

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

March 7, 1977

The meeting of the House Appropriations Committee was called to order at 7:00 P.M. by Representative Bardanoue, Chairman. Roll call was taken (attached), and a quorum was present. Also present were Mr. Dave Lewis, Office of Budget and Program Planning, and Mr. John LaFaver, Legislative Fiscal Analyst.

H.B. 799: To appropriate money for the protection of works of art in the State Capitol. Representative John Scully, sponsor of the bill, explained this bill as similar to one that had been in the House two years ago. As background, he told the committee that the Charles Russell painting has been washed with soap - the bronze has been sand blasted - the ceiling is cracking and the painting is being destroyed; the painting in the hallway has a tear, another is scratched. Representative Scully further stated that two years ago he amended the coal tax pie split to provide for purchase of lands or other cultural projects that the legislature may see fit to earmark on. The language was inaccurate; as the bill was printed it came out for purchase of lands. This bill amends that section of the law. He would further ask that H.B. 799 be amended on page 3, lines 13 and 21, to read as follows: 1. Amend page 3, section 2, line 13. Following: "capitol." Insert: "and other cultural and esthetic projects" 2. Amend page 3, section 2, line 21. Following "capitol" Strike: "." and Insert: "and other cultural and esthetic projects."

The purpose of the funds was not to purchase lands for Fish and Game use. The funds could be used for historic preservation sites, and by the Historical Society. It was the intention of the legislature two years ago that we should do this. \$100,000 is less than it will take, but it will be a start. There is some consideration from the Senate to try to purchase the mural in the Montana Club--this bill may be used as a mechanism. Representative Scully stated he wouldn't object to having this bill amended to include purchase of the mural.

Representative Halvorson asked how much is in the fund now? She was told about 1.5 to 2 million dollars. In response to a question as to who else was using these funds, it was said that Long Range Building has the applications for the use of this money. Representative Scully stated it was his feeling two years ago that we should have something to show that we used this money for something beneficial and lasting. To do what is necessary to the paintings in the Senate and House Chambers would cost around \$180,000 to \$190,000, not including those in the rotunda. The pressing need is to protect them. He explained suggested ways this could be done. In response to a question by Representative Lund, it was stated

that the mural at the Montana Club would cost around \$400,000. Representative Scully reiterated that he wanted the bill amended to allow for other cultural and esthetic projects -- just amend it to \$1.00 so that the mechanism can work.

The Chairman stated that as to the Russell painting behind the rostrum--it had been checked recently by a curator who made recommendations which were carried out, and the curator pronounced it to be in pretty good shape.

Hearing on H.B. 799 closed.

H. B. 427: Permit expenditure of state emergency and disaster relief funds and as matching funds for individual and family grant programs pursuant to the Disaster Relief Act of 1974. Representative O'Connell stated this is simply a bill that would enable the governor to expend matching funds in the event of an emergency in our state, as stated in the bill.

Jack Crosser, Director of the Department of Administration, spoke in support of the bill, stating this bill amends Section 79-2501 by deleting obsolete definitions of disaster and defines those being enacted in Senate Bill 83. The amendments of this act provide for administrative services necessary for accomplishing response and recovery functions. He further stated you can't actually budget for disaster because of the uncertain factors. The final amendment provides that these expenditures in the event of a disaster, are in the public interest so that matching funds and family grants may be obtained. Federal sharing of a grant to an individual under Section 408 should be equal to 75% of the cost of meeting such expenses, and made only on condition that the remaining 25% of the cost is paid to a family or individual through funds made available by the state. It clarifies emergency disaster act so we will not have the problems we had during the flood last year.

There were no opponents to the bill, and the hearing was then opened to questions from the committee. Representative Moore asked if this would have eliminated the fiasco we went through in 1975, and was told it would have. He further asked about the request the Governor was going to make to replace money we got in 1975, and Dave Lewis told him it was made in H.B. 143. Hearing closed on H.B. 427.

H. B. 6: State payment of court reporter's salaries. Representative Hunnekens, sponsor of the bill, stated briefly that this bill, along with H. B.'s 7 and 8, is the product of the study of the interim judiciary committee. Either the state supports the district court system in Montana, or it doesn't. It is a matter of philosophy. The salary for court reporters would be tied to the pay plan and would be a maximum of \$16,000. All court reporters in the system would be paid that amount. This is in line with the current figure for court reporters nationwide.

In response to questions from the committee, it was brought out that court reporters are in short supply and salaries in other states are higher. Additional moneys available to court reporters through costs paid to them for transcriptions was discussed. Representative South stated that as he read the bill the Supreme Court would set the salaries--is there anything in the bill that would limit it to \$16,000? Representative Hunnekens replied that is correct; the fiscal note supposes that it would be set at the \$16,000 figure. Representative South asked if this would be one of the few state salaries that the state would not be setting and was told that it was.

The hearing on House Bill 6 was closed.

H. B. 7: Annual judicial training standards for appellate and trial judges; Representative Hunnekens, sponsor of the bill, reiterated what he said previously concerning philosophy of support of the District Court system. He further stated that continuing education in the field is of national concern--judges shouldn't stop their education at 23-24 years of age. This program has been funded previously with LEAA funds. This bill proposes that since LEAA is not assured of going on, the program should be funded. The amount asked is \$164,000 for the biennium.

Representative Halvorson asked if a fee would be charged to the judges and was told no, the education will produce a better justice system for Montana and that is the purpose of continuing education for judges. In response to other questions from the committee, Representative Hunnekens stated that the intent would be dissemination of concepts--administrative as well as technical--that although it is true that other professionals such as doctors and dentists pay their own continuing education, they are operating under the free enterprise system and judges are state employees. The theory is that since judges are employees of the state, the state should pay this cost. Some of the areas that would be covered are applications on case law within different jurisdictions, refresher courses in legal concepts developing in the nation, seminars would be held and the supreme court would determine the locations. Approximately \$75,000 - \$80,000 per year is being spent for this now, funded by LEAA funds.

The Hearing on House Bill 7 was closed.

H.B. 8: Providing law clerks for district court judges. Representative Hunnekens explained the program set forth in the bill, the hope being that additional lower cost help might prevent our having to have more judges. It doesn't cover exactly the same area as MONTCLIRC, heard earlier in this committee, but Representative Hunnekens said though he hated to shoot down his own bill, if he had to choose between HB 8 and the bill that funds MONTCLIRC, MONTCLIRC would be his choice.

Representative Gunderson asked how the law clerks would be paid--hourly or monthly. He was told the assumption is they would be just out of law school and would work doing legal research and rendering other assistance, probably paid \$15,000 to \$20,000 per year. In response to a question from the Chairman, Representative Hunnekens explained that the bill is for the present biennium, and not to be extended unless it is worthwhile--this determination should probably be made by the interim committee on judiciary. There was discussion on who would set the salaries, the district court judges would do this. No further discussion, the hearing on H. B. 8 was closed.

H. B. 781: Appropriate money to City of Boulder for expenses in connection with expansion of housing for employees of the Boulder River School and Hospital. Representative Bob Marks, sponsor of the bill, passed out copies of letters explaining the situation to the committee (attached), and gave a brief history of the problem. Additional housing was needed for employees of the school and hospital; the state at that time proposed building trailer pads on state land; the merchants and citizens of Boulder proposed instead to develop low cost housing with the understanding there would be some financial assistance from the state for the program. Water connections and sewer lines were installed on housing on which there was very little profit. The City of Boulder is trying to pay this off, but would like the \$50,000 this bill appropriates from the general fund to the Department of Community Affairs to assist in payment of this debt. Attached letter from the Governor indicates this type of development would be encouraged and that the state would lend financial help.

Judy Carlson, Special Assistant to the Governor, reaffirmed what had been presented by Representative Marks, and said there was a general understanding between the city of Boulder, combined with the intention of the legislature, that the city would receive aid for this program.

The Mayor of the City of Boulder spoke next, stating there are now 50 new homes in Boulder, mainly occupied by employees of the hospital; there are 26 trailers, and one four-plex. They are anticipating 40 additional new homes to be completed in 1977-78 and new businesses. The city has obligated itself in the amount of \$49,083 to the developers, mainly for water lines and sewer connections for the new housing, and they did this with the understanding there would be state assistance. Building the proposed trailer pads by the state would have cost \$250,000, so the city feels this was a savings to the state, and provided better housing.

There being no opponents to the bill, the hearing was opened to questions from the committee.

Representative Lynch asked why this was not included in the Governor's budget, and if this would establish a precedent that other communities would expect to follow--Mrs. Carlson replied that at the time the Governor's budget was drawn up

they were still exploring the legal ramifications, and that office was also concerned not to place the legislature in a "precedent setting" position. It was believed that in view of the fact the state had requested the town to provide housing, they would be able to control this procedure.

Discussion and questions from the committee brought out that the money had been spent to extend water and sewer lines; that \$49,000 approximately, is owed to the contractors; that nothing was put in writing, but the city had been led to expect some state aid for this debt; that the situation had been presented to the city as an emergency, and was presented to the developers that way; that the houses sold for approximately \$26,000 under FHA requirements for loans of this type. FHA has raised the level on what they will loan on such housing now, but that was the limit at that time. Representative Lynch mentioned that he felt the city had benefited by this expansion, and were we picking up the whole tab? He was told yes, the figures presented is what the water and sewer lines cost--they would be willing to compromise, but felt that was what had been implied that they would be repaid if they cooperated with the State in an emergency situation.

Further questions from the committee disclosed that the charge collected for connecting with the sewer is used for maintenance, and that the small water and septic tank are being phased out. Under new EPA standards, a larger tank is required. The lines were put in in conformance with the regulations in Montana.

The Chairman stated we can only make appropriations authorized by law. Is there a law whereby we can appropriate money like this? Dave Lewis and John LaFaver are going to look into this.

Representative Lynch asked about revenue sharing moneys available to local governments, and was told Boulder would receive only about \$13,000--a small amount. The Committee was told that all but about 5 of the 50 new homes are occupied by state employees. Representative Moore stated we were going to put in some type of housing at a considerable expense, and he feels the town provided a service by establishing these homes for the people; it has been justified by the reduced turn over in employees in Boulder. Representative Gerke said increased salaries had a good deal to do with this new stability.

Mrs. Carlson stated Boulder has a good mill levey and is putting out their share.

In closing, Representative Marks stated several ways of reimbursing the city had been explored and this seemed to be the only way to accomplish it. We really had pressured the city to get the homes, and he would compliment the city and the contractors for the fine job they did. The total mill levy in Boulder is high--state property is not taxed. The housing had to go in before businessmen could see a reason to expand, and because of the expansion, a new storage tank is required. Federal funds have been applied for, but they didn't receive them--Revenue sharing has been used for other things. Because of the state institution, another sewer lagoon is required.

The Chairman complimented the city for providing stable housing, we had piled a lot of citizens in this community, and trailer pads would probably have cost a lot more than this to the state. The hearing on House Bill 781 was closed.

H. B. 283; To increase the percentage of moneys received under the Federal Mineral Lands Leasing Act paid for state equalization to public shcools.

H. B. 284; Companion bill, reduces the percentage of money under the act which is paid into the state highway account.

Representative Jack Gunderson, sponsor of the bill, explained that the effect of these bills is to place the additional 12-1/2% of money which Montana will receive under the amended Federal Mineral Lands Leasing Act into the state school equalization fund. Because of the increased percentage, the highways will get the same dollars they received before, and the additional 12-1/2% will go to the schools.

Joan Uda, Staff attorney of the Office of Budget and Program Planning, spoke in support of the companion bills, giving history, new amendments, a concise example of the effects of the bills, and anticipated increase in mineral lands leasing act revenues (attached).

Discussion followed, with mention being made that there is discussion in the Senate about putting these moneys in the counties and cities. Representative Gunderson said this money belongs to all the people, and that wouldn't be as equitable as the plan proposed in H.B.'s 283 and 284.

Hearing closed on H.B. 283 and H.B. 284.

EXECUTIVE SESSION:

Representative Lynch moved that House Bill 283 DO PASS.
Seconded. Question called. VOTE: Motion carried unanimously.

H.B. 284: Representative Lynch moved that H.B. 284 DO PASS.
Seconded. Question called. VOTE: Motion carried unanimously.

H.B. 8: Representative Lynch moved that H.B. 8 DO NOT PASS.
Seconded by Representative Estenson. Question called. Brief discussion was held by the committee as to whether this was timely. Question called. VOTE: Motion carried unanimously.

H.B. 7: Representative Kvalen moved that H.B. 7 DO NOT PASS.
Seconded by Representative Moore. Representative Moore stated this is another program that has been funded with LEAA funds and that will continue to grow and cost the general fund money in the future. Representative Gerke opposed the motion, stating he didn't think you could look at just dollars and cents. There is lots of criticism against the judiciary, and if they meet together in schools and conferences, they might find better ways to handle this criticism. There was further discussion as to

other state employees who have to keep up credentials, and whose expenses we don't pay. The fiscal note on this bill states there is no guarantee in the future of availability of LEAA funds. Representative Moore made comments that they have found the funds before and if they want to badly enough, they will find the funds again for this. The Chairman stated that the Board of Crime Control sometimes carries on programs, but he couldn't speak for this one.

Representative Estenson stated she supported the motion, but for different reasons. She feels we have to be careful about getting the state into the position of educating any of the agencies in the state--once we establish that, various other groups that can do this will do the same.

Representative South stated he doesn't understand what the bill does--all this does is authorize that the state will do this. Representative Lynch stated this bill would mandate that the state would pay for this.

Roll call vote taken on DO NOT PASS motion on H.B. 7 (attached). All members voted aye except Representatives Gerke, Lynch and Manuel. Motion carried.

H. B. 6: Representative Moore moved that H. B. 6 DO NOT PASS. Discussion followed concerning the amount of general funds (\$1.27 million) on the fiscal note and the possibility of the sponsor bringing out an adverse committee report. Representative Lynch made a motion to withdraw all motions pending. The Chairman stated he felt Representative Lynch was showing wisdom--if a battle would develop on the floor with the legislators not being fully aware of how tight money is we could have a problem. Representative Estenson spoke in support of the motion to withdraw, stating she has questions on this bill she would like answers to before voting.

The Chairman stated if there is a difference in the committee, there will be one on the floor, and if we lose a major battle on the floor now, it might put us into jeopardy.

Representative Moore withdrew his motion that HB 6 DO NOT PASS. Representative Lynch withdrew the motion to withdraw all motions pending. Action deferred on this bill until the entire package is put together.

The Chairman then stated briefly that he would like to ask the committee to work over the weekend. Sunday meetings might have to be scheduled due in part to the large number of bills that were referred to us on transmittal day by the House.

The meeting adjourned at 8:40 P.M.

Francis Bardanouve, Chairman