

The meeting was called to order at 8:00 a.m. by Chairman Brand; roll was taken, with Bardanouve, Lien, and Mular coming in late, and Menahan and Kanduch being excused for the funeral of Rep. Menahan's father.

Dick Hargesheimer submitted his summary - see attachment #1.

HB 407-Rep. Lory, sponsor--this bill is the result of HB 271, in the last session. That bill required that all assets from each university unit have like accounting systems. The universities operate under a different auditing system from the state, CUBA was theirs. The two systems didn't jive. HB 407 proposes to open CEBA (state system). He presented amendments. See attachment #2.

RON NEAR, Director of Management Systems, Department of Education--This bill puts the CUBA funds in sync with the state system. It means all of the money is in the treasury. We are presently doing this, but this bill makes it official until the conversion project. The amendment that takes out the proposal for appropriations is agreeable to us.

MORRIS BRUSETT-Legislative Auditor--We have an ad hoc committee to deal with this. Not quite all agreed, but this will do it for now. There is a sunset provision for 1981. There's a task force working on this problem, and they are supposed to be finished by 1981.

DICK FRANZ-Ass. Director, Office of Budget and Program Planning--We support the bill, and will support the amendment.

TURNER-What about misuse of funds in the schools? Does this help that? LORY-all funds are presently put into the state treasury. There are no longer any separate funds. JOHN LAFAVER-I worked with the university people and legislative audit committee. We found that due to the efforts at the national level, we couldn't revise the system totally. This is not the ultimate answer, but this will enable the university system to properly account for their funds. BRAND-Is this a system similar to the ones the other departments use? LORY-the university uses a different accounting system. This bill will aid in working the two together.

HJR 85-REP. UHDE, sponsor--This addresses zero-based budgeting and sunset. The resolution is aimed at taking care of some areas that HB 86 didn't cover; and also will enable a study for the first two years. The first "Whereas," is not trying to attack Gary's bill, we are hoping a review can finalize the concept I was working on. Page 2, line 16--appoints an appropriate standing committee to deal with oversight. This gives the legislature direct oversight. This would take an overall look; and it is inexpensive because it is a standing committee.

NO OPPONENTS

RYAN-Do you have anything in mind as to the formation of the committee? UHDE-The Priorities Committee would choose a standing committee. The only fiscal impact would be mileage coming to Helena. TURNER-How many years do you expect this to take? UHDE-The standing committee would only propose the structure. They would not close the agencies. This only enables the study. TOWER-Do you do anything similar to this now? LAFAVER-There is frustration that we all feel and the resolution addresses this--the coordination between taxation and appropriation. The appropriations and subject area committees aren't what you would want. We have thought of some ways of dealing with that. I don't know but what a good, hard look

at what other states are doing might help. Hawaii and Utah both have very interesting systems. We want to involve more legislators in the finance process. RYAN-This is just to look at this problem and bring back the suggestions to the next legislature. UHDE-Yes. TOWER-I have a resolution in to go back to the 1966 tax study to try and tie all of these together for some tax recommendations for the next legislature. Would that take away from this? UHDE-No, your resolution is very much needed. This is aimed at administrative functions, not tax structure.

HJR 78-Kanduch, sponsor--Rep. Kanduch had been excused for Rep. Menahan's father's funeral; some of the witnesses chose to testify anyway, since HJR 78 was put in as a committee bill.

BOB HELDING, Montana Wood Products, Asso., Missoula--This was done as a result of a meeting last week regarding the timber industry. I helped to draw this up. 51% of the income, and 43% of all the jobs in western Montana relate to the timber industry. We have lost 30% of the timber in the last 5 years. Senator Metcalf has introduced a bill to study the timber categories, and this reduces the amount of timber available for sale. Three mills have closed due to lack of timber, and I have members in critical need of timber. Last year was disastrous for Montana in terms of unemployment. 1100 timber people are still out of work in western Montana. The federal government wasn't planning any wilderness hearings. Dillon hasn't had a timber sale in the area for 6 years, and the people there are entitled to know why. With 46% of the state owned by the feds, what they do with it affects the rest of it geographically. It is time we started having these agencies come in and tell us why. I have had congressmen tell me that we are going to be subsidized; and I don't like that. Grizzly Bear Habitat--this was a result of the 1973 Endangered Species Act, because the grizzly is now a threatened species--so the feds are protecting his habitat. At first they put out 30 million acres for him, that went down to 15 million, and now they want to take it down to 8%.They can stop all activity in a habitat area. This would go right around the town of Thompson Falls. They are very serious about this, and it could encompass parts of Libby and Eureka. We are going to be involved in an engulfing federal problem. He enumerated various projects that have been halted due to the Endangered Species Act. The "overmature" language takes into consideration bugs, disease, etc. See attachment #3.

TURNER-The bonding, rebares, estimates are all a problem. HELDING-78% of all the timber sales last year were deficit sales. The equipment required cost more than the sale. This sometimes opens the area for bigger, better sales. White Sulphur Springs is timber dependent. TOWER-Will putting this in as a resolution do much good? HELDING-Sure, but now the legislature should write letters asking them to report what's going on. They can tell us to go fly a kite, but if you guys write letters, and ask questions, they are more motivated to answer. BRAND-Has there been cooperation between the naturalists and the timber industry? HELDING-There have been two local meetings on grizzly bears. The National Friends of the Animal Fund started this. This was begun before we had any input. We feel the human being, and his social and political structure ought to have priority, but the grizzly has it right now. There are some arbitrary decisions being made that will hurt western Montana. They went back 40 years, got every bear report and used this as habitat. The federal government will do what they say, and then it will be a bummer for the grizzlies. I think it will be a confrontation between east and west. 95% of all government ownership is west of the Mississippi. So, this could be a real problem before we know it. The east has to be informed about the west before they lock us all up for being savages. They have the authority under this grizzly bear thing to delineate the whole state.

HJR 79-COMMITTEE BILL-Campaign Finances Form--BRAND--This is the same form we used to have under the Secretary of State. The dates of filing are still the same because they want to know before and after the election. The form does have to be notarized.

DICK HARGESHEIMER, Legislative Council--The intent of this was to allow those candidates who don't have a lot of contributions to have simpler forms. With a congressional race, you would revert back to Hanson's forms.

• ERNIE POST, AFL-CIO--As I promised when we heard the campaign practices laws, I said I would support your resolution. I disagree with line 23 on page 1. If you needed extra pages, you could just attach them. You are tying the hands of the commissioner when you say that one only has to report what you can get on two pages. I support the resolution, but I feel you are restricting the application when you specify the size of the paper and the number of forms.

MAGGIE DAVIS, League of Women Voters--We would request that the forms not be stipulated in the bill.

RYAN--Why do you object to the forms? DAVIS--Because you are directing the commissioner to produce a simplified form in the resolution and with supplying the form, you are keeping him from coming up with a worse or better form.

EXECUTIVE SESSION

HJR 79--The amendments were read. See Committee Report. Tower moved the amendments, motion carried. Meyer made a motion for HJR 79 to be recommended AS AMENDED DO PASS. The motion carried unanimously.

HJR 78--O'Connell moved DO PASS, the motion carried unanimously.

HJR 85--TURNER--I feel this to be unworkable. It doesn't specify who does what. Turner moved DO NOT PASS. The vote failed 7 - 5, with Feda, Kropp, Smith, Tower and Turner being the only yeses. O'Connell made a motion of DO PASS, the vote was reversed, and the motion passed.

HB 407--Meyer moved the amendments, the motion carried. Robbins moved AS AMENDED, DO PASS, the motion carried.

HB 801--Tower moved the amendments, see attachment #4, motion carried. Feda moved AS AMENDED, DO PASS, the motion carried with Kropp and Smith voting no.

HB 771--Rep. Dussault presented amendments, see attachment #5--(1) protects any federal funds during the transition period; (2) designation of any state agency for receipt of federal funds; (3) delayed effective date -- it can happen before 1978 if they get it together. I think whatever happens with HB 534, these amendments will clean up this bill.

O'Connell moved the amendments. DUSSAULT--The Board of Visitors' only responsibility is to guarantee good care. There are some problems between the Board of Visitors and SRS. RYAN--Is the Board telling us what is going on? DUSSAULT--Yes, but they have mainly dealt with Warm Springs. BRAND--What happens if this goes through? Will they stay in existence? DUSSAULT--They will stand as they are. RYAN--Do you really believe SRS will be better than what you have now? DUSSAULT--I don't know that there's any

way to guarantee that. But, this says that you can go to one department and find out what you want to know.

Feda moved HB 771 amendments. Motion carried unanimously. Meyer moved AS AMENDED, DO PASS, motion carried, with Kropp and Smith voting no. Meeting adjourned, next meeting Thursday, March 3, 1977.

Joe Brand
Joe Brand, Chairman

Anita C. Sierke
Anita C. Sierke, Secretary