

The meeting was called to order at 8:00 a.m. by Chairman Brand. The secretary called the roll, with Kanduch, Menahan and Smith absent.

Dick Hargesheimer presented his summary, see attachment #1.

EXECUTIVE SESSION

HB 711-Feda moved DO PASS. MENAHAN-There might be a constitutional problem. But we have passed some bills in this place that have been tried in Court. TURNER-What is unconstitutional? MENAHAN-That it prohibits the peoples' right to run for office. Passed unanimously.

HB 118-Robbins moved to take it from the table. Motion carried unanimously. Robbins moved DO NOT PASS. Motion carried, with Meyer and Kropp voting no.

HB 710- Menahan-My reasoning behind this was that the state Tax Appeals Board was three members. There was an attempt last session to make it 5 members. We thought the work load justified 5 members. Seems anyone who objected, got the decision their way. This is an effort to get more people into it. When I went to the Council, they suggested that I include the SRS Board, and they seldom know what's going on. Someone has to determine what is pollution equipment and what is production equipment. I feel the people of Montana should be well represented.

JIM STEFFECK-I have been appointed but not confirmed. I have no experience.

RYAN-Is this dealing with tax appeals that come out of SRS?

MENAHAN-The council said to lump the SRS people in here. They felt someone working 20 hours a week.....the lady said they could be occupied for 6 months. And now they are letting go of the clerical help. Two years ago they said they were occupied for enough of the time. With 5 members you spread out the power. BRAND-If one bill passes, they will have to come out in April rather than August. MENAHAN-Yes, I am familiar with the bill. BRAND-She didn't really know what the SRS thing would do. MENAHAN-The Governor's Office felt part time people would be more susceptible to influence than full time. I think it takes someone with a little character. I want us to appoint people who won't be swayed by some of the heavies in the state. RYAN-If this is one board, will they be dealing with serious reform or all SRS appeals? MENAHAN-The SRS Board isn't really that well outlined. STEFFECK-I don't know how long these take. MENAHAN-I want to see this taken care of soon. RYAN-Is there a delay now? MENAHAN-No. I voted for the 5 member board.

HB 86-JOHN HOLLOW-It seems that a lot of people are having trouble with intervention assumption - it's OK with me if you strike the term "assumption"--I put it in as many bills as I could, so it should make it somewhere. If you think of government assumption, it may become clearer. Hollow made an analogy about pesticide spraying where the control program sprayed on April 1, June 1, and September 1--now in Minnesota, they only spray in small selected areas. This bill requests a performance audit 3 times per year because you assume that three times is the way the government could come in and say that you were assuming that three times was enough and the government didn't feel so. These assumptions are those assumptions that relate program expenditures to outcome anticipated and objectives to impact on the problem addressed in the goals. It's going out, buying the pesticide and renting a plane.

The only other change made is that the legislative committee selects where they see the problems to be. They can take suggestions from the department and then audit.

I agree with the time being moved up. But the real change from the pilot program to this is that the legislature is in touch with the people in the program. This is a signal to the budget people that we see these as problem areas. The Supreme Court even said that the legislature can get information where they want it. So with this, you select rather than the auditor selecting. A subcommittee of the Appropriations Committee, with a subcommittee on the substantive program, hear the budgets.

BRAND-On Page 4, after line 15, no fiscal impact? BARDANOUE-You pass the bill now, and it supposedly doesn't cost anything, then the next session you find out that it does.

HOLLOW-Jack Uhde wanted to strike the term "assumption".

BRAND-Explain that committee again, please. HOLLOW-the people hearing the budget would be a subcommittee of the Appropriations Committee, and the Standing Committee of the substantive area. We wanted some of the people who are on the budget and some of the people who are passing the program. BRAND-Couldn't you have the chairmen of each committee select people from the House or Senate? HOLLOW-Well, you see, this would be during the session when you hear the budget. The selection is strictly done by the Legislative Audit and Finance Committees.so you don't build up mandatory audits, because in some cases, the performance audit after two years may be waived....although the legislature would determine this. Right now you are mandated to do the audit, but if you put the waiver in there, it can be avoided.or write....termination in two years, so that you open up something besides mandatory audits. FEDA-Will this get too cluttered? BARDANOUE-I introduced the original bill for a trial basis. It does cost more as the process is more complex. It does have beneficial results, but it also has some cost figures. Hopefully, the benefits will offset the costs. Mr. Lewis, from the Budget and Program Planning Office, has worked with it and could give you a better answer. DAVE LEWIS-I urge you to take a look at the executive budget of the programs presented in zero-base. I haven't gotten feed back from the Appropriations Committees as to what help these were. The Fiscal Analyst puts out analyses, and he puts out an audit. I am not really sure that this is worth the cost. It must be weighed against what we have done.

BARDANOUE-It depends upon how well the department heads evaluate their own programs. I think the department put a very low priority on a critical program--for a heart center in Great Falls--it was cut drastically, but the department put a low priority on it.

RYAN-I move HB 86 DO NOT PASS. No one has convinced me that this is working, nor have I seen any viable statistics from the pilot program. I question from whence this bill came. If we pass this, we are mandating that someone do these; and I think it is untimely. MENAHAN-Pettit's office is on zero-based budgeting, and I feel we should take some time. With these sessions like this, bureaucrats are running things, and we are selling our powers short. The thing about zero-based budgeting is that when you have an extra amount of dollars, you can evaluate the necessity of them. If they spend 85% and the last 15% is used unwisely, you can yank it. I was working in a furniture store once, and we replaced all of the desks up here because they had extra money in their budget. MULAR-If the representatives who moved DO NOT PASS would look, you are using advanced techniques with the sunset concept; and if we are responsible to our constituency, we must cut down on government. I feel this bill would be a help. But, I feel the trial should be given. BARDANOUE-We do have zero-based budgeting on the books now, but it is on a limited level. Mr. Lewis,

would you clarify this--it doesn't mandate that everything be put on zero-base, but only that the amount of zero-based departments would be up to the Budget Office.

DAVE LEWIS--The Governor's Office has amended it to recommend that the Legislative Audit Committee and the Legislative Budget Committee decide. RYAN--I don't feel as we are ready, the bill isn't ready. Lewis, can you give me your evaluation of what is happening with this now. LEWIS--People think it is a system that automatically cuts budgets. An evaluation has to come from the legislative side. (He pointed out the programs which were zero-based in the Governor's Budget.) You try to estimate three levels of funding, and evaluate how realistic they are. RYAN--My criticism is that if the goal of this thing is to cut budgets, then we don't need it. If it is to redistribute then couldn't that be done without this bill? BAR-DANOUVE--You are putting your dollars on a priority basis of 1 to 10. You take from #10 and put them into 1, 2, or 3. If the committee was composed of Mulars, they could take 80% and use them for everyone. Zero-base is no better than the committee that runs it. If you want to begin chopping, this is a good concept; and if you look at priorities, this is good. MULAR--Only 5 departments have used this, and we haven't looked at any others. KROPP--If we are doing it now, why do we need this bill? LEWIS--The original legislation picked 5 pilot programs, and then this session was to look at those programs and decide whether to go on. TURNER--Efficiency and production and man hours. We know that if we get 60% fiscally, and 50% monetarily, we feel that we are doing good. Government people don't know what work is, so we can't have them saying what is work. LEWIS--This doesn't mandate productivity. This just says that the departments can set productivity norms. That isn't part of this bill. SB 162 lists 45 agencies that would expire over the next 6 years, and mandates performance audits of the listed agencies every three years. That aimed at seeing what they are doing, if the productivity isn't there, they just die.

RYAN--I withdraw my motion, and move to put this in subcommittee and then look at the five programs and get some information.

MULAR--Moves HB 86 DO PASS AS AMENDED. BRAND--If Kimble wants the Budget Office amendments, we can take them on the floor so these are just for John Hollow's amendment. Motion to amend carried. Motion of DO PASS AS AMENDED passed 8 - 5; with the NO votes being: LIEN, RYAN, KROPP, SMITH, TOWER.

HB 438--Fedra moved DO PASS AS AMENDED, motion carried with TURNER and TOWER voting NO. See attachment #2 for amendments.

HB 791--STATE ADMINISTRATION COMMITTEE BILL--originally sponsored as HB 133--Johnston. JOHNSTON--Statutorially, the director is secretary to the Commission, and they have a lot of fine fellows, but no one is in direct charge. They have had a lot of internal problems, and these amendments have been a compromise between my position and that of the Governor's Office. This puts Fish and Game on the same basis as the Department of Health. Amendments pertaining to the acquisition of land have been added, and I ask that you consider these favorably.

BOB GILBERT--We support this. Menahan said that this strips them of power; but we don't want to do that. They still set policy, and rule making. We support the committee bill.

ALICE FRISLEY--We support the bill as amended.

TURNER--Are you happy with this then? JOHNSTON--Yes. This will have the department do what they need to better. MENAVIAN--I would like to have a chance to read this, but there's one thing I don't go for. I would want to diversify it enough so that one

group doesn't get ahold of the whole thing. I have never seen anyone with as much input as a citizen doesn't have. But I want to read this before I do anything. BRAND-Dick has some amendments. As this bill reads now, the board would be simply a quasi-judicial board. LIEN-This sets it up closer to the State Land Board. The State Land Director is secretary of the board; but, all of the policy and land acquisition is set by the board - but he has the power to hire and fire. BARDANOUE-I think Johnston will have to be realistic in that the Senate isn't going to be likely to go along with this. DICK HAREGSHEIMER-Page 4, line 6--"the state fish & game.....82A-112" - in this statute, they have to be with the consent of the Senate. JOHNSTON-I appreciate your taking me out of my stupidity, and getting something together that was more comprehensive.

SMITH moved to adopt the committee bill as amended. The motion carried unanimously.

HB 695--Kropp moved DO NOT PASS. Motion carried, with MULAR voting NO.

HB 710--Menahan moved DO PASS.

LIEN-substitute motion of DO NOT PASS. Motion carried 8 - 4, with MENAHAN, MULAR, O'CONNELL, & RYAN voting NO. Bardanouve not voting.

HB 741--Brand read the amendments. RYAN-I still have the problem of one game warden going until 60 and one being able to continue. MULAR-Schnieder suggested deleting subsection 3, page 6, lines 23 through 25. Page 6, reinstate the stricken language, and strike the insert. BARDANOUE-With Mular's amendments, what would that do to the bill? DICK-I'm not really sure what these will do. RYAN-The person under PERS could become a warden, and still get PERS or wardens' retirement.

No further action was taken.

Meeting adjourned: 10:05 a.m.


Joe Brand, Chairman


Anita C. Sierke, Secretary