

MINUTES

MONTANA

52nd LEGISLATURE - 2nd SPECIAL SESSION

FREE CONFERENCE COMMITTEE - HOUSE BILL 2

Call to Order: By Senator Judy Jacobson, Chairman, on July 17, 1992, at 6:15 p.m., Room 325.

ROLL CALL

Members Present:

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

Members Excused: None

Staff Present: Teresa Olcott Cohea(LFA)

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

CONFERENCE COMMITTEE DISCUSSION ON HOUSE BILL 2

Senator Judy Jacobson advised the committee they would go through HB 2 section by section, closing each section, starting with Section A amendments.

SECTION A AMENDMENTS

Senator Jacobson advised the first amendment is a clean-up amendment striking all language and appropriations contingent upon passage of HB 56 that was killed in Finance and Claims Committee. (See Exhibit 1)

Rep. Kadas questioned the reinstatement of money in adopting the amendment. Ms. Cohea stated in the amendment, the first one is the Governor's office, the second is Department of Administration. The amendment increases spending in HB 2 by \$114,000, however that is already reflected on the pink status sheet because the appropriation in HB 2 was contingent upon passage of HB 56.

Rep. Kadas questioned how the adding of money in the Department of Administration would affect the four percent cut in that department.

Ms. Cohea said because the amendment we are reversing was done in contingent language and was not included in the numbers in HB 2, it was not included in the four percent calculation. When this is taken out, their four percent remains at four percent.

Rep. Kadas moved the amendment (Exhibit 1). Motion carried unanimously.

Senator Jacobson said the next amendment reinstated the House floor Cobb amendment adding \$48,653 in general budget reductions to the Department of Military Affairs (Exhibit 2)

Rep. Kadas questioned the Senate's rationale in eliminating the four percent cut to the Department of Military Affairs.

Senator Jacobson said sympathy.

Rep. Kadas moved the amendment (Exhibit 2). Motion failed.

Senator Jergeson moved to amend page A-23, following line 17 (See Exhibit 3) He noted it is a language amendment declaring that the Department of Revenue may not allocate their budget reduction against the elected and deputy assessors program. He said as a general rule they don't have vacancy savings, particularly in the small counties.

Rep. Kadas stated he would like to hear the reaction to the amendment from the Department of Revenue.

Jack Ellery, Department of Revenue, stated they would do the best they could to absorb the cuts. He noted there are from time to time vacancies that occur and they were hoping that there could be a delay in making appointments or perhaps combining those offices, as they had done in some larger counties.

Rep. Kadas questioned if without the language there was any way to force deputy assessors to not receive all their pay or force a county to leave it open.

Mr. Ellery said he did not believe there is because the appropriation would still be there as it was a line item in the last regular session.

Rep. Kadas advised Senator Jergeson that if that cannot be done, he saw no reason to take away any potential reversions which he felt would be the effect of the amendment.

Senator Jergeson said the Hill County assessor advised that she was under the impression she would be required to hold the position open. He noted in small counties it would be hard to deliver services to the people.

Rep. Kadas asked Mr. Ellery if the Department intended to

hold the positions open or if it was going to be left to the discretion of the county.

Mr. Ellery said it would clearly be discretionary on the part of the counties to do that, although the Department would like to discuss it with them. He said in larger counties where the assessor and appraiser offices have been combined, it has resulted in a savings that the Department has been able to utilize.

Senator Jergeson's amendment motion (Exhibit 3) failed with Representatives Kadas and Thoft opposed.

Senator Jacobson presented an amendment (Exhibit 4) and advised that the Department prepared their assessment of what they felt would be required to implement certain bills. The LFA has also looked into that. She noted that they could absorb some of the cost, and this amendment (Exhibit 4) would provide \$50,000 in general fund to implement HB 44 and HB 54.

Mr. Ellery said he had not seen the LFA assessment yet. He noted the amendment appeared to cover many of the hard dollar costs resulting in the implementation of HB 44 and HB 54. He stated that HB 24 would preserve \$1.2 million in general fund each year which is the intent of the bill. This legislation proposed to treat the license tax as a centrally assessed piece of property meaning an actual appraisal has to be done. Currently that bureau assesses about 100 different properties and have about 3.5 fte in that function. There will be an additional approximately 170 pieces of property to look at so there will definitely be a workload increase. Funding is being requested to preserve the \$1.2 million which money would go into the general fund the way the bill currently is written. He noted there was an additional \$70,000 identified by the Department of Revenue that was not included by the LFA.

Senator Jacobson said that was correct. She noted there is no revenue coming in from that bill although there is some revising.

Mr. Ellery said the intent of the bill is to preserve general fund revenue, however there is workload impact that the legislature should be aware of.

Ms. Cohea said as she was requested, in the analysis she also looked at staff that was granted to the Department in the last special session to implement HB 14, and they were granted additional general fund and 4.5 fte to implement the estimated tax bill. That was taken into account in estimating their needs for these current bills.

Rep. Kadas moved the amendment to insert \$50,000 for HB 44 and HB 54.

Senator Nathe advised the committee he had a follow-up amendment that would fund HB 24, HB 44 and HB 54 but his figures are slightly higher.

Senator Jacobson indicated that Senator Nathe's figure is approximately \$127,000 while her figure is \$50,000.

In reference to a question from Senator Nathe regarding HB 24, Ms. Cohea said HB 24 brings in no revenue or at least the amount is unknown to the budget office and the LFA. The additional FTE that she previously referred to was for HB 14, the estimated tax bill passed during the January special session.

Rep. Kadas questioned if there is potential for some revenue in FY '93 to come from HB 24 if the revenue is unknown.

Ms. Cohea said she is not that familiar with HB 24. She understood there is a lawsuit that may preclude receiving any general fund revenue from it. She added the budget office along with the LFA is showing no revenue impact.

Rep. Kadas suggested that the committee deal with the \$50,000 amount and then deal with HB 24 separately.

Senator Jacobson said that would be fine.

The motion carried to accept the proposed amendment (Exhibit 4) with Senator Nathe opposed.

Senator Nathe moved an amendment to provide general fund money to implement HB 24, HB 44 and HB 54. (See Exhibit 5) He noted that HB 44 and HB 54 have now been taken care of by our previous action. He would like the Department to speak to this.

Mr. Ellery said there is definitely a workload increase in that they are looking at an additional 170 pieces of property that need to be valued, which is a complicated process. He said he was informed there is a potential for a revenue loss if the bill is not enacted and they do not have the manpower to value the property which could be anywhere from \$1.2 million to whatever it comes out when the valuations are done.

Rep. Kadas questioned when the revenue would be available.

Judy Rippingale, Deputy Director, Department of Revenue, said they are involved in a lawsuit with the trailer train companies and they feel they will lose the freight line tax on the trains going to Montana which they estimate to be a loss of approximately \$1 million out of the \$1.2 million collected. Unless it can be switched to a property tax system and manage to collect property tax, the Department will not get any revenue at all for the trailer train. They hope there will not be a revenue loss if it can be switched to property tax.

Senator Jacobson stated in the first year they are putting two people on and buying office equipment; she questioned if some of that equipment was available in the office as well as people having some time to handle the necessary duties.

Randy Wilke, Property Assessment Division, said most of the \$70,000 is for personal services for the individuals. He said it seems to be a consistent level with other states doing the same thing on trailer train valuation. The rest is operational expenses which ranges from computer processing to valuation guides, supplies, telephone charges, et cetera. He noted in terms of equipment, they do not have a lot of extra equipment that will be needed.

Rep. Kadas asked if the fte level would have to be maintained at that level or would fluctuate.

Mr. Wilke said it will be a new venture for them. He said these properties will have to be valued every year.

Rep. Kadas made a substitute motion that the proposal be halved and if the agency really needs more, it can be discussed at the January regular session. It would be \$35,000 and one fte.

Rep. Kadas' substitute motion carried unanimously.

Senator Jergeson offered an amendment to restore \$114,123 to the department for the corporate tax division for the corporate tax auditors that were removed. (See Exhibit 6) He stated this supposedly would allow the conference committee on HJR 1 to restore about \$1 million in revenue estimates.

Senator Jergeson's amendment motion (Exhibit 6) carried unanimously.

Senator Nathe stated he would like to have Jack Ellery explain to the committee what our previous action did with the corporate tax auditors.

Mr. Ellery stated the amendment just approved restored the corporation tax reductions that were done on the House floor last week. He said those auditors were given to them to generate a substantial amount of money. He noted subsequently revenue estimates were reduced, but these auditors are needed to make sure they can make the revenue estimate that is now in the Resolution. He said there is confusion about \$1 million which is in the individual income tax area. The revenue estimate was reduced by \$1 million because of the Department's proposal to reduce 4 fte given to them in the last special session to generate \$1 million. The amendment just approved allows them to be assured they will make their \$8 million fiscal year 1993 audit collection commitment.

Senator Jacobson questioned if Mr. Ellery was telling the

conference committee that the estimate we now have with the people we now have, if these other positions are added, the estimate would remain the same.

Mr. Ellery said that was correct.

Senator Jacobson felt the committee needed to reconsider their previous action.

Rep. Kadas asked Mr. Ellery if the administration made a proposal to reduce the Department of Revenue's budget by 4 fte at a cost of \$126,000 and gave up \$1 million as part of that.

Mr. Ellery said he was unaware which amendment was now being considered.

Senator Nathe advised that Rep. Kadas was not looking at the correct amendment.

Rep. Kadas stated the administration's budget cuts \$700,000 out of HB 2. Then the DOR went to the revenue oversight committee and said they needed to cut an additional \$1 million out of the revenue estimate because of the governor's proposed budget cuts. He asked Mr. Ellery if that is what he was stating.

Mr. Ellery said that is basically what it is, but it was the lesser of many evils.

Rep. Kadas questioned why the DOR did not put the loss of revenue in the governor's original budget request and why it did not show up as a revenue loss there.

Mr. Ellery said it was their understanding that that \$1 million was not in the governor's revenue estimates. He said he got that clarification from several sources in the budget office the day before he went to the subcommittee and made that proposal.

Rep. Kadas said that was one of the most absurd little shows he had seen.

Senator Jacobson asked Rep. Kadas if he would like to move to reconsider the committee's previous action.

Rep. Kadas said what would happen after the committee reconsiders their action and takes the two fte out of corporate tax is that the department is going to argue that now they can't collect an additional \$1 million of corporate taxes. He said that is difficult because to a certain extent he would say they are right but on the other hand they are running the legislature around in circles with this. He said he wonders who is running the boat here.

Senator Jacobson said this presents a serious credibility

problem. There are estimates in HJR 1 that do not match the executive revenue estimates. She stated her suspicions of the last amendment that the committee just passed. She questioned that the DOR needed a laser printer for everyone in the office. She noted in the university system there is an entire laboratory using one laser printer. She stated there is a credibility problem and questioned that the section could be closed until it is taken care of.

Senator Towe stated as chairman of the HJR 2 conference committee it was his understanding if \$114,000 is not put in for the auditor, \$5 million would have to be taken out of that budget.

Senator Jacobson said it is already out of the estimate.

Senator Towe felt it is not out of HJR 2 as it is on the pink slip.

Ms. Rippingale stated that from the revenue side, Senator Towe is talking about \$5 million of corporate audit tax that went from 13 to 8. She added that money was not going to be there even with the existing budget as it came. That is because of the timing of some of the audit collections that occurred in late June. If those collections would have occurred in July, it would not have been counted in fiscal year '92. The beginning balance would have been less and the revenue for '93 could have included the \$5 million. When asked by Senator Jacobson if it is figured into the accruals, Ms. Rippingale said 1.4 of it does. An amendment made on the House floor which cut \$114,100 cut 2 fte positions plus some funding to give vacancy savings so that existing positions would stay filled and a little over \$18,000 for travel for the corporate auditors to conduct the audits. That cut resulted in 3.42 fte reduction. The existing budget already has a requirement for them to reduce staff by .82 fte over vacancy savings. There is 4.25 fte now coming out of the corporate tax division which has 13 fte in it, which is a one-third cut of that staff. This would impact the legislature because taking a third of their staff puts in jeopardy the full collection of the \$8 million they were expecting to get to be able to produce before they lost the additional 3.4 people. They will still collect some money, but another impact would be they don't get any audits underway that build up so they can collect revenue in fiscal '94 and fiscal '95. Many times audits are done in one year and the money is collected in the next year. An 8 year statistical average per fte auditor is \$800,000 a year per auditor. With Rep. Cody's amendment, it would be about \$3 million a year lost revenue. In a question from Senator Towe, she stated her opinion that in future years the \$114,000 will be worth approximately \$3 million. That amount will not be lost this year because they have an inventory of audits and some will be collected. She stated they will have trouble making \$8 million this year by about \$2 million.

Senator Towe said if the \$126,000 is not restored, \$1 million will be lost. He concluded the question is do we want the \$3 million revenue or not.

Senator Jergeson stated he had made the motion to approve this but now he questioned if he should have. He stated his feeling there are some very capable people in the department but every time we have turned around the last few days, the department has been changing a bunch of numbers.

Senator Jacobson suggested that Section A be left open and that the conference committee go to Section B.

Senator Thoft moved an amendment to Section A to restore \$218,000 to the Department of Transportation (See Exhibit 7)

Senator Nathe questioned what would happen if we did nothing to this amendment; he noted we still would gain a little money.

Dan Gengler said the Department of Transportation would be required to charge federal funded programs a lower rate than what they would charge other programs until the federal share would be recouped to those federal programs.

When questioned by Senator Nathe why the federal government is concerned about the motor pool, Mr. Gengler said the amount the federal government pays when they use a vehicle in a federal program requires that amount to stay in the motor pool. If there is a profit in the motor pool, the federal government wants their share of the profits to stay in the program rather than being used for any other purpose. The \$218,000 would be out of the balances of the motor pool account. When questioned by Senator Nathe how it is determined there is any federal money in this amount, Mr. Gengler said some of the major users of the motor pool are federal funded programs. The DOT is a heavy user of the program. A large share of the motor pool account is in essence recovered from federal sources.

Senator Jergeson said a recent audit of the DOT indicated they had more vehicles than they needed in its motor pool. He questioned if the amendment was offered in the House on the basis of trying to force the Department to reduce the motor pool, thereby reducing the cost and reducing the charges to agencies for the extra automobiles they don't need in the motor pool.

Mr. Gengler said what is primarily at issue is the transfer of funds out of the motor pool account into the general fund. The budget reduction itself is not in violation of the federal rules. It would simply be the transfer of those funds into the general fund.

Rep. Thoft's amendment motion (Exhibit 7) failed.

SECTION B AMENDMENTS

Rep. Kadas moved to amend Section B dealing with the Department of Health (See Exhibit 8).

Rep. Kadas said the House amended the Department of Health's budget so they would back in fees for general fund in a number of places. There was an effort in the Senate that this could not be done across the board the way it was proposed by the House. There was \$50,000 of general fund that could not be backed out in this way. This amendment backs out all but the \$50,000. It still requires fees to backfill some general fund but does not get crosswise with federal law on distributions to counties.

Rep. Kadas' amendment motion (Exhibit 8) carried with Senator Nathe opposed.

Senator Jacobson said the next amendment (Exhibit 9) is an amendment needed to deal with SB 10. It saves \$1.6 million but instructs the LFA to reduce the supplemental and then the general fund will be reduced by \$116,000.

Rep. Kadas questioned the effect of the amendment's passage will be that on HB 2 action there will be an additional cut of \$116,000 and the more significant change would be ending cash balance negative 88.3; that amount would be reduced to negative 86.7. Ms. Cohea said that is correct. She notes these numbers have been worked on jointly with the LFA office, SRS, OBPP.

Rep. Kadas moved the amendment. (Exhibit 9) Motion carried unanimously.

Senator Jacobson said the next amendment has to do with AFDC and GA benefit levels. She noted the bill is currently at 38 percent of poverty level. This would move that to 40.5 percent of the federal poverty index. It would leave AFDC recipients with the same benefits in '93 as they are receiving in '92.

Rep. Kadas moved the amendment. (See Exhibit 10) He said originally he believed the administration's proposal was to reduce in the welfare area, take \$1.5 million in cuts. Even with this action, the legislature will be taking a total of \$2 million in cuts in this area. He felt this amendment is more than adequate for the poor people of Montana.

Rep. Kadas' amendment motion (Exhibit 10) passed.

Rep. Kadas moved to close Section B. Motion carried unanimously.

SECTION C AMENDMENTS

Senator Nathe moved to amend Section C-5. (See Exhibit 11)

He stated it takes \$200,000 of the Park Futures Committee.

When questioned by Senator Jacobson about the Committee, Senator Nathe said there are 4 fte involved in maintaining parks. When questioned by Rep. Kadas if he felt the parks are being adequately maintained at this point, Senator Nathe said no. Rep. Kadas questioned if Senator Nathe's argument is we can't make a bad problem much worse anyway; Senator Nathe said that was right.

Senator Nathe's amendment (Exhibit 11) failed.

Senator Jacobson said the next amendment (See Exhibit 12) replaces some of the general fund in the Department of Livestock, Milk and Egg Division and \$190,000 in general fund in meat and poultry inspection program with state special revenue. It is a savings to the general fund of about \$250,000.

Rep. Kadas said he wa not entirely happy with this solution. He felt there was a technical problem that possibly could be addressed by the Department of Livestock. He indicated there may be a complication regarding federal funds in the meat inspection program and the state match. It is tempered a bit by the fact that this clearly can be shown to be interest earnings rather than fee money.

When asked by Senator Jacobson to address Rep. Kadas' concerns, Les Graham said the intent was to take \$68,000 from the centralized services which is general fund, and the remainder from the diagnostic lab which would be general fund and replace that with the monies out of the fund balances. There is a technical question not only in the meat inspection but also in milk and egg. He stated the department intends to get a ruling on that constitutionality question.

Rep. Kadas felt the proper way to do this is to back out all of the general fund in centralized services and then the remainder of the \$250,000 out of the diagnostic lab and not affect the meat and poultry and milk and egg operations with any of the state special. He said while we could win the case in court, he did not want to have the case brought up at this point. He concluded instead of allocating \$250,000 in this way, we should back out 100 percent of the general fund from centralized services and the remainder to get to the \$250,000 out of the diagnostic laboratory. Rep. Kadas made that in the form of a motion.

Rep. Kadas' motion carried unanimously.

Senator Jergeson moved that Section C be closed. Motion carried unanimously.

SECTION D AMENDMENTS

Senator Nathe moved to amend Section D. (See Exhibit 13) It would reduce the state library by \$200,000 from the Inter-Library Loan Program.

Rep. Thoft stated in opposing the amendment that it is wrong to pick on the small agencies with the small amounts of money. He stated this would take away the Inter-Library Loan Program.

Senator Nathe's amendment (Exhibit 13) failed.

Senator Jacobson said the Senate Finance and Claims took out 1 fte in the Board of Pardons and the next amendment would put that fte back. (See Exhibit 14)

Rep. Thoft moved the amendment. (Exhibit 14) Motion carried unanimously.

Rep. Thoft moved a technical amendment to correct the funding switch in the Montana Historical Society. (See Exhibit 15)

Rep. Thoft's amendment motion (Exhibit 15) carried unanimously.

SECTION E AMENDMENTS

Rep. Peck moved to amend Section E. (See Exhibit 16) He noted in the transfer for fy '92 of funds from the Commissioner of Higher Education's office from the student programs there was an amendment put in prohibiting that both in '92 and '93, and the Budget Office advised him they cannot process documents or do anything unless the fiscal year 1992 language is taken out. That is what this amendment is doing.

Senator Peck's amendment (Exhibit 16) carried unanimously.

Senator Jacobson said the next amendment (See Exhibit 17) corrects a clerical error in the original bill printed for House Appropriations.

Senator Jergeson moved the technical correction (Exhibit 17) Motion carried unanimously.

Rep. Kadas moved the amendment reducing the budget of the School for the Deaf and Blind by \$57,353. (See Exhibit 18) He noted this would put the School for the Deaf and Blind back at the subcommittee's recommendation. It does continue to exempt them from the 4 percent cuts.

Rep. Kadas' amendment motion (Exhibit 18) failed.

Senator Jacobson stated the next amendment (See Exhibit 19) is some flexibility language in the Office of Public Instruction.

Rep. Peck said it is flexibility of transfer of money that they need in view of their second reduction that was done in the House.

Senator Jergeson moved the amendment.(Exhibit 19)

Senator Nathe questioned if this is putting all the money in one pool to be used at OPI's discretion.

Rep. Peck said the distribution of funds sometimes has balances left in them. When the Cobb amendment was put on in the House in addition to the cut recommended by the executive, they suffered the second cut. They don't have money in the administrative funds for that so there would be administrative charges to those accounts. He added they are no longer specific line itemed in the budget.

Rep. Kadas stated his belief that in the statute there is 5 percent transfer authority between programs and that is still the limiting factor on this.

Senator Nathe questioned what limits it if there is not a line item. Rep. Peck said it is the 5 percent. He asked Ms. Cohea for her thoughts on this.

Ms. Cohea said there are two programs in OPI, program 6 and program 9 that would be subject to the statutory limitation which she believes has been amended to 10 percent in HB 7. The amount that could be transferred between programs would be 5 percent. Then within a program the current language of Section 17-7-138 says you must spend with substantial compliance of the original operating plan and cannot transfer more than 5 percent from any first line expenditure, and that being personal services, operating, pass through funds, et cetera. Excluded from this transfer is the supplemental for the SEA which is the 2R that is excluded.

Rep. Thoft stated his thought that we are taking away a line item program with a balance in it and making it so it can be transferred in other places at the rate of 5 percent.

Rep. Kadas stated what the effect would be is if there was money left over in a particular pass through program, then they would be able to transfer up to 5 percent of the total amount into administration if they needed it.

Senator Jergeson's amendment motion (Exhibit 19) passed.

Senator Jacobson asked Ms. Cohea to address the next amendment. Ms. Cohea said the next amendment (See Exhibit 20) reflects the necessary supplemental to continue to fund school equalization account after all the actions that have taken place this session. In the January special session there was

appropriated \$24.13 general fund into the school equalization account to continue funding current schedules. An additional approximately \$8 million will be necessary because of falling revenues. The second part of the amendment deals with the fact that through audits the Office of Public Instruction has found that three counties were overpaid their foundation amount in '92. The Department plans to withhold this \$2.2 million from the fiscal '93 payments and that would reduce the required supplemental.

Rep. Kadas said the second issue is the overpayment on the part of three counties. OPI will withhold payment by whatever amount those particular counties were overpaid last year. Because of that we are able to reduce the total obligations of the equalization account and that reduces the total potential supplementals which results in a change in the top line.

Senator Nathe questioned if this had anything to do with the overestimating of local government severance tax on oil.

Ms. Cohea said she believed so. She said there was a problem with the county equalization funds, how it was accounted for and so on. There was initial confusion in how to deal with the local government severance tax at the county level. She stated the approximately \$8 million being appropriated of general fund will not show as a cost in HB 2. It is already taken into account.

Rep. Kadas moved the amendment (Exhibit 20). Motion carried unanimously.

Senator Jergeson moved his amendment. (See Exhibit 21) He said he had been negotiating with Senators on the other side of the aisle to come up with language with respect to the bill providing the opportunity for the governor to reduce budgets while the legislature is not in session. He stated the negotiations were not going very well. He was advised all his different formulas would not generate enough reductions in the university system. He felt the two senators were desirous of having some real reductions from the university system. He said this proposed amendment would make a real reduction in the university system, quit starving the system as a whole, make a vertical reduction. He moved the amendment which eliminates funding for Eastern Montana College in Billings, \$11.4 million.

Rep. Kadas said although he did not feel the amendment would go anywhere, raising the issue tends to cause more damage than ultimate good. To make as massive a move as this in a free conference committee, it does no good to even discuss it.

Senator Jergeson said he would close on his motion and then probably withdraw it. He stated that all day long he has been subjected to the argument that because the university system is one of the largest budgets in state government that somehow it is

less encumbered than other agency budgets, that somehow the universities can absorb percentage cuts in their general fund budget larger than the percentage reductions in the general funds of other agencies which are smaller. He questioned the logic of that type of thinking. He said the university system is a personnel intensive business. He noted that requiring the units to start laying off professors while maintaining an installation in a particular community would be running up against contractual agreements that have been signed. He said he is angry by the refusal of the legislators on the other side of the aisle to bargain in good faith on the language on the governor's reduction subject. He withdrew his amendment.

Rep. Thoft said he has an amendment which would protect the Montana resident students in enrollment. (See Exhibit 22)

Rep. Kadas stated his opposition to the amendment. He stated it goes against some of the past policy that was set up in the regular session of the legislature. Some language was put in to specifically allow and encourage the university system to at least begin to look at downsizing. It implies that the data received for our peer comparison is inaccurate, and he reminded the committee there was an extensive review of that done about four years ago. The LFA essentially compiles much of that information and he feels the collection and comparison is fair. Regarding the WUE program, he feels the Commissioner's office has put restraints on this program already. He said while he does not have a problem with (2) of the amendment, that is about the only part of the amendment he could be agreeable with. This amendment would be sending conflicting messages to the system and we should remain somewhat consistent and try to allow them to manage the system as best they can considering the various constraints the legislature has imposed upon them.

Rep. Peck stated his support of the amendment. He stated the public meetings held relative to downsizing indicate a great amount of displeasure by Montana citizens with the plan they have laid out. This language addresses that. He stated his agreement with Rep. Kadas that there is probably language in the bill that was put in during the regular session that should be removed. It probably conflicts to some extent. The public does not agree with the regents regarding downsizing and arbitrary figures there. He felt that (2) has had quite a lot of work done on it regarding number of students at each unit but probably not looked at from the standpoint of economies of scale. He did not feel that was a bad section. He said regarding the WUE issue, we are educating many out of state students and not receiving as much benefit for the students we export because of the great difference in numbers. He concluded the amendment has something to say that captures some of the sense of concern that Montana citizens feel about the Board of Regents' actions lately, and he would support the amendment.

Senator Jacobson said one of the problems is that the peer

data that was gathered is four years old, any data that has been analyzed. Those that worked on some of the interim studies have always utilized peer data as a ballpark average and now it is sort of an absolute that quality of education seems to mean dollars per student. There are some things to be said for that but there are other things to be said for quality having a much broader definition than that. She stated her concern about the way the amendment reads because tuition has been raised a lot. Now we are talking about including fees, and she is not quite certain where all the fees are going presently but is concerned we are going to be compounding the tuition problems we already have. She asked what student fees are being addressed.

Rep. Peck said he discussed this with Rep. Cobb and he is really saying to include the fees that are now collected and considering the financial resources made available to students. He is making a point that there are many fees put on students that show up nowhere in the peer average data comparisons. He felt Rep. Cobb was not suggesting that fees be increased but merely saying to recognize those fees.

Senator Jacobson stated he is going further to say they should be used to provide instruction and support. Some of those fees go to build dormitories and go to athletics, and so on. She asked if he was suggesting those fees be diverted from those uses and used for instruction on top of tuition.

Rep. Thoft asked Rep. Cobb to address the issue.

Rep. Cobb indicated where it said "wherever possible" does not mean that every fee has to be taken into consideration but there are now many fees that he questions if they should be considered as part of a formula. There are many fees being charged to students. Every fee has to be checked. If it is related to instructional purpose or going to school, we are a lot closer to peer average than we were in the past. Maybe we would not have to downsize or eliminate so many students if we are closer to peer average. If these fees are related to tuition in the formula, then we are a lot closer to peer average than we would be and less of a need to downsize to get closer to peer average.

Rep. Kadas stated the way the amendment reads, if there is a fee that for instance relates to parking, the amendment says to funnel it into instruction and support. He stated that makes no sense at all.

Senator Jergeson stated the only merit he can find in the amendment is the sentiment that the Regents should try to avoid if they can downsizing of student populations. The whole idea that we are going to start including fees and all other revenue sources in the formula for funding a university system is going a bit far. He felt this is clearly micro-managing because we are telling the university system that we don't like what they are

doing and to come back with another idea.

Rep. Peck said when intent is expressed, it is not micro-managing. It is trying to capture the feeling of the body in terms of considerations and concerns they have about the university system. There is nothing absolute in this. There is nothing that says that the Regents have to take any specific action. It is offering guidance to them in terms of how we think legislators feel about this question. He concluded it is a good amendment.

Rep. Thoft said probably more importantly, it expresses public sentiment.

Rep. Kadas felt this is a fairly major statement by the legislature and that it is inappropriate to adopt something this significant in the conference committee. It should have been discussed in both houses.

Rep. Peck said he disagreed with Rep. Kadas' last statement. The reason this is a free conference committee is to give the latitude to do what is necessary and make wide decisions.

Rep. Thoft's amendment motion (Exhibit 22) failed because Senators Jacobson and Jergeson voted against the motion.

Rep. Thoft moved to amend page E-22, line 20. (See Exhibit 23) He said there has been a considerable amount of money that has come in over and above the appropriation. This is money that does not belong in the system and if it had been appropriated, we would not have put the general fund in to begin with.

Senator Jacobson advised the committee this amendment would take out the millage money that has come in in excess of what was appropriated.

Rep. Thoft's amendment motion (Exhibit 23) failed.

Rep. Bardanoue said he would like to speak on that motion. He stated this is a proper motion. This money does not belong to the university system. If the education subcommittee when preparing the university budget had known the correct amount of money, they would have this much less general fund money appropriated because they use a lower millage level of income, 1.6 million. That was plugged in as general fund money. It is not proper to keep the general fund money. If the millage had fallen below what the committee had appropriated, the university would have an absolute right to argue that they were underfunded and they should receive a supplemental appropriation of \$1.6 million. This is money appropriated over and above what the education subcommittee felt they needed and what the full House and Senate and the governor approved. That money should be returned to the general fund. He said a few minutes ago there was an over-appropriation made for three counties and the conference

committee did not hesitate to have them pay back an over-appropriation. He said we should be consistent. The public relations value of this amount of money and the costs through the system in public relations and ill-will will far outweigh the benefits of this \$1.6 million. He concluded that the House appropriation committee acted property.

Senator Jacobson said she would like to give the Senate's position on this issue. During the January special session the Senate Finance and Claims committee, realizing the university system was being cut and that there had been certain monies we were looking at in the regular session, the committee very purposely put language into the bill saying that should there be extra millage money that that money would not revert but it would be used and the way the committee meant it would be used would be to offset the cuts. The Senate position at this time is that money was meant to offset the cuts and is being used to offset the cuts.

Rep. Bardanouve said if we cut any agency, then the agency will have a right to pick up more money to offset those cuts.

Rep. Peck stated Rep. Bardanouve is correct. This is not a cut on the university system. It is merely on the funding side removing this money and it will not reduce their spending authority. It does not have anything to do with spending authority. It merely takes the excess money and reverts general fund out of the budget, but it does not cut spending of the university system. He said we are saying there is one rule for public schools that they will pay their money back, but there is another rule for the university system that they don't have to put it back in. It is not fair.

Senator Jacobson said she does not intend to argue with Rep. Peck or Rep. Bardanouve, but that she is simply stating the position of the Senate and the democratic caucus of the Senate.

Rep. Thoft noted the motion had already failed on that amendment.

Rep. Thoft said his next amendment would remove \$5 million from the university's general fund budget. (See Exhibit 24)

Rep. Thoft stated his opinion that we would have to take \$9 million out of the university system to come anywhere close to having equal cuts with the rest of government.

Rep. Kadas said the severity of the cuts in government are generally exemplified by the 4 percent across the board cut that Rep. Cobb managed to pass on the floor and which he supported. He stated that was 4 percent of general fund, and that is exactly where we are at with the university system.

Rep. Thoft's amendment (Exhibit 24) failed.

Rep. Thoft stated his next amendment would remove \$4 million from the university general fund budget. (See Exhibit 25)

Rep. Thoft said the reason he was carrying through with all of these amendments is because of his feeling that before the special session is over, money will have to be taken out of the university system.

Rep. Thoft's amendment (Exhibit 25) failed.

Rep. Thoft moved that \$3 million be taken from the general fund budget of the university system. (See Exhibit 26)

Rep. Thoft's amendment (Exhibit 26) failed.

Rep. Thoft moved that \$2 million be taken from the general fund budget of the university system. (See Exhibit 27)

Rep. Thoft's amendment (Exhibit 27) failed.

Rep. Thoft moved that \$1 million be taken from the general fund budget of the university system. (See Exhibit 28)

Rep. Thoft's amendment (Exhibit 28) failed.

Rep. Thoft moved his amendment to strike language on page E-12, following line 15. (See Exhibit 29)

Rep. Peck stated his feeling that it alleviates the concerns expressed with the previous amendment.

Rep. Kadas stated the central issue is basically what kind of ability the Regents have to try to manage student loads and whether that is a reasonable way for them to try to bring quality into the system in light of existing budget restraint. He felt the last legislative session concluded if funding was not available, we would rather sacrifice access than sacrifice quality. The Regents have made tentative steps in this direction, and it has raised a storm as to the access question as they begin to enforce entrance standards at some of the institutions and in some of the programs. He stated that is what this is aimed at. It is appropriate for us to allow the system to continue on that. It is a movement endorsed in the last session, and this would be a reversal of that movement. We keep changing our mind on what we want the university system to do and it is no wonder they cannot manage. He stated we have been creating institutional problems within the whole system, and we are not facing the real and difficult choices we have to for this system. He concluded that he finds it ironic that some of the people that have been arguing for lump sum funding and to allow the Regents to manage the system are turning around and supporting this type of micro-managing.

Rep. Thoft said Rep. Kadas does not understand lump sum

funding; just because it is proposed does not mean the university system budget will not be scrutinized and what they do.

Rep. Thoft's amendment (Exhibit 29) passed.

SECTION OA AMENDMENTS

Senator Jergeson moved an amendment requested by Senator Doherty and Rep. Sheila Rice regarding the Lewis and Clark Interpretive Center, restoring \$500,000. (See Exhibit 30)

Rep. Thoft stated his opposition to the amendment. Although it is a worthy project, if we can build those kind of things in the tough times we are in, we are not delegating our money in the right places.

Senator Jergeson's amendment (Exhibit 30) carried with Rep. Thoft opposed.

Rep. Thoft moved his amendment relative to the veterans' home project at Glendive, stating it is a delay in the project. (See Exhibit 31)

Senator Jacobson said while it is a tempting amendment, there is a great deal of public interest in this. She questioned if it was discussed in the long range building committee.

Rep. Thoft said it was discussed. He noted it is doing similar things that were done to university buildings. It is delaying the project and not eliminating it. It is a matter of getting approximately \$2 million in the general fund and not doing away with the project. He concluded everything he found indicated it was not a crisis now.

Rep. Thoft's amendment (Exhibit 31) failed.

BOILERPLATE AMENDMENTS

Senator Nathe moved to amend BP-4, line 17. (See Exhibit 32) He noted it is a technical amendment to the boilerplate dealing with the Workers' Compensation Court and the Human Rights Commission.

Rep. Kadas questioned Ms. Cohea if this would require a recalculation of some of the across the board cuts.

Ms. Cohea said no, this is dealing with section 13, Rep. Cobb's amendment requiring agencies to submit their budgets in '94, '95 with fewer fte. It has no effect on fiscal year '93.

Rep. Nathe's amendment (Exhibit 32) carried unanimously.

Rep. Kadas moved his amendment to page BP-4. (See Exhibit 33) He noted this is something that the Department of Commerce asked to be presented. When Rep. Cobb calculated the across the board cuts, he excluded things like judicial salaries and pass through type costs. The Department of Commerce is arguing that in the case where they have a number of boards that compensation for board members should be considered in the same light.

Rep. Kadas' amendment (Exhibit 33) carried unanimously.

Rep. Kadas moved to amend page BP-1. (See Exhibit 34) It will strike section 2 in the boilerplate which is the line item on personal services that prohibits agencies from transferring out of personal services. There will be an effect on reversions because of this. It is language asked for by the administration. He noted the administration also asked that section 3 be stricken but he disagreed with that but did agree to add a new section that expresses our intent to allow more flexibility but that it happen within the constraints of section 3. He indicated it is a compromise with the administration to allow some more flexibility, certainly not as much as they wanted, to deal with the budget cuts they are receiving in this special session.

Rep. Kadas' amendment (Exhibit 34) carried unanimously.

Senator Jacobson asked Ms. Cohea to explain the next amendment. (See Exhibit 35) Ms. Cohea said it was prepared at the request of several members of the conference committee and has been worked on with the Department of Administration for several days. She noted by monitoring cash daily through the last two weeks they have been jointly able to identify several sources of revenue that by an administrative change in how they are handled they can be placed in general fund of the school equalization account prior to June 30, 1993 rather than in the fiscal year end adjustment period. The estimates were provided by the Department of Administration of what will be available in fiscal '93 based on their cash flow. This boilerplate language would recognize that the Department of Administration next year will handle these funds in a manner so they will be available to be placed in the general fund school equalization account by June 30, 1993. It does not change the fund balance side because they would have been received within the final fiscal year end period. It just makes them available in a cash balance by June 30. The total is \$17.3 million.

Senator Nathe questioned if this money would normally have been carried over and figured into the next fiscal year.

Ms. Cohea said no, this is one of the accrual issues. These would have been counted as fiscal year '93 revenues in any case. There is a three week period after June 30 in which all of the bookkeeping is done to end the fiscal year. These fall within the fiscal year end period.

Senator Jacobson said this does not affect the fund balance. It does affect the cash balance.

Rep. Bardanouve said he has worked on this, and it is the same principle as the county treasurers getting their money in.

Motion carried (Exhibit 35).

Senator Jacobson said that concludes the amendments to be considered this evening and we would reconvene at 8:00 on July 18, 1992.

(CONFERENCE COMMITTEE RECESSED - 8:50 P.M., JULY 17, 1992)

(CONFERENCE COMMITTEE RECONVENED - 8:15 A.M., JULY 18, 1992)

Senator Jacobson stated we would revert to Section A to deal with Department of Revenue amendments.

SECTION A AMENDMENTS

Rep. Kadas questioned the Department of Revenue regarding the executive budget where they took \$700,000 in cuts, part of those cuts to reduce 4 fte auditors in the personal income tax division worth \$126,000.

Jack Ellery, Department of Revenue, said that was correct. When asked by Rep. Kadas if a direct result of reducing those fte's was the loss of \$1 million in revenues, Mr. Ellery said that was correct but as he stated yesterday, that \$1 million was not included in the governor's revenue estimates.

Rep. Kadas said it was \$1 million; if they had the 4 fte, another \$1 million would have been collected. Mr. Ellery said that was correct.

Rep. Kadas questioned what kind of sense it would make to save \$126,000 in order to eliminate \$1 million of income.

Mr. Ellery stated when it came time to take the cuts of the magnitude taken by the DOR, they tried to spread the cuts as judiciously as they could, with the overall goal to preserve as much revenue as possible. He noted when it came to the income tax area, they had to look back to the previous special session. They eliminated their toll free taxpayer assistance line, stopped participating in the business tax education program, stopped providing staff assistance in the regional area during income tax season, restricted travel, forced additional vacancy savings; they took all the possible cuts without impacting revenue. He noted they believed if further cuts were required, it would be appropriate to take them where the least amount of revenue would be impacted and that was the area in which the fte's were given them for fiscal year '93 as that would be the least disruptive area.

Rep. Kadas asked Mr. Ellery if they informed the budget office that the cut of \$126,000 was going to cause a revenue decrease of \$1 million. Mr. Ellery said they did. When questioned by Rep. Kadas as to the response of the budget office, Mr. Ellery said that that \$1 million was not in the governor's revenue estimate.

Rep. Kadas asked if it makes sense to the DOR that in the process of trying to balance the budget that they cut \$126,000 in order to lose \$1 million of revenue. Mr. Ellery said that was a difficult question, but the DOR had difficult decisions to make, and it was a decision that was made by the administration.

Rep. Kadas said during the initial hearings on the executive proposal, he asked DOR whether the cuts of \$700,000 would have an effect on revenue. He asked Mr. Ellery what his answer was at that time.

Mr. Ellery asked if Rep. Kadas was talking about House appropriations. Rep. Kadas said it was a joint meeting of House appropriations and Senate finance and claims on the first day of the session. Mr. Ellery said he did not recall what he said but he suspected he said it was a revenue impact in personal income tax. Rep. Kadas said he remembered Mr. Ellery saying there would be no impact on revenue collections. Mr. Ellery said the proposal he laid out to the subcommittee did indicate the \$1 million.

Rep. Kadas asked Jane Hamman of the OBPP to give their logic in cutting \$126,000 in order to lose \$1 million of revenue.

Jane Hamman said the logic in preparing the executive recommendations was a review of the base operating budgets for agencies and recommending a percent. At that time they were asking agencies to report to them what the impact of that would be to develop to the best of their ability vacancy savings, other reductions, plans to mitigate the impact and to bring those to the appropriation subcommittees. She added the speed with which the session was called did not allow them several weeks to go out and meet with all agencies and carefully refine those plans.

Rep. Kadas asked Ms. Hamman if she was aware that the cut of 4 fte in personal income tax audit area would generate a savings of \$127,000 and result in \$1 million loss of revenue.

Ms. Hamman said the OBPP was not aware the 4 fte were going to be reduced. When asked by Rep. Kadas if OBPP was aware that revenue would be reduced by \$1 million, Ms. Hamman said she was not but she is not the revenue estimator and not fully conversant with all the different factors that went into preparing the final estimate.

Rep. Thoft said there is an issue before us, and he would like to deal with the issue.

Rep. Kadas stated he was about done with his questioning, but he would like to make the point that this is one small example of how this budget was put together by the administration. He stated it is a wonder they were able to print it on a page. It is absurd the kind of sense that went into trying to balance this budget. He stated he did not believe the Department of Revenue has been honest to him or the other committees of the legislature regarding the impacts of their budget cuts which frustrates him a great deal. He said he did not want to make the same kind of politically motivated mistake that he felt the DOR made in cutting the fte in order to reduce revenue, as that is foolish and not a wise decision when we are trying to balance the budget.

Rep. Kadas moved to amend page A-23, line 3. (See Exhibit 36) He concluded he was amazed that the DOR would think of trying to do something like this; it baffled him.

Rep. Kadas' amendment (Exhibit 36) carried unanimously.

Rep. Kadas moved to amend page A-23, following line 17. (See Exhibit 37)

Rep. Kadas said recently the division administrator for the Natural Resources and Corporation Tax Division retired and that position is now open. He was advised by the Department that they will leave the position open which is a key position in operating the department. He stated that because of what just recently happened with the department, he is not entirely ready to take their word on it so he wanted to have this language in HB 2 to ensure that the position stays open and is not filled until the next governor has an opportunity to fill it with someone he felt would do a good job.

Rep. Peck questioned if this was an appointive position by the governor. Rep. Kadas said it was at the discretion of the department. When asked by Rep. Peck if there was any reason to wait until the next governor was elected, Rep. Kadas stated he did not want the current leadership in the Department of Revenue appointing the person that would fill the position.

Rep. Peck indicated his opposition to the proposed amendment in that it would mean not having flexibility in government. He stated he did not know the motivation behind the amendment that would cause pointing at specific positions. He concluded if he suggested doing this to the university system, Rep. Kadas would disagree with him. He felt we should be fair.

Rep. Kadas said he would like to respond to Rep. Peck's concerns. He noted the Department has said they are going to keep the position open, and he is trying to ensure that they do that.

Senator Jacobson asked Rep. Kadas if he would withdraw his

motion for now and then get together with Rep. Peck and then the committee could discuss this motion as well as the language in the education area.

Rep. Kadas withdrew his amendment (Exhibit 37).

Senator Jacobson recessed the conference committee until approximately 9:30 this day.

(CONFERENCE COMMITTEE RECESSED - 8:40 A.M.)

(CONFERENCE COMMITTEE RECONVENED - 1:35 P.M.)

Senator Jacobson stated there was an amendment on the air quality program that needed to be dealt with.

SECTION B AMENDMENTS

Senator Jacobson called on Ken Williams to explain the amendment.

Ken Williams stated the amendment (See Exhibit 38) has the effect of striking \$110,000 out of the general fund appropriation to the Department of Health, which would then be made up by the department through increased fees for the air quality program. He said the federal clean air act restricts the use of these fees. He stated the Health Department has estimated that this is the cost of their program that can be attributed to clean air act requirements for their permit program, and he noted the industry has no way of verifying that number but they have agreed to meet with the Department of Health in August. He stated at this point they are agreeable to this.

Senator Jacobson asked Mr. Blouke to address this.

Peter Blouke, Administrative Officer, Department of Health, said they had identified areas within their budget at the request of the subcommittee where they could potentially substitute these funds for general funds. Action was initially taken on that in the air quality area. The subcommittee took out more at the time than they felt they could defend to the industry as a legitimate fee increase. They were then asked to work with the industry to come up with appropriate figures, which was done. He noted their surprise when the full \$250,000 was taken out yesterday and indicated they would agree to the \$110,000. He stated that the director of the Department of Health has committed to sit down with industry and work out the costs associated with the permitting process in accordance with the laws.

Senator Jergeson moved to substitute this amendment (Exhibit 38) in place of the amendment previously adopted.

Senator Jergeson's motion carried unanimously.

SECTION E AMENDMENTS

Senator Jacobson stated she was concerned with some of the language that was put in that would take out nonself-supporting athletic programs and also the restrictive language on the library expenditures.

Regarding the library expenditures, Senator Jacobson said if we are asking the university system to make cuts in their budget, we should allow them the flexibility of looking into all of their funds. She said she realized we have had a concern in the past about libraries as the university also has. She indicated she trusted them to make that decision for themselves. She concluded she would like the committee to review her amendment.

Senator Jergeson said on behalf of the Chair, he would make this motion (See Exhibit 39).

Senator Jergeson said the testimony has been that most or maybe all of the athletic programs are nonself-supporting. He felt those that are least self-supporting in some athletic endeavors may be athletic programs that women participate in. He noted that women's basketball probably is becoming as self-supporting as any male sports, but there may be others that are not. He said as the university system tries to deal with this type of language, judgement has to be set up as to the degree to which any particular program is self-supporting, and we may end up with problems in that respect as they would try to differentiate between one program and another.

Rep. Peck said this language is at the behest of the democratic caucus in the House. He felt it is a good amendment, and that libraries have suffered a heavy reduction in available resources in recent years. This is really no more than a recommendation.

Senator Jacobson said the Senate caucus has taken no position on that. There is some concern expressed by a number of people that most of the nonself-supporting athletic programs are female, and she has a real concern about that.

Rep. Peck said they still have to comply with the federal law regarding equal opportunity with female athletic programs. He felt that football is probably the least self-supporting as there are questions as to which conference the football program should be competing in. He said the sense of the House democratic caucus is that the language should be left in.

Senator Jergeson's amendment motion (Exhibit 39) failed, with the Senate in favor of the amendment and the House opposed to the amendment.

When asked by Senator Jacobson if there were other

amendments, Rep. Kadas said he was not going to move his other amendment relative to the Department of Revenue but that he would take them at their word and see what happens.

Senator Jacobson said the Chair recognizes Senator Van Valkenburg.

Senator Van Valkenburg said before the free conference committee concludes their deliberations, he would like the opportunity to gather the leadership of the legislature together to present a proposal to undergo some work between now and the regular session on the long-term structural deficit that the state is facing in the '95 biennium. He said there have been discussions about that, and he feels serious work needs to be done and some language inserted into HB 2 conference committee report to address the long-term issues. He said at this point he has not conferred with Senators Crippen, Keating and Representatives Mercer and Grinde on this issue. He felt this could be accomplished within an hour or so. He hoped HB 2 would be held open until he had an opportunity to do so.

Rep. Thoft questioned if Senator Van Valkenburg was going to suggest additional cuts to make the long-term problem easier.

Senator Van Valkenburg said what he had in mind was putting in place a program that would analyze the need and the opportunities for comprehensive spending reform. He indicated that would do more to accomplish what the goal is rather than a minor cut here and there in HB 2.

Senator Jacobson said if there were no further amendments, the conference committee would recess subject to the call of the Chair.

Regarding additional amendments, Rep. Thoft questioned that since the conference committee has not closed it would not be proper to say that amendment will not be accepted. Senator Jacobson said they are trying to determine if the LFA can begin printing. She noted that perhaps they could have an agreement that they are finished with amendments unless something technical comes up.

(CONFERENCE COMMITTEE RECESSED)

(CONFERENCE COMMITTEE RECONVENED - 4:20 P.M.)

Senator Jacobson said we have one final issue to discuss.

Rep. Peck stated there was confusion regarding the issue dealing with the nonself-supporting athletic programs and the position regarding that by the House democratic caucus. He noted the caucus is not concerned about the action taken except as it applies to the nonself-supporting athletic programs. He stated his motion will deal strictly with that part of the previous

motion.

Rep. Peck moved that the conference committee delete the words "and nonself-supporting athletic programs" on page E-1, lines 18 and 19. (See Exhibit 40)

Rep. Peck's amendment motion carried unanimously.

Rep. Peck said a petition that he has with representatives' signatures deals with the deletion of the nonself-supporting athletic programs only.

Senator Jacobson said this deletes the language that was inserted in the House that stated they were urging the Regents to look at eliminating nonself-supporting athletic programs; therefore, there is no language in there urging the Regents to do anything about the present athletic programs.

Senator Jergeson moved that the conference committee on HB 2 be adopted.

Senator Jergeson's motion carried with Rep. Thoft opposed.

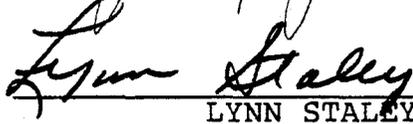
Senator Jacobson said we would adjourn and wait for the report.

ADJOURNMENT

Adjournment At: 4:25 p.m., July 18, 1992.



SENATOR JUDY JACOBSON, Chairman



LYNN STALEY, Secretary

JJ/LS

06 -

Amendments to House Bill No. 2
Reference Copy

Requested by _____
For the Free Conference Committee

Prepared by Clayton Schenck
July 17, 1992

SENATE FINANCE AND CLAIMS
EXHIBIT NO. 1
DATE 7/17/92
BILL NO. NB 2

1. Page A-9.
Strike: lines 23 and 24 in their entirety.

2. Page A-27.
Strike: line 25 in its entirety.

3. Page A-28.
Strike: lines 6 and 7 in their entirety.

4. Page B-9.
Strike: line 25 in its entirety.

5. Page B-10.
Strike: line 1 in its entirety

Passed

This is a clean-up amendment that strikes all language and appropriations that were contingent upon passage of House Bill 56. House Bill 56 was tabled in Senate Finance and Claims Committee on July 16.

Amendments to House Bill No. 2
Reference Copy

Requested by _____
For the Free Conference Committee

Prepared by Clayton Schenck
July 17, 1992

SENATE FINANCE AND CLAIMS

EXHIBIT NO. 2

DATE 7/17/92

BILL NO. HB 2

1. Page A-31, line 17.
Strike: "98,625"
Insert: "147,278"

Amended

This amendment reinstates the House Floor Cobb amendment adding \$48,653 in general budget reductions (general fund) to the Department of Military Affairs. This reduction was removed on the Senate Floor.

Amendments to House Bill No. 2
Reference Copy

Requested by _____
For the Free Conference Committee

Prepared by Clayton Schenck
July 17, 1992

SENATE FINANCE AND CLAIMS
EXHIBIT NO. 3
DATE 7/17/92
BILL NO. LB2

1. Page A-23, following line 17.

Insert: "The department may not allocate any of the general
budget reduction in item 9 for fiscal 1993 to item 7a."

This amendment mandates that none of the general budget reduction
applied to the Department of Revenue can be allocated to the
Elected and Deputy Assessors Program.

Amendments to House Bill No. 2
Reference Copy

Requested by Senator Jacobson
For the Free Conference Committee

Prepared by Clayton Schenck
July 17, 1992

SENATE FINANCE AND CLAIMS

EXHIBIT NO. 4

DATE 7/17/92

BILL NO. HB2

1. Page A-22, following line 9.

Insert: "g. Implement HB 44 and HB 54 (Line Item) 50,000"
(general fund, fiscal 1993)

This amendment provides \$50,000 general fund to implement the provisions of House Bills 44 and 54. The amendment is a line item appropriation to the Income Tax Division.

Amendments to House Bill No. 2
Reference Copy

SENATE FINANCE AND CLAIMS
EXHIBIT NO. 5
DATE 7/17/92
BILL NO. HB 2

Requested by Senator Nathe
For the Free Conference Committee

Prepared by Clayton Schenck
July 17, 1992

1. Page A-22, following line 25.
Insert: "~~9~~ Implement HB 24/HB 44/HB 54 - Tax Legislation (Line
Item) \$127,664" (general fund, fiscal 1993)

Renumber: subsequent subsection

This amendment provides \$127,664 general fund in fiscal 1993 to implement the provisions of House Bills 24, 44, and 54, tax legislation. The amendment is a line item appropriation, and the department will allocate the costs to the Income Tax, Corporation Tax, and Property Tax Programs.

\$35,000

passed

Amendments to House Bill No. 2
Reference Copy

Requested by _____
For the Free Conference Committee

Prepared by Clayton Schenck
July 17, 1992

SENATE FINANCE AND CLAIMS

EXHIBIT NO. 6

DATE 7/17/92

BILL NO. HB 2

1. Page A-22, line 12.
Strike: "1,124,159"
Insert: "1,238,282"

This amendment reinstates the corporate tax auditor positions removed on the House Floor from the Corporate Tax Division of the Department of Revenue. The amendment restores \$114,123 general fund in fiscal 1993.

Carried

FREE CONFERENCE COMMITTEE

HB2

July 17, 1992

1. Page BP-4, Line 8.
Strike: line in its entirety
2. Page A-20, line 2.
Strike: "376,076"
Insert: "594,076"

Explanation: This amendment restores \$218,000 to the Department of Transportation motor pool and eliminates the requirement to deposit a like amount from the motor pool account to the general fund (house floor amendment). Because a significant share of motor pool revenues are recovered from federal funding sources, transfer of these funds to the general funds would be in violation of federal rules. DoT would be required to charge a lower rate in the future to federal programs until the federal portion was recouped.

Amendments to House Bill No. 2
Reference Copy

SENATE FINANCE AND CLAIMS
EXHIBIT NO. 7
DATE 7/17/92
BILL NO. HB 2

Requested by _____
For the Free Conference Committee

Prepared by Lisa Smith
July 17, 1992

1. Page B-2, line 3.

Strike: "814,875" (General Fund Fiscal 1993)

Insert: "561,563" (General Fund Fiscal 1993)

2. Page B-2, line 3.

Strike: "1,401,616" (State Special Fiscal 1993)

Insert: "1,654,928" (State Special Fiscal 1993)

3. Page B-7.

Following: line 10, insert: "The appropriation in item 3 in the fiscal year 1993 state special revenue column includes \$253,312 to be generated by increased fees in the air quality bureau."

LFA will amend totals.

This amendment reduces general fund for the Air Quality program by \$253,312. This general fund reduction will be offset with state special revenue generated by increased fees in the air quality bureau.

Amendments to House Bill No. 2
Reference Copy

Requested by
For the Free Conference Committee

Prepared by Carroll South
July 17, 1992

SENATE FINANCE AND CLAIMS

EXHIBIT NO. 9

DATE 7/17/92

BILL NO. SB2

1. Page B-11, line 20.
Strike: "53,861,591" (general fund 1993)
Insert: "53,745,591" (general fund 1993)

LFA will amend totals

2. In recognition that enactment of Senate Bill 10 will reduce fiscal 1993 general fund costs for the State Medical program by \$1.6 million, the Office of the Legislative Fiscal Analyst is instructed to reduce the projected fiscal 1993 general fund supplemental appropriation by \$1.5 million.

This amendment makes adjustments for general fund savings in the State Medical program based on revisions of the program authorized in SB 10. House Bill 2 fiscal 1993 general fund appropriations are reduced \$116,000 and the LFA is authorized to reduce the projected general fund fiscal 1993 supplemental for the State Medical program by \$1.5 million.

passed

Amendments to House Bill No. 2
Reference Copy

Requested by
For the Free Conference Committee

Prepared by Carroll South
July 17, 1992

SENATE FINANCE AND CLAIMS

EXHIBIT NO. 10

DATE 7/17/92

BILL NO. HB 2

1. Page B-11, line 1.

Strike: "0" "0" "0" "0"
Insert: "\$814,731" "\$53,684" "\$2,187,605" "\$3,056,020"

2. Page B-15, line 24.

Strike: "38%"
Insert: "40.5%"

LFA will amend totals

This amendment sets AFDC and GA benefit levels at 40.5 percent of the federal poverty index, effective September 1, 1992 and adds \$814,731 general fund.

Passed

Amendments to House Bill No. 2
Reference Copy

Requested by Senator Nathe
For the Free Conference Committee

Prepared by Roger Lloyd
July 17, 1992

FINANCE AND CLAIMS

EXHIBIT NO. 11

DATE 7/17/92

BILL NO. HB2

1. Page C-5, line 17.

Strike: "337,903"

(General Fund Fiscal 1993)

Insert: "137,903"

(General Fund Fiscal 1993)

LFA will amend totals

Failed

Amendments to House Bill No. 2
Reference Copy

For the Free Conference Committee

Prepared by Roger Lloyd
July 17, 1992

STATE FINANCE AND CLAIMS
EMEND. NO. 12
DATE 7/17/92
BILL NO. HB 2

Handwritten signature/initials

1. Page C-13, line 5.

Strike: "62,714 352,623" (General Fund, State Special)
Insert: "415,337" (State Special)

2. Page C-¹³14, line 11.

Strike: "314,978 453,263" (General Fund, State Special)
Insert: "127,692 640,549" (General Fund, State Special)

3. Page C-14, following line 21.

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 increase in state special revenue funding in item 2, the department shall use existing balances in the state special revenue accounts from levies designated to support the activity."

Amendments to House Bill No. 2
Reference Copy

Requested by Senator Nathe
For the Free Conference Committee

Prepared by Jim Haubein
July 17, 1992

SENATE FINANCE AND CLAIMS

EXHIBIT NO. 13

DATE 7/17/92

BILL NO. HB 2

1. Page D-2, line 1.
Strike: "937,251"
Insert: "737,251"

This amendment reduces the state library by \$200,000 from the Inter-Library Loan Program.

Fuel

Amendments to House Bill No. 2
Reference Copy

Requested by Representative
For the Free Conference Committee

SENATE FINANCE AND CLAIMS
BILL NO. 14
7/17/92
BILL NO. SB 2

Prepared by Carroll South
July 17, 1992

1. Page D-5, line 16.
Strike: "0" (general fund 1993)
Insert: "26,910" (general fund 1993)

LFA will amend totals

This amendments reinstates 1 FTE in the Board of Pardons and adds \$26,910 general fund.

Carroll

Conference Committee
Amendment to HB2

July 17, 1992

1. D-3, Line 24.
Strike: "1,559" State Special
Insert: "4,559" State Special
2. D-3, Line 25.
Strike: "31,316" Proprietary
Insert: "28,316" Proprietary

2007

This technical amendment corrects the funding switch of \$3,000 in the Montana Historical Society, Library Program. The funds were moved from general fund to state special revenue in subcommittee. Proprietary funds were incorrectly funded rather than state special funds.

carried

SENATE FINANCE AND CLERK
EMEND NO. 16
DATE 7/17/92
BILL NO. HB2

Amendments to House Bill No. 2
Reference Bill

Requested by Rep Peck
For the Free Conference Committee

Prepared by Douglas K. Schmitz
July 17, 1992

1. Page E-12 Line 16
Following: "in"
Strike: "either fiscal 1992 or"

Done

Amendments to House Bill No. 2
Reference Copy

Technical Amendment
For the Conference Committee

Prepared by Skip Culver
July 16, 1992

SENATE FINANCE AND CLAIMS

EXHIBIT NO. 17

DATE 7/17/92

BILL NO. HB2

1. Page E-1, line 24.

Strike: "3,226,901 388,021 8,768,032"

Insert: "3,540,725 470,021 9,163,856"

2. Page E-2, line 1.

Strike: "3,020,656 8,378,443"

Insert: "3,199,214 8,557,001"

This is a technical amendment that corrects a clerical error in the original bill printed for House Appropriations. The amounts shown in the bill as it was introduced did not reflect amounts for the administration program of the Office of Public Instruction as appropriated during the January 1992 special session. This amendment corrects these amounts by adding \$313,824 general fund in fiscal 1992, \$82,000 state special revenue in fiscal 1992 and \$178,558 general fund in fiscal 1993.

Agency totals do not change.

Carried

Amendments to House Bill No. 2
Reference Copy

Requested by _____
For the Free Conference Committee

Prepared by Skip Culver
July 17, 1992

SENATE FINANCE AND CLAIMS
EXHIBIT NO. 13
DATE 7/17/92
BILL NO. HB 2

1. Page E-26, line 18.
Strike: "0"

2. Following line 18.
Insert: "5. Budget Reduction 57,353" (fiscal 1993 general
fund)

LFA will amend totals.

This amendment reduces the budget of the School for the Deaf & Blind by \$57,353, which was the amount of reduction proposed in the July special session executive budget.

failed

Amendments to House Bill No. 2
Third Reading Copy

Requested by Senator Jacobson
For the Conference Committee

SENATE FINANCE AND CLAIMS

Prepared by Skip Culver
July 16, 1992

EXHIBIT NO. 19
DATE 7/17/92
BILL NO. HB2

1. Page E-2, line 5.
Following: "Education"
Strike: "(Line Item)"

2. Page E-2, line 7.
Following: "Biennial"
Strike: "(Line Item)"

3. Page E-2, line 9.
Following: "Transportation"
Strike: "(Line Item)"

4. Page E-2, line 12.
Following: "Lunch"
Strike: "(Line Item)"

5. Page E-2, line 14.
Following: "Talented"
Strike: "(Line Item)"

Carried

6. Page E-2, line 16.
Following: "Biennial"
Strike: "(Line Item)"

7. Page E-2, line 18.
Following: "Education"
Strike: "(Line Item)"

8. Page E-2, line 20.
Following: "Aid"
Strike: "(Line Item)"

9. Page E-2, line 22.
Following: "Biennial"
Strike: "(Line Item)"

10. Page E-2, line 24.

Following: "Biennial"
Strike: "(Line Item)"

11. Page E-3, line 1.
Following: "Biennial"
Strike: "(Line Item)"

12. Page E-3, line 3.
Following: "Biennial"
Strike: "(Line Item)"

13. Page E-3, line 5.
Following: "Biennial"
Strike: "(Line Item)"

14. Page E-3, line 7.
Following: "Biennial"
Strike: "(Line Item)"

15. Page E-3, line 9.
Following: "Biennial"
Strike: "(Line Item)"

16. Page E-3, line 11.
Following: "Biennial"
Strike: "(Line Item)"

17. Page E-3, line 13.
Following: "Biennial"
Strike: "(Line Item)"

18. Page E-4.
Following: Line 17
Insert: "The agency may transfer funds among the items listed in
2a through 2q and between items 1 and 2 subject to the
limitations of 17-7-139."

Amendments to House Bill No. 2
Reference Copy

SENATE FINANCE AND CLAIMS
EXHIBIT NO. 20
DATE 7/17/92
BILL NO. HB 2

Requested by _____
For the Free Conference Committee

Prepared by Teresa Olcott Cohea
July 17, 1992

1. Page E-3, line 16.
Strike: "24,130,000"
Insert: "32,000,000"

2. Page E-4, following line 17.
Insert: "The legislative fiscal analyst is directed to reduce
fiscal 1993 supplementals included in the status sheet by
\$2.2 million in recognition of the fact that the office of
public instruction will reduce fiscal 1993 foundation
payments in three counties by \$2.2 million to compensate for
overpayment in fiscal 1992."

correct

Amendments to House Bill No. 2
Reference Reading Copy

Requested by Senator Jergeson
For the Free Conference Committee

Prepared by Taryn Purdy
July 17, 1992

SENATE FINANCE AND CLAIMS

EXHIBIT NO. 21

DATE 7/17/92

BILL NO. HB 2

1. Page E-18, line 1, through page E-19, line 16.
Strike: all lines in their entirety

This amendment eliminates all funding for Eastern Montana
College.

with drawn

SENATE FINANCE AND CLAIMS

EXHIBIT NO. 22

DATE 7/17/92

BILL NO. HB 2

AMENDMENT
HB2
July 17, 1992
REPRESENTATIVE THOFT

1. Page E-12, following line 15

Insert: "It is the intent of the 52nd legislature that the board of regents examine all revenue sources, including fees from students and other revenue sources not presently recognized within the formula funding of the Montana university system and that these revenue sources be utilized to provide instructional and support funds for the students of Montana wherever possible. It is the further intent that the board of regents utilize all possible economies and methods which will preserve access to and not limit enrollment of the units of the Montana university system.

More specifically:

1) before any major downsizing of student populations, there must be an independent evaluation of all student fees not within formula funding to determine if said fees should be placed within the formula. If more fees are appropriately placed within the formula, university units may be much closer to peer averages as the university units so wish, and there may be no need to reduce the current student population levels. Said evaluation shall be given to appropriate legislative committees;

2) evaluation of appropriate student populations for each unit of the Montana university system shall be conducted to determine how to best achieve optimum economies of scale for both benefits and costs;

3) a review of the western undergraduate exchange (wue) program shall be conducted to determine if the admission of non-resident students under the wue program should be limited to parity participation to ensure that Montana resident students are not denied admission to their own institutions."

Fuelert

FEES

AMENDMENT
HB2
July 17, 1992
REPRESENTATIVE THOFT

SENATE FINANCE AND CLAIMS
EXHIBIT NO. 23
DATE 7/17/92
BILL NO. HB 2

1. Page E-22, line 20:
Following: "1993"
Strike: through line 23 in their entirety.

Insert: "shall result in a reversion to the general fund of a like amount in accordance with 17-2-108 (2)."

failed

mills

AMENDMENT
HB 2
July 17, 1992
Representative Thoft

LEGISLATIVE FINANCE AND CLAIMS
EXAMINER 24
DATE 7/17/92
PAGE HB2

1. Page E-11, following line 17
Insert: "18. Budget Reduction (Line Item) -- \$5,000,000"
(Fiscal 1993 General Fund)

2. Page E-12, following line 15
Insert: "Item 28 reduces the total general fund appropriation to the Montana university system. The board of regents shall determine the proportional share of the amount to be applied to each component of the Montana university system. Each component, with the approval of the board of regents, shall determine the proportional share of its reduction to be applied to each program and reduce that program's appropriation accordingly."

Representative Thoft

Fried

AMENDMENT
HB 2
July 17, 1992
Representative Thoft

SENATE FINANCE AND CLAIMS
EXHIBIT NO. 25
DATE 7/17/92
BILL NO. HB2

1. Page E-11, following line 17
Insert: "18. Budget Reduction (Line Item) -- \$4,000,000"
(Fiscal 1993 General Fund)

2. Page E-12, following line 15
Insert: "Item 28 reduces the total general fund appropriation to the Montana university system. The board of regents shall determine the proportional share of the amount to be applied to each component of the Montana university system. Each component, with the approval of the board of regents, shall determine the proportional share of its reduction to be applied to each program and reduce that program's appropriation accordingly."

Representative Thoft

Faded

SENATE FINANCE AND CLAIMS

EXHIBIT NO. 26

DATE 7/17/92

BILL NO. HB 2

AMENDMENT
HB 2
July 17, 1992
Representative Thoft

1. Page E-11, following line 17
Insert: "18. Budget Reduction (Line Item) -- \$3,000,000"
(Fiscal 1993 General Fund)

2. Page E-12, following line 15
Insert: "Item 28 reduces the total general fund appropriation to the Montana university system. The board of regents shall determine the proportional share of the amount to be applied to each component of the Montana university system. Each component, with the approval of the board of regents, shall determine the proportional share of its reduction to be applied to each program and reduce that program's appropriation accordingly."

Representative Thoft

Thoft

AMENDMENT
HB 2
July 17, 1992
Representative Thoft

SENATE FINANCE AND CLAIMS
EXHIBIT NO. 27
DATE 7/17/92
BY HB 2

1. Page E-11, following line 17
Insert: "18. Budget Reduction (Line Item) -- \$2,000,000"
(Fiscal 1993 General Fund)
2. Page E-12, following line 15
Insert: "Item 28 reduces the total general fund appropriation to the Montana university system. The board of regents shall determine the proportional share of the amount to be applied to each component of the Montana university system. Each component, with the approval of the board of regents, shall determine the proportional share of its reduction to be applied to each program and reduce that program's appropriation accordingly."

Representative Thoft

Filed

AMENDMENT
HB 2
July 17, 1992
Representative Thoft

SENATE FINANCE AND CLAIMS
EXHIBIT NO. 28
DATE 7/17/92
BILL NO. HB 2

1. Page E-11, following line 17
Insert: "18. Budget Reduction (Line Item) -- \$1,000,000"
(Fiscal 1993 General Fund)
2. Page E-12, following line 15
Insert: "Item 28 reduces the total general fund appropriation to the Montana university system. The board of regents shall determine the proportional share of the amount to be applied to each component of the Montana university system. Each component, with the approval of the board of regents, shall determine the proportional share of its reduction to be applied to each program and reduce that program's appropriation accordingly."

Fulest

Representative Thoft

SENATE FINANCE AND CLAIMS

EXHIBIT NO. 29

DATE 7/17/92

BILL NO. HB 2

AMENDMENT
HB2
July 17, 1992
REPRESENTATIVE THOFT

1. Page E-12, following line 15

Insert: "It is the intent of the 52nd legislature that the board of regents examine all revenue sources, including fees from students and other revenue sources not presently recognized within the formula funding of the Montana university system, ~~and that these revenue sources be utilized to provide instructional and support funds for the students of Montana wherever possible.~~ It is the further intent that the board of regents utilize all possible economies and methods which will preserve access to and not limit enrollment of the units of the Montana university system.

More specifically:

1) before any major downsizing of student populations, there must be an independent evaluation of all student fees not within formula funding to determine if said fees should be placed within the formula. If more fees are appropriately placed within the formula, university units may be much closer to peer averages as the university units so wish, and there may be no need to reduce the current student population levels. Said evaluation shall be given to appropriate legislative committees;

2) evaluation of appropriate student populations for each unit of the Montana university system shall be conducted to determine how to best achieve optimum economies of scale for both benefits and costs;

3) a review of the western undergraduate exchange (wue) program shall be conducted to determine if the admission of non-resident students under the wue program should be limited to parity participation to ensure that Montana resident students are not denied admission to their own institutions."



FEES

Amendments to House Bill No. 2
Reference Copy

Requested by Senator Doherty and Representative Sheila Rice
For the Free Conference Committee

Prepared by Jim Haubein
July 17, 1992

1. Title, line 8.
Strike: "AND"
Following: "11,"
Insert: "AND 14,"

2. Title, line 9.
Strike: "REPEALING" through "1991;"

3. Page OA-7, line 24.
Strike: section 7 in its entirety
Insert: "NEW SECTION. SECTION 7. Section 14, Chapter 13,
Special Laws of January 1992, is amended to read:

"Section 14. Section 1, Chapter 820, Laws of 1991, is
amended to read:

"Section 1. **Appropriation.** There is appropriated from the
general fund ~~\$700,000~~ ~~\$644,000~~ \$500,000 to the department of
commerce for the Lewis and Clark national historic trail
interpretive center for the biennium ending June 30, 1993.
The money, along with the \$300,000 of other funds specified
in [section 2], is to be used to match federally
appropriated funds on an 8-to-1 basis. The department of
commerce shall administer the appropriation to add another
tourism destination attraction in Montana. The department
of commerce shall distribute the money for planning, design,
and all phases of construction for a Lewis and Clark
national historic trail interpretive center, as authorized
in Public Law 100-552.""

Renumber: subsequent sections

Conference Committee
Amendment to HB2

July 17, 1992

1. OA-7, following line 24.

Insert: "NEW SECTION. SECTION 8. SECTION 1, Chapter 624, Laws of 1991, is amended to read:

Section 1. Appropriation for veterans' home project.

(1) The following money is appropriated for the biennium ending June 30, 1993, from the capital projects fund: ~~\$1,991,897~~ \$87,600 to the department of administration for construction and remodeling, including land purchase and design costs, of a state nursing home and domiciliary home at Glendive, Montana, for veterans in Montana.

(2) There is appropriated to the department of administration for the biennium ending June 30, 1993, \$3,699,237 in spending authority from the federal special revenue received from the veterans benefits administration.

(3) For fiscal year 1993, \$1,904,297 is transferred from the long-range building program fund in the capital projects fund type to the general fund."

The purpose of this amendment is to transfer \$1.9 million of cigarette tax set aside for the veterans home in Glendive to the general fund. Because we would not be repealing the chapter, Montana would remain on the VA list of projects and Montana would not need to reapply for a grant. When we recertify the state match is again available, the project will be reprioritized back in Group 1 eligible for the federal funding.

Funded

Amendments to House Bill No. 2
Reference Copy

Requested by Senator Nathe
For the Free Conference Committee

Prepared by Teresa Olcott Cohea
July 17, 1992

SENATE FINANCE AND CLAIMS

EXHIBIT NO. 32

DATE 7/17/92

BILL NO. HB 2

1. Page BP-4, line 17.

Following: "FTEs"

Insert: "and agencies allocated to a department for
administrative purposes only in accordance with 2-15-121"

Administratively attached entities are not always identified as separate agencies for budgeting purposes, even though they are within the definition of agency in 2-14-102(2). Examples are the Workers' Compensation Court (8 FTEs) and the Human Rights Commission (10 FTEs) administratively attached to the Department of Labor and Industry. This language will help clarify the intent of this section.

Passed

SENATE JOURNAL
EXHIBIT 83
DATE 7/7/42
BILL NO. HB 2

AMENDMENT TO HOUSE BILL 2

REFERENCE BILL COPY BEFORE JOINT CONFERENCE COMMITTEE

1. Page BP-4, line 17.

Following: "section."

Insert: "For the purposes of this section and the calculations required herein, personal services do not include per diem compensation paid to board members, council members, commission members or legislators."

Insert

Amendments to House Bill No. 2
Reference Copy

Requested by Representative Kadas
For the Free Conference Committee

Prepared by Clayton Schenck
July 17, 1992

SENATE FINANCE AND CLAIMS
EXHIBIT NO. 34
DATE 7/17/92
BILL NO. HB 2

1. Page BP-1, lines 18 through 27.
Strike: Section 2 in its entirety.

Insert: "New Section. **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 the July 1992 special session:

(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 that are to be stringently analyzed prior to consideration by the 53rd legislature; and

(2) approves flexible management responsibility, within the constraints of this section, subject to the limitations of 17-7-138 and 17-7-139, for each agency in order that the agency may adjust spending authority within and among programs for personal services, operating expenses, equipment, capital outlay, grants, and transfers."

This amendment strikes boilerplate language in House Bill 2 placing limits on personal services transfers, and adds language providing agency management flexibility.

Passed

Amendments to House Bill No. 2
Reference Copy

EXHIBIT NO. 35
DATE 7/17/92
BILL NO. HB 2

Requested by _____
For the Free Conference Committee

Prepared by Teresa Olcott Cohea
July 17, 1992

1. Page BP-4.

Following: line 17

Insert: "NEW SECTION. Section 14. Deposit of available cash in general fund. (1) The department of administration is directed to ensure that all available cash from the following revenue sources attributable to fiscal 1993 be deposited in the general fund and the school equalization aid account by June 30, 1993:

- (a) insurance premium tax (\$5.5 million);
- (b) permanent coal tax trust interest (\$6.6 million);
- (c) liquor excise tax (\$0.5 million); and
- (d) common school permanent trust interest and income (\$4.7 million).

(2) The amount shown for each revenue source in subsections (1)(a) through (1)(d) is based on the estimate prepared by the department of administration."

Renumber: subsequent sections



Amendments to House Bill No. 2
Reference CopyENRGT NO. 36
DATE 7/19/92
BILL NO. HB 2Requested by Senator Nathe
For the Free Conference CommitteePrepared by Clayton Schenck
July 17, 1992

1. Page A-23, line 3.
Strike: "801,142"
Insert: "674,476"

This amendment reduces the general budget reduction by \$126,666 in the Department of Revenue to allow continuation of 4.0 FTE auditor positions in the Income Tax Division that the department indicated it would eliminate as part of the Executive budget reduction recommendations. The four positions are to generate \$1.0 million in additional revenue.

Passed

Amendments to House Bill No. 2
Reference Copy

Requested by Representative Kadas
For the Free Conference Committee

Prepared by Clayton Schenck
July 17, 1992

SENATE FINANCE AND CLAIMS
EXHIBIT NO. ??
DATE 7/18/92
BILL NO. UK 2

1. Page A-23, following line 17.

Insert: "It is the intent of the legislature that the department
leave the position of division administrator for the Natural
Resources and Corporation Tax Division vacant during all of
fiscal 1993."

SENATE FINANCE AND CLAIMS
EXHIBIT NO. 38
DATE 7/18/92
BILL NO. CB2

Amendments to House Bill No. 2
Reference Copy

Requested by _____
For the Free Conference Committee

Prepared by Lisa Smith
July 18, 1992

1. Page B-2, line 3.
Strike: "814,875" (General Fund Fiscal 1993)
Insert: "704,875" (General Fund Fiscal 1993)

2. Page B-2, line 3.
Strike: "1,401,616" (State Special Fiscal 1993)
Insert: "1,511,616" (State Special Fiscal 1993)

3. Page B-7.
Following: line 10, insert: "The appropriation in item 3 in the fiscal year 1993 state special revenue column includes \$110,000 to be generated by increased fees in the air quality bureau."

LFA will amend totals.

This amendment reduces general fund for the Air Quality program by \$110,000. This general fund reduction will be offset with state special revenue generated by increased fees in the air quality bureau.

Perma

Amendments to House Bill No. 2
Reference Reading Copy

Requested by _____
For the Free Conference Committee

Prepared by Taryn Purdy
July 18, 1992

SENATE FINANCE AND CLAIMS
BILL NO. 39
DATE 7/18/92
BILL NO. HB 2

1. Page E-1, line 18.
Following: "travel,"
Insert: "and"
Following: "new programs"
Strike: ", and nonself-supporting"
2. Page E-1, line 19.
Strike: "athletics programs"
3. Page E-1, lines 20 and 21.
Strike: lines 20 and 21 in their entirety.

Final

Amendments to House Bill No. 2
Reference Reading Copy

Requested by _____
For the Free Conference Committee

Prepared by Taryn Purdy SENATE FINANCE AND CLAIMS
July 18, 1992

EXHIBIT NO. 40
DATE 7/18/92
BILL NO. HB 2

1. Page E-1, line 18.
Following: "travel,"
Insert: "and"
Following: "new programs"
Strike: ", and nonself-supporting"

2. Page E-1, line 19.
Strike: "athletics programs"

3. Page E-1, lines 20 and 21.
Strike: lines 20 and 21 in their entirety.

carried