

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

March 13, 1977

The Chairman called the meeting to order at 1:00 p.m. Roll call was taken and a quorum was present; roll call attached. Also present were Dave Lewis of the Office of Budget and Program Planning and Bob Robinson of the Legislative Fiscal Analyst's Office.

House Bill 701: An act to expand weatherization program administered by the Department of Community Affairs. Representative Eugene F.

Frates, District #61, sponsor, presented the attached amendments. The purpose of the bill is to expand the weatherization program which is administered by the Department of Community Affairs. There are 30,000 homes in Montana in need of weatherization, and this program could take care of a good number of them. Last year 2,000 were winterized at a cost of \$210 each; this resulted in savings of fuel of 15% to 30%. This is addressed to people of low and fixed incomes, Rep. Frates explained; it has been done by communities and counties. The request is for \$300,000 from the general fund. There is a 3-1 matching federal fund and this might increase to as much as 9-1 in matching federal funds. The amendments proposed were read and explained.

Proponents:

Jeff Rupp, Dept. of Community Affairs, said that since 1975 the Human Resource Division has been implementing the program coordinated by the Human Resource Council. Mr. Rupp passed out an "Energy Conservation Projections" sheet (attached) and explained the savings in dollars and fuel consumption accomplished in the last year. Projections for savings for 1978 - 1980 are on the attached sheet. On the homes winterized last year, there is an average savings of \$64 per year in fuel bills, and 352,800 gallons of fuel saved. This program is unique from other social service agencies in that once the homes are weatherized and reduction factors are there, the savings continue to accumulate. Costs of weatherization are recovered in four years through fuel savings.

Harold Floyd, Great Falls, presented the attached "Savings Effect of Winterization on Costs and Amount of Energy" sheet. Mr. Floyd also presented a letter with photographs attached showing a home that had been winterized for a 70-year old Great Falls senior citizen. On the savings effects of weatherization, Mr. Floyd commented that prior to weatherization, the cost of heating a home surveyed was \$47.05 per month, and cost \$29.92 after weatherization. A \$205.56 savings annually was realized on the 15 homes surveyed. The improvements were paid for in 14 months through savings in fuel bills.

Mr. Thomas W. Lackorn, Great Falls, stated that his 78-year old mother had her home weatherized under this program last year. She has lived in the same house in Great Falls for 52 years and this program was an enormous help to her.

Joe Estenson, Rocky Mountain Development Council in Helena, mentioned improvements made to various houses in this area. He passed out the

attached letter from Bud Curry, a local resident who had benefited from the program. This program is better than fuel subsidy, he said; it conserves energy and dollars.

Pauline Salyer, Hamilton, rose in support.

Irma Barbe, Missoula, and Evelyn Brown of Missoula rose in support and stated what weatherization had accomplished in fuel savings in their homes.

Pat Benz also rose as a proponent and stated he had worked with the energy conservation program for the state. Studies have shown that remedial corrections on homes is a good source of energy conservation. The appropriation requested will attract federal money; jobs are created by this program. This program is a significant short-term response to low income people's needs and the energy savings will accumulate over the number of years the homes are used.

Opponents: None

Questions:

Rep. Moore asked Mr. Rupp how much state money is required to get the federal funds? The answer was that there are no state moneys required to get the federal funds. The \$150,000 per year has been budget in the last few years. If the state gives the match, they are asking for, the program they are asking for can be generated. The requirement is for a match, but does not stipulate where it comes from.

Rep. Lynch asked if this appropriation would take away incentives from the private contributors who have been working with this project? Mr. Rupp responded that it would not, it would just enlarge the program. It has been done by local cities and county services; volunteers supplied the labor. There is 90% of this that goes for supplies and 10% for administration.

Rep. Moore asked if there was a volunteer group from Malstrom AFB whodid a lot of this work? The response from Mr. Rupp was yes, 60% to 70% of the labor on the homes in Great Falls came from that source. The Chairman then asked where the Rocky Mountain Development money comes from? It was explained that this organization operates many social service programs; the funds come from federal and local sources.

Rep. Lynch asked about the pilot program in Bozeman; Rep. South said that amendment has stricken Title 20 money, but the fiscal note states it is for weatherization. If not used, where does that go, Rep. South asked. Chairman Bardanoue indicated the Title 20 money has been used up. Mr. Estenson said that some has been used for this program through SRS; the service was contracted out. Rep. Gerke indicated that SRS has put some money into this program. Mr. Estenson said that the Title 20 money has gone into services for the aging and this includes weatherization. Rep. Gerke felt it should be determined if this is so or not, as to Title 20 moneys through SRS being used for this under the Home Chores Project. Rep. Frates explained that when this program

began, the government was going to designate \$300,000 and this went to SRS. This program is on-going; services continue to accrue benefits year after year as it saves heating dollars. He urged the passage of this H.B. 701.

There being no further discussion, the hearing on H.B. 701 was closed.

House Bill 378: Amending Section 75-7018, R.C.M. 1947, to increase the schedule of reimbursement for school buses. Representative Howard C. Porter, District #65, sponsor, presented the attached amendments.

Proponents:

Bob Stockton, Office of Superintendent of Public Instruction said the payment of state money for transportation is one of his jobs. He indicated that he had the print-out for costs of the school bus system available for the committee if they desired that information. They made a graph which he explained to the committee relating to the bus-ing costs. They had asked for 45 cents per mile and were given 35 cents per mile. The costs of operating school buses two years ago were above the figure that the bill is now requesting. One-third of the actual cost is to be contributed by the state and one-third by the county, with another one-third by the district. They will be two years behind in costs even if this bill passes.

Ray Morin, School District #2 in Billings, agreed with Mr. Stockton. The state has been paying about one-sixth rather than one-third of the costs. At the end of this year, they will be back to the state paying only one-sixth again. The costs are increasing 5% to 6% at least. Specifications mandated by the federal government which go into effect April will drastically increase the cost of each bus. Eligible transportees are on the rise because of urban sprawl and in the rural areas subdivisions are building up in some school districts; transportation problems are increasing wherever these subdivisions grow.

R. D. Beach, Montana Contractors Association of Missoula, said that they transport school children in private buses. He mentioned the costs of insurance and fuel. The Association supports this bill. Sixty-one percent (61%) of the money is being raised at local levels because of the higher costs, mentioned by Bob Lawmeyer, Boulder. This bill would mean we would get about 30% of the money from the state, 30% from the county and only would have to raise 40% at the local level.

John Campbell, Helena School District Business Manager, said for every state dollar budgeted through this appropriation, it will reduce property tax. Inflationary trends in fuel costs and escalation clauses on insurance policies were discussed.

Opponents: None

Questions:

Rep. South asked the Fiscal Analyst what his recommendations are for mileage. Rep. Lynch replied \$1,8 million in general funds is the only source of appropriation for school buses.

Mr. Stockton mentioned that when the new fiscal year starts, the data they used to base this request on will be two years old.

Rep. Lund asked Mr. Stockton if the \$912,000 is the cost to the state for paying from 35 cents to 52 cents per mile; the answer was yes.

The Chairman commented that everytime Washington sends out new regulations, it costs us more. He asked why they don't send the money to fund them.

Rep. Kvaalen asked if there isn't some earmarked revenue fund money for transportation? The answer was no, it went into another fund.

The hearing on H.B. 378 was then closed, as there were no further discussions or questions.

House Bill 628: Appropriating \$14,000 to Commissioner of Higher Education for a study of alternative methods providing for post secondary education to residents of Indian reservations. Representative Leo M. Kennerly of District #14, sponsor, distributed the attached Position Paper on community colleges on reservations in Montana and also the attached letter from the Stanford Center for Research and Development in Teaching. Rep. Kennerly then introduced Earl Barlow of Browning.

Mr. Barlow gave some background information for the committee. There are 7 reservations in Montana with populations of around 30,000 people. Indian people have made advancements and now are beginning to move into the area of post secondary education. In the past, nine years was the average Indian education. Indian people are becoming more interested in post secondary education and prefer to remain on the reservations to obtain this. The intent of this bill is to create dialogue and planning in this area. Each reservation has more or less gone on their own in this regard. They are coming up with questions on accreditation and would like this study to formulate plans. If we don't know where we are going, Mr. Barlow said, we probably won't get there. With this bill, we might be able to get there.

Proponents:

Joe McDonald, Kootenai Tribe, Ronan, Montana, and now at Flathead College said that on the Kootenai reservation, they are using the Flathead College and training people to work in the timber industry & as various counselors. They have ABE and transfer classes. They have done a need assessment and talked with 1400 people of which 95% indicated a desire for this type of education. It would develop a dialogue between the tribes.

Jacob Bighorn, Fort Peck Assinibone/Sioux Tribes, Poplar, Montana, said they are so separated from the rest of the state it cost over \$600 just to get to this hearing. They go through many difficulties because of separation, including their ideas not having any impact. At Fort Peck, they have tried to involve all of the people. They are talking about the northeastern part of Montana. There are lots of people who would come to their college partially because of role identification and to diminish the idea that Indians can't perform administrative duties.

They have established a dialogue in the northeastern part of the state through the community college. The Assinibone Tribe of Fort Peck support this bill.

Janine Windy Boy, Crow Education Commission, Crow Agency, said they work at developing tribal operated education program. They have formed some pilot courses and found great interest from the tribal members. They have a demand for natural resources development programs, which has potential because of the coal reserves there. This is an urgent need we are trying to address, she said. There are a lot of programs whose staff have not received special training; home nursing courses are of interest. They have an enrollment of 50, 80% of those still speak the Crow language. They need a mechanism to be aware of educational standards. The teacher training program is in cooperation with the Eastern Montana College and Dawson and Miles City Junior Colleges. They feel they are ready to go on; to talk with institutions in the state of Montana to further post secondary education, they need to get this dialogue going.

Sam Windy Boy, Rocky Boy Tribe, made two points. They have had many surveys and different studies made, but a feasibility study with emphasis on educational agencies would bring out a good product. Also the assimilation process is important. The cultural ties that they have with homes and reservations are very important and the concept of a community college would really work, he felt.

Terry Bear Tusk, Lane Deer, Montana of the Northern Cheyenne Tribe, said they have an action program in Lane Deer; they have been training Cheyenne members in tribally oriented schools funded by federal program; but the funding is not permanent. During the five years of operation, they have worked closely with Miles City, Dawson and the University of Montana; they have gained accreditation through the Miles City Community College. They would like to gain accreditation of all their courses and work into the state system and not have to depend on the current system. They have to establish some type of communication with state people to do this. H.B. 628 would facilitate this communication system so they can further develop their educational system.

Ron Sullivan of the Montana State Indian Legislative Office in Helena spoke in support of this bill also. Community colleges have been involved with the reservations; and four-year institutions need to get more involved with the reservations. Their track record is poor in this area. This program has been generated through the Indian people. The study provided for in this bill would generate some new ideas to accomplish greater interest on the part of the four-year system.

Merle Lucas, DCA/Indian Affairs Office in Helena, said the state has the responsibility to provide equal education for all Montanans. Article X, Section 2 of the new constitution has to be mandated. The Native Americans want better educational opportunities; and post secondary educational opportunities need to be available on the reservations.

Carol Juneau, Community College Program, Blackfeet Tribe, Browning, said they are working with the Flathead College to develop a community college program for Blackfeet people. In the fall quarter, she reported,

they had 19 new students; this increased to 160 students in the winter quarter. The problem areas are that facilities are needed, full-time instructors are needed and student services need to be developed. Staff training is also needed. On behalf of the Blackfeet Board, she expressed the support for this bill.

Ernie Bighorn, Miles City Community College, said he talked with the Commissioner's Office and the Department of the Public Instruction and they have indicated they would submit letters to this committee in this regard.

Gerald Slater, Missoula, Montana for the Conference Salish and Kootenai Tribes, supported the bill by stating the principal of alternative schools on the Flathead reservation. Discussed the low number of years of education many Indians have and said they need to remain on the reservations while receiving post secondary education. There is a great need for education on the reservations and he urged the support for this bill.

Opponents: None

Questions:

In response to a question from Rep. South, Mr. Noble said he did not believe they would have to hire another employee in the Commissioner's Office. The need seems to be for greater dialogue. The portion of the bill under section 2 would appear to be beyond the scope of what they would be able to do with \$14,000. Rep. Kennerly brought the committee's attention the the handout on the budget. The Commissioner's Office will not be doing the study, he said.

Rep. Estenson said she did not see how this is going to do much, and asked why the Commissioner's Office can't work together with the Office of the Superintendent of Public Instruction and given the personnel each has accomplish this? The Indian Culture Master Plan done two years ago through the Commissioners Office was mentioned and it was said that they probably would get involved in this. Bill Lannan of the Commissioner's Office, as Community College Coordinator, said there is a continual need to determine education resources and they have attempted to increase the continuing education offerings. With what is available, he could not guarantee they could do all this bill asks.

Rep. Estenson said the legislature spent \$300,000 for a study of higher education in Montana, recommendations were made to the Board of Regents and the Board of Education and neither office has implemented those recommendations. The two boards should implement the recommendations of that study, she felt.

Chairman Bardanouve asked if this sets up a community college on each reservation? The answer was no, the dialogue and planning is what is being requested to see what type of institution best meets the needs of the people on each reservation. The community college concept is desirable to the Indian people.

In closing, Rep. Kennerly referred to the handout and stated the policy and need for implementation of the previous recommendations. Every reservation is represented at this hearing to show the interest and support.

The hearing was then closed on H.B. 628. The visitors' list is attached.

House Bill 678: To establish town meetings. Representative P. Mike Meloy, District #29, sponsor, said this bill has no appropriation; but if adopted, it would have an impact because the fiscal note indicates that a coordinator would be necessary in the Governor's office to implement the bill. To explain the program, Rep. Meloy said he has had an interest in developing a program to determine policy in Montana for some time. He introduced a bill two years ago to adopt the system that Oregon uses to formulate long-range policy. It was complicated and established a bureaucracy and was killed. Since that time, he said that he has discovered that the kind of process he was interested in has been going on in the state through the process of town meetings in various communities. What he was interested in doing, those people were doing without money or bureaucracy. He sent a copy of this bill to the man who drafted the legislation which was adopted in Oregon; he looked it over and said this is what should have been done in that state to avoid the pitfalls the more complicated legislation resulted in. H.B. 678 as amended by the Education Committee permits the establishment of town meetings whose main purpose would be to formulate long-range goals for Montana. There are many benefits, Rep. Meloy stated; the problems facing individual communities frequently have more than local impact and are common concerns for many communities. Then the legislature comes in, and has to cope with these problems and it is done on a reactive type basis. Through this bill we could establish a program of determining long-range goals with local input from town meetings and it would benefit all. There are some people present who have participated in town meetings and their experience will be valuable to the committee in determining the worth of this concept, Rep. Meloy stated.

Proponents:

Carl Ennis, Institution of Cultural Affairs, explained how town meetings are structured and passed out the attached "Town Meeting 76" bulletin. Town meetings are one-day community forums, he explained. Some 13 towns in Montana have had such meetings. Workshops are a valuable part of these meetings; booklets are presented during the day of the meeting to each participant which summarize those things being discussed.

Kathleen Mollohan, Office of the Superintendent of Public Instruction, said that town meetings are a group process; an efficient way of group decision making. Town meetings leave the participants with a maximum feeling of ownership of the results.

Mr. M.E. "Gene" Quenemoen, Bozeman, presented the attached testimony in support of this bill.

Mr. Woody Wright spoke as a proponent. He affirmed what has been said before and stated that from his participation in the East Helena Town Meeting, he found that it does work. He spoke of the benefits he felt

the citizens of East Helena received; it gives people a feeling of participation, he said. These are not gripe sessions, but people feel something was accomplished and something can be done about their concerns. Strong feelings of participatory Democracy come from these meetings. It is not nonpolitical; it is apolitical. Everyone participates in these.

Mr. John Lowell of Dillon and coordinator of town meetings in Dillon, Butte and Bozeman said, after reaffirming the other comments, that there are benefits of community of spirit. They come in with a feeling that nothing can be done and go out feeling everything can be done. State level coordination is needed.

Joan Lowell of Dillon reaffirmed the previous statements. She added that following the Dillon town meeting, they evaluated what had occurred and looked at the proposals. They are forming a task force to act on items such as voter information. The concerns expressed at the meeting about the way family life seemed to be deteriorating were evaluated and they came up with proposals at the meeting for family life education in the schools as a suggestion and they are soon going to have this offered in the schools.

Mr. D. R. Lohn of the Governor's Office supported this bill stating that people in this state seem to have desire to talk to one another and this is a concept that would allow them to do this. The basic process does not need money, but the Oregon experience would indicate a coordinator would be necessary and the Governor's Office doesn't have the staff to take this on without additional persons. Citizen participation in the government is important, they feel.

Phil Tonney, Environmental Information Center, said that it is a concept worthy of the funding requested. It has been used successfully in Idaho in the last two years, and was used in Washington state. Resource development in Washington created a lot of controversy, he stated. This bill would allow people to participate in letting the citizens say what they want to see developed in the future and also benefits would be seen by the executive branch. People have to become concerned about problems before they will solve them, and this concept allows them to do that.

Representative Jack Moore spoke as a proponent of this concept. He highly endorses the concept of town meetings. Great Falls had 13 town meetings and have had the town meeting type of organization for 9 years with many programs developed out of this. He opposed adding another staff member to the Governor's Office.

Opponents: None

Questions:

Rep. Lynch indicated that he supports the town meeting concept but opposed the FTE in the Governor's Office. Mr. Lohn responded that the Citizen's Advisory Council on Energy people are not able to take up the slack.

Rep. Ellis asked if this could be put in the Department of Community Affairs; the answer was no.

In closing, Rep. Meloy said he has mixed feelings about the funding. This has gone on so well without state funding. At the outset he felt the kind of coordinating needed could be done in the Governor's Office with the present staff or in the Dept. of Community Affairs. If we are really to coordinate this, he feels the additional FTE is needed. The concept of town meetings is working well in Montana, but we are not benefiting from these meetings statewide because there is no coordination.

The hearing on H.B. 678 was then closed.

House Bill 426: An act requiring performance of life-cycle cost analysis before any state agency may lease or construct a facility. Representative Mike Meloy, District #29, sponsor, explained that the bill was referred to this committee because of the fiscal impact to the long range building program. The bill was explained on the floor; and, therefore, the question of money is probably more important to discuss with this committee. The bill was amended in committee to remove life-cycle cost analysis for leased buildings. It was also amended taking out how the specific items of analyses would be done. The bill originally listed the requirement that a life cycle analysis be done to make sure the least expensive cost of ownership be done for Montana. Rep. Meloy amended back the list of items with the exception of the hearing, ventilating and cooling analyses. The fiscal note was written on the original bill and the fiscal impact is lessened to about \$220,000 to do the analyses the bill would call for now. We are not presently doing these, so we don't have a handle on building new buildings with an eye toward energy conservation, he said. Reading literature regarding other states who have life-cycle cost analysis, he has found there are advantages besides the savings in energy. Manuals for implementation of this type analysis have been developed in other states using these analyses.

Proponents:

D. R. Lohn of the Governor's Office stated the Governor's Office supports this bill. It seems wise at the front end to make these determinations for saving money in the long run, he said.

Mr. Phillip Hauck, State Architect, stated it is on his shoulders that the implementation of the bill will rest. He supports the concept. There are a number of items the committee would be interested in knowing for evaluation of this bill. The bill dictates that we will do a life-cycle cost analysis on all construction over 5,000 feet and this includes renovation by law. He thinks the intent of the bill was to cover new buildings. It should be kept in mind that if this bill is wanted to cover renovation and remodeling, he would recommend that the word "new" be inserted in this bill so it covers new buildings only. There will be an energy conservation building code adopted soon, dictated by the legislature. If primary concern is in energy, there must be things to get the results on the new buildings being built in the future. It is directed on all new construction and will burden budget of any building built in the state. The life-cycle cost analysis involves repetition factors; once concluded, you won't have to go through

the expense to confirm what you already know. It should include selected use of life-cycle costing. There are all kinds of alternatives to this type of approach and conclusions are drawn from assumptions you must make concerning which you use, remodeling, etc. This bill addresses not only energy, but all phases of life-cycle costing, he said.

Pat Benz was the consultant for the Montana Advisory Council; he said that as mentioned the life-cycle cost analysis for buildings was a recommendation that came out of the study presented to Bill Christianson's office. This is a significant policy decision for the state to make because the state is going to spend general fund moneys now, avoiding spending large amounts of general funds later. Utility costs are obligations of general fund. Through proper design considerations, like a wall of glass in the north as opposed to the south side, corrections are made and won't require additional expenditures of money. You can achieve 50% reduction of energy with additional expenditure of 5% to 7% of that building's cost. There is a need to develop uniform procedural methods of energy conservation as opposed to current costs. Uniform procedures would be beneficial. The life-cycle cost accounting can determine the future costs not only for the design of new buildings but for energy auditing programs. Methodology can be provided to local governments trying to reduce energy consumption. State government should take leadership in determining the costs and benefits on costs of the state buildings.

Opponents: None

Questions:

Rep. Gerke asked why departments cannot do this without the law? Rep. Meloy responded that a person who is bidding on a building and a person who draws the plans have to have guidelines as to what will be required. But without statutory guidelines it is left to the Dept. of Administration to do this by rule. There are legal problems with this.

In response to a question from Rep. Gerke, Rep. Meloy clarified this by saying that this bill is intended to cover and is limited to only new buildings.

Mr. Hauck commented that they have requested \$200,000 from long range building to do the life-cycle cost analyses on existing buildings. Standards have to be set as to heat loss, etc. State energy bill was not adopted because there was no code to adopt until about six months ago. When they analyzed this bill, they found it was in conflict with other building codes and this is being worked out now. Conflicts have to be worked out and then it will become a matter of law.

In response to a question, it was stated that the mandatory fees of architects will increase.

Rep. Gerke asked how this will be enforced. Mr. Hauck said that it will be by review of plans; this would become criteria of design. It will represent additional costs to the architects fee and we will see that it is done, Mr. Hauck said.

It seems we are blaming the Architects and Engineering Division for things they have had added to them by the legislature, Rep. Gerke said. He asked if this would speed up the letting of contracts. Mr. Hauck said it would be one more design consideration that would have to be dealt with. It would add more to an already cumbersome procedure.

Rep. South asked if two similar buildings were being built would two life-cycle cost analyses have to be done or use the results of one be used for the second building? The response was that this could be amended to take care of that.

Mr. Hauck explained, in response to another question, that the fee schedules were set but they were taken off the books about six or eight years ago. However they are still using the same fee schedule.

Chairman Bardanouve asked if architects costs have risen as fast as the costs of new construction. Mr. Hauck said that architects would say yes. They no longer say they have a fee, but the state pay the same fees for the same schedule. They have a fee schedule but the architects do not, Mr. Hauck said.

Rep. Meloy said that no one has asked about the fiscal note. He has serious doubts about it. He says some are already being done, but it is going to slow down the process and cost more money, Rep. Meloy said. He spoke about his concerns with the fiscal note. It is higher than what came out of the Governor's Budget Office and some things have been amended out of the bill. He does not believe this should be done on a case by case basis; if this bill does not pass, we will continue on a piece meal basis. He feels it is important to start a life-cycle cost analysis now.

The hearing was then closed on H.B. 426.

House Bill 592: Amending Montana Environmental Policy Act, specifying duties of the Governor... Representative Mike Meloy was also sponsor of this piece of legislation. He explained the bill to the committee stating this established process whereby the Governor's office assures by its involvement that agencies in state government who do environmental impact statements will consult with other agencies. There is no coordination now in terms of someone taking the lead and making sure the various impact statements are done. Mr. Meloy spoke of the disagreements between himself and Mr. Lewis as to the number that have actually been done. Mr. Lewis reports 35 while the EQC, who is supposed to monitor these statements, says they have done 10 at the most. Mr. Perlmutter now says 16 and Mr. Lewis says today he has another number. This confusion would affect the fiscal note but, more importantly, it indicates that state government is doing enough of these that someone should be keeping track and this is not being done.

At the present time, a proposal is brought to the lead agency and a preliminary environmental review is done on the problem to see if it will have a significant impact to require a statement. In most cases the statement is not prepared. Only ten were completed in FY76. The lead agency prepares a draft statement and sends this draft to the various agencies that would be involved. The problem is the number

of agencies involved with different policies. Conflicting policy judgments of various agencies is a problem. In most cases, the lead agency simply says there is no central policy guideline to follow and the matter is ignored.

This bill will insert a policy review by the Governor's Office. Drafts would be sent to the Governor's Office and it would be his responsibility or that of the person whom he appoints, to sort out policy problems and make recommendations to the lead agencies. He would not be responsible to write the statement, only to coordinate efforts of the lead agencies.

Proponents:

Steve Perlmutter, Environmental Quality Council, explained the procedure for determining if an impact statement needs to be done. Many agencies are involved in this process and you end up with conflicting policy judgments, and the lead agency has to make the determination. There are no policy guidelines for lead agencies to fall back on, he further stated. Under this bill these guidelines would be established through the Governor's Office and recommendations would be made to the lead agencies. The Governor's Office would coordinate policy between the state agencies and resolve policy conflicts in the area of environmental review. The Executive's job could be done with very little additional money or manpower, he said. Whether this would create a bureaucracy in the Governor's Office is a concern of that office. In the area of environmental impact, subdivision review is a concern, he said. Subdivision development has a large environmental impact. A possible approach would be for agencies to get together to determine how subdivision development impacts on their agency. Air pollution and water are also affected by subdivision development and many agencies are also affected. The Governor's responsibility in this example would simply be to call the agencies together to identify if the need exists for that kind of coordinated approach.

Opponents:

Mr. D. R. Lohn of the Governor's Office rose as an opponent stating that this bill is basically a good idea and there is a need for coordination but these statements are not now consistent. Mr. Meloy is to be commended for bringing this problem to the Governor's attention. The bill mandates a couple of stiff requirements, however. A preliminary investigation has to be directed to the Governor's Office to find out if the statement is necessary, and the Governor has to decide whether there is compliance. This would take people with expertise in a good many areas, and the staff to support those people would be required. There are many preliminary impact statements, based on the information which Mr. Lewis gave the Governor's Office and which he rechecked and which they believe to be correct in spite of the conflict of number with Mr. Meloy's information, he said. It is the feeling of the Governor's Office that in these economic times and given other priorities, the money required for this staff should not be spent.

Questions:

Rep. Estenson said there is a problem in the state with the lack of good energy policy and environmental policy, but she thought that the purpose of the cabinet meetings was to coordinate the efforts of state agencies. She asked why doesn't the Governor call agencies together and coordinate these efforts, that is part of his job as Governor.

Questions of responsibility of the Governor to formulate policy and to give leadership on environmental matters was discussed by the committee. Why should we have to proliferate laws to see that he does this? These questions are to be taken up later in executive session.

In closing, Representative Meloy stated there is a problem with the fiscal note. Mr. Lewis reports 35 environmental statements were prepared and Rep. Meloy's information indicates 10. He does not know how to resolve this problem but wanted this brought to the attention of the committee.

The hearing was then closed on House Bill 592.

The meeting adjourned at 4:30 p.m. to reconvene at 7:00 p.m. this evening.

Francis Bardanoue, Chairman