Reform bill that she (**Ms. Bradley**) carried in 1987 in which some understandings were established. The bill supported by this subcommittee has saved the state over \$7 million in total because of the decrease in the GA benefits. The committee felt that by passing the reduction and the postponement of benefits for the population that is coming into the state and assuring there is a greater disincentive to come into the state for GA benefits and considering that the people who get the 4-6 month benefits during the year are in real need of the kind of help we are offering through the expanded Project Work program, they did not accept the second recommendation.

10. Eliminate State Medical Program: **REP BRADLEY** said this would need specific legislation, so all the committee did was consider the implications of the proposal, not having the authority to pass the legislation. This first started out as decreasing those who can get State Medical by having only the full GA population eligible. That is another option that you might want to consider when **SEN KEATING**'s bill comes through. When this was revised with the Hospital Gross Receipts Tax, when it was decreased to 1% instead of 2%, enough dollars of new revenue were lost, so the department changed the proposal to entire elimination of the State Medical Program. The subcommittee took no positive nor negative action on this proposal. The committee did not feel they had the information needed and that the proper debate should take place before that specific legislation. She said elimination of State Medical had a nice ring, but they could get no information on the implication it would have on the assumed counties.

CHAIR BARDANOUVE asked if she had said there is a bill that would cover some of this area. **REP BRADLEY** said anything with an asterisk on the work sheet would have to have legislation to create it. We were comfortable making a recommendation, so if we have adopted this it will give an incentive for that bill to go through. **CHAIR BARDANOUVE** asked if there was a bill that covers this in the legislative process and **REP BRADLEY** answered yes, two bills.

11. Child Support Enforcement: **REP BRADLEY** said this is a request to have more dollars to have more dollars for child support enforcement. These dollars are not general fund dollars

but come from the enforcement dollars that are collected. She said they anticipate they are saving about \$1 million a year in Medicaid costs. They have some legal guidelines as to how many people should be involved in enforcement before it doesn't become cost effective. They felt the department made a good case for increasing the support and the subcommittee adopted the increased number of dollars which do not have a negative effect on the general fund.

MOTION: REP BRADLEY moved the committee recommendations be adopted.

Discussion:

REP SWYSGOOD referred to item 3 where REP BRADLEY has said recipients are not going to be penalized if they earn money above a certain amount and therefore become eligible to lose their benefits. Does that mean they can earn money above the level that would trigger them to lose benefits as it stands currently, so they can earn all that money, and will the difference be deducted from the payment? REP BRADLEY said the best she could answer is to refer to the analysis starting on page 22 and she referred the question to Ms. Robinson and Mr. South. At the present time anything that is earned is subtracted from the payment level of the AFDC. The Need Standard is a higher standard than the payment level and the subtraction would be made from the Need Level meaning you had more dollars of flexibility that you don't lose if you are holding a position of employment.

REP SWYSGOOD asked about item 7, Project Work. He said the subcommittee has put in \$200,000 plus of general fund to offset some of the pain inflicted by these other areas of reduction. He asked how much money had been appropriated to Project Work for this biennium and was told \$651,000 for just '93. REP BRADLEY said that is what this would be on top of.

CHAIR BARDANOUE asked if this was an increase in appropriation and was told yes.

REP QUILICI referred to a handout (EXHIBIT 3) on eliminating the State Medical Program. While SRS proposes to eliminate the State Medical Program, he asked how will they have the money to develop these programs. He was concerned with the assumed counties and what would happen as a result of this.

Ms. Julia Robinson, Director, SRS, said the proposal they have on State Medical was developed based on some of the research. There are only 11 states in the country that have a state program that

matches the Medicaid program, and Montana is one of the 11. She said our state program that matches the Medicaid program is only in the 12 assumed counties. The other counties all run county medical programs, but the counties decide what that medical program should be like. Our State Medical program costs almost \$6 million. It is an entitlement program if you meet certain qualifications. That is all general fund money, and is one of the more generous programs in the nation because of how we have set it up. She said one of the problems is that it doesn't compare to the counties that are not assumed. They looked at this proposal and looked at some of the new ideas in re-inventing government and letting people at the lowest level design their program and thought one of the ways they could control the cost in this program was to turn the responsibility of the program back to the county with money to do it. They checked with Havre. Their program last year budgeted \$90,000 for their county medical and they spent \$5,000. Billings spent between 2 and 3 mills on their county medical program and yet we are spending considerably more than just the mills that the state assumed counties are putting in. Their proposal is to let the counties do their program. Let's give them back the money they are giving us for county medical and they can use it any way they want to. We will not even require that they use it to use a medical program, although she felt with the current emphasis on health care, they will. We would be giving back only a portion for this year because we will be into the year by the time we could get started. To be fair, we would take the GA recipients in that county, proportion it out and put the money back that way the first year. After that we would return 3.3 mills to the county and they could plan on that to design their programs. She said she would hope people would do what the non-assumed counties do and SRS cannot do, negotiate rates with the hospitals. She said they could not do it on the state level because it would affect Medicaid payments to hospitals, but they are doing it in Yellowstone County. In Missoula and Lewis and Clark, we see the medical community now offering free services and donating their time. The problem Missoula had was no money for prescription drugs, and this would give those kinds of funding to make the new kinds of programs at the county level work without it being an entitlement because they would get the money. She emphasized that there is no requirement in their bill that the county has to offer any type of program. We wanted to give the county the flexibility to spend the money.

REP QUILICI said this proposal will curtail the assumed counties. After they have spent 12 mills, then the state picks up the tab. **Ms. Robinson** said in this proposal they would still be paying the 12 mills. They would get 3 mills and the state would pay

everything above the 12 mills but would not be running a medical program. If you want a medical program you use the 3.3 of those 12 mills to run and design you own medical program. She said there experience is that the non-assumed counties are able to control their costs and the state is unable to do that in an entitlement program.

REP COBB asked what counties would get back and **Ms. Robinson** said they have the sheets on what the counties would get. She said **REP BRADLEY** was correct. Under their proposal, if you do not work at all, these are all the benefits you get as a welfare client. (She held up a chart) Your AFDC grant, currently just went up from \$390 to \$405 and that was a 5.5% increase and was the fourth highest increase in the country.

Ms. Robinson said that is not all the money a welfare recipient gets. Under our model, which is a three person household, they put in a rent figure which varies widely in the state. Missoula is a tough place to get a place, but in some areas rent is relatively cheap.

CHAIR BARDANOUE said this had touched on a sore nerve. People on welfare will fare better on medical care than many working families because they have almost unlimited medical care. Very few working class families could afford that kind of medical care.

Ms. Robinson said their proposal would allow people to work to get more money and should be an incentive to work and said this would be based on the standard of need.

REP GRINDE asked if this was state standards or federal standards that set the amount of time and reductions for work. **Ms. Robinson** said that part of it is the federal program. There is a new program called Transition for Work where SRS pays day care and medical benefits.

REP GRINDE asked if the way it is set up now we can't allow these people to get x amount of dollars and still get benefits? **Ms. Robinson** said the way it is set up these people are penalized for going to work.

CHAIR BARDANOUE said the Legislature had increased the general fund appropriation for Project Work \$219,000 and it has had substantial increases in this biennium. He asked if the Legislature could really increase it by more general fund money. **Ms. Robinson** said changes made in GA have made a substantial savings in welfare dollars. **REP BARDANOUE** said he was concerned

about the additional counselors. **Ms. Robinson** said one of the changes is to put counselors in for alcohol and drug problems and that most of the GA recipients have a chemical dependency problem.

REP BRADLEY said Family Services did not get a reduction across the board and they will be coming in for a supplemental.

CHAIR BARDANOUE referred to the feud between DFS and SRS and said it really irked him because it causes us not to get our money's worth out of the dollars that are put into the departments. **REP BRADLEY** said she did not have any particular insight on this and that the agencies involved could best answer the question.

REP BRADLEY said it was her impression that the DFS supplemental was largely due to the under estimation in the load of children in hardship. About 200 new children are hardship cases each year and the committee never tried to address it because we always work on the previous year. We asked DFS what percentage are AFDC eligible and were told about one half. She said one reason for the increase is due to increased financial stress which takes place in welfare families.

CHAIR BARDANOUE said money for this program in DFS is all general fund. In SRS, it is partly federal dollars and would like to see more of the cases in SRS if possible since we can pay for this much cheaper there. He asked if these services overlap.

Ms. Robinson said there are a couple of places where their departments overlap and we have had discussions on how to operate. One of the areas is day care and they are trying to work with DFS to address the program. She said some states use what is called emergency AFDC to fund this, but the rules will have to be rewritten and they have had federal people in to help do this. She said she felt when this was finished it would give the DFS more money.

CHAIR BARDANOUE asked if it saved any money and **Mr. Olson, Director, DFS,** said Foster Care is not 100% general fund, they use a number of federal programs and are in the process of trying to get more federal funding and are working with the federal people on it.

CHAIR BARDANOUE asked why the process is so slow and **Mr. Olson** said there is nothing they are doing that is a higher priority. The problem now is that it takes quite a bit of staff to put this together and the agencies are understaffed. He said they need to

get the buyoff of the federal government and it is a slow process. He anticipates it can get done in at least four to six months time.

CHAIR BARDANOUVE said he was concerned with too much delay and felt there might be some bureaucratic infighting which was part of the cause for delay. He said while the delay goes on general fund money is slipping out.

MOTION: **REP THOFT** moved the contingency language on items 2 and 6 on the worksheet be removed.

Discussion: **REP THOFT** said about \$1 million or \$2 million hangs out there if the foundation program isn't cut and he would like to remove those contingencies

Mrs. Cohea said in items 2 and 6, the budget reductions are contingent upon legislation that would cut the foundation programs by 4%. If it is a lower reduction level these would not go into effect. **Mrs. Cohea** said if accepted, the savings would be \$865,000 in '93. As the subcommittee language states, that would only occur if the bill reducing the foundation payments passed. If it were only 3%, this reduction would not take place. The fiscal impact would be on the budget which would remain where it is.

Vote: Motion passed 10-7. Roll call vote # 2.

MOTION: **REP SWYSGOOD** moved to strike Item 7, Project Work Program Increase \$219,788.

Discussion: **REP SWYSGOOD** said he could see what the committee was trying to do in terms of impact that might occur but felt it was premature to pour more money in at this time.

REP KADAS asked what the process is. Where do these counselors come in and what do they do? **REP BRADLEY** said each of the ten would be in specific areas and evaluate the clients. **REP KADAS** asked if once the client was put into the project he had to go through it and **REP BRADLEY** said they lose a number of them the way it is set up and also depending on the level of disability in the clients.

Penny Robbe, Family Assistance Division, SRS, said the counselors would be used on site. She said at present the only chemical dependency counselors are what is in the county and the only other is inpatient treatment at Galen.

REP QUILICI asked how many alcohol counselors are working in Montana now and Ms Penny Robbe said there are none that are currently on staff.

CHAIR BARDANOUE asked if every county doesn't have the services available for counseling. Ms. Robinson said unfortunately they have a long waiting list and people can't get into it.

REP MENAHAN said there are over 700 listed in the state. He asked what it takes to qualify to become an alcohol counselor. Ms. Robinson said the problem is that clients don't have access to those services and they would like to contract with chemical dependency counselors to take care of the waiting lists.

REP MENAHAN mentioned the Boyd Andrews Clinic among others and asked where all these people are coming from since there are less people drinking and the consumption of alcohol has gone down. He said this did not seem to equate. Ms. Robinson said they would contract with people already in counseling to help people already in work project programs etc. who need the help.

REP ZOOK said he understood that most of these people are in a state of denial and asked if this would force them into a counseling program. Ms. Robinson told him that was correct. She said it is a counselors job to determine if their dependency on alcohol or drugs affects their ability to work and hold a job.

REP KADAS asked about the program in Lewis and Clark County. Ms. Robinson said that they felt the program in L & C County was very successful.

REP GRINDE said there are all kinds of programs that are working with Project Work. There are programs that are already in place where we use alcohol money to fund counselors for these folks. These same people would be placed in certain counties and other counties would benefit by it. He felt we need to wait until the next session and see what the impact is and thinks it is a bit premature at this time.

REP COBB said two years ago we changed the GA role. Those who wanted to work to better themselves we would help. Now we are saying we will go in and reduce the benefits and he questioned the wisdom of doing so.

REP MENAHAN said the last thing he read on alcohol treatment was that residential treatment was the most effective. He felt before we go through with this it should be backed up. At the present time anyone who is arrested for alcohol abuse has to go

through these schools. All we are doing here is adding more money to it and not knowing if the programs we have in place are doing the work. He suggested we find out what percentage are staying dry after going through our present programs.

Marcia Dias spoke against cuts for AFDC recipients. She pointed out there were young mothers who were going back to school to get a degree so they could work and support their children and get off welfare. The cuts would be very hard for these people to manage and they needed the child care to enable them to go to school.

Bob Holmes, Methodist minister spoke of the hardship cuts in AFDC and GA payments made for people who really needed the assistance.

Connie Leveque said she was the mother of 7 and was going to school. She said without the help she was getting now it would probably take her out of school, unable to get the education needed to raise her children, and was concerned that they might even be taken from her. She urged the committee not to make the cuts for AFDC recipients.

CHAIR BARDANOUVE said this is a most difficult job for the committee but you will note in the LFA review that the subcommittee had only taken about 40% of the cut requested by the Governor.

REP COBB said part of the recommendation was that the House bill passed.

Vote: Motion to delete item 7 passed 11-6. Roll call vote # 3.

MOTION: **REP COBB** moved to eliminate the State Medical Program and reduce the budget by \$1.5 million (Item 10).

Discussion: **REP COBB** pointed out that State Medical is not all general fund money. He referred to **EXHIBIT 7** on State Medical and AFDC giving the reasons SRS had proposed the changes.

REP BRADLEY said she would oppose the motion. She said this committee doesn't really have the authority to do that. It has to have implementing legislation and we should not cut when we may have to go back and put it in. She said she would like to cut State Medical but not abolish it since they did not know what impact it might have on the counties and until they do know she would rather wait. She said she would rather limit some of the services.

CHAIR BARDANOUE said he would agree with **REP BRADLEY**. He did not think something of this magnitude should be handled in this short session and wondered how many people would be left hanging out there without any medical care whatsoever.

REP MENAHAN said he was afraid of this kind of action and felt we should try to develop an insurance policy according to what and how many there are that cannot pay. There should be some kind of study done to come up with a medical program where they would have to pay some before they go to a doctor based on their ability to pay.

REP CODY asked if we are talking about GA recipients or people who are working and can't afford health care? **Mr. South, LFA**, said the people who are now eligible are not only the GA recipients but people with low income of less than 150% of poverty. 25% of the people are not GA recipients, and this is only in the 12 assumed counties.

REP CODY asked if it covered the whole spectrum. **Mr. South** said \$1.5 million is just a piece of the savings. The program is about \$6 million this year while the appropriation is a \$1.5 million supplemental, \$4.5 million will be needed. This cost proposal would reduce HB 2 by \$1.5 million and reduce the supplemental by another \$1.5 million so the actual savings would be \$3 million.

REP CODY said this is some vote we have to take here. The poor don't pay taxes and the rich don't want to.

REP ZOOK said it was his understanding these funds are mainly directed at the state assumed counties. He said he believed he had heard **Ms. Robinson** say that none of the unassumed counties are spending that much and are yet providing care at a fraction of the cost.

REP KADAS said he had received some sheets and said it seemed the state would lose money on this. **Ms. Robinson** said this is a part of the bill that **SEN KEATING** is sponsoring. It took the GA case load and proportioned it out according to how we have been handling it on the assumed counties. See page 2 of **EXHIBIT 3**. She said page 3 shows how it would be handled after this year with the return to the counties of the 3.3 mills. She said the total cut is almost \$6 million. She said Yellowstone County ranges between three and four percent and some of the smaller counties don't even come close to that.

REP PECK said if we cancel this program, we then put all 56 counties on the same footing. Ms. Robinson said that was correct.

REP COBB said he was on the Human Services subcommittee and they looked at this carefully. Rather than just cut they looked at which program would hurt the least and get the most benefits for the state. The whole thing came down to a 2% hospital tax passing and they did not think this would happen. He said the committee decided if we were going to eliminate, we should eliminate a whole program.

REP MENAHAN said in regard to putting all counties on an equal footing, non-assumed counties pay the maximum millage. The assumed counties will pay more millage. Ms. Robinson said the 8.7 mills is a good deal for the assumed counties. She said their welfare costs are way in excess of that. They spend a lot more than that. This says if you want a medical program you will run it.

REP MENAHAN said he realized the state is paying more out of the general fund. This should stop people from sending welfare people to assumed counties. He told Ms. Robinson they were not taking that into consideration and said people move into an area because another area has denied them welfare. Ms. Robinson said some of the assumed counties do have better benefits. If the counties design their own program they could control some of that moving around we have now.

REP MENAHAN asked where does a person go for medical treatment if the counties do not have good care? Ms. Robinson said it would be her hope this would develop into a good system.

Vote: The COBB motion to eliminate State Medical (delete item 7) failed on a tie vote. Roll call vote # 4.

Department of Family Services: REP COBB said he was concerned about the re-financing project in Family Services and felt such a contract should be approved by the Legislative Finance Committee. Mrs. Cohea said under the 1975 court case the committee can review but did not have approval nor disapproval powers.

MOTION: REP COBB moved the following language be added to this section: "The department may not issue a contract for the re-financing project until the contract has been reviewed by the Legislative Finance Committee." See EXHIBIT 8

Vote: Motion passed unanimously.

Department of Health

REP COBB moved to strike the budget reduction of \$93,352 recommended by the subcommittee and reduce the general fund for the Air Quality Bureau by \$303,312 and give spending authority for increased fees. See EXHIBIT 9

Discussion: REP COBB said this would take the money out of the Air Quality Division. It is more than the Governor recommended. Mrs. Cohea said this would require some new language be inserted in the bill.

REP QUILICI asked what kind of a percentage increase this would impose on certain entities. Ray Hoffman, Department of Health, said the fee charge is currently \$2.50 and would probably go up to \$5 and tier two between \$.60 and \$1 plus. It would be a 100% to 300% increase.

CHAIR BARDANOUE asked how we compared to other states and Mr. Hoffman said the State of Montana is probably one of the lowest in the nation on these fees.

REP QUILICI said we talk about a 200% increase. He asked what the payments would be. Mr. Hoffman said that would be difficult to answer. Industry has different levels based on the industry itself. REP SWYSGOOD said to raise the fees on air quality was another encumbrance on business.

REP COBB said he realized this is another tax increase, but they are making the pollution and can pay for it. We don't have money in the general fund to do it for them and cannot keep subsidizing the large industries.

Vote: Motion passed 13-2. Roll call vote # 5.

Department of Health:

MOTION: REP COBB moved to eliminate the chief legal counsel position in the Director's office.

Discussion: REP COBB said this would be a \$49,377 reduction and would be tied specifically to the Chief Legal Counsel in the Director's office. He felt this person could go elsewhere to work.

Vote: Motion passed unanimously.

MOTION: REP BRADLEY moved section B be adopted as amended.

Vote: Motion failed on a tie vote. Roll call vote # 6.

MOTION: REP COBB moved to close section B.

Vote: Motion failed 6-8. Roll call vote # 7.

MOTION: REP THOFT moved to close section B.

Vote: Motion passed 11-5. Roll call vote # 8.

NATURAL RESOURCES: Section C

REP KIMBERLEY, Chair, said in looking at Section C there are a lot of zeros. During the first special session these departments turned in budgets that were generally well below the 8%. Another reason is that there is little general fund compared to other sections found in Natural Resources and they received a lot of cooperation from the department heads.

Public Service Commission: No reductions were made by the subcommittee.

Livestock: No reductions were made.

Fish, Wildlife & Parks: No reductions were made.

State Lands: REP KIMBERLEY said the committee has already heard the discussion here in regard to the fire supplemental bill and the committee decided to reduce that request from \$5 million to \$3 million.

Department of Livestock: No reductions were made.

Department of Natural Resources and Conservation: REP KIMBERLEY said the figure is \$72,000 and along with that the department had identified for the committee \$154,000 in a pot of late water rights fees which the committee used immediately.

Department of Agriculture: No suggestions for reductions by either the executive or the committee.

Department of Commerce: No reductions were recommended here.

REP KIMBERLEY said the total, taking into consideration the \$154,000, comes to about \$.25 million reduction in section C.

MOTION: REP KIMBERLEY moved section C be adopted.

Discussion: REP KADAS handed out EXHIBIT 7 and said one of the things he had been doing with the help of the Legislative Auditor is to try to find fund balances. The Department of Livestock has a balance of \$5.8 million. They have a fund balance of \$5.8 million and also a cash balance of \$5.8 million in their main fund. On an annual basis, they have revenues of about \$4 million and expenditures of about \$3.6 million. This fund has been growing by close to a half million per year for the past six years. He said he would have a bill introduced that will have another 7 or 10 different fund balances and would appropriate those and put them into the general fund. This is one we can do in this bill. He said at this point he felt we should start using some of this balance. We also have \$800,000 of general fund that we use to fund operations within this department and this amendment would take approximately \$800,000 out of this fund and back filling all the general fund in the department. This will be a net general fund savings of a little more than \$800,000. It would put the department on these fees and the other state special that funds the department operations.

CHAIR BARDANOUVE asked if he was diverting any of the Department of Livestock money itself to the general fund? REP KADAS said he is using the general fund that is in the department now and putting it back into the general fund. He said he is taking it out of the department and backfilling all of that with Livestock funds.

CHAIR BARDANOUVE asked if he had checked for any legal requirements that would prevent moving the livestock money within the department. REP KADAS said having worked with the Legislative Auditor and the Legislative Council, they assured me that this is legal. There are some constitutional restraints on some of the monies within that \$5.8 million balance. This did not affect that.

REP GRADY said he would like the Livestock Department to respond. This is a pretty big amendment and it will affect the department.

REP COBB asked to have the amendments segregated so they can be discussed and voted on separately. REP KADAS agreed and said amendment 1. affects centralized services; amendment 2. affects diagnostic laboratory; 3. affects milk and eggs and 4. is meat and poultry inspection. All of those things fall within this statutory requirement that created the \$5.8 million.

REP COBB asked if the diagnostic lab does anything that are related to agriculture, or what do they do at that lab?

REP KADAS said he thought they could get a better answer than he could give from the department.

REP CODY said her understanding is that what you are doing is a fund transfer so there is no decrease in the amount of money they have. It is just a fund transfer from one place supplanting the general fund expenditure for them. **REP KADAS** said that was correct.

CHAIR BARDANOUE said it is a surplus balance at present, but he would oppose the motion if it took Livestock money and transferred it directly to the general fund because that money is raised by the Livestock producers.

Bill Frazier, Executive Secretary, Dept. of Livestock, answered **REP GRADY's** question as to what effect this will have on the department. Some of these fees are livestock producers fees that have been paid in for special purposes. **Mr. Frazier** said they receive only a small amount of general funds, this amounts to 16% and 84% is state special revenue. These funds are protected by article 12 of the constitution saying they are to be used for livestock, animal health, predator control, brand inspection and theft inspection. The \$800,000 discussed here, the majority of it is in the lab for human health endeavors, as the Legislature has asked us to do, in such things as milk and meat inspections. Part is in emergency funds for bison control, brucellosis buy out on cattle, for T B in elk, and this type of thing.

REP COBB asked what the lab does. **Mr. Frazier** said the lab is actually a diagnostic lab for the state. It does the milk testing, rabies testing and all the analytical work for the veterinarians throughout the state.

REP COBB asked how this is broken down. **Mr. Frazier** said it would be in the area of \$50,000 plus.

REP GRINDE asked how long has this fee fund been building up to bring it to this point. **Mr. Frazier** said he would say from the mid '80's. We have the opportunity to come back to general fund, but in about the mid 80's the department suffered large consequential cuts in the brand inspection division and several other divisions. 12 to 15 FTE, budgets down, etc. and this was due to the special levy on cattle going down and us unable to respond to it. There is \$1.9 million of these funds that are also protected by (he thought) statute 81-3-107 and that is called brand re-record. Every ten years, in which '92 happened to be a year, we re-record all brands at \$50.

The statute states that this can only be used if 10% a year, and must be held in reserve.

REP BARDANOUE said he paid into that himself. This appropriation will not affect your brand division. You will have ample money over and above the \$1.9 million. **Mr. Frazier** said these per capita fee funds, by statute, are to be used in the Livestock area, not for human health endeavors. As far as the meat and milk inspection, these types of things are safeguarding the health of our population.

REP GRINDE commented this fund was built up over this period of time, so it looks like these fees are way too high. Has there been any discussion on lowering the fees, coming to the Legislature and saying these people are doing their jobs, we don't need to take this much money from them. **Mr. Frazier** said they have looked at that alternative, but in these fees, because of the way our revenue is collected, we feel that we have to hold a reserve for a one half year's operating balance because we do not receive our income until late fall or winter and need the reserve to run the first half of the year.

REP GRINDE asked what the operating amount was and was told that would be around \$2.5 million.

REP GRINDE said there is \$2.5 million out there you could possibly have come to this Legislative body and said offered to lower these fees because these people don't need to be paying this much. **Mr. Frazier** said no. What he meant was that they need that money to operate. The Board has talked about lowering them but there is a danger, when you lower the fees and if we get into a big drought and our cattle numbers go down, we can only go 110% of what the fee was, and it takes us three years to catch up.

REP GRINDE said he would like this to be a lesson to anybody else who does fees within this state. There is a group of individuals out there that have taken it upon themselves, with fees, to pay for government process, but you build the funds and anytime those funds are there you can bet this Legislature in some way or another will come after them. That is not fair to these people that are paying the fees.

REP GRADY asked if **Mr. Frazier** could give a little history on the department. He said since he has been involved with the Department, Livestock has been probably the most conservative in regard to giving raises and using general fund money. In the last special and regular sessions, he believed they took cuts.

Mr. Frazier said in the first cut we took a 4% vacancy savings, then took nearly an 8% cut in the first special session and only asked to fund the minimum. We are very short handed. Our meat and milk inspectors are accumulating overtime and comp time. The meat inspection was a program that the Legislature set up in '87 and wanted us to run. They did not ask for any extra general fund.

CHAIR BARDANOUE said if the LFA is correct, there was no cut in general fund operation in the January special question.

Mr. Skufka, Administrator, Centralized Services Division, Dept. of Livestock, said that is accurate. We took no cut in general fund, but we did replace general fund with state special revenue. One area was primarily the laboratory and the other replacement was with federal indirect monies we were finally receiving. We received general fund with indirects in the Centralized Services program with the money from the feds. **Mr. Frazier** was referring to the fact that they cut in FY '92 by changing the funding, about 8% of their general fund appropriation which was replaced by other funds. Overall, for the biennium, it amounts to about 5 and one-half per cent.

REP SWYSGOOD asked if they are saying that what **REP KADAS** is trying to do here with these funds could involve a question of legality? **Mr. Skufka** said yes, that is how we responded to it. This situation occurred during the last legislative audit. They took a look at our fund balances and they have increased over the past three or four years and we responded to them that we believed there was a constitutional as well as a statutory question as to whether these funds could be used for human health purposes within the department.

REP SWYSGOOD said if **REP KADAS** is successful in his endeavor, does the department intend to follow forward with some sort of action? **Mr. Skufka** said yes, the Board has put into place a four or five year plan where adjustments to the per capita fee collected, as well as requests for budget modifications in areas we feel we really have the need, will bring those funds more into line with where they should be. He said he has been there for some time with the department. As **Mr. Frazier** mentioned, in '85 we gave back close to 20 positions over the biennium because of drought and the livestock head count was not there to support the department. Since then, livestock head count did increase at the rate of 3% to 4% per year and those revenue estimates were projected. The feeling of the Board and the previous executive secretary was that we would have at least a cushion there if a drought came up again in the near future. We are finding that

state agencies should not rely upon maintaining a cushion. When he estimates revenues for the projected budget request for a biennium, the budget office requires them to have the revenue to cover their requested budget. When our requested budget in the state special revenue funded programs are reduced--for example the 4% cut--they have already set the fees a year in advance for the per capita, generally from 18 months to 2 years ahead because that is the lag they are working with. They collect the funds from the ranchers and then their budget is cut, for example, vacancy savings. We would have spent another \$1/4 million this current biennium had we not had vacancy savings applied because our budget would have been higher and we would have needed to fund that. That is why adjustments have not been made as of this point.

REP SWYSGOOD said it was his understanding there was around \$5 million in that reserve fund. He was told \$5.8 million and REP KADAS was taking the \$.8 million. That leaves \$5 million in there and \$1.9 million of that cannot be touched because of the constraints. REP KADAS said it could not be touched in this bill. It would take another bill to touch it. REP SWYSGOOD said he assumed there is another bill to do that. REP KADAS said he has a different bill in regard to the brand re-record fees, and that is a different debate. REP. SWYSGOOD said he was just trying to see where this was going, since he had some problems in going after money that was put up by an entity to support their own "thing" and then it is being diverted for some other purpose.

REP KADAS said he did not think it was being diverted for another purpose. The general fund functions we are currently supporting are for the benefit of the livestock industry and that is what these fees are for.

REP SWYSGOOD said he would disagree because of what some of the entities are that this money is being asked to fund is not in direct correlation with the producers fees that are levied to generate the money. He said he was concerned about the other bills and what more would happen to these funds.

There were questions about the other bills and REP KADAS explained what they were and said they were scheduled to come to committee later in the week. He said one of the bills has about ten transfers and said all ten would be controversial, but is a balance that will not affect the operation of the department to take it. The other bill is to change the statute so that under the constitution that affects the Dept. of Livestock "special levies may be made on livestock and agricultural commodities for disease control and indemnification predator control, and

livestock and commodity inspection, protection and promotion. Revenue derived shall be used solely for the purpose of the levies". The other bill will use some of these levied funds to be used for research in the Agricultural Experiment Station specifically for the area they were raised from. He said if the levy was on swine, then some of the money can go to swine research.

REP GRINDE asked if the bills are sunsetted. **REP KADAS** said the bill that has the ten sections in it will be sunsetted. It just happens once. The other one to fund the research in the Ag Experiment station, he had not talked to the researcher as to whether it should be sunsetted or not. **REP GRINDE** said he felt if they were sunsetted they might be more palatable. He asked how much of the money they were going to take. **REP KADAS** said it would depend on how much research they could find at the Ag Experiment Station that matches with the available revenue from the specific levies in this fund balance. We have to track down where all the \$3.1 million came from and also look at the Ag Experiment Station and track down what specifically their research is for. **REP GRINDE** asked if he had a target amount he would leave in the department in case these things happen? **REP KADAS** said they testified they needed at least half a year's budget in reserve and that would be between \$1.8 million and \$2 million. He did not think what he was proposing would even get close to that amount.

REP GRINDE asked the department, if because of the budgeting crisis next time, and the fees are down because of drought, if you didn't have the money to operate, then would you look at raising the fees? **Rep Frazier** said that is correct.

CHAIR BARDANOUE said he felt the committee should keep in mind that the bills have nothing to do with this amendment. This is general fund and is not pertaining to the amendment. **REP GRINDE** said he felt they were tied together in that they had to have more information to make analogies. He said in his estimation, if you disregard the \$1.9 million that is currently statutorily protected, there will be approximately \$200,000 toward their operation of the inspection and control program and if you disregard that, there is approximately \$1.5 million in excess reserves. Of that close to \$500,000 is what is called the Emergency Disease Fund, and they already have a continuing budget amendment approved last spring to use a portion of those monies for bison control and if further T B is found in elk and game farms. The remaining \$1 million is part of the four to five year plan the Board of Livestock has, and it is the intention to enhance the lab facilities with those monies over the next three

years. At the June Board meeting, a motion was passed to approve the use of those funds for that. Their lab was built in the early '60s and has not had any major facility enhancements for the last 30 years. They have safety violations that need to be addressed, a room problem for veterinarians to do analysis in and their large animal autopsy room you would not want to enter most days because of the condition that the veterinarians have to work under.

REP GRINDE commented on the amendment by saying they had this department in subcommittee, and while they knew nothing about this reserve, we made a motion that asked every department to put together a priority list since we may go back into the departments to take more money. We are now putting the department in a peculiar situation since the bill **REP KADAS** has relates to these same issues. If we are going to do these types of things, let's go back to our subcommittees and give the departments a chance to prioritize where we should cut. He felt this action is real risky since it is special fees. He urged the committee to give the department a chance to juggle this around to save some general fund money.

REP GRINDE asked **REP KADAS** if he was willing to sunset both his bills and he was told yes.

REP ZOOK referred to the monies for the diagnostic lab and asked if by using state special revenue, fee money, you are replacing \$768,000 of general fund money with fee money **REP KADAS** said yes.

REP ZOOK said if there is a rabies outbreak in Missoula is this a responsibility of the livestock industry? **REP KADAS** said if that is how the rabies fund is used, then yes, but he did not think the rabies fund is solely limited to Missoula. **REP ZOOK** agreed, but asked if the T B and game is the livestock industry's responsibility? **REP KADAS** said he believed the reason T B is an issue is because of the fact that it may affect livestock and therefore is a livestock issue. If we weren't selling cows on the local and national market he did not think T B would be an issue. **REP ZOOK** said if **REP KADAS** was willing to take item 2 out he would be willing to support the motion.

MOTION: **REP QUILICI** moved to segregate this amendment and vote individually on 1,2,3,4 and 5.

Vote: Motion passed unanimously.

REP BARDANOUVE said he had also paid some of this money into the Livestock Department but several times in this session the

committee has "walked on the marginally narrow edge" and he was willing to contribute his small contribution here.

REP KADAS closed on his motion to amend by saying he would like to respond to some of the things that had been stated since he believed there were some legitimate answers. He assured the committee he would have been glad to show them a copy of the bills he sponsored if they had asked him. The fact that this balance is so large, a \$5.8 million on a \$3.6 million operating budget indicates that to an extent, we are dealing with a sacred cow. The main argument against doing this is that these are used for human health issues and he would argue that the livestock industry is dependent on making sure the product they present to the public is safe and clean. Those things relate directly to the well being of the industry. In regard to the rabies, it is \$15,000 and the money comes from Fish, Wildlife and Parks to pay for it. It is not general fund.

CHAIR BARDANOUE said motions would be made on each item and **REP KADAS** would explain what each was when he moved them.

REP KADAS said item 1. replaces the centralized services and also ties in with the language in 5. He suggested voting on #s 1 and 5 together. # 5 just says the cost shall be distributed to the various fees as the cost of administering the program are. They are essentially together.

REP BRADLEY asked to abstain on these motions since she was not present for all the testimony.

MOTION: **REP KADAS** moved # 1 and # 5 on **EXHIBIT 10**

Vote: Motion passed 13 yes, 3 no. Roll call vote # 9.

MOTION: **REP KADAS** moved # 2, the Diagnostic Lab.

Discussion: **Mr. Skufka** said the rabies money referred to in the laboratory is not a part of that \$15,000. General fund within the laboratory goes toward the testing of specimens sent to the laboratory for rabies. It has nothing to do with the \$15,000 they receive from FW&P.

REP COBB asked how much of the rabies money is this? **Mr. Skufka** said about \$50,000 of the general fund portion is used in the laboratory for rabies testing.

REP ZOOK said he thought there were some health concerns other than just rabies.

Vote: Motion failed 7 yes, 9 no. Roll call vote # 10.

MOTION: REP KADAS moved # 3, milk and eggs.

Vote: Motion passed 12 yes, 4 no. Roll call vote # 11.

MOTION: REP KADAS moved # 4. Meat and Poultry inspection

Vote: Motion passed 10 yes, 6 no. Roll call vote # 12.

REP COBB asked Mr. Brooke, if there is any general fund in the Montana Science and Technology Alliance budget. Mr. Brooke, Director, Department Commerce, said yes. The remaining budget after the cuts taken in the last special session is \$481,223.

REP COBB said if we leave one person there to manage it, how much would you need for them to just watch the existing loans? Mr. Brooke said currently they have 6 FTE to manage the existing portfolio and to review and report on new loan applications.

MOTION: REP COBB moved to take out \$353,000 from the Montana Science and Technology Alliance. That would leave one FTE to take care of existing loans. He said he based this on the audit reports and Legislative Finance Committee reports showing there has been little or no payback. He realized the paybacks take a long time to happen, but if there is no payback, the money could have sat in the coal trust making better returns. This is not a good program compared to others and he felt one person was enough to handle what needed to be done.

REP CODY said as a member of the Coal Tax Oversight Committee she has gone over this quite thoroughly in the past few months. What REP COBB said is exactly correct. There is a lot of money in some of those areas that should be looked at by the next session as to what and how much benefit the state is receiving from them.

REP KIMBERLEY said they talked to the department heads and suggested they be prepared to look at complete programs. We told them we would allow them some flexibility and would like to have Mr. Brooke respond, if he were making cuts now, is this an area you would point to? Mr. Brooke said he was taken off guard with this proposal and the committee has been good in letting the departments prioritize the cuts. After the last session what we have left after the cuts were taken, is the statutory required duties, and basically the rest of their general fund is in economically development related programs like the Science and Technology Alliance. His concern is that they are being asked to offer further cuts in economic development in that the problems

facing this state and the reason this special session is being called, is the fact that our economy is not performing. We have a short fall in revenue. We spend less than 1% of our general fund on those programs designed to enhance our economy, we are looking to make cuts in those areas. His main concern is that the Science and Technology Alliance was designed to have pay outs over a 5 to 7 year time. We can point to a number of jobs that have been created by those businesses that have not as yet began to pay off those loans because they are still in the development stage, but have created jobs and we are getting some indirect returns in the form of salaries being paid and the taxes that are being paid from those Montana citizens.

REP KIMBERLEY said he was trying to follow through to see that they were really getting some flexibility. He asked if Science and Technology would be at the top of the list and was told by Mr. Brooke that they were not at that point, but they did have a priority list they could present.

REP COBB closed by saying he was not attacking the committee's integrity, but while economic development has been the key word everyone has been using for the past 10 years, it would be nice for this program that doesn't seem to be working to leave one person there. If they have payoffs in the next couple years, they can come back in January and explain how it will pay off. He just thought it would be well to cut back on a program that doesn't seem to be working right now.

REP KADAS asked if the motion passes is there a possibility of more savings because of not as much payoff? Mrs. Cohea explained this was the maximum.

Vote: Motion passed 13 yes, 4 no. Roll Call Vote #13

REP BRADLEY said REP COBB made a motion this morning regarding cutting the legal position in the Dept of Health and wanted to make sure her vote was recorded as a no vote.

REP CONNELLY said she would like some clarification on an issue she has not had time to follow up on. It was her understanding there might be a duplication of a foreign trade office in the Dept. of Agriculture and in the Dept. of Commerce. Then she heard that Agriculture had given some of their money to Commerce to do work for them. If this is a duplication she felt one or the other of the offices should be eliminated.

A reply was given by someone from the Dept. of Commerce who said one third was Agriculture funds that went to the Department of

Commerce. It is handled by the Commerce and they work very closely with the Dept of Agriculture.

REP CONNELLY asked how many FTE and was told one, otherwise it was contracted.

MOTION: REP KIMBERLEY moved to close section C.

Vote: Motion passed unanimously.

INSTITUTIONS AND CULTURAL EDUCATION

REP MENAHAN, Chair, presented the recommendations of the subcommittee.

Montana Arts Council: REP MENAHAN said they accepted the recommendation of the executive of \$1,349.

Library Commission: REP MENAHAN said they accepted the \$13,870 budget reduction. The committee then inserted \$200,000 from the Inter-Library Loans, HB 193 from the '89 session. Base Grants, the unexpended funds back to the Federation, \$2,407.

Historical Society: REP MENAHAN said there was \$66,585 recommended by the executive. They put \$5,000 back in for Capitol tours to finish to about Labor day. They cut Travel, Historical Preservation, Conservation money.

Corrections and Human Services: REP MENAHAN said they did not accept the Galen downsizing proposal for various reasons, some of them in the LFA book. There was a motion to delete \$90,000 from contracted monies with the Mental Health Centers. We eliminated positions in the department to the tune of \$342,000 of which \$39,000 is state and other special funds. He had a sheet the committee could look at of the positions eliminated to make up that money. There are some in the Corrections area, State Hospital, Center for the Aged, Development Center, Swan River, Galen and two budget analysts from the department.

CHAIR BARDANOUVE asked if these show on this sheet? REP MENAHAN said, no, the \$342,000 was taken out this morning. They had planned on taking more, but found out the positions we deleted, with the Ihler decision, security at the prison and some certification requirements, there were some positions that we couldn't eliminate, and we feel these positions we took will not affect any of those positions.

CHAIR BARDANOUVE said your savings of \$197,000 on this sheet will be increased by that amount. **REP MENAHAN** answered yes.

REP CODY said although the subcommittee took out these positions, according to the Legislative Council, it amounts to a hiring freeze and the only thing they can do is that we can take the money from personal services, but we can't say what positions to freeze. She said she was not sure and would ask **Mrs. Cohea** to guide the committee as to whether that has to be rewritten and how it would be done.

Mrs. Cohea said as she understood the motion made in the subcommittee was to reduce the appropriation by an amount sufficient to fund those positions. You are not specifying in language specifically which positions would be cut. The point of having a list of the positions was to determine the dollar amount that would be cut. **REP MENAHAN** said that was how they arrived at the amount and avoided counting any positions that could interfere with the Ihler decision, etc. and did not put into the motion to say they couldn't do that, but were talking about the dollar amounts.

Ms. Cohea said that is an appropriate role for the Legislature within what **Mr. Petesch** has said all you are doing in the motion is reducing the appropriation and the agency can then determine which positions to fill or not to fill.

REP MENAHAN said the idea is that some of these dollars will not be in the base next time.

REP SWYSGOOD said he did not know if they have to re-do this or not, but thinks they will because he believed his motion in subcommittee specifically stated positions and as he understood it, that is not allowed. He said he did not come out and say a lump sum figure. When he made the motion to delete these positions, he made an accumulative effect which amounted to stating positions.

REP MENAHAN suggested a motion for the dollar amount. **REP SWYSGOOD** said this would have to be adjusted because he found out recently that one of those positions we took the money away from that is filled. He suggested the LFA and the OBPP adjust the figures, and said the position is a food service worker in the Center for the Aged and is \$13,464 of general fund plus benefits. **Mrs. Cohea** said if he would specify the position they can let the computer calculate it.

MOTION: **REP SWYSGOOD** moved to take the \$342,079 from the

department of Corrections and Human Services less the position of 33-11 which is a Center for the Aged food worker I.

Vote: Motion passed unanimously.

REP CONNELLY said in regard to the Library Commission they have taken away the inter-Library loan program and felt it was a mistake when we have the problem we are having with economic development, business education, etc.

MOTION: **REP CONNELLY** moved to restore all of the inter-Library loan program monies.

Discussion: **REP CONNELLY** said this has been very helpful. They have had cases of businesses getting information for start up and it has been a very successful program.

REP CODY said it was one of the hardest votes to make but since 1989 when HB 193 passed, the amount of money that the Library Commission has received so far was about \$1.4 million and the only thing that is left is the \$200,000 which would give them enough so they would have had in place \$1.2 million rather than \$1.4 million. We had to look at the over all picture and they are only losing \$200,000 out of \$1.4 million in general fund money. She would encourage the committee to support the action of the subcommittee.

Richard Miller, Montana State Librarian, said this inter-library loan is for all kinds of libraries. Since HB 193 was passed in the '89 session they have had approximately \$1.4 million of additional money--this is not per year. You are talking about cutting \$200,000 out of one year, which is the second year of the biennium. He felt the Legislature was very wise to pass this Legislation in 1989. You have taken a state that is resource poor and allowed libraries to share the resources they currently have. He said in the 82 public libraries we have in the state with 112 outlets, we have about 2 1/2 volumes in those 112 outlets. Denver Public Library has just short of that in one library. He said it makes the case that when you have libraries as diverse as ours are, you need to be able to share the resources. If this goes down, libraries will be forced to charge for inter-library loans. We have contacted some of the major lenders in the state and they have said they will be forced to charge. The problem is they will have to charge more than the \$5.50 per transaction that is built into the administrative rules for this bill because the \$5.50 does not even cover the full cost of that inter-library transaction.

REP THOFT said he appreciated the work the committee did, but it bothered him that in the bill they needed to deal with the Galen situation. He felt if they could let that situation exist they should not be trying to take the money out of the libraries.

REP CODY said she felt the committee did its work well. So far as Galen was concerned, she considered that very carefully, in the LFA book, page 21, when you add up the supposed savings on Galen would not be there. 1. You have termination pay for Galen employees, 87.1 FTE. You have increased unemployment insurance costs, and everyone who came in and testified who were a part of the study testified against the proposal. We had no one in favor of it. The savings simply were not there. As for the \$200,000, she asked Mr. Miller if he knows what was done with the money by those libraries totally.

Mr. Miller said he wanted to clarify that this inter-library loan is for all types of libraries except for profit libraries. It goes to public libraries, school libraries, academic and college university libraries and special not-for-private libraries. Typically, they would use it to cover the cost of processing the material, sending it out, packaging it etc. It is almost like a turn-around situation.

REP CODY said when the money was freed up, five libraries in the federation in her area suddenly had five FAX machines and five new copy machines. She said the problem is that they have hit the wall in the Legislature now and \$200,000 out of \$1.4 million seemed reasonable to her.

Vote: Motion failed 6-11. Roll Call Vote #14

MOTION: MENAHAN moved to close section D on Corrections.

Vote: Motion passed 15 yes. Reps. Thoft and Bradley voting no.

EDUCATION

REP PECK, Chair, reviewed the worksheets and explained the subcommittee's action.

Montana School for the Deaf and Blind: Executive recommended cut was \$57,353, which the committee approved.

Office of Public Instruction: General budget reduction of \$48,308 recommended by executive and accepted by the committee.

Transportation: REP PECK said there was an executive recommended cut of \$700,000. The committee recommended \$800,000. That applies to Special Education Transportation. Under the current law, it is paid at 100% and is the only category of transportation that is, and the committee thought it made sense to equalize all transportation on an equal basis, 50% local, 50% state.

Montana University System: REP PECK said this was a very difficult area for the committee. The majority of members of the committee had some strong differences of opinion as to what the base figure is for the University System. Senators argued you should take the tuition charges out and not consider those, REP KADAS and PECK had a different view of it and finally agreed to do that on the basis that the level of reduction is the total dollars we are looking at in terms of the executive recommendation. The executive recommendation is the total funds after you remove certain other funds, and those other funds we are talking about are Vo-Tech bonds which is general fund appropriation obligation we assumed when we assumed the operation of the Vo-Techs from the local school districts, this amount is \$638,000. There is a little over \$5 million in student assistance and then the special session reduction of \$8.6 million in the January session. That gets you to a base of \$117.5 million from the \$131.9 million that was originally appropriated. He said that is what they based their figures on and took one simple motion and took a 4% reduction on that which is less than the Governor recommended. He said he agreed to allow the Commissioner of Higher Education to address the committee and respond to the reaction of the subcommittee at some point that would be appropriate.

REP COBB asked him to repeat some figures and REP PECK said if you go back to the original House Bill 2 and the pay plan 509, the figures were \$131,878,714. Then to subtract the items mentioned you come down to \$117,538,714 million.

Commissioner Hutchinson responded to the \$4.7 million cut. This will be difficult to meet in the short run and the principle reason is that their budgets throughout the University System are about 70% to 80% locked in. The sorts of targets they have to move toward the \$4.7 million cut would be to go after additional sections of courses, adjunct faculty members which they currently have employed to teach the additional students the University System has, travel, library, equipment, deferred maintenance and some classified employees may be vulnerable at this point in time because they have shorter provision notices. They continue to hit the same things they have had to hit in the past with the

cuts we have had to take and are sort of compounding in those areas and it becomes very difficult to keep their deferred maintenance, sections, etc. alive to educate these students. He said this could ultimately mean further delays in graduation and in some cases it is possible that accreditation will be jeopardized. There are certain health and safety problems that result when we continue to defer our deferred maintenance problems. According to the LFA, last special session took 50% of the direct operational cuts and we have a substantial portion in this special session as well. If one looks strictly at general fund, this \$4.7 million cut, coupled with the cuts we have already taken, brings higher education to a 10.45% hit. That is just on the general fund and does not include any netting out with respect to tuition. He said their true general fund cut now exceeds the 8% cut which other state agencies have had to take and they have some problems with that. He said he felt that higher education had been called upon for more than its fair share at this time.

CHAIR BARDANOUE said there was a substantial tuition increase to offset these cuts. **REP HUTCHINSON** said there were some significant increases used to offset those cuts, but they did still take the cuts. The tuition did not fully offset the cuts they were asked to take. In answer to a question from **CHAIR BARDANOUE**, **Mr. Hutchinson** said the actual difference is somewhere in excess of \$5 million in true cuts over the biennium. He believed it was in the neighborhood of \$2 million in the first year and in excess of \$3 million in the second.

REP ZOOK asked **Mr. Hutchinson** what was his total overall budget, not just general fund. **Mr. Hutchinson** said he believed if they took a look at all Regent approved budgets it is somewhere in the neighborhood of \$370 million which includes the federal money etc. He said he believed the total general fund budget is somewhere in excess of \$200 million appropriated budgets.

Mrs. Cohea said in the budget analysis book, page 27, it shows the bottom of the table HB 2 appropriation for all appropriated funds as it came out of the regular session and then with the special session cuts. It also has columns showing the tuition figures and the other figures that are under discussion.

REP COBB asked how they made up cuts in the last special session and whether it was with tuition or did they really cut something. **Commissioner Hutchinson** said a portion of it was made up with tuition increases, but not all of it. There were actual cuts taken.

REP COBB asked for the general gist of those cuts. **Mr. Hutchinson** said many of the same things he had already mentioned, travel, sections, library cuts, etc. They differ from campus to campus, but many of the things he had mentioned were the cuts that had already been taken. **REP COBB** asked what the actual cuts were that they took and **Mr. Hutchinson** said he did not have the figures with him, but thought the actual cuts somewhere exceed \$5 million.

REP COBB asked how much they were cut in the last special session. **Mr. Hutchinson** said if you look at it over the biennium, it was about \$10.9 million. In an answer on tuition, he said it was about \$5.1 million.

REP COBB asked if they were planning on cutting libraries this time, if they had done any specifics yet or if this was just generalities. **Mr. Hutchinson** said they are dealing largely with generalities at this point because it is almost impossible to identify what the cuts will be until we know what the final figure is. The Presidents came before the subcommittees and talked largely in generalities, but libraries were mentioned by virtually all of them.

REP COBB said he had never seen an audit on the Universities and he knew they went to semester basis, but your peers were teaching a couple hours more a week than those at the University over all. You want to go to the peers on salary, are these teachers going to be teaching more hours too? **Commissioner Hutchinson** said in two of their campuses the teaching loads are fixed by contract. Those two are Western and Northern and they are fixed at 12 hours per semester. At U of M and Eastern Montana College which are also under collective bargaining, there is no fixed amount. Going back to the legislative audit report, you will find that the Montana University System faculty as a whole are working in the neighborhood of 50 to 55 hours a week, by the self-report methodology. There are some cases where our peers are teaching more.

REP COBB said he understood they may be working 55 hours, but the actual teaching was less and the University is there for teaching, not necessarily research etc. **Commissioner Hutchinson** said research is an inherent part of the mission and would have to say teaching is the principle responsibility, but if we sustain some of the cuts that are anticipated here, there is a likelihood some of the faculty members will have to take on increased loads.

REP ZOOK said he had stated there was an actual reduction of about \$5 million after the last session. You have a budget of \$370 million, that is a little under 1 1/2% and that doesn't seem like such a serious blow to a system that handles that much money. Commissioner Hutchinson said when you look at that \$370 million you are talking about a lot of federal scholarship money, and a lot of fixed money they have virtually no control over. He did not think it is quite right to look at that and say we have taken a small blow. We can't go to that money to help shore up our teaching. We use the general fund appropriation to carry on the fundamental mission. If we take cuts in that amount, we truly have genuine cuts.

REP ZOOK gave the example of their research funds they get is certainly usable for an instructor. It may be fixed, but it adds to salaries, etc. Commissioner Hutchinson said usually what is done in the salary arena is that when a faculty member receives a research grant from a federal agency, he or she buys out part of her teaching time to devote that energy to research, but we still have to cover the courses and sections that faculty member was called upon to teach originally and hire an additional faculty member to teach those original obligations.

REP ZOOK asked if a lot of these additional faculty members are lower paid people? Commissioner Hutchinson said sometimes they are. It is not necessarily a dollar for dollar exchange.

REP ZOOK said then those research funds are actually a substitute for general fund dollars. Commissioner Hutchinson said they are, they do provide that substitute.

REP ZOOK said didn't the salary increases the Regents gave exceed the state salary increases the Legislature approved in the last session? Mr. Hutchinson said in the case of the faculty, they did exceed, but the faculty has never been tied directly to what might be received on the classified side. In those instances, many were determined as a result of collective bargaining. In the case of classified employees, they received the same as classified employees throughout state government. In the case of contract professionals and administrators, at this moment there have been no raises authorized, at least for this next year. Those have been deferred until the outcome of this special session is known.

REP PECK commented that he thought the statement by the commissioner suggests that the Regents have made a determination. The questioning in the committee indicated pretty strongly that this was still on the table for further consideration.

Commissioner Hutchinson said it is still under consideration, it has just been deferred at this moment.

REP THOFT asked **Mrs. Cohea** what the amount of money is that is in the pot that is in excess of the appropriated six mill levy?

Mrs. Cohea said in FY '92 the six mill levy revenue came in \$1.5 million higher than was appropriated in HB 2. Under language in HB 2 adopted in the January special session, that excess collection must be budgeted by the Board of Regents and does not allow it to offset any general fund budget reductions. Because this all occurred so late in FY '92 the budget amendment was not requested in FY '93 under the current language in this bill.

REP THOFT asked if she had any idea if they have done any of that? **Mrs. Cohea** said she did not believe there has been a change in the budget based on that additional revenue. She said one of the questions they looked at in their analysis was if it came in \$1.5 million high in '92, it will come in \$1.5 million high in '93 and could it be used to offset general fund in '93. At this point they are not certain whether it will come in again. State wide taxable value did not increase in '92 to result in that amount of money. They think what happened is that as a result of counties getting more direction on how to handle non-levied revenue associated with the 40 mill distribution, that the spin off was they more directly accounted for non-levied revenue associated with this. We are uncertain it will appear again in '93.

REP THOFT said he did not know if it was an appropriate motion to take that excess six mill levy money and put it directly in the general fund. **Mrs. Cohea** said probably not, because it is constitutionally protected. To have the same effect you could reduce the general fund appropriation for the University System and increase the spending authority for the six mill levy. In order to do that, you would need to strike the language in HB 2 saying that it could be used to offset general fund budget reductions.

REP THOFT said he would make that motion if she could put it together and **Mrs. Cohea** clarified it by saying they would strike that language and reduce the general fund appropriation by that amount and increase the spending authority.

Ms. Purdy said the prior language in the bill required the University to offset general fund with an additional six mill levy. If that language was restored, you would have the same result.

REP THOFT said except that this way he would know what happened and the other way he would not.

Mrs. Cohea said one complicating factor on handling it the way Ms. Purdy has mentioned is that a statutory bill passed last time, HB 454, said that the University could keep all reversions. One way to make sure this happened the way you desire would be to reduce the general fund appropriation.

MOTION: REP THOFT moved the general fund spending authority for the University System as a whole would be reduced by \$1,533,000 and the six mill levy spending authority would be increased by a like amount.

Discussion: REP COBB said the total cuts are \$4.7 million and it stays that way. Mrs. Cohea said another way of making this clear would be that the effect of REP THOFT's motion would be to increase the general fund budget reduction to \$6.2 million and increase the tuition to the six mill levy. The current appropriation is \$12.1 million and it would increase this to \$13.7 million.

REP THOFT said all this does is to ensure we get the general fund reduction.

REP QUILICI said, you say the six mill levy collects over \$1.533 million and by this amendment, you are deleting \$1.533 million. In essence instead of cutting the University budget by \$4.7 million you will be cutting it by about \$7.2 million, but the money will be picked up by over collection of the six mill levy. Mrs. Cohea said it will be a \$6.2 million general fund reduction, \$1.4 million of which will be offset by the additional six mill levy revenue.

REP QUILICI said along with that, the only way the University System can spend this money is by budget amendment. Mrs. Cohea said if the committee accepts REP THOFT's motion, it will give legislative spending authority for the excess tuition revenue and strike the language dealing with budget amendment. If the motion is not successful, the language would remain in the bill saying that after you leave the Regents must budget amend the additional \$1.5 million to increase their total spending authority.

REP QUILICI asked if it wasn't also correct that even without this amendment that anything in excess of the authorized budget by the Legislature, they will have to come in for a budget amendment? Mrs. Cohea said prior to the language added in the

last special session, if there were excess collections they had to revert an equal amount of general fund. In the special session language was added to say now there is a change and any excess collection must be budget amended to increase total authority.

REP QUILICI said he had some problems with this motion. One of the problems is that the six mill levy has always had to be ratified by the Legislature. He was afraid that if we start fooling around with this six mill levy, one day the people will not vote for it and asked what would happen with the University system at that time?

REP KADAS said the \$1.5 million is from FY '92 and has already been collected. The effect of this motion will be that it will be applied in revenue for '93 expenditures. **Ms. Cohea** said that was correct.

CHAIR BARDANOUE said if the committee had correctly estimated the amount and know the amount the six mill levy would have produced, in all probability the general fund would not have been as high as it was. They used a figure for mill levy which was below what it actually produced.

REP PECK said it is sort of an unwritten understanding that we purposely avoid over-estimating the six mill levy so we don't end up under funding from that source. As a result, it is fairly common to have excess dollars out of the six mill levy that the University commonly can budget amend.

REP SWYSGOOD said if this motion passes, we are assured that \$1.5 million will be reduced from general spending authority. If it does not pass and after we leave here, the University System is scheduled for a \$4 million reduction and they come in for a budget amendment, even if not approved by the Finance Committee, it becomes law in 90 days, they could, in essence, use that money to offset the \$4.7 million and actually take only a \$3.1 or so million. He asked if he was looking at it correctly.

CHAIR BARDANOUE said the budget amendment process formality, even if the Legislative Finance Committee said no, they could spend the money anyway.

CHAIR BARDANOUE asked if the surplus millage was included in the budget at the University? **REP PECK** the appropriation is the amount you propose to spend. The revenue side is how you are going to get that money to fund that appropriation. He said we are talking about two different things, and they are both in that

budget. That \$1.5 million excess from last year has not been obligated at this point and that is what **REP THOFT** is actually trying to accomplish.

CHAIR BARDANOUVE said in the operation budget of the University System that was presented by the Commissioner, does that money show in there or is it outside the operation budget as it was presented to us? **REP PECK** said it is not over and above the budget unless you leave it there and they budget amend it in later. **REP THOFT's** intent is to replace dollars to fund the appropriation that are general fund that are excess in this six mill levy. If you leave it there and go home, they have the budget amending authority to avail themselves of that money and increase their budget.

REP KADAS said since we have been considering only general fund, we have not taken a look at the millage account. To that extent it is outside the report from **Commissioner Hutchinson**.

REP KIMBERLEY was concerned that what the committee is attempting to do is not precedent. When you start talking about that six mill levy, anything that would come close to putting that six mill levy in jeopardy he would vote against. At the present time we are talking about limiting access and enrollment and along with the higher tuition, those three things are putting the six mill levy in jeopardy as we speak.

REP BARDANOUVE said this would not jeopardize the six mill levy, it fully utilizes it. **REP THOFT** said what it does is to use the full six mill levy, which justifies it a lot more than having some of it there and not spent.

Commissioner Hutchinson said obviously they would like to have that money available to offset general fund cuts. He reminded the committee they were sitting at 10.45% and if somehow this is added to our general fund cut, we would go up over 11% in general fund cut and would like to have that money available to factor into the equation down the road to help modify the cuts we might be obligated to take.

CHAIR BARDANOUVE said you have \$4.7 million. If you receive this money, it will not be \$4.7 million. It will be minus whatever the mill levy excess is. He asked **Commissioner Hutchinson** what that figure would be and was told \$3.2 million.

REP KIMBERLEY pointed out that the general public is very sensitive to these mill levy votes. **REP PECK** said he felt there was confusion here. This motion has nothing to do with losing

the money or creating any impediment to the vote every ten years for the six mill levy. We are only determining the distribution and application of the six mill levy fund, nothing else.

Vote: Motion passed 13 yes, 4 no. Roll call vote # 15.

REP GRINDE said he was going to make a motion to reduce the University System budget by \$57,353 and add that amount to the Montana School for the Deaf and Blind budget. He said this was a substantial cut to MSDB and thought the University System could better absorb that amount much better. He said he wanted to help those who could not help themselves or were born less fortunate than the rest of us.

MOTION: **REP GRINDE** moved to reduce the University System budget by \$57,353 and increase the MSDB budget by \$57,353.

Discussion: **REP PECK** said he would oppose the motion. He said this motion was made in subcommittee and he opposed it at that time. He could not see any relationship between higher ed and MSDB or why we should take the money from higher ed and transfer it to MSDB. He said there are other arguments to be made for MSDB, but did not feel this was one that made any sense.

REP MENAHAN said he would rather put the \$57,353 back rather than take out of higher ed. There are many handicapped students at the University and services they need there. Some of the student fees are outstripping the tuition. With the economy the way it is and wages young people can earn, it is very difficult for young people to go to school now.

REP KADAS said it is always easier to take money out of a larger budget than out of a smaller budget and felt that is one of the reasons the University System is in the shape it is now, particularly in relation to its peers.

REP GRINDE closed on his motion by saying he thought this is an area where it could be absorbed and said he knew it was tough to put kids through school, but many do not have disabilities. The kids at MSDB are born with disabilities or because of something that has happened, are not as fortunate as the rest of us. He is not trying to hurt anyone by taking money from the University, but felt this was an area where it could be absorbed a lot easier, and as a state we have to take care of the people who can't take care of themselves.

Vote: Motion failed 5-12. Roll call vote # 16.

REP MENAHAN asked REP PECK if he felt this money should be returned to the MSDB and said if so, he would support a motion to return the money to them. REP PECK said this was discussed in subcommittee and it was a difficult vote for the members. He said there were six or seven children involved in this funding. Six of the seven or five of the six are residents of the Great Falls Public School District. If this program is actually the one that is removed by the administration at the school, those children would become the responsibility of the public school district and they would have to provide a program for them. He said he voted for this because he hated institutions and hated institutional settings and thought kids were in a better environment if they are out functioning in a broader environment than in an institutional school. He said that was his basic deciding factor in supporting the motion. On that basis he would resist the motion to put the money back.

REP MENAHAN asked if the Great Falls School system had the ability and the finances to provide a program or will it impoverish some of their regular foundation program? REP PECK said it would not be regular foundation programs. They would go back in under the special ed funding and it being an emergency situation, they would be eligible for that fund. He felt the money would be there to handle that program. There would be some cushion that would fall on the local district, about 20% or 25%.

REP GRINDE pointed out the problems for the school districts across the state handling one or more of these students in K through 12. He felt the kids in the MSDB were a special case and it was not only much better for the kids involved, but much less expensive for the state and the public school districts in the communities. He said he felt this is an area that we are obligated, as a state, to take care of.

MOTION: REP NISBET moved to return the \$57,353 to the MSDB.

Discussion: REP CODY asked Mr. Prickett how many administrative positions do you have at the school and what is their function? Mr. Prickett said the superintendent, principal, supervising teacher for the blind department, supervising teacher for the deaf department, business manager and dean of students.

REP CODY asked if it would be possible to supplant one of those administrative positions for the program you are saying you will cut? Mr. Prickett said in responding to the cuts that have been assessed to us thus far, they have eliminated one administrative position in doing so. They have cut nearly every budget category they have. If this cut goes through, then we are faced

with eliminating a program, and this is the program would be his recommendation to the Board of Public Ed to eliminate.

REP CODY asked how much of an increase did the administrative salaries get by the Board of Public Ed this year? **Mr. Prickett** said the administrators are slated to get the 25 cents an hour for the first six months and an additional 20 cents an hour for the second six months. It is the same raise all state employees received.

REP CODY asked if they were on the state pay plan and did not get any more increase than the state employees receive. **Mr. Prickett** said these administrative positions are not on the state pay plan, but the pay plan appropriates this amount of money for these positions. That is all the money that is in the budget.

In response to **REP PECK's** statement, **Mr. Prickett** said Gail Gray had said in the subcommittee hearing that it was correct that these children will become the responsibility of their school district of residence, but pointed out that the cost of educating these children in the public schools will probably exceed the \$57,000 that would be cut from his budget. She made the point that MSDB can educate these children more efficiently than the public schools can. Each of these children has an individual education plan in his or her file and it is developed jointly by the parents, the representatives from the public school in which the child resides and the staff at MSDB. This document contains a statement signed off by the public school in which the child resides to the effect that they have analyzed the child's needs and they have determined that they are unable to meet the child's identified needs. This document also identifies MSDB as the most appropriate educational placement for these children. This means that if you cut the \$57,000 out, it will probably cost the state more than that amount in the long run to educate these children and there will also be a cost to these kids in that they will not be receiving the most appropriate education that we can provide them. As an administrator and as an educator, he did not think this a wise move and would ask the committee not to do it.

REP BARDANOUVE asked if in their budget, didn't they have other areas where you could cut? **Mr. Prickett** said up to this point we have used the horizontal cut method. Yes, we could continue that but their feeling is that it would negatively impact the program for all the 110 kids we have at the school. This is an attempt to minimize the damage to these seven children.

REP GRINDE asked if the kids went into public school, did he know how much it would cost? **Mr. Prickett** said he did not have any

hard figures on that, but believed the business manager of the Great Falls School District was quoted in the paper as saying somewhere in the neighborhood of \$7,000 to \$8,000 per child but said he was not sure how accurate the figure was.

Mr. Prickett said they have had some discussions with the Superintendent of the Great Falls School District and one alternative they are looking at is if the program is eliminated and the district is responsible, is to leave the children in place where they are with the Great Falls School District picking up the \$7,000. In that scenario, the cost to the Great Falls School District would be \$57,000 to fund this program.

SUBSTITUTE MOTION: REP GRINDE moved to take the \$57,353 out of personal services out of OPI.

Discussion: REP GRINDE said if it is going to cost OPI this kind of money, why not just keep the kids where they are at and we will just do a trade off.

REP PECK disagreed and said you are taking money from personal services, which is the staff in OPI, to fund the special education program that has a \$33 million account annually in the state for special education. He said this motion does not make any rhyme or reason.

Vote on substitute motion: Motion failed 5-12. Roll call vote # 17.

REP PECK said on the issue of educating more efficiently, Ms. Gray said a little more than what was related. She said the biggest cost difference would be the difference in salaries between the Great Falls public school system and the MSDB. Mr. Prickett agreed and REP PECK continued by saying the concern about the IPI (Individually Prescribed Program), the school district or MSDB would be obligated to fulfill that requirement as made up by the child study team, and is not germane to the question since no one can avoid that responsibility once it is put into the program. The most appropriate education, if there is not the program, then the school district has to provide an appropriate education. He said he felt the committee had to be consistent and follow some lead and he was willing to follow the Governor except in those rare cases where it is overwhelmingly contrary to what he believed. He felt this should be retained, based on the recommendation from the subcommittee.

REP CODY told Mr. Prickett that he said he had talked with the Great Falls school district and there is a possibility they could

come up with the \$57,000 to the school for the deaf and blind for this program. She asked if this was correct. **Mr. Prickett** said if he gave the impression they would give the school money it was not correct and he would apologize for that. It would be a matter of them employing the three staff members that we would be laying off.

REP CODY asked if they would employ them and they would be at your school or would they have to go over to the public school facility? **Mr. Prickett** said either of those would be a possibility. It was his understanding they could make the classroom available to them which they are currently using, or the district could decide to relocate them.

REP CONNELLY asked why they couldn't combine the two positions of superintendents and teachers. You have two of them from what you said. Why couldn't you combine them or perhaps eliminate one other position such as the principal? She said she felt the cuts should be taken out of their administration rather than out of the programs. **Mr. Prickett** said they have taken a portion of the existing cuts out of administration. He said in regard to the teaching positions, one is for the blind part and one is for the deaf part. These require a different teaching expertise and it would not be feasible to combine those positions.

REP CONNELLY said perhaps they could eliminate a principal or something. With a school of only 110 students, it seemed pretty top heavy with administration. **Mr. Prickett** said the education department has suffered the loss of over ten professional positions over the past 15 years. The staffing pattern now is the minimum that is necessary to provide an appropriate program for these children.

Vote on original motion: Motion failed 7-10. Roll call vote # 18.

MOTION: **REP PECK** moved language in a statement of intent passed by the subcommittee. **EXHIBIT 11**

Discussion **REP PECK** said this deals with higher ed and it is recommendations to them relative to reductions. He said this specifically recommends the Board of Regents not increase tuition to compensate budget cuts and that reductions be made in duplicated programs, travel, delay new program and non-self supporting athletic programs.

Commissioner Hutchinson commented on the intent language. He said they are very concerned about this. As the cuts hold as

they are currently configured, there is no incentive on the part of the Regents to raise tuition. It has been very clear that they don't wish to raise tuition any further. They have stated this publicly and, therefore, did not think it necessary to have intent language along those lines. With the respect to the four areas that have been identified for cut, it is correct there are no self-supporting athletic programs in the University system now. All of them have some under writing by general fund. If we are talking about this fiscal year, they have contracts pretty well lined up. It is very difficult for us to go after athletic programs in the short run. The same thing is true of duplicated programs. We cannot go in and whack out a duplicated program now. We have to give adequate provision notices to the faculty, take care of the students, etc., and it would be almost impossible for us to target. With the cuts we currently have, we have already determined all we will be able to do is the essential travel. There will be no luxury travel in the University System. As far as bringing forward new programs, they have no programs scheduled to come forward in the balance of this fiscal year that will cost additional funds. At least the University System will not be bringing forth any new programs, so that is relatively moot. He did not think the intent language is particularly helpful and would say when you are on the down side we need maximum flexibility to manage the cuts and would urge the committee to put no restrictions on them, but let them manage it as best they can.

REP PECK withdrew his motion.

REP PECK said the motion is unnecessary as the statement of intent is in the report of the subcommittee and does not have to be acted on separately. It would need a motion to be removed.

REP COBB said the Governor had about \$2 million more in cuts than the subcommittee passed on the University System. Mrs. Cohea said the Governor's recommendation was for a \$10.4 million cut and at this point the committee action has resulted in a \$6.2 million cut. At this point you are approximately \$4.1 million less than recommended in the executive report.

REP COBB pointed to a chart and said it shows a difference of \$2.6 million and asked what that was.

REP THOFT asked if the figure she gave included the amendment on the six mill levy. Mrs. Cohea said if you refer to the blue sheet, as it came out of the subcommittee the general fund budget reduction was \$4.7 million. Today in the full committee you have adopted an additional \$1.55 million reduction and at this point

the reduction is \$6.2 million.

REP THOFT said when you increase the spending authority, it is not a reduction. **Mrs. Cohea** said that is correct. This is a general fund budget reduction but is offset by the other amendment.

MOTION: **REP COBB** moved an additional \$2 million general fund be cut and allocated by the Board of Regents through the University System.

REP PECK said he would resist this motion. He believed the committee had heard a good explanation from the University System in terms of the actual cuts they have had if you base it on general fund. He did not agree with that position, but felt there was an argument for that position. If you accept that to any degree, they are in excess of what the executive has recommended. If you take the general fund and the tuition increases, you are still getting a sizeable hit on them. He said he did not want to get into all the specifics of the underfunded pay plan, etc., but felt the committee would be doing a disservice to the University System if you take another \$2 million out. There is a point where you have to say enough is enough, and he had expressed his willingness to follow the Governor as far as he can, but cannot do so to this extent.

REP GRINDE said in the last biennium, the University Systems was given a \$45,679,489 increase over the previous biennium. In the special session, that was reduced. They keep saying they got cut, but they were only reduced. Over the biennium they still had an increase of \$21,625,584. He asked if there were any other areas in state government that had any kind of increases in this last biennium.

REP KADAS said we had **REP THOFT's** motion in regard to the six mill levy that needed to be dealt with. Part of the \$45 million increase was because the six mill levy went down and we had to back fill with general fund and that is a big chunk of it. The other parts are additional responsibilities we placed on the system. The final issue is that the system continues to deteriorate. It is an important part of the economic and social infrastructure of the state. If we keep eroding it as an institution, it is doing more damage than you can correct in the long run. He said he would resist the motion.

REP QUILICI said he would oppose the recommendation because he has not had a chance to look at the recommendations handed down through the subcommittee, but has a lot of respect for the

subcommittee because they have taken alot of time to evaluate the University System budget. They made some cuts that were hard and we made some today. At the present time, we have a \$6 million cut on the system. He was worried about how the University System was going to function unless we properly fund it.

REP COBB said we are playing students against the institutions. He felt they could be better managers as to how money was spent. We have to keep protecting the institutions, but we cut the number of institutions and still keep putting more money in. You get the impression that the students are a necessary evil of the institutions. He realized they did not mean that, but that was the impression he got. They say we will cut the students but never say we will do a better job of managing out there. He said it is impossible to put enough money into the University System because it is like a sponge and just sucks up as much as you give them. It is time to say no more. It is time you work out your problems with less money, and that is probably when they will make some major changes in how they operate.

Vote: Motion failed 8-9. Roll call vote # 19.

MOTION: **REP COBB** moved the University System take an additional cut of \$1 million.

Vote: Motion failed 8-9. Roll call vote # 20.

MOTION: **REP COBB** moved to reduce the University budget by \$500,000.

Discussion: **REP COBB** said he would like to try this again. He said his aunt worked at a department at the University and she said they spent so much time on research and the teachers are busy doing research they don't have time to teach or they are on trips and don't take care of some of their equipment, etc., and felt there needed to be a tightening of management. They can tighten their belt and find \$500,000 by better managing their monies.

REP KADAS said he would not argue that they can find \$500,000 in better management etc. He did not believe they could find \$4.7 million in that. Your half million is an addition to a \$4.7 million.

REP PECK suggested not penalizing the university students by taking another \$500,000. Members could discuss with the administration how the system was managed, but did not feel they should hurt the students.

REP CONNELLY asked if it would be proper to add some language to the report the subcommittee gave to ask that all the units of the University System, the MSDB and all the schools, take a serious look at reducing their administrative costs and maybe eliminate two, three or four positions and perhaps look at whether we really need the Office of Higher Education. Maybe all those duties should be transferred to the different presidents. She felt we should be very serious about where we make the cuts and should not continue to hurt the students by doing so.

REP PECK said if **REP CONNELLY** would care to offer that amendment on the floor he would be glad to assist in any way he could. He did not think it would be a part of this motion per se.

Vote: Motion failed 7-10. Roll call vote # 21.

MOTION: **REP COBB** moved there be no cuts in the library.

Discussion: **REP QUILICI** said all through the appropriation process these past few days is to give the agencies flexibilities in managing their own resources in the best way they can. He said this includes the University System. We should give them the opportunity. If they don't manage it properly we can change it, but we should at least give them the opportunity to try.

REP COBB said he understood what **REP QUILICI** was saying, but sometimes the institution comes before the students and that is just the way a big bureaucracy works and he is saying that a library is very important to the students and he does not want them cut.

Vote: Motion passed 9-8. Roll call # 22.

MOTION: **REP PECK** moved the Education section be closed and adopted as amended.

Vote: Motion passed with **Rep. Cobb** voting no.

LONG RANGE PLANNING

REP CONNELLY, Chair, explained to the committee actions taken by the subcommittee. She said they reviewed all the executive recommendations, including the one to postpone constructing the Engineering Physical Science building at MSU and the Business Administration building at U of M. That proposal included deletion of the projects. The subcommittee reduced the general fund appropriation for the MSU building by \$367,000 and moved the

\$1 million of unspent planning money that would be transferred to the general fund in House Bill 6. They wanted to continue to have the budget in place and not have to go back next session to require the 2/3 for the bonding so there is some language they need to have adopted to be included in HB 2. She handed out copies of the language needed, **EXHIBIT 9**. They reviewed all the other building projects and did not make any changes in them. She said they freed up the \$1 million and have an actual \$367,000 from the committee.

MOTION: REP CONNELLY moved the language on **EXHIBIT 12**

Discussion: REP CONNELLY said this language will allow the bonds to not be sold until after the next session. It would postpone the sale of the bonds. They wanted the University to go on and continue with their fundraising project and were concerned that if they stopped the bonding, it might stop the fundraising.

In response to a question from REP COBB, REP BARDANOUVE said there would be no interest until the bonds are sold and the bonds would not be sold until after the '93 session.

REP CONNELLY said they also provided for the transfer of funds for the project so MSU could use some of that funding to make the repairs on the two hills which are also included in that project. This would come out of the donation money.

REP QUILICI referred to the language in Section 13 which gives the authorization for bonding in FY '93, '94 and '95 for these buildings at MSU and U of M. He asked if the subcommittee took into consideration holding off the building of these buildings until the state gets into a better financial condition?

REP CONNELLY said yes, they talked about it at some length, and basically that is what this language does. It postpones the sale of the bonds. It allows the bonds for the prison and the women's prison to go forward, but holds back on the University buildings.

REP QUILICI said there has never been a time when he had not voted for a building on the University System. These buildings now at this particular point in time really concerned him. We are making more brick and mortar and yet we have had young people here today who would like to go to school and have had to cut back on them, yet we are going to build more buildings when we can't take care of the deferred maintenance and regular maintenance on the buildings we have in the state right now.

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REP CODY had some concern about the state's bonding capacity and the repayment of the bonds for \$29 million they want to sell in '93. She asked if this had come up in subcommittee. REP CONNELLY said they talked about that at great lengths and had the Department come in and talk to us about what would happen if we didn't go forward with the prison. If we don't go through with building the women's prison, we will be sued and that will cost a lot more than building it. She said they talked about some of the programs and perhaps having some out-of-prison type programs. The \$29 million is only the prisons and those projects. The University projects are postponed.

REP CODY asked how they plan on paying this back with the state in the financial constraints that are projected for the next biennium? CHAIR BARDANOUVE said we will have to have a new source of revenue to pay these bonds off. There will be no payments in '93 but will probably be a payment in '94. A major source of revenue is necessary to operate government, and this will have to be a part of that package. We have reached the bottom of the barrel. He had tried to postpone the rest of the buildings, except for the men's prison. Non only must the buildings be built, but they must be operated, maintained and employees hired to operate the facilities. The '93 session may change the whole bonding program.

REP THOFT said the committee felt the women's and men's prison were critical because of the over crowding, but there are some things that aren't critical. The new armory at Libby, the Veterans' home, etc. and he felt those issues should come up for discussion somewhere along the line again. He said the veterans' home was not really needed at this time and it would cost \$1.5 million a year to run this after it is built, as well as retiring the bonds and the money is not there.

REP MENAHAN said in regard to the pressing needs of the womens' prison issue, he felt that some of the ladies being sentenced for such crimes as forgeries and other things they are going in there for are very non-violent crimes and thought we were going down the wrong path. We are building a big expense and the cement system does not work. We complain about how many men we have in prison, 1250, the director is having nothing but problems, and we are going to repeat the same thing because that is the only way we know how. He thought we should be finding some places in the major cities where we can put about 40 ladies out and wind up with only 10 or 15 that have violent crime sentences. He objected to having the others going into a prison and developing a prison mentality. He thought it was totally wrong to promote the type of solutions we are promoting.

REP COBB questioned the authorization for bonding for the veterans' home. Mrs. Cohea said there is no bonding for the veterans' home. The funding for that is mainly federal funds matched by cigarette revenue that we appropriated and then reappropriated in the '91 session.

In answer on subcommittee action on the veterans' home, REP CONNELLY said there was a motion to delete the building of the veterans' home in Glendive from the bill. The motion passed with one member absent and then we asked for more information. When they brought the information back to us we found out a lot of things we had not known when the original motion was made. The subcommittee then reconsidered the motion. She said they would lose all the federal funding and go down to the bottom of the list. We have made a pledge to the veterans. They put the 2 cent tax on cigarettes for the veterans' home and when you consider there are more than 150,000 WW II veterans in Montana and about 1 in 24 of them will be going into nursing homes. We will need the beds. There is a need now since there are only 90 beds for veterans in the whole state of Montana. Private beds are mostly full. There is a need for these beds and the need will be increasing. Word was given to the veterans and we need to stand for something and that was the decision of the committee.

CHAIR BARDANOUVE said he knew the veterans worked for this, but if we begin the veterans home, it will reduce our cash balance in the treasury because the money is there and will be removed as we build the veterans home.

REP KADAS asked about the figures and REP THOFT said all the figures were put together and he could not see where we needed the veterans' home at this time. He said he had one question and that was that a number of veterans are going into private nursing homes and asked if the V.A. paid that expense. He also answered a question as to whether we would need the veterans' home in two to four years by saying he did not know, but suspected not.

REP ZOOK said he did not know where REP THOFT's figures come from but the veterans' hospital in Miles City has a lot of veterans' in there that belong in a nursing home, but they have accommodated them, at least for a period of time. He felt there were ample veterans in this state who were waiting for a veterans' home to be a reality.

REP CODY said she did not have a problem with the veterans' home since it was money that was voted on with a cigarette tax and that money was for the veterans' home and for it's operation.

She said she did have a problem with encumbering future legislatures over the amount of money we are going to bond and how we are going to pay for it.

REP KADAS asked how much was for the Libby armory and **REP CONNELLY** said about \$700,000 and they only need about \$200,000 now.

In answer to a question on how much cash could be saved from **REP KADAS, Tom O'Connell, Architect and Engineering Division**, said the amount authorized for the Libby Armory last session was \$400,000 in bonding money and \$827,000 in federal funds for a total cost of \$1.2 million.

REP KADAS asked if we could do with the armory like we did with the University buildings and postpone the bonding. **REP BARDANOUE** said there is a lady senator who did not like the idea very well.

REP THOFT said he would like **Jane Hammond** or someone from administration to work up the figures on the occupancy and the veterans home, etc. and have her present them to the committee.

REP ZOOK said in fairness to **REP THOFT** he assumed most of the veterans were being accommodated in some way. A lot of the veterans in the hospital come from out of state. You do not deny service. That is a federal hospital and federal funds are going into the nursing home and the situation will probably be the same. If there was a chance of delaying it for a period of time and not lose our federal funding, he felt he would go along with it.

REP BARDANOUE said they were told in subcommittee that they might lose the federal dollars if this project were delayed.

REP THOFT said if we take the \$2 million in cigarette tax that is sitting there now and transfer it to the general fund we will lose the federal money, but if we get that money back, then the federal money will be there again. We will lose the money, but we will not lose it for any great length of time.

Ms. Hammond said her information is second hand information which the Dept. of Administration got by contacting the feds after the Long Range Building meeting. As she understands it, the federal grants for this purpose are in two blocks and we are now in priority one block. Their application has been approved and we are toward the top of the list. The feds are still spending the appropriations from the prior fiscal year and have not yet gotten

to the point of spending the appropriations for the current fiscal year. If we were to take the nearly \$2 million in cigarette tax, we would drop to priority # 2 list, but would not have to reapply and go through everything again as they were concerned about in Long Range Building committee. When we re-certify that the 2 cent tax had brought in enough money and the Legislature had reauthorized proceeding with this facility, we would go back to the priority 1 list. She said that is what was reported to her.

REP ZOOK said the re-certification with the 2 cent tax, are we going to have to regenerate that again through cigarettes or are we going to replace it with general fund money that comes in at a later date? **REP THOFT** said that is an ongoing tax and the money will start accumulating immediately.

REP ZOOK said technically we will be raising a 2 cent tax on cigarettes for general fund.

REP MENAHAN said a few years back he had some legislation in for Galen to have part of their facility used as a veterans domiciliary and **REP PAVLOVICH** helped him put this other tax on cigarettes for veterans. It was not identified for the general fund. He suggested if they wanted to tax cigarettes for the general fund to put 2 cents more on for that purpose and not steal it from the veterans.

Vote: Motion on accepting language from LRP passed 15-2. Roll call vote # 23.

MOTION: **REP MENAHAN** moved to amend HB 2. See **EXHIBIT 13**

Discussion: **REP MENAHAN** said money was needed to finish up a project in the Evergreen area near Kalispell and this money has been returned by Deer Lodge.

REP WANZENRIED said HB 7 contained two separate bond authorizations, one for the Evergreen Water and Sewer District and the other for the Anaconda-Deer Lodge waste water treatment plant. The project is short about \$500,000 matching federal grant. They are amending the bill so they continue to require that \$500,000 between the full bonding between the full bond interest rates. The bond rates for the Evergreen project is about 3% below bond rates, so it is a subsidized rates. If Anaconda-Deer Lodge had gone ahead with that project, it was a full bond rate. If you authorize for Evergreen it will be the same, He said he did not know how much would be lost because of not returning that authority to the state the bond issue will

have to be larger by \$500,000 and was not in a position to tell them how much. Under this amendment the bond rate will be the same as it would have been if Anaconda-Deer Lodge would have paid. The first section that was in the bill it will be the same rate as in HB 7. It will pay a subsidized rate, but this \$500,000 authorization will pay the same amount that Anaconda-Deer Lodge would have paid.

REP COBB asked who would have been in line to get this money if this did not go through? **Anna Miller**, DNRC, said this bond was authorized and if Anaconda-Deer Lodge chooses not to use it, then we just don't issue bonds for that amount.

REP COBB asked if there was someone on the list who was next if that money had not been appropriated and **Ms. Miller** said no. This does not work like the grants. A new application process would come through for the January session and then those projects would be authorized.

REP KADAS asked if the Evergreen project had been filed in the proper way, would the subsidized bond would have been \$500,000 higher? **Ms. Miller** said the Evergreen project is about a \$12 million project. The EPA grant is about \$5.5 million. When they computed the grant and looked at the DNRC loan which was \$3.7 million, they thought they could use the entire \$3.7 million for construction costs. When you come to the DNRC and get a loan, out of the bond proceeds, out of the \$3.7 million, you have to pay the cost of issuance the state incurs, you have to put 5% of that bond amount into the county revolving fund as a security measure. When the computation was done they did not realize they had to take those costs into consideration and had less than the \$3.7 million to match against the \$5.5 million grant.

MOTION: **REP CONNELLY** moved the Long Range Planning budget be approved as amended.

Vote: Motion passed unanimously

BOILERPLATE

Mrs. Cohea said there were two technical amendments the staff needs in the boilerplate. The first would be a motion from the committee to strike everything after the enacting clause and said the reason for this is that the way the computer system works, it goes from the bill as it stands and will input your numbers.

MOTION: **REP THOFT** moved to strike everything below the enacting

clause.

Vote: Motion passed unanimously.

Mrs. Cohea said the other is a minor one. In the January special session, the Legislature enacted a separate section, section 13 of the boilerplate to keep a tally of all the fund balance transfers. REP KIMBERLEY's committee in Section C mandated the transfer of \$154,000 of late water right fees in DNRC to be transferred to the general fund. That language is in section C, but to be consistent with the way you did it in January, we would also put it in section 13 of the boilerplate if that is agreeable with the committee.

MOTION: REP KIMBERLEY moved to put this in Section 13 of the boilerplate as described by Mrs. Cohea.

Vote: Motion passed unanimously.

MOTION: REP THOFT moved an amendment page B-P 1, line 25, EXHIBIT 14.

Discussion: REP THOFT said this is a general statement of intent dealing with flexibility.

CHAIR BARDANOUVE asked how far we were opening the door here. He asked if this was taking out all legislative control of these appropriations.

Mrs. Cohea said as she understands the amendment, it appears to be more a statement of legislative intent than actually authorizing anything. However, if you adopt HB 7, which is before this committee which deals with transfers, that statutory change would place no limits on the transfers within a program. Subsection 2 would limit the transfers to those things that are listed, so what is excluded are human service benefits, debt service and local assistance payments. This in concert with HB 7 would be more limiting than simply having HB 7 pass. The net effect is more an expression of intent rather than anything else.

REP KADAS asked what is meant by flexible management responsibility mean? Ms. Hammond said they are looking at an expression of legislative intent for two purposes. One is managing to avoid supplementals being brought to the January session and the second is to look at moving authority among personal services, capital outlay grants and transfers excluding grants, debt service and pass through to local assistance. The authority to do this will have to come in HB 7 which your committee will take up tomorrow.

If you leave the restrictions that are in there now for 5% rather than going to 10% for program transfers, you would still have this expression of intent, but the restriction that is in substantive law would still be there.

REP KADAS asked what would happen if HB 7 does not pass. Ms. Hammond said if HB 7 does not pass there are still several additional boiler plate amendments that relate to this same kind of thing to be considered yet this evening.

Mrs. Cohea said current statute says you have to spend in substantial compliance with legislative intent, which means no more than 5% variation from any line item. If that law remains in effect, that would override this appropriation language. Secondly in HB 2 there is a prohibition on transfer from personal services down to operating expenses and if that remains in effect but this were approved, she believed there may be a conflict in HB 2 because this would say you could adjust personal services and those two would be incompatible. Another way of handling this, if you like the part of this amendment that restricts transfer of debt service, local gov. pass through and Human Service benefits, those provisions could actually be put in HB 7 as statute and then this would not be necessary from that point of view since this is only legislative intent.

REP KADAS said this deals with the boilerplate in the bill as the bill stands now. Is it the same as the one we passed at the end of the last session? Mrs. Cohea said yes, by your motion to strike everything after the enacting clause, what now exists is HB 2 as you left it last January. Any amendments in the boiler plate must be voted on to change existing law.

REP KADAS asked about the other amendments OBPP had to offer. Are you going to strike the personal services transfer exceptions and the first level of expenditures paragraph and the vacant positions paragraph? Ms. Hammond said that is correct although she understands REP COBB has some additional amendments relating to Section 7.

REP KADAS asked if she had any other amendments in addition to those? Ms. Hammond said the only one they had was in Section 5, the budget reduction which is a technical amendment that simply adds budget reductions for special session 2 as well as session 1.

REP KADAS said he was trying to put this together with all the amendments to know how far he was willing to go on flexibility. He said in existing section 3, first level expenditures, if we

were to leave that language in and adopt **REP THOFT's** amendment on agency management responsibility, would that create a conflict within the bill? **Mrs. Cohea** said it would have the potential to do so because section 3 says the tables produced you will have in front of you when you do the final conference committee reflecting what you have done would express legislative intent first, second and third level. As you did during the January special session and in fact, the January regular session, everything that was a general budget reduction appears in the agency table but is not yet allocated to programs because in section 5 of this bill, section 6 in the existing bill, said it can be allocated. If you kept section 3, you would have legislative intent and then your appropriation would split between personal services, operating and expenditure. If you adopted this you would have language saying the agency could transfer. It is not a direct conflict, but a possibility.

CHAIR BARDANOUVE said he was concerned because they had not had enough opportunity to coordinate these amendments with the boiler plate language. He said he was not comfortable with them.

REP MENAHAN asked how this would deal with House Bill 7 we are hearing tomorrow. If there is a conflict perhaps we should wait and see what we would do there. **CHAIR BARDANOUVE** said if we don't do it now we will have to do it on the floor of the House.

REP KADAS said he thought he understood what the administration wants here and is willing to go part way. He would be willing to eliminate the limit on personal service transfers so there would be the flexibility to transfer down from personal services. He said he is not willing to eliminate the first level expenditure limitation. He felt there is plenty of flexibility in the budget particularly considering the level of cuts we have made and the way we are making the cuts to deal with cuts. If we retain section 3, the first level expenditures, he did not want to establish a conflict with this proposed new section 2, but we may be able to amend that so we would say the transfers it proposes has to fall within the guidelines in the first level expenditures. Finally, he would be willing to eliminate the section on vacant positions.

REP PECK said it appeared to him that we are dealing with that could be dealt much more expeditiously in a subcommittee between now and floor action on Saturday if we could negotiate some agreements on this. **REP THOFT** said he felt if you took this kind of issue to the floor of the House it would be absolute chaos and needs to be dealt with prior to that.

REP QUILICI said he has been talking about flexibility but is not sure he understands this language thoroughly enough to vote on it. One of the things that was brought up was the statement on restrictions of grants that were pass through to local government services.

Mrs. Cohea said in HB 7, if that were enacted, that allows unlimited transfer within a program. You could move money up or down. You could move money from local assistance up to personal services, you could move operating money down to equipment, etc. This language in HB 2 would limit that flexibility somewhat because it says the legislative intent is that you only transfer the things that are listed, and gives the exclusions. The statutory change would be unlimited. This is an attempt in a companion legislative intent statement to say that it is limited. She drew the committee's attention to one thing--HB 7 relates to all appropriations, this would limit it only to HB 2.

Ms. Hammond said there is also a section in law that indicates that different sources of authority have to be maintained separately. If you have a cat and dog with some money for a particular project, that has to be kept separately, it would not be mixed.

Ms. Cohea said she totally agreed with Ms. Hammond. The point she was trying to make was that if in another bill there was operating equipment, etc., that HB 7 would allow unlimited transfers and this restriction applies only to HB 2 appropriations.

SUBSTITUTE MOTION: REP PECK moved a committee of four be appointed by the Chair to work on this language to be brought to the floor on Saturday after we have considered HB 7 in committee.

Vote: Motion passed with Reps. Thoft and Swysgood voting no.

The remaining proposed motions REP THOFT had in the package that are to be reviewed by the subcommittee are listed as EXHIBITS 15, 16, and 17.

MOTION: REP COBB moved to amend the Boilerplate - EXHIBIT 18

Discussion: REP COBB explained the amendment. He inserted 5% in the blank on the amendment.

REP CODY said what we saw in our subcommittee, when they brought in the big positions, it was all the people who were working, the workers' positions. There was nothing out of central services

and you will see the same thing here. All the administration will remain there and all the people who do the work down below, those are the positions that remain vacant.

REP COBB said with this amendment they can't go and make up a bunch of new positions and play games with us.

REP KADAS said he was afraid this was so complicated that he was concerned about how the budget process will get ready for the next session.

REP QUILICI said he was not sure he completely understood this , but reading through it they are asking for the job description, grade, budget etc. for each position etc. Looking at all these budgets, is every agency going to look through this and if they need more FTE, they go through the PPP system, or more services, how will they get it done by the '94-'95 biennium?

Ms. Hammond said the budget office sends to all the agencies what they call a turn around document that has the positions for each agency and the grade and benefits etc. That information will be available for the agencies to use.

MOTION ADDITION: **REP COBB** moved to put 5% in the amendment.

Vote: Motion passed 12-5. **Reps. Nisbet, Kadas, Menahan, Quilici and Kimberley** voting no.

MOTION: **REP SWYSGOOD** moved to close and adopt the Boilerplate as amended.

Vote: Motion passed unanimously.

MOTION: **REP MENAHAN** moved Bill 2, as amended, do pass.

Vote: Motion passed 11-6 with **Reps. Grady, Thoft, Zook, Peterson, Swysgood and Grinde** voting no.

HOUSE OF REPRESENTATIVES

APPROPRIATIONS COMMITTEE

ROLL CALL

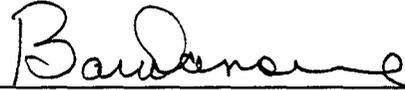
DATE

July 9-92

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

ADJOURNMENT

Adjournment: 4:45 p.m.



REP FRANCIS BARDANOUVE, Chair



Sylvia Kinsey, Secretary

FB/sk

NOTE: The attachment to the Standing Committee Report is a complete copy of HB 2 (second reading copy -- yellow).

HOUSE STANDING COMMITTEE REPORT

July 10, 1992

Page 1 of 1

Mr. Speaker: We, the committee on Appropriations report that HB0002 (first reading copy -- white) do pass as amended.

Signed: _____
Francis Bardanoue, Chairman

And, that such amendments read:

Strike everything after the enacting clause and insert attached.

OFFICE OF THE LEGISLATIVE FISCAL ANALYST

HOUSE APPROPRIATIONS SUBCOMMITTEE ACTION

GENERAL FUND

As of July 8, 1992

Exhibit # 1
7/9/92 HB 2

*Amended
July 9-92
New Approp*

Section/Agency	Fiscal 1993			Total
	House Bill 2	Cat & Dogs	Other	
SECTION A				
Legislative Auditor	(\$39,428)			(\$39,428)
Legislative Fiscal Analyst	(35,000)			(35,000)
Legislative Council	(56,100)			(56,100)
Environmental Quality Council	(15,473)			(15,473)
Consumer Counsel	0			0
Judiciary	(50,000)			(50,000)
Governor's Office	3,000,000			3,000,000
Secretary of State	(34,401)			(34,401)
Commissioner of Political Practices	0			0
State Auditor	0			0
Crime Control Division	(7,000)			(7,000)
Highway Traffic Safety	0			0
Justice	(160,000)			(160,000)
Transportation	(60,000)			(60,000)
Revenue	(706,947)			(706,947)
Administration	0			0
State Fund	0			0
Public Employee's Retirement Board	0			0
Teacher's Retirement Board	0			0
Military Affairs	(30,893)			(30,893)
TOTAL	\$1,804,758	\$0	\$0	\$1,804,758
SECTION B				
Health & Environmental Sciences	(\$93,352)			(\$93,352)
Labor & Industry	0			0
Social & Rehabilitation Services	(955,727)			(955,727)
Family Services	0			0
TOTAL	(\$1,049,079)	\$0	\$0	(\$1,049,079)
SECTION C				
Public Service Regulation	\$0			\$0
Fish, Wildlife and Parks	0			0
State Lands	0			0
Livestock	0			0
Natural Resources & Conservation	(72,212)		(154,000)	(226,212)
Agriculture	0			0
Commerce	0			0
TOTAL	(\$72,212)	\$0	(\$154,000)	(\$226,212)

SECTION D				
Montana Arts Council	(\$1,349)			(\$1,349)
Library Commission	(216,277)			(216,277)
Historical Society	(61,585)			(61,585)
Corrections & Human Services *				0
TOTAL	(\$279,211)	\$0	\$0	(\$279,211)

SECTION E				
Board of Public Education	\$0			\$0
School for the Deaf & Blind	(57,353)			(57,353)
Office of Public Instruction	(848,308)			(848,308)
Commissioner of Higher Education	(4,701,549)			ERR
Vocational - Technical System	0			0
Six University Units	0			0
Agricultural Experiment Station	0			0
Cooperative Extension Service	0			0
Forestry & Conser. Exp. Station	0			0
Bureau of Mines	0			0
Montana Council of Vocational Ed.	0			0
Fire Services Training School	0			0
TOTAL	(\$5,607,210)	\$0	\$0	(\$5,607,210)

SECTION F	(\$367,000)			(\$367,000)
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TOTAL COMMITTEE ACTION	(\$5,569,954)	\$0	(\$154,000)	(\$5,723,954)
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* Corrections and Human Services not yet completed

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07/08/92

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OFFICE OF THE LEGISLATIVE FISCAL ANALYST

HOUSE APPROPRIATIONS SUBCOMMITTEE ACTION
Over/(Under) EXECUTIVE BUDGET
HOUSE BILL 2 GENERAL FUND as of July 8, 1992

Section/Agency	Legislative Fiscal 1993	Executive Fiscal 1993	Difference Fiscal 1993
SECTION A			
Legislative Auditor	(\$39,428)	(95,704)	\$56,276
Legislative Fiscal Analyst	(35,000)	(23,733)	(11,267)
Legislative Council	(56,100)	(56,100)	0
Environmental Quality Council	(15,473)	(15,473)	0
Consumer Counsel	0	0	0
Judiciary	(50,000)	(323,077)	273,077
Governor's Office	3,000,000	5,000,000	(2,000,000)
Secretary of State	(34,401)	(34,401)	0
Commissioner of Political Practices	0	0	0
State Auditor	0	0	0
Crime Control Division	(7,000)	(22,676)	15,676
Highway Traffic Safety	0	0	0
Justice	(160,000)	(136,954)	(23,046)
Transportation	(60,000)	0	(60,000)
Revenue	(706,947)	(706,947)	0
Administration	0	0	0
State Fund	0	0	0
Public Employee's Retirement Bd.	0	0	0
Teacher's Retirement Board	0	0	0
Military Affairs	(30,893)	(30,893)	0
TOTAL	\$1,804,758	\$3,554,042	(\$1,749,284)
SECTION B			
Health & Environmental Sciences	(93,352)	(93,352)	0
Labor & Industry	0	0	0
Social & Rehabilitation Services	(955,727)	(2,465,727)	1,510,000
Family Services	0	0	0
TOTAL	(\$1,049,079)	(\$2,559,079)	\$1,510,000

1,195,242 out of Section A

*Exhibit 2
7/9/92
prop*

SECTION C			0
Public Service Regulation	0	0	0
Fish, Wildlife and Parks	0	0	0
State Lands	0	0	0
Livestock	0	0	0
Natural Resources & Conser.	(72,212)	(72,212)	0
Agriculture	0	0	0
Commerce	0	0	0
TOTAL	(\$72,212)	(\$72,212)	\$0

SECTION D			0
Montana Arts Council	(1,349)	(1,349)	0
Library Commission	(216,277)	(13,870)	(202,407)
Historical Society	(61,585)	(66,585)	5,000
Corrections & Human Services *		0	0
TOTAL	(\$279,211)	(\$81,804)	(\$197,407)

SECTION E			0
Board of Public Education	0	0	0
School for the Deaf & Blind	(57,353)	(57,353)	0
Office of Public Instruction	(848,308)	(748,308)	(100,000)
Commissioner of Higher Ed.	(4,701,549)	(10,363,231)	5,661,682
Vocational-Technical System	0	0	0
Six University Units	0	0	0
Agricultural Experiment Station	0	0	0
Cooperative Extension Service	0	0	0
Forestry & Con. Experiment Sta.	0	0	0
Bureau of Mines	0	0	0
Montana Council of Voc. Ed.	0	0	0
Fire Services Training School	0	0	0
TOTAL	(\$5,607,210)	(\$11,168,892)	\$5,561,682

SECTION F	(\$367,000)	(\$367,000)	\$0
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TOTAL COMMITTEE ACTION	(\$5,569,954)	(\$10,694,945)	\$5,124,991
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* Corrections and Human Services not yet completed

*No Approp,
July 1992*

EXHIBIT 3

7/09/92

BUDGET ANALYSIS

JULY 1992

SPECIAL SESSION



**OFFICE OF THE
LEGISLATIVE
FISCAL ANALYST**



HELENA, MONTANA • JULY 1992

Office of Legislative Fiscal Analyst
Budget Worksheet

Exhibit # 3
7/9/92 HB 2

Legislative Auditor	Pg	Executive Budget Proposal			Legislative Budget Action			Difference (Leg. - Exec.)		
		General Fund	Other Funds	Total Funds	General Fund	Other Funds	Total Funds	General Fund	Other Funds	Total Funds
House Bill 2										
1 General Budget Reduction	00	(\$95,704)		(\$95,704)	(39,428)		(\$39,428)	56,276	No Change	56,276
Totals		(\$95,704)	\$0	(\$95,704)	(\$39,428)	\$0	(\$39,428)	\$56,276	\$0	\$56,276
ebp 07/08/92 02:27:10 PM										

Office of Legislative Fiscal Analyst Budget Worksheet

Legislative Fiscal Analyst Description	Pg	Executive Budget Proposal		Legislative Budget Action		Difference (Leg. - Exec.)		
		General Fund	Fiscal 1993 Other Funds	Total Funds	General Fund	Fiscal 1993 Other Funds	Total Funds	
House Bill 2								
1 General Budget Reduction'	00	(\$23,733)		(\$23,733)	0	23,733	No Change	23,733
Other Appropriation Bills								
2 HB 142 - Postsecondary Ed	00				(35,000)	(35,000)	No Change	(35,000)
Totals		(\$23,733)	\$0	(\$23,733)	(\$35,000)	(\$11,267)	\$0	(\$11,267)
								07/09/92 02:35:25 PM

ebp

Office of Legislative Fiscal Analyst
Budget Worksheet

Exhibit # 3
7/9/92 HB 2

Legislative Council	Pg	Executive Budget Proposal			Legislative Budget Action			Difference (Leg. - Exec.)		
		General Fund	Other Funds	Total Funds	General Fund	Other Funds	Total Funds	General Fund	Other Funds	Total Funds
House Bill 2										
1 General Budget Reduction	00	(\$56,100)		(\$56,100)	(\$56,100)		(\$56,100)	No Change	No Change	No Change
Totals		(\$56,100)	\$0	(\$56,100)	(\$56,100)	\$0	(\$56,100)	\$0	\$0	\$0
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Office of Legislative Fiscal Analyst Budget Worksheet

Environmental Quality Council	Pg	Executive Budget Proposal			Legislative Budget Action			Difference (Leg. -- Exec.)		
Description		General Fund	Other Funds	Total Funds	General Fund	Other Funds	Total Funds	General Fund	Other Funds	Total Funds
House Bill 2										
1 General Budget Reduction	00	(\$15,473)		(\$15,473)	(15,473)		(\$15,473)	No Change	No Change	No Change
Totals		(\$15,473)	\$0	(\$15,473)	(\$15,473)		(\$15,473)	\$0	\$0	\$0
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Office of Legislative Fiscal Analyst
Budget Worksheet

Exhibit # 3
7/9/92 HB 2

Judiciary	Executive Budget Proposal			Legislative Budget Action			Difference (Leg. -- Exec.)			
	Pg	General Fund	Other Funds	Total Funds	General Fund	Other Funds	Total Funds	General Fund	Other Funds	Total Funds
House Bill 2										
1 General Budget Reduction	00	(\$323,077)		(\$323,077)	(50,000)		(\$50,000)	273,077	No Change	273,077
Totals		(\$323,077)	\$0	(\$323,077)	(\$50,000)	\$0	(\$50,000)	\$273,077	\$0	\$273,077

ebp										

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Office of Legislative Fiscal Analyst Budget Worksheet

GOVERNOR'S OFFICE		Executive Budget Proposal		Legislative Budget Action		Difference (Leg. - Exec.)	
Description	Pg	General Fund	Fiscal 1993 Other Funds	General Fund	Fiscal 1993 Other Funds	General Fund	Total Funds
House Bill 2							
1 Fire Suppression costs	04	\$5,000,000		3,000,000		(2,000,000)	(2,000,000)
Totals		\$5,000,000	\$0	\$3,000,000	\$0	(\$2,000,000)	(\$2,000,000)
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ebp

Office of Legislative Fiscal Analyst
Budget Worksheet

Exhibit # 3
7/9/92 HB 2

Secretary of State	Pg	Executive Budget Proposal			Legislative Budget Action			Difference (Leg. -- Exec.)		
		General Fund	Other Funds	Total Funds	General Fund	Other Funds	Total Funds	General Fund	Other Funds	Total Funds
House Bill 2										
1 General Budget Reduction	01	(\$34,401)		(\$34,401)	(34,401)		(\$34,401)	No Change	No Change	No Change
Totals		(\$34,401)	\$0	(\$34,401)	(\$34,401)	\$0	(\$34,401)	\$0	\$0	\$0
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Office of Legislative Fiscal Analyst

Budget Worksheet

CRIME CONTROL DIVISION	Executive Budget Proposal			Legislative Budget Action			Difference (Leg. -- Exec.)			
	Pg	Fiscal 1993 General Fund	Fiscal 1993 Other Funds	Total Funds	Fiscal 1993 General Fund	Fiscal 1993 Other Funds	Total Funds	Fiscal 1993 General Fund	Fiscal 1993 Other Funds	Total Funds
House Bill 2										
1 General Budget Reduction	00	(\$22,676)		(\$22,676)	(7,000)		(\$7,000)	15,676	No Change	15,676
Totals		(\$22,676)	\$0	(\$22,676)	(\$7,000)	\$0	(\$7,000)	\$15,676	\$0	\$15,676
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Office of Legislative Fiscal Analyst
Budget Worksheet

Exhibit # 3
7/9/92 HB 2

DEPARTMENT OF JUSTICE		Executive Budget Proposal			Legislative Budget Action			Difference (Leg. - Exec.)		
Description	Pg	Fiscal 1993		Fiscal 1993		Fiscal 1993		Fiscal 1993		Total Funds
		General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds	Total Funds
House Bill 2										
1 General Budget Reduction	00	(\$136,954)		(\$160,000)		(23,046)	No Change	(23,046)		(23,046)
Totals		(\$136,954)	\$0	(\$160,000)	\$0	(\$23,046)	\$0	(\$23,046)		(\$23,046)

Office of Legislative Fiscal Analyst Budget Worksheet

Department of Transportation	Pg	Executive Budget Proposal			Legislative Budget Action			Difference (Leg. -- Exec.)		
Description		Fiscal 1993 General Fund	Fiscal 1993 Other Funds	Total Funds	Fiscal 1993 General Fund	Fiscal 1993 Other Funds	Total Funds	Fiscal 1993 General Fund	Fiscal 1993 Other Funds	Total Funds
House Bill 2										
1 General Budget Reduction	00	\$0		(\$60,000)	(60,000)		(\$60,000)	(60,000)	No Change	(60,000)
Totals		\$0	\$0	\$0	(\$60,000)	\$0	(\$60,000)	(\$60,000)	\$0	(\$60,000)
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Office of Legislative Fiscal Analyst
Budget Worksheet

Exhibit # 3
7/9/92 HB 2

Department of Revenue	Pg	Executive Budget Proposal			Legislative Budget Action			Difference (Leg. -- Exec.)				
		General Fund	Other Funds	Total Funds	General Fund	Other Funds	Total Funds	General Fund	Other Funds	Total Funds		
House Bill 2												
1	00											
		General Budget Reduction		(\$706,947)		(706,947)		(706,947)		No Change	No Change	No Change
		Totals		(\$706,947)	\$0	(\$706,947)	\$0	(\$706,947)	\$0	\$0	\$0	\$0
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Office of Legislative Fiscal Analyst

Budget Worksheet

Military Affairs	Pg	Executive Budget Proposal			Legislative Budget Action			Difference (Leg. -- Exec.)				
		General Fund	Other Funds	Total Funds	General Fund	Other Funds	Total Funds	General Fund	Other Funds	Total Funds		
House Bill 2												
1 General Budget Reduction	00	(\$30,893)		(\$30,893)	(30,893)		(\$30,893)	No Change	No Change	No Change		
Totals		(\$30,893)	\$0	(\$30,893)	(\$30,893)	\$0	(\$30,893)	\$0	\$0	\$0		

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Office of Legislative Fiscal Analyst
Budget Worksheet

Exhibit # 3
7/9/92 HB 2

Health & Environ. Sciences		Executive Budget Proposal			Legislative Budget Action			Difference (Leg. - Exec.)		
Description	Pg	General Fund	Other Funds	Total Funds	General Fund	Other Funds	Total Funds	General Fund	Other Funds	Total Funds
1 General Budget Reduction	00	(\$93,352)		(\$93,352)	(93,352)		(\$93,352)	No Change	No Change	No Change
Totals		(\$93,352)	\$0	(\$93,352)	(\$93,352)	\$0	(\$93,352)	\$0	\$0	\$0
House Bill 2										
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1. The subcommittee recommends the reduction consist of a combination of budget cuts and fee increases, to be determined at the discretion of the department.

Office of Legislative Fiscal Analyst Budget Worksheet

Social & Rehabilitation Services	Executive Budget Proposal			Legislative Budget Action			Difference (Leg. - Exec.)			
	Pg	General Fund	Other Funds	Total Funds	General Fund	Other Funds	Total Funds	General Fund	Other Funds	Total Funds
House Bill 2										
1 General Budget Reduction	00	(\$295,929)		(\$295,929)	(\$295,929)		(\$295,929)			
2 AFDC Benefits @ 38%	01	(865,812)	(2,903,509)	(3,769,321)	(865,812)	(2,903,509)	(\$3,769,321)			
3 AFDC Budget Methodology	01	371,987	1,044,651	1,416,638	371,987	1,044,651	1,416,638			
4 AFDC Time Limit	01		Language		Not Approved		0			
5 At Risk Day Care Transfer	01		Language		Not Approved					
6 GA Benefits @ 38%	01	(285,761)		(285,761)	(285,761)		(285,761)			
7 Project Work Program Increase	01	219,788	99,788	319,576	219,788	99,788	319,576			
8 GA Waiting Period/\$50 Reduction *	01	(100,000)		(100,000)	(100,000)		(100,000)			
9 GA 4/6 Months in 18 Months *	01	(10,000)		(10,000)						10,000
10 Eliminate State Medical Program *	07	(1,500,000)		(1,500,000)	No Recommendation			10,000		1,500,000
11 Child Support Enforcement	05		1,989,139	1,989,139		1,989,139	\$1,989,139			
Other Appropriation Bills										
12 Hospital Rate Increase	07	1,358,050		1,358,050			(1,358,050)			(4,300,000)
13 Hospital Gross Receipts Tax	07	(4,300,000)	2,941,950	(4,300,000)			4,300,000	No Change		4,300,000
Totals		(\$5,407,677)	\$3,172,019	(\$2,235,658)	(\$955,727)	\$230,069	(\$725,658)	\$4,451,950	(\$2,941,950)	\$1,510,000
* Requires Legislation										

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(2) Contingent upon a 4% reduction in public schools foundation schedules.
 (5) Recommend language in HB2 preventing use of HB2 funds for at-risk day care. Other funds may be used to fund this program.
 (6) Contingent upon a 4% reduction in public schools foundation schedules.
 (8/9) Contingent upon enactment of enabling legislation.
 (10) No recommendation until legislation is introduced and heard.

**Office of Legislative Fiscal Analyst
Budget Worksheet**

Exhibit # 3
7/9/92 HB 2

Department of State Lands	Pg	Executive Budget Proposal			Legislative Budget Action			Difference (Leg. - Exec.)		
Description		General Fund	Fiscal 1993 Other Funds	Total Funds	General Fund	Fiscal 1993 Other Funds	Total Funds	General Fund	Fiscal 1993 Other Funds	Total Funds
House Bill 2										
1 BMP Budget Modification Increase	25	\$0	\$0	\$0	\$0	\$0	\$19,320	No Change	\$19,320	\$19,320
Totals		\$0	\$0	\$0	\$0	\$0	\$19,320	\$0	\$19,320	\$19,320

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Office of Legislative Fiscal Analyst

Budget Worksheet

Natural Resources & Conservation		Executive Budget Proposal			Legislative Budget Action			Difference (Leg. - Exec.)		
Description	Pg	General Fund	Other Funds	Total Funds	General Fund	Other Funds	Total Funds	General Fund	Other Funds	Total Funds
House Bill 2										
1 General Budget Reduction	00	(\$72,212)		(\$72,212)	(\$72,212)		(\$72,212)	No Change	No Change	No Change
Other										
2 "Late" water right fees to general fund	00				(154,000)		(154,000)	(154,000)	No Change	(154,000)
Totals		(\$72,212)	\$0	(\$72,212)	(\$226,212)	\$0	(\$226,212)	(\$154,000)	\$0	(\$154,000)
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Office of Legislative Fiscal Analyst Budget Worksheet

Library Commission	Pg	Executive Budget Proposal			Legislative Budget Action			Difference (Leg. -- Exec.)			
		General Fund	Other Funds	Total Funds	General Fund	Other Funds	Total Funds	General Fund	Other Funds	Total Funds	
House Bill 2											
1 General Budget Reduction	01	(\$13,870)		\$0	(\$13,870)	(13,870)	0	(\$13,870)	No Change	No Change	No Change
2 Interlibrary Loans	01	0		0	(200,000)	(200,000)	0	(200,000)	(200,000)	0	(200,000)
3 Base Grant to Federation	01	0		0	(2,407)	(2,407)	0	(2,407)	(2,407)	0	(2,407)
Totals		(\$13,870)		\$0	(\$13,870)	(\$216,277)	\$0	(\$216,277)	(\$202,407)	\$0	(\$202,407)

Office of Legislative Fiscal Analyst Budget Worksheet

Corrections and Human Services		Executive Budget Proposal			Legislative Budget Action			Difference (Leg. - Exec.)		
Description	Pg	General Fund	Other Funds	Total Funds	General Fund	Other Funds	Total Funds	General Fund	Other Funds	Total Funds
House Bill 2										
1 Galen Service Improvement	30	(\$1,563,497)	\$0	(\$1,563,497)	(90,423)	No Change	1,563,497	1,563,497	0	1,563,497
2 Service Provider Increases	00				(90,423)		(90,423)	(90,423)	0	(90,423)
3 Elimination of Vacant Positions	10				(64,067)		(64,067)	(64,067)	0	(64,067)
4 Elimination of Vacant Positions	20				(68,229)	(39,424)	(107,653)	(68,229)	(39,424)	(107,653)
5 Elimination of Vacant Positions	30				(137,633)		(137,633)	(137,633)	0	(137,633)
6 Elimination of Vacant Positions	50				(32,726)		(32,726)	(32,726)	0	(32,726)
Totals		(\$1,563,497)	\$0	(\$1,563,497)	(\$393,078)	(\$39,424)	(\$432,502)	\$1,170,419	(\$39,424)	\$1,130,995

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Office of Legislative Fiscal Analyst Budget Worksheet

Exhibit # 3
7/9/92 HB 2

MT DEAF & BLIND SCHOOL	Pg	Executive Budget Proposal			Legislative Budget Action			Difference (Leg. - Exec.)		
Description		General Fund	Other Funds	Total Funds	General Fund	Other Funds	Total Funds	General Fund	Other Funds	Total Funds
House Bill 2										
1 GENERAL BUDGET REDUCTION	00	(\$57,353)	\$0	(\$57,353)	(\$57,353)	0	(\$57,353)	No Change	No Change	No Change
Totals		(\$57,353)	\$0	(\$57,353)	(\$57,353)	\$0	(\$57,353)	\$0	\$0	\$0

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Office of Legislative Fiscal Analyst Budget Worksheet

OFFICE OF PUBLIC INSTRUCTION		Executive Budget Proposal			Legislative Budget Action			Difference (Leg. -- Exec.)		
Description	Pg	Fiscal 1983		Fiscal 1983		Fiscal 1983		Fiscal 1983		Total Funds
		General Fund	Other Funds	Total Funds	General Fund	Other Funds	Total Funds	General Fund	Other Funds	Total Funds
House Bill 2										
1 GENERAL BUDGET REDUCTIONS	06	(\$48,308)	\$0	(\$48,308)	(48,308)	0	(\$48,308)	No Change	No Change	No Change
2 TRANSPORTATION	09	(700,000)	0	(700,000)	(800,000)	0	(\$800,000)	(100,000)	No Change	(100,000)
Totals		(\$748,308)	\$0	(\$748,308)	(\$848,308)	\$0	(\$848,308)	(\$100,000)	\$0	(\$100,000)

NOTE: TRANSPORTATION CUT IS CONTINGENT UPON PASSAGE OF HB22, WHICH REDUCES THE STATE SHARE OF OF SPECIAL EDUCATION TRANSPORTATION FROM 100% TO 50%.

**Office of Legislative Fiscal Analyst
Budget Worksheet**

Exhibit # 3
7/9/92 HB 2

Montana University System	Pg	Executive Budget Proposal			Legislative Budget Action			Difference (Leg. - Exec.)		
		General Fund	Other Funds	Total Funds	General Fund	Other Funds	Total Funds	General Fund	Other Funds	Total Funds
House Bill 2										
1 General Budget Reductions (8%)	All									
CHE	00				(53,952)		(53,952)			
Community Colleges	00				(162,504)		(162,504)			
Six University Units	00									
MSU	00				(1,415,113)		(1,415,113)			
UM	00				(1,112,503)		(1,112,503)			
EMC	00				(418,641)		(418,641)			
NMC	00				(244,841)		(244,841)			
WMCUM	00				(140,018)		(140,018)			
MCMST	00				(293,869)		(293,869)			
Vocational - Technical Centers	00									
Billings	00				(49,027)		(49,027)			
Butte	00				(58,917)		(58,917)			
Great Falls	00				(64,767)		(64,767)			
Helena	00				(79,040)		(79,040)			
Missoula	00				(60,600)		(60,600)			
Ag Experiment Station	00				(314,380)		(314,380)			
Cooperative Extension Service	00				(121,134)		(121,134)			
Forest/Conservation Exp Station	00				(28,720)		(28,720)			
Bureau of Mines	00				(53,996)		(53,996)			
Fire Services Training School	00				(9,527)		(9,527)			
Total General Reduction	00	(6,766,516)	0	(\$6,766,516)	(4,701,549)	0	(4,701,549)	2,064,967	0	2,064,967
2 Replacement with Excess Tuition	All	(1,598,176)	1,598,176		0	0		1,598,176	(1,598,176)	No Change
3 Replacement with Anticipated Tuition	All	(1,998,539)	1,998,539		0	0		1,998,539	(1,998,539)	No Change
Totals		(\$10,363,231)	\$3,596,715	(\$6,766,516)	(\$4,701,549)	\$0	(\$4,701,549)	\$5,661,682	(\$3,596,715)	\$2,064,967

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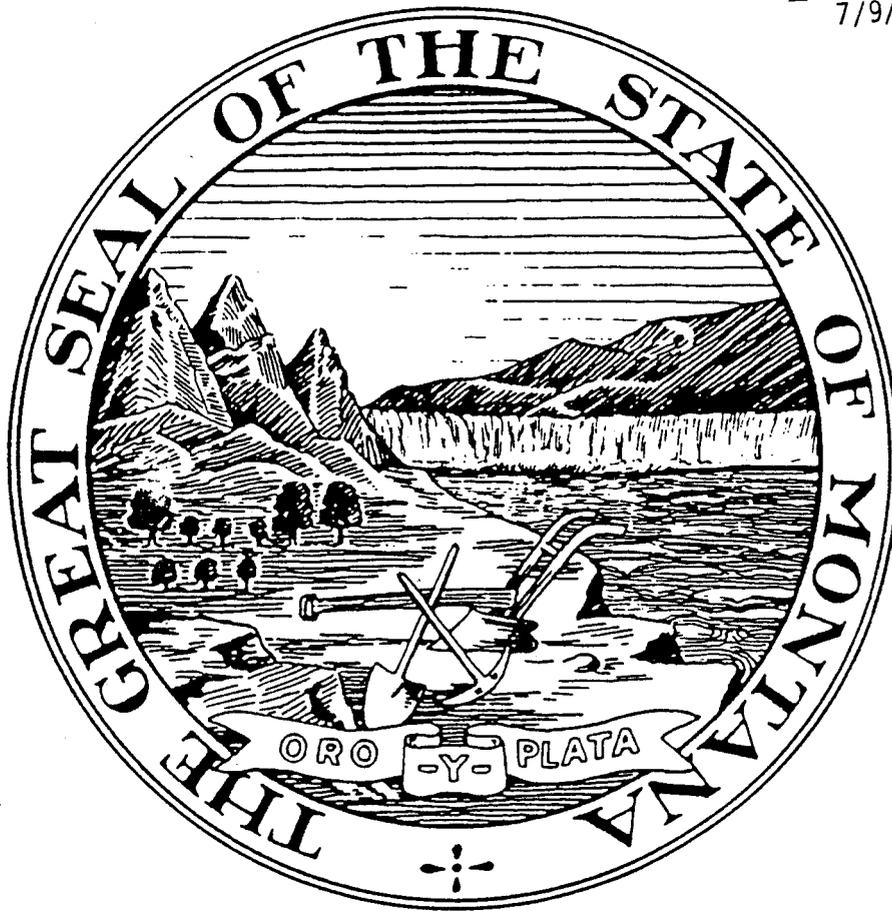
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Office of Legislative Fiscal Analyst
Budget Worksheet

Long Range Planning		Executive Budget Proposal			Legislative Budget Action			Difference (Leg. - Exec.)		
		General Fund	Other Funds	Total Funds	General Fund	Other Funds	Total Funds	General Fund	Other Funds	Total Funds
Description	Pg	Fiscal 1993			Fiscal 1993			Fiscal 1993		
House Bill 2										
1 MSU Eng/Sc Bldg - Pvt Funds	00	\$0	(\$2,301,200)	(\$2,301,200)				No Change	2,301,200	2,301,200
2 UoM Bus. Admin Bldg - Pvt Funds	00	0	(1,858,320)	(1,858,320)				No Change	1,858,320	1,858,320
3 MSU Eng/Sc Bldg Design Costs	00	0	(1,165,290)	(1,165,290)				No Change	1,165,290	1,165,290
4 UoM Bus Admin Bldg Design Costs	00	0	(604,705)	(604,705)				No Change	604,705	604,705
5 MSU Eng/Sc Bldg Match	00	(367,000)	0	(367,000)	(367,000)			No Change	No Change	No Change
6 MSU Eng/Sc Bldg Bonding	00	0	(18,401,510)	(18,401,510)				No Change	18,401,510	18,401,510
7 UoM Bus Admin Bldg Bonding	00	0	(13,022,975)	(13,022,975)				No Change	13,022,975	13,022,975
8								No Change	No Change	No Change
Totals		(\$367,000)	(\$37,354,000)	(\$37,721,000)	(\$367,000)	\$0	(\$367,000)	\$0	\$37,354,000	\$37,354,000
Other								No Change	No Change	No Change
9								No Change	No Change	No Change

*See Appendix
July 9, 1992
Exhibit 4*



Governor's Executive Budget

Fiscal Years 1992-1993

July 1992 Special Session II

**Stan Stephens, Governor
State of Montana**

*HB #5
July 9-92
Need approp*

REPRESENTATIVE QUILICI
AMENDMENT TO SECTION OA, HOUSE BILL 2

Insert: New section.

Section ____ . Section 1, Chapter 779, Laws of 1991, is amended to read:

"Section 1. Appropriation. There is appropriated the following amounts from the general fund to the department of military affairs for the upgrading and maintenance of the state veterans' cemetery, and for operation of the veterans' affairs program:

Fiscal year 1992	\$22,806
Fiscal year 1993	22,795"

House Bill 179 in the 1991 regular session appropriated the above general fund for upgrading and maintenance of the state veterans' cemetery. In addition, there was an appropriation in House Bill 2 of \$22,500 in fiscal 1992 and \$31,500 in fiscal 1993 (state special revenue) for the Veteran's Cemetery. The state special revenue funds are the proceeds of the sale of veteran license plates. The agency anticipates the need for a supplemental request in fiscal 1993 for the Veterans' Affairs Program without the above amendment. This amendment would allow the agency to use a portion of the House Bill 179 general fund appropriation for the Veterans' Affairs Program general operations, and the agency states that it would still have adequate funding for maintenance of the veterans' cemetery.

REPRESENTATIVE QUILICI
REPRESENTATIVE KIMBERLY
AMENDMENT TO SECTION C, HOUSE BILL 2
FIRE SUPPRESSION COSTS

Section C, Department of State Lands, is amended to include:

Insert:

"4l. Fire Suppression Costs (Line Item)
3,000,000" (gen fund, fiscal 1993)

Insert language:

"Item 4l is to be used only to pay fire suppression costs incurred by the department of state lands."

This amendment provides a contingency appropriation of \$3 million general fund to the Department of State Lands to pay fire suppression costs. The appropriation is a line item and language is included restricting expenditures from the appropriation to payment of fiscal 1993 fire suppression costs only. The Executive Budget recommended a \$5 million appropriation for fire suppression costs, but made the appropriation a language appropriation, and appropriated the funds to the Office of Budget and Program Planning, with language authority to administratively transfer the funds to the Department of State Lands as fire suppression bills were presented by the department.

The Appropriations Subcommittee on Natural Resources recommended the \$3 million amount and the Appropriations Subcommittee on General Government and Transportation concurred in the appropriation to the Office of Budget and Program Planning.

The purpose of this amendment is to accomplish the same intent, but to simplify the procedure by making a direct appropriation to State Lands, avoiding double accounting and transfers, and to make the appropriation a line item appropriation for simplification of appropriation and tracking procedures.

*Ex 7
Robinson
See approval
July 9-92*

Eliminating the State Medical Program

The Department presently administers the General Relief program in the 12 state assumed counties in order to assist clients qualify for immediate employment as well as assisting those who are unemployable in obtaining SSI and Medicaid. Both cash assistance and medical services are provided to these clients.

The Department is proposing a complete elimination of the General Relief Medical (county and state medical) program. This proposal will remove all mandated legal obligations of counties and the state to provide medical assistance other than through the Montana Medicaid program. Beginning in fiscal year 1994, state assumed counties will receive a reduction in the current 12 mills they are required to provide the state treasury. We are proposing to eliminate the State Medical Program because medical assistance in non-assumed counties is being provided at a much lower cost.

We propose to return to assumed counties a portion of the 12 mills now levied because the Department would no longer provide general relief medical services. The amount returned will be about \$1.5 million in FY93, and in excess of \$2 million annually thereafter. The mill levy required for state assumed counties would be reduced to 8.7 mills in fiscal year 1994. This amount is still a bargain for counties. State expenditures will exceed the amounts collected from the mill levy. The state will continue to administer the cash assistance and project work portions of general relief as well as the other federally assisted public assistance programs.

During the current fiscal year, it is proposed that the monies collected by the 12 mill levy will be returned in an amount proportionate to FY92 general assistance county caseload costs in those counties. In future years, the mill levy will be reduced by a flat amount. County Commissioners would then be free to use the money as they deem appropriate. For example, they may choose to implement a county medical program of their own design, contract with hospitals for in-patient care, start a preventive health care program, or reduce the overall mill levy.

Presently, individual county medical programs administered by the non-assumed counties have the flexibility to control costs at the lowest possible level. This flexibility would now be provided to all 56 counties in Montana.

The estimated amount to be returned to each of the state assumed counties is listed on the attachment. This proposal does not apply to the non-assumed counties.

galeg6.lkc

ALLOCATION OF MEDICAL ASSISTANCE GRANTS TO STATE ASSUMED COUNTIES THROUGH COUNTY
 RETENTION OF MILL LEVY PROCEEDS--GRANTS ARE BASED ON PROPORTIONAL GA CASELOADS
 FOR FY91 AND FY92, AND ARE FOR THE 9 MONTH PERIOD OCT 1992 THROUGH JUNE 1993
 DATE OF REPORT: 07/09/92

TOTAL AMOUNT OF GRANTS TO BE DISTRIBUTED--THIS OPTION: \$1,500,000.00

COUNTY	TAXABLE VALUATION (x1000)	FY92 GA CASELOAD IN COUNTY	COUNTY PROP OF TOTAL CASELOAD	AMOUNT OF MEDICAL ASSISTANCE GRANT FOR 9 MONTHS FY93	MILL EQUIVALENT RETAINED BY CO FOR GA MEDICAL
CASCADE	\$94,564.00	4490.	0.223	\$333,795.91	3.526
DEER LODGE	\$8,784.00	619.	0.031	\$46,017.74	5.239
FLATHEAD	\$99,266.00	1360.	0.067	\$101,105.22	1.019
LAKE	\$30,529.00	287.	0.014	\$21,336.18	0.699
LEWIS & CLARK	\$67,375.00	2333.	0.127	\$139,795.30	2.309
LINCOLN	\$30,463.00	699.	0.035	\$51,965.11	1.706
MINERAL	\$8,107.00	164.	0.008	\$12,192.10	1.504
MISSOULA	120,119.00	4263.	0.216	\$324,354.46	2.7
PARK	\$23,554.00	554.	0.027	\$41,135.31	1.741
POWELL	\$12,346.00	263.	0.013	\$19,551.97	1.584
RAVALLI	\$21,038.00	933.	0.046	\$69,361.15	2.235
SILVERSON	\$50,046.00	3892.	0.193	\$239,339.34	5.781
TOTALS ----->	\$576,594.00	20177.	1.	\$1,499,999.99	2.345

ALLOCATION OF MEDICAL ASSISTANCE GRANTS TO STATE ASSUMED COUNTIES
 THROUGH COUNTY RETENTION OF 3.3 MILLS LEVY OF 12 MILL LEVY
 GRANTS ARE FOR THE 9 MONTH PERIOD OCT 1992 THROUGH JUNE 1993
 DATE OF REPORT: 07/09/92

Exhibit # 7
 7/9/92 HB 2

TOTAL AMOUNT OF GRANTS TO BE DISTRIBUTED--THIS OPTION: 1,902,760.00

COUNTY	TAXABLE VALUATION (x1000)	AMOUNT OF MEDICAL ASSISTANCE GRANT FOR 9 MONTHS FY93	MILL EQUIVALENT RETAINED BY CO FOR GA MEDICAL
CASCADE	\$94,664.00	\$312,391.20	3.3
DEER LODGE	\$8,784.00	\$28,987.20	3.3
FLATHEAD	\$99,266.00	\$327,577.80	3.3
LAKE	\$30,529.00	\$100,745.70	3.3
LEWIS & CLARK	\$67,576.00	\$223,000.80	3.3
LINCOLN	\$30,463.00	\$100,527.70	3.3
MINERAL	\$8,107.00	\$26,753.10	3.3
MISSOULA	120,119.00	\$396,592.69	3.3
PARK	\$23,656.00	\$78,064.80	3.3
POWELL	\$12,346.00	\$40,741.80	3.3
RAVALLI	\$31,033.00	\$102,425.40	3.3
SILVERBOW	\$50,046.00	\$165,151.30	3.3
TOTALS ----->	\$576,394.00	\$1,902,766.19	3.3

Representative Cobb
Amendment to Section B, House Bill 2

Department of Family Services

"The department may not issue a contract for the refinancing project until the contract has been reviewed by the legislative finance committee."

8
ad
cont
Approve
July 9-92

452
E.H.W.
HB
Approved
July 9-92

Representative Cobb Amendment

Department of Health and Environmental Sciences

Strike the budget reduction of \$93,352 approved in subcommittee and reduce general fund for the Air Quality Bureau by \$303,312. Provide the department with state special revenue authority up to \$303,312 for revenue generated by increased fees in the Air Quality Bureau. Include language stating that the increase in state special is due to revenue generated by increased fees in the Air Quality Bureau.

Eliminate funding for the Chief Legal Counsel position in the Director's Office (\$49,377 general fund).

Amendments to House Bill No. 2
First Reading Copy

Requested by Representative Kadas
For the Committee on Appropriations

Prepared by Greg Petesch
July 8, 1992

1. Page C-12, line 22.
Strike: "62,714 352,623"
Insert: "415,337" (state special revenue)

2. Page C-13, line 1.
Strike: "314,978 453,263"
Insert: "768,241" (state special revenue)

3. Page C-13, line 5.
Strike: "149,680"
Insert: "149,680" (state special revenue)

4. Page C-13, line 17.
Strike: "225,510"
Insert: "225,510" (state special revenue)

5. Page C-13, line 21.
Following: line 20
Insert: "In implementing the appropriation in item 1, the department shall apportion \$62,714 of state special revenue funding to the various special levies collected, based upon the percentage of support from centralized services for the support of the activity supported by the levy.

In implementing the increases in state special revenue funding in items 2, 4, and 8, the department shall use existing balances in the state special revenue accounts from levies designated to support the activity."

Kadas
Exhibit 10
House Appropriations
July 9-1992

①
②
50,000

**House Bill 2 Language
Joint Education Subcommittee**

— Exhibit # 11
7/9/92 HB 2

Statement of Intent:

The Legislature recommends the reductions in Higher Education System units budgets to be reductions in expenses and specifically requests that the Board of Regents not increase tuition charges to compensate for budget cuts.

The Legislature recommends that reductions be made in duplicated programs, in and out of state travel, delays in new programs and non-self supporting athletics programs.

*Walt Bricker
(in Sub (com recon))*

*Peck
Ex. 11
House Affairs
July 9-92*

Commecc
41
Q

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to phudat
House Approp
July 9-92

Exhibit # 12
7/9/92 HB 2

"Section 13. Authorization of bonds. The board of examiners is authorized to issue and sell general obligation long-range building program bonds in an amount not exceeding \$61,260,830 for projects described in {section 12} over and above the amount of general obligation long-range building program bonds outstanding on January 1, 1991, to be issued in accordance with the terms and in the manner required by Title 17, chapter 5, part 8. The board of examiners may issue and sell \$29,836,345 of bonds during fiscal year 1993 and the remainder of the bonds in the 1994-95 biennium. The bonds issued and sold during fiscal year 1993 may not be used for projects at the university units. The authority granted to the board by this section is in addition to any other authorization to the board to issue and sell general obligation long-range building program bonds."

Wanzenried
July 9-92
Greg Petesch
13

Amendments to House Bill No. 2
First Reading Copy

Requested by Representative Wanzenried
For the Committee on Appropriations

Prepared by Greg Petesch
July 9, 1992

1. Title, line 7.
Following: "1992,"
Strike: "AND"
Following: "1991"
Insert: ", AND SECTION 3, CHAPTER 775, LAWS OF 1991"

2. Page OA-6, line 8.
Following: line 7
Insert: "Section 6. Section 3, Chapter 775, Laws of 1991, is amended to read:
"Section 3. Projects not completing requirements -- loans reauthorized. (1) The legislature finds that the following water development projects for which coal severance tax bonds were authorized to be issued by the 51st legislature in House Bill No. 778, Laws of 1989, may not complete the requirements necessary for the loan transaction prior to June 30, 1991. Coal severance tax bonds for the projects described in this section are reauthorized in the amounts listed at the interest rates authorized by the 51st legislature in House Bill No. 778, Laws of 1989, and described in this section to enable financing during the 1992-93 biennium, if necessary.

GROUP A Notwithstanding the provisions of [section 5], the interest rate for the project in this group must be 4% over a 30-year term or 3% if the lower interest rate is necessary to secure the federal loan.

	<u>Loan Amount</u>
EAST BENCH IRRIGATION DISTRICT	
Gravity Sprinkler Irrigation No. 3	\$ 431,000

GROUP B Notwithstanding the provisions of [section 5], the interest rate for projects in this group may be 3% below the long-term bond rate at which the state bond is sold for the first 5 years of an anticipated 20-year term and must be at the rate at which the state bond is sold for the remaining 15 years.

	<u>Loan Amount</u>
SOMERS COUNTY WATER AND SEWER DISTRICT	
Somers Sewer	\$3,151,960
EVERGREEN WATER AND SEWER DISTRICT	
Wastewater Facilities	3,778,028
(If House Bill No. 648 is passed and approved, strike 3,778,028 in line 8 and insert 551,128.)	
LAKE COUNTY/BIG ARM SEWER DISTRICT	

Big Arm Sewer

2,283,893

GROUP C Notwithstanding the provisions of [section 5], the interest rate for projects in this group may be 2% below the long-term bond rate at which the state bond is sold for the first 5 years of an anticipated 20-year term and must be at the rate at which the state bond is sold for the remaining 15 years.

	<u>Loan Amount</u>
GLENDIVE, CITY OF	
Water Treatment Plant	\$4,075,000
WHITEFISH, CITY OF	
Water Treatment and Distribution	6,035,800
WIBAUX, TOWN OF	
Water Storage Reservoir/Transmission Line	272,500
EAST GLACIER, TOWN OF	
Water System	484,270
PONDERA CONSERVATION DISTRICT	
Irrigation System Rehabilitation	750,000

GROUP D Notwithstanding the provisions of [section 5], the interest rate for projects in this group must be sold at the rate at which the state bond is sold for 20 years.

	<u>Loan Amount</u>
BROWNING, TOWN OF	
Sewage Treatment Facility Improvements	\$ 447,014
ANACONDA DEER LODGE COUNTY	
 Wastewater Treatment Plant Effluent Disposal	500,000
<u>EVERGREEN WATER AND SEWER DISTRICT</u>	
<u>Wastewater Facilities</u>	

GROUP E Notwithstanding the provisions of [section 5], the interest rate for the project in this group may be 4% below the long-term bond rate at which the state bond is sold for the first 5 years of an anticipated 20-year term and must be at the rate at which the state bond is sold for the remaining 15 years.

	<u>Loan Amount</u>
DUTTON, TOWN OF	
Water Supply Construction	\$ 150,000

(2) The 50th legislature, in House Bill No. 7, Laws of 1987, approved the sale of \$26 million of coal severance tax bonds for development of the Broadwater dam hydropower project. Any unspent portion of these funds is reauthorized for expenditure until completion of the project." "

Renumber: subsequent section

Ex 14
House approp
July 9-92

Exhibit # 14
7/9/92 HB 2

Amendment to House Bill 2

Requested by Representative Thoft
For House Appropriations Committee

1. Page BP-1, line 25.

Insert: "**Section 2. Agency management responsibility.** For fiscal 1993, as a result of the fiscal condition of the state and the significant budget reductions required for all state agencies, the legislature, meeting in special session II:

(1) expresses its intent that each state agency is expected to manage its available resources prudently to avoid, to the maximum extent feasible, requiring fiscal 1993 general fund supplemental appropriations, requests for which are to be stringently analyzed prior to consideration by the 53rd legislature; and

(2) approves flexible management responsibility for each agency so that the agency may adjust spending authority within and among programs for personal services, operating expenses, equipment, capital outlay, grants, and transfers."

{This section establishes legislative intent that departments should manage to avoid having to request supplemental appropriations next January. If further expresses intent for partial management flexibility. Excluded from operating budget changes and program transfers are local assistance, benefits and claims, and debt service.}

K. Galt Com

Exhibit 15
House App.
July 9-92

Exhibit # 15
7/9/92 HB 2

Amendment to House Bill 2
Bill as Introduced

Requested by Representative Thoft
For House Appropriations Committee

1. Page BP-2, line 13
Following: "line"
Strike: "item"
Insert: "items"

2. Page BP-2, line 13
Following: "reduction"
Insert: "and "budget reduction -- special session II"

3. Page BP-2, line 13
Following: "reduction"
Strike: "reduces"
Insert: "reduce"

{Technical amendment to add Special Session II budget reductions to HB 2 provisions that allow agencies to distribute budget reductions among programs subject to the approving authority's approval.}

K. Subcom

Amendment to House Bill 2

Requested by Representative Thoft
For House Appropriations Committee

1. Page BP-1, line 13.
Strike: section 2 in its entirety
Renumber: subsequent sections

{Section 2 prohibits the transfer of personal service funds to other budget categories except when there is documented cost savings or inability to recruit and hire. It is usually possible to find a way to generate some cost savings. However, the paperwork and time for the agency, the approving authority, the LFA and the Legislative Auditor could be better used for other purposes in FY93.}

to sub com

*Exhibit 16
1/22/92
July 9-92*

Amendment to House Bill 2

Requested by Representative Thoft
For House Appropriations Committee

1. Page BP-1, line 23.
Strike: section 3 in its entirety
Renumber: subsequent sections

{Section 3 states the LFA narrative accompanying HB2 and showing agency and program tables at first level represents legislative intent. Because of the necessity to convene this special session quickly at the beginning of the fiscal year, many specifics are not yet available. Accurate first level tables cannot be prepared. Since FY93 is not a base year for budgeting purposes, time and paperwork can be reduced for all agencies if the general appropriations act for this year eliminates this requirement.}

Sub Com

*Engle 19
House App. July 9-92*

HB2AMEND

Current funding level budget requests for the 1995 biennium submitted by each executive and legislative branch agency, and the Commissioner of Higher Education, submitted under Title 17, chapter 7, part 1, must include a reduction in personal services equivalent to 5 percent of the amount specified in each agency's approved operating plan submitted under 17-7-138 for FY 1993 which reflects the appropriation changes made by the legislature during the January 1992 special session. Authorized employee positions must be reduced to equal the percentage reduction in personal services. The job description, grade and budget for each position reduced must be shown in each agency's FY 1994 and FY 1995 budget request package provided to OBPP. Agencies with 20 or fewer FTE are exempt from this section.

18
July 9, 1992
See approp

HOUSE OF REPRESENTATIVES

APPROPRIATIONS

ROLL CALL VOTE

TIME

9:35

DATE

July 9

BILL NO.

2

NUMBER

1

MOTION:

Sec - C Sec A to gov.
Rec on cuts

NAME	AYE	NO	ABSENT
REP. RAY PECK, VICE-CHAIRMAN	✓		
REP. DOROTHY BRADLEY		✓	
REP. JOHN COBB		✓	
REP. DOROTHY CODY		✓	
REP. MARY ELLEN CONNELLY		✓	
REP. ED GRADY	✓		
REP. LARRY GRINDE	✓		
REP. JOHN JOHNSON			✓
REP. MIKE KADAS		✓	
REP. BERV KIMBERLEY		✓	
REP. WM. "RED" MENAHAN		✓	
REP. JERRY NISBET		✓	
REP. MARY LOU PETERSON	✓		
REP. JOE QUILICI		✓	
REP. CHUCK SWYSGOOD	✓		
REP. BOB THOFT	✓		
REP. TOM ZOOK		✓	
REP. FRANCIS BARDANOUVE, CHAIRMAN	✓		
TOTAL	7	10	1

HOUSE OF REPRESENTATIVES

APPROPRIATIONS

ROLL CALL VOTE

TIME

11:08

DATE _____

BILL NO. _____

NUMBER

3

MOTION:

Delete Item 7
Seven

NAME	AYE	NO	ABSENT
REP. RAY PECK, VICE-CHAIRMAN	✓		
REP. DOROTHY BRADLEY		✓	
REP. JOHN COBB		✓	
REP. DOROTHY CODY	✓		
REP. MARY ELLEN CONNELLY		✓	
REP. ED GRADY	✓		
REP. LARRY GRINDE	✓		
REP. JOHN JOHNSON			✓
REP. MIKE KADAS		✓	
REP. BERV KIMBERLEY		✓	
REP. WM. "RED" MENAHAN	✓		
REP. JERRY NISBET		✓	
REP. MARY LOU PETERSON	✓		
REP. JOE QUILICI	✓		
REP. CHUCK SWYSGOOD	✓		
REP. BOB THOFT	✓		
REP. TOM ZOOK	✓		
REP. FRANCIS BARDANOUVE, CHAIRMAN	✓		
TOTAL	11	6	1

HOUSE OF REPRESENTATIVES

APPROPRIATIONS

ROLL CALL VOTE

TIME

11:55 ~~0~~

DATE

7/09

BILL NO.

2

NUMBER

5

MOTION:

Cobb - Air Quality

NAME	AYE	NO	ABSENT
REP. RAY PECK, VICE-CHAIRMAN	✓		
REP. DOROTHY BRADLEY	✓		
REP. JOHN COBB	✓		
REP. DOROTHY CODY	✓		
REP. MARY ELLEN CONNELLY	✓		
REP. ED GRADY			✓
REP. LARRY GRINDE			✓
REP. JOHN JOHNSON			✓
REP. MIKE KADAS	✓		
REP. BERV KIMBERLEY	✓		
REP. WM. "RED" MENAHAN	✓		
REP. JERRY NISBET	✓		
REP. MARY LOU PETERSON		✓	
REP. JOE QUILICI	✓		
REP. CHUCK SWYSGOOD		✓	
REP. BOB THOFT	✓		
REP. TOM ZOOK	✓		
REP. FRANCIS BARDANOUVE, CHAIRMAN	✓		
TOTAL	12	2	3

HOUSE OF REPRESENTATIVES

APPROPRIATIONS

ROLL CALL VOTE

TIME

11:56

DATE _____

BILL NO. 2

NUMBER 6

MOTION:

Close Section

Grady Motion

NAME	AYE	NO	ABSENT
REP. RAY PECK, VICE-CHAIRMAN		✓	
REP. DOROTHY BRADLEY		✓	
REP. JOHN COBB	✓		
REP. DOROTHY CODY	✓		
REP. MARY ELLEN CONNELLY		✓	
REP. ED GRADY			✓
REP. LARRY GRINDE		✓	
REP. JOHN JOHNSON			✓
REP. MIKE KADAS		✓	
REP. BERV KIMBERLEY	✓		
REP. WM. "RED" MENAHAN	✓		
REP. JERRY NISBET	✓		
REP. MARY LOU PETERSON		✓	
REP. JOE QUILICI		✓	
REP. CHUCK SWYSGOOD		✓	
REP. BOB THOFT	✓		
REP. TOM ZOOK	✓		
REP. FRANCIS BARDANOUVE, CHAIRMAN	✓		
TOTAL	<u>8</u>	<u>8</u>	<u>2</u>

failed

HOUSE OF REPRESENTATIVES

APPROPRIATIONS

ROLL CALL VOTE

TIME

1:12

DATE 7-9-92

BILL NO. _____

NUMBER 8

MOTION: _____

Case P B
Thoft motion

NAME	AYE	NO	ABSENT
REP. RAY PECK, VICE-CHAIRMAN	✓		
REP. DOROTHY BRADLEY		✓	
REP. JOHN COBB	✓		
REP. DOROTHY CODY	✓		
REP. MARY ELLEN CONNELLY	✓		
REP. ED GRADY			✓
REP. LARRY GRINDE	✓		
REP. JOHN JOHNSON			✓
REP. MIKE KADAS	✓		
REP. BERV KIMBERLEY	✓		
REP. WM. "RED" MENAHAN	✓		
REP. JERRY NISBET	✓		
REP. MARY LOU PETERSON		✓	
REP. JOE QUILICI		✓	
REP. CHUCK SWYSGOOD		✓	
REP. BOB THOFT	✓		
REP. TOM ZOOK		✓	
REP. FRANCIS BARDANOUVE, CHAIRMAN	✓		
TOTAL	11	5	2

HOUSE OF REPRESENTATIVES

APPROPRIATIONS

ROLL CALL VOTE

TIME

1:58

DATE 7-9-92

BILL NO. 2

NUMBER 9

MOTION:

1 + 5 Kadas
Eckert

NAME	AYE	NO	ABSENT
REP. RAY PECK, VICE-CHAIRMAN	✓		
REP. DOROTHY BRADLEY			<i>absent</i>
REP. JOHN COBB	✓		
REP. DOROTHY CODY	✓		
REP. MARY ELLEN CONNELLY	✓		
REP. ED GRADY		✓	
REP. LARRY GRINDE		✓	
REP. JOHN JOHNSON			✓
REP. MIKE KADAS	✓		
REP. BERV KIMBERLEY	✓		
REP. WM. "RED" MENAHAN	✓		
REP. JERRY NISBET	✓		
REP. MARY LOU PETERSON		✓	
REP. JOE QUILICI	✓		
REP. CHUCK SWYSGOOD	✓		
REP. BOB THOFT	✓		
REP. TOM ZOOK	✓		
REP. FRANCIS BARDANOUVE, CHAIRMAN	✓		
TOTAL	13	3	

HOUSE OF REPRESENTATIVES

APPROPRIATIONS

ROLL CALL VOTE

TIME

2:02 PM

DATE

7-9-92

BILL NO.

NUMBER

11

MOTION:

*# 3 Milk + eggs
Kadas Am Eph 7*

NAME	AYE	NO	ABSENT
REP. RAY PECK, VICE-CHAIRMAN	✓		
REP. DOROTHY BRADLEY			<i>absent</i>
REP. JOHN COBB	✓		
REP. DOROTHY CODY	✓		
REP. MARY ELLEN CONNELLY	✓		
REP. ED GRADY		✓	
REP. LARRY GRINDE		✓	
REP. JOHN JOHNSON			✓
REP. MIKE KADAS	✓		
REP. BERV KIMBERLEY	✓		
REP. WM. "RED" MENAHAN	✓		
REP. JERRY NISBET	✓		
REP. MARY LOU PETERSON		✓	
REP. JOE QUILICI	✓		
REP. CHUCK SWYSGOOD		✓	
REP. BOB THOFT	✓		
REP. TOM ZOOK	✓		
REP. FRANCIS BARDANOUVE, CHAIRMAN	✓		
TOTAL	<u>12</u>	<u>4</u>	

HOUSE OF REPRESENTATIVES

APPROPRIATIONS

ROLL CALL VOTE

TIME

2:02

DATE

July 9-92

BILL NO.

2

NUMBER

12

MOTION:

4) Thurs & Paucity
Kadas Exh 7

NAME	AYE	NO	ABSENT
REP. RAY PECK, VICE-CHAIRMAN	✓		
REP. DOROTHY BRADLEY			absent
REP. JOHN COBB	✓		
REP. DOROTHY CODY	✓		
REP. MARY ELLEN CONNELLY	✓		
REP. ED GRADY		✓	
REP. LARRY GRINDE		✓	
REP. JOHN JOHNSON			✓
REP. MIKE KADAS	✓		
REP. BERV KIMBERLEY	✓		
REP. WM. "RED" MENAHAN		✓	
REP. JERRY NISBET	✓		
REP. MARY LOU PETERSON		✓	
REP. JOE QUILICI	✓		
REP. CHUCK SWYSGOOD	✓		
REP. BOB THOFT		✓	
REP. TOM ZOOK		✓	
REP. FRANCIS BARDANOUVE, CHAIRMAN	✓		
TOTAL	10	6	

HOUSE OF REPRESENTATIVES

APPROPRIATIONS

ROLL CALL VOTE

TIME 2:12

DATE _____

BILL NO. 2

NUMBER 13

MOTION:

Cash
Dept of Com Cut

\$353,000 out of Mont Secured

of Technology.

NAME	AYE	NO	ABSENT
REP. RAY PECK, VICE-CHAIRMAN	✓		
REP. DOROTHY BRADLEY		✓	
REP. JOHN COBB	✓		
REP. DOROTHY CODY	✓		
REP. MARY ELLEN CONNELLY	✓		
REP. ED GRADY		✓	
REP. LARRY GRINDE		✓	✓
REP. JOHN JOHNSON			✓
REP. MIKE KADAS	✓		✓
REP. BERV KIMBERLEY	✓		
REP. WM. "RED" MENAHAN	✓		
REP. JERRY NISBET	✓		
REP. MARY LOU PETERSON	✓		
REP. JOE QUILICI		✓	
REP. CHUCK SWYSGOOD	✓		
REP. BOB THOFT	✓		
REP. TOM ZOOK	✓		
REP. FRANCIS BARDANOUVE, CHAIRMAN	✓		
TOTAL	13	4	

6

HOUSE OF REPRESENTATIVES

APPROPRIATIONS

ROLL CALL VOTE

TIME

3:55

DATE July 9-92

BILL NO. 2

NUMBER 14

MOTION:

Connally Delete 1
to be used
Restore

NAME	AYE	NO	ABSENT
REP. RAY PECK, VICE-CHAIRMAN	.	✓	
REP. DOROTHY BRADLEY	✓		
REP. JOHN COBB		✓	
REP. DOROTHY CODY		✓	
REP. MARY ELLEN CONNELLY	✓		
REP. ED GRADY		✓	
REP. LARRY GRINDE		✓	
REP. JOHN JOHNSON			✓
REP. MIKE KADAS	✓		
REP. BERV KIMBERLEY	✓		
REP. WM. "RED" MENAHAN		✓	
REP. JERRY NISBET		✓	
REP. MARY LOU PETERSON		✓	
REP. JOE QUILICI	✓		
REP. CHUCK SWYSGOOD		✓	
REP. BOB THOFT	✓		
REP. TOM ZOOK		✓	
REP. FRANCIS BARDANOUVE, CHAIRMAN		✓	
TOTAL	<u>6</u>	<u>11</u>	

Failed

HOUSE OF REPRESENTATIVES

APPROPRIATIONS

ROLL CALL VOTE

TIME

3:35

DATE

7-9-92

BILL NO.

2

NUMBER

15

MOTION:

*Prop allocation excess on 6 mill levy
add on to ...
DJ ✓*

NAME	AYE	NO	ABSENT
REP. RAY PECK, VICE-CHAIRMAN	✓		
REP. DOROTHY BRADLEY		✓	
REP. JOHN COBB	✓		
REP. DOROTHY CODY	✓		
REP. MARY ELLEN CONNELLY	✓		
REP. ED GRADY	✓		
REP. LARRY GRINDE	✓		
REP. JOHN JOHNSON			✓
REP. MIKE KADAS	✓		
REP. BERV KIMBERLEY		✓	
REP. WM. "RED" MENAHAN		✓	
REP. JERRY NISBET	✓		
REP. MARY LOU PETERSON	✓		
REP. JOE QUILICI		✓	
REP. CHUCK SWYSGOOD	✓		
REP. BOB THOFT	✓		
REP. TOM ZOOK	✓		
REP. FRANCIS BARDANOUVE, CHAIRMAN	✓		
TOTAL	13	4	1

HOUSE OF REPRESENTATIVES

APPROPRIATIONS

ROLL CALL VOTE

TIME

3:40 t

DATE 9-9-92

BILL NO. 2

NUMBER 16

MOTION:

Grinde

Remove 57,353 + unit + U.S. - MSDB

NAME	AYE	NO	ABSENT
REP. RAY PECK, VICE-CHAIRMAN		✓	
REP. DOROTHY BRADLEY		✓	
REP. JOHN COBB	✓		
REP. DOROTHY CODY		✓	
REP. MARY ELLEN CONNELLY		✓	
REP. ED GRADY	✓		
REP. LARRY GRINDE	✓		
REP. JOHN JOHNSON			✓
REP. MIKE KADAS		✓	
REP. BERV KIMBERLEY		✓	
REP. WM. "RED" MENAHAN		✓	
REP. JERRY NISBET	✓		
REP. MARY LOU PETERSON	✓		
REP. JOE QUILICI		✓	
REP. CHUCK SWYSGOOD		✓	
REP. BOB THOFT		✓	
REP. TOM ZOOK		✓	
REP. FRANCIS BARDANOUVE, CHAIRMAN		✓	
TOTAL	<u>5</u>	<u>12</u>	<u>1</u>

John

HOUSE OF REPRESENTATIVES

APPROPRIATIONS

ROLL CALL VOTE

TIME

4:02

DATE

BILL NO.

2

NUMBER

19

MOTION:

Disput

restore money to MSDB

NAME	AYE	NO	ABSENT
REP. RAY PECK, VICE-CHAIRMAN		✓	
REP. DOROTHY BRADLEY	✓		
REP. JOHN COBB		✓	
REP. DOROTHY CODY		✓	
REP. MARY ELLEN CONNELLY		✓	
REP. ED GRADY		✓	
REP. LARRY GRINDE	✓		✓
REP. JOHN JOHNSON			✓
REP. MIKE KADAS		✓	
REP. BERV KIMBERLEY	✓		
REP. WM. "RED" MENAHAN	✓		
REP. JERRY NISBET	✓		
REP. MARY LOU PETERSON	✓		
REP. JOE QUILICI	✓		
REP. CHUCK SWYSGOOD		✓	
REP. BOB THOFT		✓	
REP. TOM ZOOK		✓	
REP. FRANCIS BARDANOUVE, CHAIRMAN		✓	
TOTAL	7	10	1cb

fair

HOUSE OF REPRESENTATIVES

APPROPRIATIONS

ROLL CALL VOTE

TIME

4:17 *+*

DATE

7-9-92

BILL NO.

2

NUMBER

19

MOTION:

Coob Inc-red by \$2 Million
for 2nd Long

NAME	AYE	NO	ABSENT
REP. RAY PECK, VICE-CHAIRMAN		✓	
REP. DOROTHY BRADLEY		✓	
REP. JOHN COBB	✓		
REP. DOROTHY CODY	✓		
REP. MARY ELLEN CONNELLY	✓		
REP. ED GRADY	✓		
REP. LARRY GRINDE	✓		
REP. JOHN JOHNSON			✓
REP. MIKE KADAS		✓	
REP. BERV KIMBERLEY		✓	
REP. WM. "RED" MENAHAN		✓	
REP. JERRY NISBET		✓	
REP. MARY LOU PETERSON	✓		
REP. JOE QUILICI		✓	
REP. CHUCK SWYSGOOD		✓	
REP. BOB THOFT	✓		
REP. TOM ZOOK	✓		
REP. FRANCIS BARDANOUVE, CHAIRMAN		✓	
TOTAL	<i>8</i>	<i>9</i>	

HOUSE OF REPRESENTATIVES

APPROPRIATIONS

ROLL CALL VOTE

TIME

4:18 *€*

DATE July 9-92

BILL NO. 2

NUMBER 20

MOTION:

Opp

Take out \$1 million

from the State

L/D

NAME	AYE	NO	ABSENT
REP. RAY PECK, VICE-CHAIRMAN		✓	
REP. DOROTHY BRADLEY		✓	
REP. JOHN COBB	✓		
REP. DOROTHY CODY	✓		
REP. MARY ELLEN CONNELLY	✓		
REP. ED GRADY	✓		
REP. LARRY GRINDE	✓		
REP. JOHN JOHNSON			✓
REP. MIKE KADAS		✓	
REP. BERV KIMBERLEY		✓	
REP. WM. "RED" MENAHAN		✓	
REP. JERRY NISBET		✓	
REP. MARY LOU PETERSON	✓		
REP. JOE QUILICI		✓	
REP. CHUCK SWYSGOOD		✓	
REP. BOB THOFT	✓		
REP. TOM ZOOK	✓		
REP. FRANCIS BARDANOUVE, CHAIRMAN		✓	
TOTAL	8	9	

2

HOUSE OF REPRESENTATIVES

APPROPRIATIONS

ROLL CALL VOTE

TIME

4:22t

DATE

7-9-92

BILL NO.

2

NUMBER

21

MOTION:

Cobb

\$500,000 for kids

500 Proof

NAME	AYE	NO	ABSENT
REP. RAY PECK, VICE-CHAIRMAN		✓	
REP. DOROTHY BRADLEY		✓	
REP. JOHN COBB	✓		
REP. DOROTHY CODY	✓		
REP. MARY ELLEN CONNELLY		✓	
REP. ED GRADY	✓		
REP. LARRY GRINDE	✓		
REP. JOHN JOHNSON			✓
REP. MIKE KADAS		✓	
REP. BERV KIMBERLEY		✓	
REP. WM. "RED" MENAHAN		✓	
REP. JERRY NISBET		✓	
REP. MARY LOU PETERSON	✓		
REP. JOE QUILICI		✓	
REP. CHUCK SWYSGOOD		✓	
REP. BOB THOFT	✓		
REP. TOM ZOOK	✓		
REP. FRANCIS BARDANOUE, CHAIRMAN		✓	
TOTAL	7	10	1

HOUSE OF REPRESENTATIVES

APPROPRIATIONS

ROLL CALL VOTE

TIME

4:26

DATE

7-9-92

BILL NO.

2

NUMBER

22

MOTION:

Cobb

recomd - not
to be L

NAME	AYE	NO	ABSENT
REP. RAY PECK, VICE-CHAIRMAN	✓		
REP. DOROTHY BRADLEY		✓	
REP. JOHN COBB	✓		
REP. DOROTHY CODY	✓		
REP. MARY ELLEN CONNELLY	✓		
REP. ED GRADY		✓	
REP. LARRY GRINDE	✓		
REP. JOHN JOHNSON			✓
REP. MIKE KADAS		✓	
REP. BERV KIMBERLEY		✓	
REP. WM. "RED" MENAHAN		✓	
REP. JERRY NISBET	✓		
REP. MARY LOU PETERSON	✓		
REP. JOE QUILICI		✓	
REP. CHUCK SWYSGOOD		✓	
REP. BOB THOFT	✓		
REP. TOM ZOOK	✓		
REP. FRANCIS BARDANOUVE, CHAIRMAN		✓	
TOTAL	9	8	

HOUSE OF REPRESENTATIVES

APPROPRIATIONS

ROLL CALL VOTE

TIME

51

DATE

July 9-92

BILL NO.

2

NUMBER

23

MOTION:

Rep Connell,

down

Accept lang. & Subs

NAME	AYE	NO	ABSENT
REP. RAY PECK, VICE-CHAIRMAN	✓		
REP. DOROTHY BRADLEY	✓		
REP. JOHN COBB	✓		
REP. DOROTHY CODY		✓	
REP. MARY ELLEN CONNELLY	✓		
REP. ED GRADY	✓		
REP. LARRY GRINDE		✓	
REP. JOHN JOHNSON	✓		✓
REP. MIKE KADAS	✓		
REP. BERV KIMBERLEY	✓		
REP. WM. "RED" MENAHAN	✓		
REP. JERRY NISBET	✓		
REP. MARY LOU PETERSON	✓		
REP. JOE QUILICI	✓		
REP. CHUCK SWYSGOOD	✓		
REP. BOB THOFT	✓		
REP. TOM ZOOK	✓		
REP. FRANCIS BARDANOUVE, CHAIRMAN	✓		
TOTAL	<u>15</u>	<u>2</u>	<u>1</u>

Passed

HOUSE OF REPRESENTATIVES
VISITOR REGISTER

1062

Appropriation

COMMITTEE

BILL NO. 2

DATE 4/1/92 SPONSOR(S) _____

PLEASE PRINT

PLEASE PRINT

PLEASE PRINT

NAME AND ADDRESS	REPRESENTING	SUPPORT	OPPOSE
Henry McMoran	MC		
Dolores Colburg	Commissioner of Political Practices		
Carl Schwach	OBPP		
Tom Roberts			✓
Lion Landon			✓
Dave Deper	MPEA		
Dennis Sheehy	SAD		
Julia Robinson	SRS		
Hank Hudson	SRS		
Roger LaVoie	SRS		
Penny Rabbe	SRS		
JACK Lowney	SRS		

PLEASE LEAVE PREPARED TESTIMONY WITH SECRETARY. WITNESS STATEMENT FORMS ARE AVAILABLE IF YOU CARE TO SUBMIT WRITTEN TESTIMONY.

HOUSE OF REPRESENTATIVES
VISITOR REGISTER

2 of 2

Appropriation

COMMITTEE

BILL NO. 2

DATE July 9-92 SPONSOR(S) _____

PLEASE PRINT

PLEASE PRINT

PLEASE PRINT

NAME AND ADDRESS	REPRESENTING	SUPPORT	OPPOSE
<i>Gloria Sherman</i>	<i>MT Cultural Alliance</i>		

PLEASE LEAVE PREPARED TESTIMONY WITH SECRETARY. WITNESS STATEMENT FORMS ARE AVAILABLE IF YOU CARE TO SUBMIT WRITTEN TESTIMONY.