

MINUTES OF THE MEETING  
HOUSE APPROPRIATIONS COMMITTEE  
State Capitol, Room 225

7:00 P.M.

March 4, 1977

The meeting of the House Appropriations Committee was called to order on the above date by Representative Bardanoue, Chairman. Roll call was taken with a quorum present, see attached roll call. Present at the meeting were Dave Lewis and John LaFaver, and discussion was held on the following:

H.B. 517: This bill would allocate 30% of the income derived from the coal severance tax trust fund to Education. Representative Bengston, sponsor of the bill explained the allocation of the request as 30% of the income of the coal severance tax trust fund to Education, 75% of the earmarked revenue fund for equalization aid to public schools, and 25% of the 30% to the board of regents of the University System. Receiving a portion of the interest from this fund could ultimately bring tax relief and reduction of mill levies. Approximately 24% of the population works directly with the education system. Education costs are high, and will become higher; this is an on-going source of income. Representative Bengston passed out a pie chart prepared by the school administrators on Montana, and explained it to the committee, attached.

Mr. Louis Forsell, counsel from the Commissioner of Higher Education's office, spoke in support of the bill and said he realized there is a tendency to believe that coal tax revenue will be a panacea for all fiscal woes and further that they are aware that the revenue is finite, but it is one long range suggestion to relieve the demands upon the general fund. The principal of the Billings school was to have attended the meeting, but was unable to do so, and will submit a written statement in support of this proposal.

Mr. Jack Noble, Commissioner's office, also spoke in support of the bill stating that the cost of education will be continually rising and more difficult to fund in the future. The bill has merit, and could alleviate the financial pressures of paying for higher education now borne by parents and students. He distributed a pie chart, attached, showing the impact of H.B. 517.

T. Carl Johnson, Executive Secretary for School Administrators of Montana also rose in support of HB 517.

In closing, Representative Bengston asked that the bill be looked at as an opportunity to nail down an on-going source of income for education.

Representative Halvorson asked what is going to happen when technology takes over and we don't have this tax fund - will we have to fall back on the taxpayer, and was told yes, this is what normally would happen. There was some discussion of

the amount that could be in this fund in 5 to 10 years, and whether this bill accomplishes this purpose in that it could be undone by the next legislature unless the constitution is amended.

No further questions on House Bill 517, the hearing was then closed.

H.B. 807: Appropriate money to Montana Forest and Conservation Experiment Station to fund timber supply implication study.

Representative Gary Kimble explained that the bill appropriates \$15,000 from the general fund to plan for a study of Montana's long-range timber supply as directed by HJR 35. His testimony and a letter from the University of Montana School of Forestry are attached. Also attached to the minutes is a copy of the suggested amendment to the bill.

Through questions from the committee it was brought out that this is to fund a "study for a study"; that the study is to take the survey of timber now on the ground that the Department of Natural Resources is requesting one step further and determine what we can grow, where it is best to grow it, and what we will have in the future.

In closing, Representative Kimble said we have problems in this state regarding production, and business is down. Reforestation is an important area of concern. We need to review what has been done earlier, and this study will ensure that as we study the wood production industry, we don't duplicate our efforts.

H. B. 161: To appropriate funds to Montana Historical Society for Historic Records Network. Representative JoEllen Estenson, sponsor of the bill, spoke in explanation and support (testimony attached). She explained the need of the state is to have a network of records repositories which provide service and documentation and offer a facility for the deposit of materials of a regional nature. The six universities' libraries would work with the Historical Society to form the network. Funds would be appropriated to the Historical Society and amounts budgeted for each university unit would be transferred to their control for expenditure. (See attached Proposed Budget Totals 1977-1979).

The following people also rose in support of H. B. 161:

Senator Margaret Warden	Testimony Attached
Diane Tipton, representing	
Commission of Higher Education	Testimony Attached
office.	
Brian Cockhill, State Archivist	Testimony Attached
Mae Nan Ellingson, Mont. Student	
Lobby	Testimony Attached
Ken Korte, Director of Montana	
Historical Society	

Discussion followed with the committee questioning future micro-filming costs; is this a one-time appropriation (no,

if the program is on-going, the costs would be also, except for starting costs); how were the amounts to the universities determined.

The Chairman asked how the figure of \$545,862 was arrived at. He was told the universities submitted budgets, which were gone over by the Commissioner's office, Historical Society, and board, and extraneous matters were cut out - these are the amounts they came up with.

Representative Estenson stated the fiscal note had been revised from the budget she prepared with the 7% factor added in and she couldn't state absolutely what was dropped and what was kept.

There being no opponents, nor further discussion, the hearing on the bill was closed.

H.B. 311: Authorize Montana Historical Society to establish a program to preserve selected ghost towns. Representative Hal Harper, sponsor of the bill, spoke briefly in explanation of the purpose of the bill, stating that even posting the town by using signs would be helpful, and might make people think before they caused any more damage to them. He then introduced Al Thompson, Montana Historical Society, whose testimony included how the study should be carried out and those representative areas in mining history which should be included (Testimony attached).

The committee questioned the criteria for designation of ghost towns, and the possibility of matching federal funds for the program. The use of historical preservation funds set aside last session was discussed. The Chairman said this will be referred to the Long Range Building Committee so they will know this bill is before the legislature when they recommend how this money will be spent.

Hearing on H.B. 311 closed.

H. B. 504: Supplemental projects for biennium ending June 30, 1977. Representative South, sponsor of the bill, spoke briefly to the nature of the bill and introduced Phil Hauck, State Architect.

Mr. Hauck stated this bill deals with three projects: \$110,000 supplemental to bring the hospital at Warm Springs up to Medicare-Medicaid standards (toilet facilities were inadequate to meet the criteria for Medicare funds); \$35,000 for water line at Mountain View School; and \$18,000 for Highway Patrol District Headquarters at Glendive.

Discussion on the hospital at Warm Springs in regard to what is needed to renovate the 64 bed unit. Window replacement was discussed, with an estimated \$100,000; and will it need to be reroofed? When it is renovated, it will still be a three story facility requiring staffing for each floor.

Representative Gerke asked if we are putting good money after bad? Should we consider a new building? Mr. Hauck said the bids they are holding now are 60 day bids, March 16 is the deadline, and it would be ready for occupancy in 14 to 15 months. Representative South said he would like a decision on the remodeling at Warm Springs, and thinks this legislature should make that decision.

Mountain View needs the \$35,000 supplemental to add to the appropriation made four years ago to get the projects completed. Two are completed; but they ran into trouble with the water line project and need funds to get it under contract.

The Highway Patrol Building in Glendive needs the additional \$18,000 to bring the building up to minimum.

The Chairman stated he wants to look at the long range policy before we make these decisions, and refer the Warm Springs Hospital matter to the institutions subcommittee.

H. B. 296. The Part-time Career Employment Act. Representative Dorothy Bradley, sponsor of the bill, explained that this bill had been amended on the floor of the House, so fiscal note is inaccurate, but a new one is being prepared. The only fiscal implication would be the health insurance contribution for the additional employees. There could be administrative costs--\$20,000 might be an appropriate amount to the personnel division to cover this cost. The person administering the program should be the first person to be a part time employee, so perhaps \$10,000 would be more reasonable.

Joan Uda, Attorney from the Office of Budget and Program Planning rose in support of this bill, stating it had that office's support. It is felt this bill would allow utilization of real talent that is not available full time.

With no one rising in opposition to the bill the committee questioned the reaction of the unions--a waiver might be worked out through the Department of Administration and new agreements could be negotiated. Representative Bradley stated the unions are not opposed to this bill. The bill's effect on unemployment compensation was discussed.

As the hearing was closing, a petition was handed to Representative Gerke stating opposition to H.B. 296. It is attached. No statement was made by the person leaving the petition.

With no further discussion, the meeting was adjourned at 9:00 P.M.

---

FRANCIS BARDANOUVE, Chairman