

MINUTES

**MONTANA SENATE
52nd LEGISLATURE - 2nd SPECIAL SESSION**

COMMITTEE ON FINANCE & CLAIMS

Call to Order: By Senator Judy Jacobson, Chairman, on July 18, 1992, at 12:00 p.m.

ROLL CALL

Members Present:

Judy Jacobson, Chairman (D)
Greg Jergeson, Vice Chairman (D)
Gary Aklestad (R)
Thomas Beck (R)
Esther Bengtson (D)
Don Bianchi (D)
Gerry Devlin (R)
Eve Franklin (D)
Harry Fritz (D)
H.W. Hammond (R)
Ethel Harding (R)
Bob Hockett (D)
Thomas Keating (R)
Dennis Nathe (R)
Lawrence Stimatz (D)
Larry Tveit (R)
Eleanor Vaughn (D)
Mignon Waterman (D)
Cecil Weeding (D)

Members Excused: None

Staff Present: Teresa Olcott Cohea(LFA)

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

EXECUTIVE ACTION ON HOUSE BILL 8

Motion:

Senator Jergeson moved that the committee reconsider their previous action in adopting an adverse committee report on House Bill 8.

Senator Jergeson's motion to reconsider carried unanimously.

Amendments, Discussion, and Votes:

Senator Jergeson moved to amend HB 8 by striking the across the board language that was inserted into the bill the other day. He moved the amendment that was adopted be withdrawn.

Senator Jergeson's motion to amend carried.

Senator Jergeson moved to amend HB 8 on page 2, line 11 (see Exhibit 1).

Senator Jergeson said in his proposed amendment no agency could be reduced more than 10 percent. It would also reduce the prospects of a constitutional challenge.

Senator Aklestad spoke against the amendment. He said it appears to give latitude to the Governor, which it does somewhat but it is so restrictive that it does not give enough latitude to keep the legislature out of a special session. Where we can't raise the percentage higher than any one entity, for instance the university system, we take \$117 million off the top, we have an approximate \$454 million each year of the biennium general fund budget, when all the earmarked and revenues are taken out that the Governor or anyone else can take, it is approximately \$260 million each year and \$117 million is taken from that. So we are dealing with the difference between \$260 million and \$117 million. The big fault of it is that those budgets have already taken greater cuts than the ones we are protecting. Consequently we cannot take 10, 12, 13 percent cuts and that is what has to be done to generate enough money in this segment that is left to affect say a 6 percent cut. If you couldn't give Institutions any cut, you would have to give 10, 12, 14, 15 percent cuts on this side to generate enough revenue that would be meaningful enough that you could come over to the university side to give a 6 percent cut. Using the calculation of 6 percent cut on each side, you would come up with about \$14 million. That is probably not enough and he did not think you could get the cuts out of the other side of the equation because those entities have already been cut by up to 8, 10 percent already in the last special session and this special session where the other part of the equation has not been cut.

Senator Jacobson said looking back historically, this section of law has never been used until the present administration to make cuts greater than 5 percent across the board. When you get higher than 5 percent, it is digging deep into the programs and there would be a special session because someone would take us to court. The 10 percent flexibility is needed. She said a 6 percent cut across the board after we have done all the damage we have done is probably more than the governor would be able to deal with between now and January. There is a comfort level and 10 percent is reasonable because you have to be able to deal within the agency at the program level.

HB 8 is needed right now to deal with the problem we have with the TRANS issue and it is a piece of the puzzle. She concluded that with across the board cuts between now and January, if we go deeper than 6 percent the university system would have us in court and she suspected they would prevail.

Senator Aklestad said the 6 percent cut is probably too much. If this was cut to \$3 million, the governor has latitude to cut \$7.5 million. He questioned the bill being worth giving the governor the latitude to cut 7.5 million. Unless we are thinking about changing the statute for the next administration, we are losing sight of what we should be doing for the next governor.

Senator Jacobson said \$100 million can't be cut out of a budget no matter how much latitude we give. We would have been back in special session if this bill had been in place or not because we need cuts and revenue; there is only so far we can go. She noted we are trying to get this piece of the puzzle in place to deal with problems that may occur. If they are more than \$14 million, we have not done our job here today. She stated she does not anticipate there being a problem between now and January but it is important to put this in place. She noted there are people in her caucus that would like to make it a straight across the board and they have agreed there needs to be more flexibility than that.

Senator Hockett questioned what agencies we are talking about that are headed by elected officials.

Senator Jergeson said Office of Public Instruction, Attorney General, Secretary of State, State Auditor and the university system. This would not insulate them from cuts but the executive would be able to order them to make the cuts that he has an aggregate accumulated among those agencies that are his responsibility.

Senator Jergeson's amendment motion (see Exhibit 1) carried on a roll call vote.

Senator Jergeson moved his amendment (see Exhibit 2).

Jim Haubein, Fiscal Analyst, said with regard to page 4, beginning with subparagraph 3a, this places a definition for projected general fund budget deficit in HB 8.

Senator Jergeson's amendment motion (see Exhibit 2) carried unanimously.

Recommendation and Vote:

Senator Jergeson moved that House Bill 8 AS AMENDED BE CONCURRED IN.

Motion that HB 8 AS AMENDED BE CONCURRED IN carried on a roll call vote.

HEARING ON HOUSE BILL 32

Presentation and Opening Statement by Sponsor:

Rep. Nelson, House District 19, a sponsor of HB 32 stated the bill asks that the agencies stop printing and distributing newsletters that are wholly paid for by state funds for the time being.

Proponents' Testimony:

None.

Opponents' Testimony:

None.

Questions From Committee Members:

Senator Beck questioned if HB 32 would include legislative council mailings to legislators. Rep. Nelson said if they are considered a state agency, it would include them.

Senator Keating questioned the fiscal note that said operating expenses are reduced by \$35,000. He asked if that is a single person or an aggregate of people throughout all the various agencies that are not now printing the reports. Rep. Nelson believed it is an aggregate number. When questioned by Senator Keating if this is a one day layoff or a reduction in personnel, Rep. Nelson said it is postage and printing; it is just operating expenses, not people.

Senator Waterman asked if HB 32 would affect college catalogues. Rep. Nelson felt it would not affect that. She indicated it has to do with legislators receiving newsletters. Senator Waterman wondered if the only people that will not receive the newsletters are the 150 legislators. Rep. Nelson said she was not positive about that. It says prohibit printing and distribution of state agency newsletters. She felt the agency would not be printing these.

Bob Person, Director, Legislative Council, said it was his intention if HB 32 passed to ask legislators if they wanted to receive the newsletters; if they order it, it is no longer unsolicited. When questioned by Senator Jacobson as to his opinion of college catalogues and them being solicited, Mr. Person said he did not think a catalogue is a newsletter.

Senator Franklin stated her concern that there will be people relying on information that will not be getting it.

Senator Hockett stated his support of HB 32 and felt the word "unsolicited" is the term.

When questioned by Senator Waterman as to examples of what would be eliminated, the committee suggested it could be mental health information, water rights bulletins, information regarding underground storage tanks, developmental disabilities information, et cetera.

Senator Keating noted that this is a temporary measure in that it only goes until December 31, 1992.

Closing by Sponsor:

Representative Nelson closed by thanking the committee for a good hearing.

EXECUTIVE ACTION ON HOUSE BILL 32

Motion:

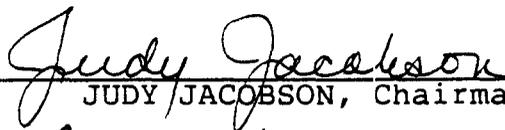
Senator Jergeson moved that HOUSE BILL 32 BE CONCURRED IN.

Recommendation and Vote:

Senator Jergeson's motion that HB 32 BE CONCURRED IN carried on a roll call vote. Senator Waterman will carry HB 32 on the Senate floor.

ADJOURNMENT

Adjournment At: 12:40 p.m.



JUDY JACOBSON, Chairman



LYNN STALEY, Secretary

JJ/LS1

ROLL CALL

FINANCE AND CLAIMS

COMMITTEE

DATE

7/18/92

SPECIAL

52nd LEGISLATIVE SESSION

NAME	PRESENT	ABSENT	EXCUSED
SENATOR JACOBSON	✓		
SENATOR JERGESON	✓		
SENATOR AKLESTAD	✓		
SENATOR BECK	✓		
SENATOR BENGTSON	✓		
SENATOR BIANCHI	✓		
SENATOR DEVLIN	✓		
SENATOR FRANKLIN	✓		
SENATOR FRITZ	✓		
SENATOR HAMMOND	✓		
SENATOR HARDING	✓		
SENATOR HOCKETT	✓		
SENATOR KEATING	✓		
SENATOR NATHE	✓		
SENATOR STIMATZ	✓		

Each day attach to minutes.

SENATE STANDING COMMITTEE REPORT

Page 1 of 1
July 18, 1992

MR. PRESIDENT:

We, your committee on Finance and Claims having had under consideration House Bill No. 8 (third reading copy -- blue), respectfully report that House Bill No. 8 be amended and as so amended be concurred in:

1. Amend Senate Finance and Claims committee report dated July 16, 1992.

Amendment No. 1

Strike amendment No. 1 in its entirety.

AND THAT HOUSE BILL NO. 8, THIRD READING COPY, BE FURTHER AMENDED AS FOLLOWS:

2. Page 2, line 11.

Following: "biennium."

Insert: "Departments or agencies headed by elected officials or the board of regents may not be required to reduce general fund spending by a percentage greater than the percentage of general fund spending reductions required for the total of all other executive branch agencies."

3. Page 4, line 12.

Following: "governor."

Strike: "of"

Insert: "by which"

Strike: "negative"

4. Page 4, line 13.

Following: "biennium"

Strike: "or"

Insert: "is less than"

Signed: Judy H. Jacobson
Judy H. Jacobson, Chairman

7-18-92
Ad. Coord.

SB 7-14-92
Sec. of Senate

SENATE STANDING COMMITTEE REPORT

Page 1 of 1
July 18, 1992

MR. PRESIDENT:

We, your committee on Finance and Claims having had under consideration House Bill No. 32 (third reading copy -- blue), respectfully report that House Bill No. 32 be concurred in.

Signed: Judy H. Jacobson

Judy H. Jacobson, Chairman

7-18-92
kmd. Coord.

Sec. of Senate

121254SC.Sj1

Amendments to House Bill No. 8
Third Reading Copy

Requested by Senator Jergeson
For the Committee on Senate Finance and Claims

Prepared by Jim Haubein
July 18, 1992

SENATE FINANCE AND CLAIMS
EXHIBIT NO. _____
DATE 7/18/92
BILL NO. HB 8

1. Page 2, line 11.

Following: "biennium."

Insert: "Departments or agencies headed by elected officials or the board of regents may not be required to reduce general fund spending by a percentage greater than the percentage of general fund spending reductions required for the total of all other executive branch agencies."

Ex. 1
7/10/92
HB 8

ROLL CALL VOTE

SENATE COMMITTEE FINANCE & CLAIMS

Date 7/28/92 Name Staley Bill No. HB 8 Time _____

NAME	YES	NO
SENATOR JACOBSON	✓	
SENATOR JERGESON	✓	
SENATOR AKLESTAD		✓
SENATOR BECK		✓
SENATOR BENGTON	✓	
SENATOR BIANCHI	✓	
SENATOR DEVLIN		✓
SENATOR FRANKLIN	✓	
SENATOR FRITZ	✓	
SENATOR HAMMOND		✓
SENATOR HARDING		✓
SENATOR HOCKETT	✓	

Lemon Staley
Secretary

Chairman

Motion: Sen. Jergeson Amendment
motion (see Exhibit 1)
Carried

ROLL CALL VOTE (Cont'd)

Ex. 1

HB 8

7/18/92

SENATE COMMITTEE FINANCE AND CLAIMS

Date _____ Bill No. _____ Time _____

NAME	YES	NO
SENATOR KEATING		✓
SENATOR NATHE		✓
SENATOR STIMATZ	✓	
SENATOR TVEIT		✓
SENATOR VAUGHN	✓	
SENATOR WATERMAN	✓	
SENATOR WEEDING	✓	

Secretary _____

Chairman _____

Motion: _____

Amendments to House Bill No. 8
Third Reading Copy

SENATE FINANCE AND CLAIMS

EXHIBIT NO. 2

DATE 7/18/92

BILL NO. 458

Requested by _____
For the Committee on Senate Finance & Claims

Prepared by Jim Haubein
July 17, 1992

1. Page 4, line 12.
Following: "governor,"
Strike: "of"
Insert: "by which"
Strike: "negative"

2. Page 4, line 13.
Following: "biennium"
Strike: "or"
Insert: "is less than"

ROLL CALL VOTE

SENATE COMMITTEE FINANCE & CLAIMS

HB 8

Date 7/18/92 House Bill No. 7 Time 4:2

NAME	YES	NO
SENATOR JACOBSON	✓	
SENATOR JERGESON	✓	
SENATOR AKLESTAD		✓
SENATOR BECK		✓
SENATOR BENGTON	✓	
SENATOR BIANCHI	✓	
SENATOR DEVLIN		✓
SENATOR FRANKLIN	✓	
SENATOR FRITZ	✓	
SENATOR HAMMOND		✓
SENATOR HARDING		✓
SENATOR HOCKETT	✓	

Lynn Staley
Secretary

Chairman

Motion: Sen. Jergeson motion

HB 8 As Amended Be Concurred

In
Carried

ROLL CALL VOTE (Cont'd)

SENATE COMMITTEE FINANCE AND CLAIMS

Date 7/18/92 H Bill No. _____ Time # 2

NAME	YES	NO
SENATOR KEATING		✓
SENATOR NATHE		✓
SENATOR STIMATZ	✓	
SENATOR TVEIT		✓
SENATOR VAUGHN	✓	
SENATOR WATERMAN	✓	
SENATOR WEEDING	✓	

Secretary _____

Chairman _____

Motion: _____

ROLL CALL VOTE

SENATE COMMITTEE FINANCE & CLAIMS

HB 32

Date 7/18/02 House Bill No. 32 Time #3

NAME	YES	NO
SENATOR JACOBSON	✓	
SENATOR JERGESON	✓	
SENATOR AKLESTAD	✓	
SENATOR BECK	✓	
SENATOR BENGTON	✓	
SENATOR BIANCHI		✓
SENATOR DEVLIN	✓	
SENATOR FRANKLIN	✓	
SENATOR FRITZ		✓
SENATOR HAMMOND	✓	
SENATOR HARDING	✓	
SENATOR HOCKETT	✓	

Lynn Stealy
Secretary

Chairman

Motion: Sen. Jergeson motion that
HB 32 be concurred in
Carried

ROLL CALL VOTE (Cont'd)

SENATE COMMITTEE FINANCE AND CLAIMS

Date 7/18/92 H Bill No. 32 #3
Time _____

NAME	YES	NO
SENATOR KEATING		✓
SENATOR NATHE	✓	
SENATOR STIMATZ		✓
SENATOR TVEIT	✓	
SENATOR VAUGHN	✓	
SENATOR WATERMAN	✓	
SENATOR WEEDING		✓

Secretary _____

Chairman _____

Motion: _____

