

MINUTES OF THE MEETING
FINANCE AND CLAIMS
MONTANA STATE SENATE

Page 1

April 19, 1977

The forty fifth meeting of the Senate Finance and Claims Committee met on the above date in room 331 of the State Capitol. Roll call was taken and the meeting was called to order at 9:48 P.M. by Senator Thiessen, Chairman.

Senator Thiessen said this meeting was to consider House Bill 842 by Representative Driscoll. He said it was introduced by Representative Driscoll for the \$30,000 for the tax oversight committee. He had discussed it with him and they had agreed on a compromise of figures. He did not feel the agreement had been kept since the amount in the bill was still for the larger amount and had not been changed. In addition it had gone right through to 3rd reading.

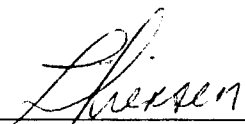
Senator Regan said we must fund this tax oversight committee since the legislation was passed to establish the committee by law. This is a 12 person committee and they can set their own priorities. She said if we pass this bill we have successfully clipped the wings of the committee. If we do not pass this piece of legislation they can simply go down to the legislative council for money and there will be nothing we can do about it. The Legislative Council will then be in for a supplemental. We discussed that bill with Senator Mathers. That bill was approved yesterday by us. We realize that the last days of legislature it is necessary for the House and the Senate to get along, and this bill apparently had the blessings of the Taxation Committee in both Houses.

Senator Regan said she felt it was necessary if we were to get along to have the author of the bill present.

HOUSE BILL 842 was explained by Representative Driscoll, who said the bill had been amended in the House with \$30,000 to be earmarked for the Revenue oversight committee.

Motion by Senator Stephens that House Bill 842 do pass.
Voted and passed with Senators Etchart and Kolstad voting no.

The meeting was adjourned.



SENATOR THIESSEN, Chairman

STANDING COMMITTEE REPORT

.....April 19.....1972.....

MR.PRESIDENT.....

We, your committee onFINANCE AND CLAIMS.....

having had under considerationHOUSE..... Bill No. 242.....

Respectfully report as follows: ThatHOUSE..... Bill No. 242.....

CONCURRED IN
PASS

GO

SENATE COMMITTEE

FINANCE AND CLAIMS

Date

4-19-77

Bill No.

842

Time

10:

NAME

YES

NO

Hims1, V.C.

Story

Etchart

Kolstad

Lockrem

Nelson

Smith

Stephens

Fasbender

Boylan

Flynn

Mehrens

Regan

Roberts

Thomas

Thiessen, Chairman

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Secretary

Chairman

Motion:

3 16

HOUSE BILL 145

Met in room 225 State Capitol Building, April 16, 1977 at 4:15 P.M.

Members of the committee were:

Senators:

Thiessen
Flynn
Himsl
Regan
Roberts
Stephens

Representatives:

Bardanouve
Bradley
Lund
Lynch
Marks
South

The Conference was chaired by Representative Bardanouve, & Sen. Thiessen.

Members of the Governor's office, fiscal analysts office, and some members of the House Appropriations Committee, as well as members of the Senate and House were present.

Discussion was held on how to handle the conference committee and Representative Bardanouve said he would entertain a motion to accede to the Senate Amendments, then to make a motion on anything that was not acceptable to accede to.

Motion by Senator Thiessen to the above, voted and passed.

Motion by Senator Himsl to limit the conference to the Senate Amendments on the House Bill and those areas opened by the Chairman of the House Appropriations or the Senate Finance and Claims Committee. He said the bill had come from the House and the action of the floor was approved by the House when it went to the Senate, so that the actual conflict is in the Senate amendments to this bill. There seemed to be some objection to this, and Senator Himsl asked if we could start as a free committee and limit the areas later if they seemed to be getting too far afield.

Roll call vote on the motion, motion defeated, vote 7-5.

Discussion was held on the total of the bill at the present time. John LaFaver said the total now was about 407.6 million plus the pay plan of about \$7.3 million making the total about \$415 million. In addition to this amount there were still some bills alive in the Senate that could be added to this amount if they were passed.

Representative Bardanouve said we are presently in the ball field if we don't get carried away in this conference committee. He wanted it clear to the committee that anything that was added in this committee would be added to the total.

The committee started through the amendments, copy attached.

Amendment 1. No motions. Accepted.

Conference Committee on House Bill 145
April 16, 1977

Amendment 2. Representative Gerke said he would like to point out that by limiting the number of auditors and adding work to the auditor you cannot expect as many reports as otherwise.

Senator Regan said when the committee had met they had originally added 12 and 12. When we began to really look into the growth and recognized we had asked other agencies to cut back, we felt this was completely unjustified to not include ourselves in this mandate. We added 16 auditors instead of the 24. It is true that we are adding more in-shop audits but we felt this growth was very large and given this set of circumstances we felt that we had acted reasonably.

Senator Himsl said there is a resolution in the Senate for the Legislative Auditor to take a spot audit on some schools -- on a few selected school districts in Montana to see how they spend their money.

Amendment 3. Representative Marks asked if the dues for the NCSL had passed the Senate and was told, yes.

Motion by Representative Marks that the money be reinserted in the bill. If you pay dues to an organization it is unfair to ask them to travel on their own expenses.

Senator Stephens asked if we need this much money to go to NCSL. He said he agreed in principle, but he did not agree with the amount of money.

Senator Regan said they have provided in the Legislative Council \$62,285 in the first year and \$64,700 in '79. Much of the travel is spoken for, but it is a high travel budget. The funds we are allowing for travel is showing a big growth.

Representative Lynch said he felt \$25,000 was too much money.

Discussion was held on legislators who had traveled on interim committees. Most of this travel is interstate for committee meetings.

Senator Regan said that perhaps there was some justification of a small increase in travel, but she would like to call the attention of the committee to the first amendment. We are asking people to watch their travel and would urge defeat of this motion for \$25,000 to be added to this bill.

Representative Bradley made a substitute motion to insert \$15,000 per year instead of the \$25,000, motion failed 7-5..

Substitute motion was made by Lynch--- to change the figure to \$10,000 per year. This was amended to include language that would say it would add travel allowed for NCSL and be limited to this amount, it would then not be using other encumbered funds.

It was pointed out that people who would be going to the NCSL were not appointed yet.

Fiscal Analyst Bill Gosnell gave a report of the budget figures for travel in the Legislative Council.

The vote was called for Representative Lynch's substitute motion on amendment 3. vote carried 9-3.

Representative Gerke referred back to Amendment 1. He said he felt this was too restrictive so far as legislators and other legislative committees were concerned. He felt it was not proper to have them report to a finance officer. He said he did not feel the Legislative Council or the Environmental Council or any of them should have to report to the fiscal analyst to get permission to travel. It was explained to Representative Gerke that this was not really what the bill said. No names would be attached, only a report of the trip and the purpose so that a tally could be made of the travel, such as asked by every subcommittee, could be done for the next Legislature. The Legislative Council travel would be a report that "x" number of people attended a particular meeting.

Senator Regan said there was no question but what the travel was legitimate. This only gave them a handle on how much travel, and where it is--not permission to do it.

There was a question of possible clarification of the language on the travel organizations so there would not be a wrong interpretation. There was also discussion of Bardanouve's amendment in this bill which would have the budget director set a policy for travel. No Motion.

Floor Amendment 1. No Motion.

Environmental Quality Council, Amendments 4 and 5. Representative Lynch said he did not think the amendments left the EQC with sufficient staff. He said he believed this was left in the subcommittee at the status quo of two years ago. He said the Senate took close to 50% of the staff from the Council.

Motion by Representative Lynch to not accept amendments 4 and 5. Discussion was held on the possibility of leaving 2 positions in and just removing one.

Substitute motion by Representative Marks that the economist and attorney be amended back into the bill and the funds to go with it.

Representative Lynch questioned if the motion prevailed if the committee might give more consideration to allowing the EQC to say which one would be cut. Mr. Gosnell, fiscal analyst, said the cut was \$50,000 and \$56,000 in '78 and '79. If three positions out in these years. Representative Marks asked if it would be possible to leave out the middle position to allow more flexibility on position.

Representative Marks amended his motion to reflect the dollar increases to include the 1st and 3rd positions and to take out the ecologist.

Senator Regan listed the salaries for the economist at \$18,016 for '78 and \$18,347 for 79; the ecologist at \$15,629 and \$16,596; and the attorney at \$15,317 and \$15,643. She said the two clerical positions would be part time doing typing and would amount to \$6,000. She felt the middle position might be the best to bargain.

Senator Stephens said he felt there was a lot of duplication here, and that this was the feeling on the Senate floor. He said the Senate had mixed feelings with some wishing to abolish it and some wanting to keep the status quo.

Senator Thiessen said he felt when they got involved in land management, etc., they were going a little too far afield. Senator Himsel said the senate complaint of duplication would make it hard to add back in this area.

Senator Regan said this action was taken in the committee of the whole about a week ago. It was Senator Hager who made the motion to restore it. The vote was 20-25. She asked if, when we go through the bill on the Senate floor, will it go in as a total package, or can we segregate it to different areas for acceptance. She was told it will be a total package.

The substitute motion by Representative Marks was voted and passed, 7-5.

Amendment 3, was reconsidered. Representative Marks said that House Bill 773 would provide for a taxation interim committee—that will require some funding. As it stands it will be funded by the Legislative Council. He said that Representative Huennekens said this bill sets up an interim committee similar to the interim fiscal committee which will basically function as an oversight committee in regard to revenue. This 12 member 50% House and 50% Senate will be assigned areas of study and review of the Dept. of Revenue's budget. It will be staffed by the dept.

Motion by Representative Marks to appropriate \$30,000 for the biennium to the Legislative Council for travel, expenses, staff and salaries for the tax oversight committee subject to passage of HB 773.

Representative Lynch said the research cost would be \$15,000 for this committee and it was originally in the Department of Revenue and was to be paid for there. It is now in the Legislative Council and if it passes, should be in one or the other.

Senator Stephens was concerned about the sense in having another committee to watch the budget, and wondered why this wasn't a joint resolution rather than a House Bill. This seemed to be a duplication of the interim committee work of the Appropriation and Finance and Claims Committees. The status of the bill is now that it is in a free joint conference committee. The motion failed by a 8-3-1 pass vote.

Amendment 6. Representative Bardanoue asked what happened to the position of controller at the end of the session last year.

Dave Lewis said it cost \$20,000 a year to put the position control through the computer. The addition made in the Senate was for data processing. Mr. Gosnell said the budget office was funded for the two positions that were put in for position control. Funding was cut in personnel from the '78 and '79 budgets, but he thought these were under the Governor's budget.

No motions or actions were taken on this amendment.

Amendment 7. Senator Stephens said this was \$300,000 for legal fees on the Indian Litigations. Representative Moore mentioned the many hundreds of Indian Treaties over the many years, and that the money was to hire a "big gun" lawyer in Washington to represent us. The original request was for \$500,000.

Representative Bradley moved to amend this amendment to \$360,000 with \$60,000 to go to the legislative Indian Jurisdictional Study. She said she thought the State was going to be in serious trouble if we don't try to negotiate.

Senator Flynn said he would have to oppose this. He felt that if they would not talk before, they would not now. Representative Lund said he has tried to hold them down, but if we do not get together and sit down to iron things out, it is going to end up in bloodshed, it is that bad. He said at least this motion was an attempt to do something.

Representative Bradley said the tribes had opposed the Governor's choice of people to negotiate and the fact that they had had no participation in that choice. She was asked where this would be put in the bill and said it would be a line item on this bill to be used for the Indian Task Force, and would go into the Legislative Council.

In answer to a question from Senator Stephens, she said yes, she did feel that if the \$60,000 was put in this for the Indian Task Force there would be a better chance of the House accepting.

Senator Himsel said the Governor had set up a task force two years ago with the hope of getting some agreement between the people, they had broke up and quit. He questioned the possibility of talks working now when they hadn't before. Representative Bradley said she felt things have changed considerably and it would not be like the last with the battles of who was to sit on it. This is no longer a problem since it will be legislators. Many Indians spoke strongly in favor of the original bill. Senator Towe said both Houses passed a resolution; and that it should be on the local level and started on the reservation. Before we had representatives from all over trying to solve the problems of all the reservation. The same problems are not on all the reservations.

Representative Driscoll said a lot of work had gone into House Bill 829. If the only alternative is to have \$60,000 set aside

so that it cannot be misused, that would be satisfactory, and she would so move.

Vote was taken on Representative Bradley's amendment. Vote failed, 6-5-1 pass.

Senator Regan asked if we could set this one aside with the idea that we could come back to it.

Representative South asked what kind of mechanism would be available to have responsibility for this \$300,000; that he felt this was very loose language.

Senator Stephens said that this was in the Governor's budget, and they had gone along with Elison on this but that he agreed it was very loose.

Senator Flynn said if they really felt it would make this acceptable to the House and if they could find some way to put it to use, he would be willing to change his vote.

Amendment 8. Motion by Representative Lynch that ERPO be restored. This had a great deal of support in the House. The energy office had 7 FTE and there was no reduction made by the elected officials committee, or by the House, nor were they suggested. He said that it was true that the opposition wanted to abolish the office. He felt the report would not be acceptable unless the amount were restored.

Senator Thiessen said they had made the Lieutenant Governor a full time job and funded it, and now we have a new office. Now there is a bill on second reading to create a new energy office. He said it is simply duplication and there is no reason why it cannot be handled in the L. G. office the same as it has always been since it was created.

Senator Towe said the bill was to consolidate all the energy office, and coordinating the functions. It was money from the coal-- between \$200,000 and \$208,000 to fund this account. It is 1/6 of the income. The motion to do this carried strongly in the Senate Finance and Claims Committee.

Representative Bardanouve said he had been talking to the energy office officials and there was one vacant position in the office now and they were willing to forego that position of Class II if they can get the rest.

Representative Lund asked if this was the office they had created the energy planning from. He told about the energy problems his area had. He said they had 2 generators going in in Canada and the air there could be a match for that in London. They had no place to go until they had talked to the L.G. office and he had

given them a lot of help, had made several trips, and had really been their only out. The problem of water was also involved. They said Canada now wants to back down and take 70%, and they had thought they had a 50-50 deal. He said there has to be somebody to coordinate. The EPA has put a man in Christiansen's office to help. This is a big thing and we have to keep in control of the situation.

Representative Lynch said he would accept and amend his motion to leave out the one position. The motion would be to restore Bill Christiansen to his energy office and less one position. If the motion carries through, the money will be put with Christiansen. The position restored is a class 11--\$11,100 in '78 and \$11,300 in '79 plus the fringe benefits. This would be 2 positions and bring it down into the energy office with one less position. The amendment reduced it and this would restore the Department and 4 positions. We are moving the money back and reduce that much from the L.G. office to offset what is taken out now. About \$40,000.

Discussion on putting this office under the L.G. office and Senator Regan said if we looked at the chart made up of the L.G. office we could see that it was already there.

Representative Bardanoue said it would not make much difference if it was under the L.G. so long as there was enough money to do the work. Both Mr. Schwinden and Keith Colbo have told me there is a serious energy crisis and we need something to deal with it. Carter's proposal may be rather drastic, but the situation is there. Representative Lund said he had no serious objection as to where it was, but it should be there.

Senator Thiessen said this is on a separate page by itself. The L.G. has four FTE, and with the new ones transferred, it would make six. That is quite a good staff to handle this. The salary is adequate to pay for Bill Christiansen's salary.

Senator Regan said she would favor this cut. She felt it is a very harsh one, and one that she hoped would not cripple the program. She would go with what the committee felt was necessary.

Lynch's motion on ERPO was voted and carried. 8-4.

Motion by Representative Lynch that the Board of Visitors be added back in. He said their subcommittee had not worked this budget, it was given to them toward the end, and they really had not looked into it as thoroughly as they should. He did feel that it was a law, was not amendable in this bill, and since it was new, it should be given two more years to prove itself, looked at very carefully, and then a final decision made.

Senator Thiessen said they should have heard what Senator Manley had told the Senate in regard to the Board of Visitors.

Senator Flynn gave the history of the Board of Visitors in the Legislature this year. He said it had been transferred out of the

Institutions from the Executive budget. We did hear some testimony. Some people were disappointed at the amount of visits made and in some of the reports made. There was some question as to why an attorney and a psychologist from back east should go through the institutions and evaluate the work of the psychologist we had.

Senator Towe said he would like to address the reason for the out-of-state psychologist. He said they have only 19 in the State of Montana, and with the close knit group, there would be no way one Montana psychologist would go against another. They felt they had only one possibility of doing anything, and that was to get one from out-of-state to make the judgment.

Senator Flynn said there was some criticism about the way they reported. They gave the report to the institution, the parent, and to the board all at the same time.

Senator Thiessen said it seemed to him we were just pancaking one thing on top of another. We have a board of visitors appointed by the Governor, and all the other boards are appointed by the Governor. This is overlap.

Representative Dussault said it is established under Title 38, and is a law. She said it is going to be controversial if it were to do its job. It was not created to rubber stamp.

Representative Bardanouve said creating the board of visitors did not mean mandating an appropriation by the legislature.

Regan said if it is mandated by the law then if they should decide to continue it, wiping out the appropriation should have no effect. When you have a board of visitors under the institutions you are not getting an objective view.

The motion by Lynch was voted on, motion failed on a tie vote of 6-6.

Representative Gerke said he was wondering if there is some way to put some guidelines on this board as to how they are to operate. He said they went in during the strike and under those adverse circumstances gave a bad report and then they reported to the parents. Maybe there are some guidelines to put on it that might hold it down a little.

Representative Lynch said he supported it because it has only been in existence a short time and now should straighten out. Senate Bill 214 should take care of some of this. With modification it could be a very important board.

Amendment 11. No motion.

Amendment 12. Senator Regan said the subcommittee had added 1½ FTE up in the Secretary of State's office to take care of the dissolution of the corporations. The subcommittee thought it would be done in two years, but in talking to Joan Woodgerd it became apparent that it would be an ongoing thing. According to Frank

Murray it is the intention of the Secretary of State to proceed with the dissolution of the corporations and pick up on a regular schedule. There are about 15,000 on the files. About 500 corporations that will become subject to this dissolution. To handle the expenses they will need a full time employee plus 1/2 time typist; or 1½ FTE--and will need these additional employees for six to eight years to catch up and keep up.

Senator Roberts said if you don't fund it, they can't do the work. If you do that it remains the same as now, and this has been the trouble in the attorney general's office. In addition, H. B. 787 provides an easier way to purge these because of the less cumbersome method than before.

Senator Thiessen said since it hasn't been done before, maybe we should designate the auditor to take a look at this.

Motion by Senator Regan to strike on page 13, line 14 after "787" to strike the last sentence.

Substitute motion by Representative Lynch to strike all of lines 12-15 on page 13. Voted and passed.

Floor Amendment 2. No motion.

Amendment 13. Representative Lynch said he didn't know how strong the feeling is, as to whether we want the commissioner to evaluate or to review then we need the money in this. If you want them to be a clerk, that is what we have done here. There are four people in his office and while some of the load was removed by taking the school elections out you cannot expect much to be done about traveling and seeing if everything is O.K. in this campaign without the money.

No motion was made on this amendment.

Amendment 14. No motion.

Amendment 15. Representative Lynch said this encompasses two areas of controversy. In regard to the fire marshall, there is some justification for more staff in Eastern Montana. I think we could compromise with the people who think that Eastern Montana should have a person there and add \$19,000 and \$28,000 which would pay that one Eastern Montana position to help out.

It was mentioned that the fire marshall was planning to retire, and the amount for retirement was included in the bill.

Motion by Representative Lynch that we add \$19,772 and \$21,101 to provide a deputy fire marshall in Eastern Montana. This includes fringe benefits and also travel.

Senator Regan said we funded this at agency level. It was not a high priority in spite of it having some revenue. She said he had

brought in one bill that would have made all the funds he collected his to spend.

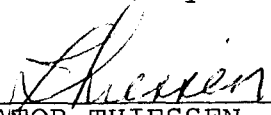
There was discussion on striking lines 7 through 14, and some would have to be reinstated. Mr. Gosnell said originally this was in H.B. 401, and the fire marshall has now asked for more.

Senator Himsel asked how many fire marshalls we have, and was told by Mr. Gosnell that we have eight including Mr. Penttila. He said some of the money is under the Department of Justice. They had added some more to that.

Senator Regan said some of the work was done by contract service. They perform some of the functions of inspections.

Representative Lynch's motion failed, vote 7-5.

The meeting was adjourned until 1:30 P.M. Sunday.



SENATOR THIESSEN, CO-Chairman

CONFERENCE COMMITTEE

House Bill 145

HOUSE

Bardanoue ✓
Bradley ✓
Lund ✓
Lynch ✓
Marks ✓
South ✓

SENATE ①

Thiessen ✓
Flynn ✓
Himsl ✓
Regan ✓
Roberts ✓
Stephens ✓

Roll Call on
Himsl Amendment for Limiting
Conference

ROLL CALL VOTE

— Fred Stephens

43rd LEGISLATIVE SESSION 1973

COMMITTEE

21/16/77

24/10/77

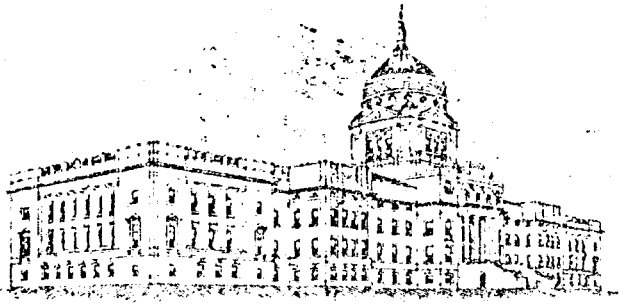
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Thompson	20/11/77	N					
Clayton		N					
Harman		N					
Robinson		N					
Roberts		N					
Stephens		N					
Cardenhouse		N					
Bradley							
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Harman							
Marble							
Smith							
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1722 C. and J. 1000

43rd LEGISLATIVE SESSION 1973

4/16/77

	Date: no:	Date: No: 1 & 2	Date: no:	Date: No: 3 <i>mudflat</i>	Date: No: 7	Date: No: 7	Date: no: 18	Date: No:
Halsbury	N	Y	N	N	N	N	N	
S. Lyman	N	N	N	N	N	N	N	
Herring	N	Y	N	N	N	N	N	
Rogers	N	N	Y	N	Y	Y	Y	
Roberts	Y	Y	Y	N	N	N	Y	
Stephens	N	N	N	N	N	N	N	
Bardmore	N	Y	Y	Pace			Y	
Boddy	Y	Y	Y	Y	Y	Y	Y	
Jones	Y	Y	N	Y	Y	Y	Y	
Huber	N	Y	Y	Y	Y	Y	Y	
Marks	Y	Y	Y	N	N	N	N	
Smith	Y	Y	Y	Y	Y	Y	Y	
1-5	3-9	5-7	8-10-3	6-10-5	4-8	6-6		
Bradley's Lagoon	EAC							
Steele	on Am. Hwy							
Pierce	Daniel.							



STATE OF MONTANA

OFFICE OF THE

SECRETARY OF STATE

FRANK MURRAY
SECRETARY OF STATE

JO ANN WOODGERD
CHIEF DEPUTY

HELENA, MONTANA 59601

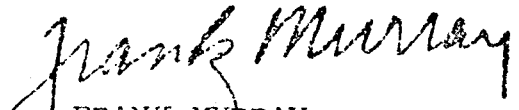
April 15, 1977

Memorandum on Appropriation needed to implement HB 787

HB 787 provides for the involuntary dissolution of corporations by the Secretary of State. The bill requires that corporations that become delinquent after July 1, 1977 be dissolved in the year that they default. It allows the dissolution of corporations that defaulted prior to July 1, 1977 to be handled as the Secretary of State's office is able to process them.

It is the intention of the Secretary of State to proceed with the dissolution of corporations defaulting after July 1, 1977 as provided in HB 787 and to begin picking up the corporations defaulting prior to that time on a regular schedule. We believe there are at least 15,000 corporations now in our files that would be subject to involuntary dissolution. As far as we can determine there will be about 500 corporations per year for the next few years that will become subject to dissolution.

As stated in our fiscal note for HB 787, the review and processing of dissolutions and handling of re-instatements and correspondence associated with the process will require one full time corporation deputy in addition to those currently on the staff. We will also need a half time typist to handle the notices and correspondence. We will need these additional employees for at least six to eight years in order to keep up with the additional workload occurring each year and catch up the estimated 15,000 backlog.


FRANK MURRAY
Secretary of State

April 17, 1977

Members of the Conference Committee were:

SENATOR

REPRESENTATIVE

Thiessen
Regan
Flynn
Stehpens
Roberts
Himsl

Bardanoue
Bradley
Marks
Lynch
Lund
South

Chairman of the Committee was Representative Bardanoue, the Vice Chairman was Senator Thiessen, the purpose was the continuation of the Free Joint Conference Committee on House Bill 145, and the meeting was convened at 1:35 P.M. in room 225 of the State Capitol Building.

Some discussion was held on how to vote in the free joint conference committee. This committee had a unique make-up. There were 6 House and 6 Senate members. Senator Flynn read the Joint Rules 7-9 which said the committee from each House would vote separately and the majority of each would be the vote. It was pointed out that this was all Senate amendments under the discussion, and if the House acceded to the Senate amendments it then took a majority of the vote to pass a motion to recede. Any tie vote would lose. Representative Lynch pointed out that this was unfair since in many cases each house would vote for their own amendments. The matter was decided to vote a straw vote from the committee as a whole, the votes would be taken at the end of the conference as to whether or not each house would accept the votes as tallied. It was voted orally to be accepted, later in the meeting.

Amendment 15. County Prosecution Program. Representative Lynch said the county prosecutor program is the amendment passed on the Senate floor by three votes. It was made and passed in the Senate Finance and Claims Committee. He said this is probably the most comprehensive new program we have. It was the feeling of our subcommittee that it had some real justification and merit. He did feel, however, that it should have a sunset clause in it.

Motion by Representative Lynch that we reinstate the County Prosecutor unit. It would add 2 FTE in '78 and 3 in '79. The unit would take a present investigator and incorporate him into the program.

Senator Thiessen said he had talked to the Attorney General about this matter. He would use two of his existing staff, 2 new in '78 and 2 in '79. He said he did not see why we should put this kind of money into a program for full time. I would rather put up a fund to hire that kind of assistance when he needs it.

Senator Regan said she felt this program was misunderstood. This person would also do prosecution work for the smaller counties when they needed it. It would cost the counties more money to

contract for a private attorney than to pay back part of the charge to the Attorney General's office. \$50,000 just isn't enough to do the job. It is a program which deserves a chance and we felt it was a good program in our committee. I hope this committee will bear in mind that this is the only program our newly elected attorney general really asked for. He apparently has an expert experienced prosecutor in mind to hire who is a Montana person.

Senator Thiessen asked if Senator Regan felt every newly elected official should have new FTE's because he was newly elected. She answered that you should look at the program and see what it is they want to do. She said she would remind the committee that their subcommittee had cut below the '77 budget and she could assure them the subcommittee had not been overly generous.

Senator Himsl said he had a problem. From experience in the last couple of years with the attorney general he had seemed to feel it was necessary to go out-of-state to find competent attorneys. The other concern he had was the possibility of a county attorney shirking his job and we would be taking this on as a state expense. He wondered if the program was so necessary and such a high priority why it needed a sunset clause and Representative Lynch answered they wanted it pointed out so that it will really get a thorough scrutiny the next session. Only this way will we know if it is a proper program.

The motion was voted and failed.

Representative Lynch again brought up the rule on the separate votes, and pointed out that with each house taking a vote it took 3 senators to put it back in, where if they did not accede to the Senate amendments, it would only take 3 house members to keep it from being in. More discussion was held on this.

Representative Lynch moved to reconsider yesterday's action--a motion that as a committee of 12 we adopt the adjustments and take a final vote according to the rule on each. Senator Stephens asked if we could agree that rule 7-0 would apply to the final report. Our committee votes could be agreements, and we would continue with majority vote on each. Senator Flynn suggested we could perhaps make a joint rule committee give us a ruling on this committee.

Substitute motion by Representative Marks that changes be by the majority vote of the whole committee and final action on the entire bill be adopted by the members of each house on the committee. This would be a straw vote with final action at the end, and then we will know where we have to bargain.

Representative South felt we should differentiate between the amendments. Those in the bill and those to be added by the entire committee that were not Senate amendments. This was incorporated into Representative Marks motion.

Motion was voted, passed, unanimous.

This decision changed the vote on the prosecutor made by Representative Lynch, and as a result the motion by Representative Lynch to restore the county prosecutor program passed.

Floor Amendment 3. as well as amendments 16 and 17 were accepted, since no motions to the contrary.

Amendment 18. Motion by Senator Roberts that the Senate recede from Amendment 18. This would remove the language which was in because of the previous action concerning the county prosecution program.

Motion was voted, passed.

Amendment 19. There was some information from Mr. Groff's office. The amendment was on the property tax division. This was trimmed and again reduced. The cuts were made on the appraisal then some was cut on the current level of service. I am wondering if they might be higher than we can live with.

Senator Regan said this is an amendment that was recommended by the subcommittee when we were sent back to the drafting board to make cuts. We took out \$30,000 each year for the research division and \$136,668 and \$135,906 in the respective fiscal years, taken from the property appraisal. She asked Mr. Gosnell to address this.

Bill Gosnell said this budget was brought in last summer and would have contained the money and one to escalate the property tax level. The current level budget is the one that is in concern now. The budget he recommended was \$5.7 million in 1978 and \$5.9 million in '79. This was about a 25% increase over the 1976 actual expenditure.

Representative Bardanouve said there had been some ill feeling between the fiscal analyst and the Department of Revenue so he had asked Mr. LaFaver to have another analyst re-check and did not give him any figures to work from. He re-checked and came up with a lower recommendation than Mr. Gosnell had.

Motion by Representative Marks moved to put back \$30,000 into the budget for the interim tax committee. He explained this was to make the study of the revenue that was discussed yesterday.

Representative Bradley said she felt it is wrong to keep making laws and not funding them. She thought the legislature should accept the responsibility of funding what they pass.

Senator Thiessen said he agreed that we should not fund through a department. We should put it in the Legislative Council or somewhere else, but not in a department.

It was reported that whatever action was taken on this it would be subject to passage of House Bill 773. Representative Lynch said this bill is written so that there will be full authority of the committee to meet when they choose, and it could meet quite

often. In addition, since the committee is statutorily created, it would have the first priority on the travel money in the Legislative Council budget.

Senator Hims1 said when they went into Finance and Claims Committee they were told they had to cut \$3 million. My problem is now, that I would like to vote for some of these things too, but where is the money? Is there a different figure for the general fund or what?

Representative Bardanouve said we are relatively in the ball park so far as the budget is concerned, but we certainly can't go wild in putting things back in.

Representative Hims1 said the reason he was asking the question was that if we are not under the restriction of \$3 million cut in the original recommendation, then it would make it easier for everyone to vote.

Senator Thiessen said after it was amended in the Senate it went up about \$1.2 million. We are giving a drastic increase.

The motion by Representative Marks was voted and failed.

Department of Administration, Amendment 20. A. No motion.

B. No motion.

C. No motion.

D. No motion.

E. Representative Lynch said he felt if 17 FTE were taken from the personnel department it might be too drastic a cut. He was told that the reason for the cut was because H. B. 700 had failed in the Senate. Seven FTE and the earmarked merit system council funds had to be removed from the personnel budget to be used to reinstate the merit system bureau and another 10 FTE were cut because they no longer needed them with the failure of H.B. 700.

Motion by Representative Lynch to reinstate the 5 FTE in the personnel division. Voted and failed. 9-3.

Floor Amendment 4. No motion.

Amendment 21. No motion.

Amendment 22. No motion.

Amendment 23. No motion.

Amendment 24, 25. No motion.

Amendment 26 and 27, on Military Affairs. Senator Regan explained that it is a matter of concern and a great deal of lobbying effort that this issue has been taken. She said when they were told in the subcommittee to reduce the budget they had recommended a reduction of \$50,000 each year of the biennium. The history was that they had recommended \$100,000 each year to be increased over the original recommendation. General Thode had questioned this,

Senator Regan read a part of the subcommittee minutes which would clarify the action taken. The change with the Great Falls fire men being taken from this budget made the over all-budget essentially the same as the Executive Budget. The amount of the Great Falls firemen had saved them \$41,563. The budget now is essentially only \$25,000 each year below the Executive Budget recommendations.

Senator Stephens questioned the possibility of their being short on utilities with this budget.

Representative South told of the Long Range Building Committee upgrading some of the armories, and Representative Lynch a compromise of 12 and 28% with a total of \$579,563 be added to the maintenance at the Adjutant General's office. Representative South said for two years LRB has been re-roofing and repairing as well as fixing hardwood floors, etc., in the armories. He felt this was a lot of money being wasted if they were going to close down armories. He said he wondered if the budget were really that tight.

Motion by Senator Lynch that \$41,563 be restored to the military budget for maintenance.

Representative South asked if it were really true they might have to cut some down because of utility costs--if so he would be willing to support the motion of Representative Lynch.

Representative Bardanouve said the same percentage was used to figure the utilities there as in any other subcommittee budget. He said if this was the sole reason for cutting down, then the rest of the agencies and institutions, the university system--in fact the whole state would be forced to shut down also, this was merely carrying that logic through.

Mr. Gosnell explained the federal matching funds and said some funds were matched in areas, others were not. He gave paint as an example. He said the department had the discretion of using the money where they would get the most federal match. If they only use those programs that do not get matching funds they will not get the money--if they use those that do, they will get it.

In answer to a question from Representative Bardanouve, Mr. Dave Lewis from the Budget and Planning office said they had discussed the financing and the budget with Mr. Thode. In the original budget Mr. Thode thought they could get by--it was a tight budget, but they would be able to make it. His first response was to say they would have to close armories, then on closer examination had agreed they would be able to make it. He said the air-guard not being included in the budget makes a difference in the figures.

The motion by Representative Lynch to restore \$41,563 back was voted on, passed, the vote was 7-5, 3:10 P.M.

Amendment 28. No motion.

Amendment 29. A. Motion by Representative Bradley to put the three bank examiners back in.

Senator Stephens said this was the result of the cut in Senate Finance and Claims Committee. We cut back some of the people they have on board now. I think we have to agree with business regulation, that if you cut down on the examiners you cut down on the fees.

Motion was voted and passed, 6-5-1 pass.

B. No motion.

Amendment 30 and 31, Community Affairs. Motion by Representative Bradley to put back the Highway earmarked funds for the Highway Drivers Safety School. This is to establish a school for the drunken drivers rather than a prison term. This is start up money, and under the terms of the bill, it will be funded from fines and forfeitures of people using it. House Bill 355 has passed. It is a bill which proposes this way of funding. We are looking at having to provide no highway operation money in 1979.

Motion was voted and passed, 7-5, 3:19 P.M.

The second part of the amendment was concerned with bus transportation, and received considerable discussion.

Motion by Senator Roberts to reinstate the \$75,000. Voted and passed, 8-4, 3:21 P.M.

Floor Amendment 5. Motion was made to not purchase the twin engine aircraft, by Representative Bradley. She said she had received estimates which she read on purchasing the aircraft over a period of 8 years, depending on the amount of hours used per year, it would probably cost somewhere between \$160 and \$147/hour. In addition to the cost of flying and purchasing the plane you had to have figures of a pilot and fuel. She said her calculations were the cost of the plane would run \$200 to \$183/hour depending on the hours of use. The rental per hour for the Capital Arrow twin engine is \$125 per hour. She said under these figures, she could not see how we would be ahead to purchase a plane.

Mr. Koehnke, Governor's budget and planning office, said the figures they had were on a 6 year lease purchase plan, and were figured to pay off in 6 years if the planned number of hours were used.

Representative Bradley said if the planes were pooled, and if the highway plane was included in this pool there would be a twin

engine pressurized plane already in the pool. She did not feel a new plane would be used enough to meet the purchase requirements.

Senator Etchart said the Governor's and the Lieutenant Governor's travel is around \$150,000 per year, and they would be using it.

Representative Gerke said the figures that were given to him are different than the ones presented here. He felt if you rent a plane you pay for the plane plus the fuel and the pilot, plus a profit for the owner. He said the cost of the Duke is \$160 per hour plus gas and a pilot and you do not have a priority on this plane.

Curt Nichols, Fiscal Analyst, said the state would have four state owned pressurized cabin planes if the purchase of this one would go through.

Senator Hims1 said he did not feel enough study had gone into drawing any conclusions at the present time on the purchase of such an airplane at this time.

Representative Bradley's motion carried. 7-5

Department of Fish and Game, Amendments 33 and 34. It was explained that the house floor amendments were put back into the bill by the Senate Finance and Claims Committee. No motion.

Department of State Lands, Amendment 35. Saline seep was discussed. This amendment clarifies the intent of this appropriation.

Senator Thiessen said we have spent a lot of money in it now, and the \$100,000 will finish it and the \$50,000 will disseminate the information. He said he had asked Mr. LaFaver to draw up some language on this, in regard to the appropriation having sufficient funding to terminate the program. The amendment would be as follows: "The appropriation to the department of State Lands contains sufficient funds to complete the study of saline seep and to publish and disseminate the findings of the study. This project shall be terminated by June 30, 1979. The appropriation of other funds includes \$15,000 per year from interest on the resource indemnity trust fund."

The Committee agreed to come back to this amendment.

Motion by Representative Lynch to reinstate the \$40,000 to the Natural Area Study. Representative Bradley explained that this was a study to find natural areas.

Voted and passed. 10-2.

Amendment 36. No motion.

Amendment 37. No motion.

Amendment 38. No motion.

Amendment 39. High Plains Weather Modification. Representative South asked why this language was added in the Senate Finance and Claims Committee. Senator Thiessen said he felt it was more or less scare tactics to maintain it. Unless the Governor finds that it is really required, they did not feel the state had to make this appropriation. When this was brought to the state, the Governor said he had tried to get the money. The other two states receiving like stations have been contributing some money, and this is a good-faith effort on the part of the state.

Motion by Representative South to strike on page 26, following "city" the remainder of lines 10 through 13.

Voted, passed, 10-1 with 1 pass.

Amendment 40. No motion.

Amendment 41. No motion.

Amendment 42. Representative Lynch asked about the funding of the trainee in the Board of Nursing. He said it looked as though the Senate had amended this so they did not receive the year of training they said was required. Senator Roberts answered that there was involved here a question of fiscal years, and that the $\frac{1}{4}$ year had to be funded in the 80-81 biennium because of the time involved in the hiring. He said $\frac{3}{4}$ of the year would be in the '79 period, but that from the end of the fiscal year it would be in the next biennium.

Amendment 43. No motion.

Amendment 44. No motion.

Amendment 45. No motion.

Amendment 46. No motion.

Amendment 47. No motion.

Department of Institutions. Amendments 48, 49, 50, 51, 52, 53, 54, 55, 56, 57, 58, 59. No motion.

Floor Amendment 7. Representative Lund explained that this is federal money. It is a unified plan for a correction study ranging from maximum security to parole and work programs. Senator Flynn said there is a question of whether a study is even the thing to do at the present time.

Motion by Senator Flynn to strike floor amendment 7.

Senator Regan said this was Senator Fasbender's amendment. It deals with the problem of the increasing numbers of prisoners. The grant was available and there could be good use made of it to see whether we will have to build more prisons again. This is a 9:1 match.

Dave Lewis, office of Budget and Planning, said Representative Holmes came up with this much money--between \$100,000 and \$150,000 that is available for correctional planning. The match was \$10,000 in the Institution budget. We felt they could use some of the persons down there to qualify since this was a 9:1 match with part of the match being in-kind services.

The motion by Senator Flynn was withdrawn.

Amendment 49. That amendment would change the total to the central office because of the dues and travel of the interim oversight committee, which were deleted. No motion.

Amendment 59. Lowers the maintenance costs at the children's center to current level. The question was asked if this facility would still be maintained. Representative Gerke said we don't have enough money to maintain it now. No motion.

Floor Amendment 8. Senator Thiessen explained that this is Representative Gerke's amendment on the floor of the Senate. It was offered on the floor by Senator Etchart. Having had no members on the Board of Pardons out of town until the present time, they found there was no travel expenses in this budget, and there should be. There are now two out of town members, and this will take care of the added expense.

No motion.

Amendment 60. No motion.

Superintendent of Public Instruction.

Amendments 61, 62, 63, 64. No motions.

Higher Education. Amendments 65, 66, 67, 68, 69 through 86, 87, 88, 89, 90, Floor amendment 9. No motions.

Corrections and Amendments for the over all bill.

Page 40, lines 2 and 3. A. Following "Public" on line 3, strike "instruction" insert "school support" and strike line 2 "Superintendent of". This same amendment goes on page 39, lines 21 and 22.

Motion by Senator Flynn that this be corrected to read as stated in the amendment above. Voted and passed, unanimous.

Page 23, line 11. B. The total of the Department of Agriculture. This total should have been changed when the original amendment was made.

Motion by Representative South to correct the totals. He said there had been an amendment or two but when the amendments were made they had failed to change the totals. This had been a House floor amendment.

Motion voted and passed. Unanimous.

The total changes of the amendment were to strike the figures on line 11 and insert from left to right the following new figures. \$724,484; 1,372,215; 739,760 and 1,396,230.

The next amendment was page 21, line 7. Motion by Representative Lynch to correct the typographical error to 1978.

Voted and passed, unanimous.

Motion by Senator Roberts, page 14, line 18 to strike "are" and insert "is", voted and passed, unanimous.

Motion by Representative Marks page 19, line 22, to strike "appropriation made" and insert "moneys appropriated". Voted and passed. Unanimous.

Motion by Senator Roberts page 11, line 5 to strike "the appropriation made from other" and insert "Other" voted, passed, unanimous.

Motion by Representative Lynch, page 41, line 3, after "the" insert "amount". Voted and passed, unanimous.

Since the bill for Elected Officials salaries were not finalized when House bill 145 was passed in the House, the salaries are not included in the bill. Fiscal Analyst, John LaFaver, said the bills as passed contain impacts on appropriations of \$917,000 for the elected officials. These are costs that mostly go into the Supreme Court, District Courts, Secretary of State, Governor, Lieutenant Governor, State Auditor, Department of Justice, Workers' Compensation Judge, County Attorneys, Public Service Regulation and the OSPI. He gave the totals and the final amounts.

Representative Lynch moved the elected officials as approved by both the House and the Senate be incorporated in the bill. Voted and passed, unanimous. The total impact is about \$917,000.

Senator Thiessen asked about the restrictive language on page 40, line 25 in regard to pay increases. Representative South explained that under the federal law in regard to libraries, the state is required to maintain it's level of general fund support, or we lose federal funds. We are obligated to spend \$317,000 now each year, so we said the salary increases would come out of federal funds.

Representative South referred to page 43. He said the passage of HB 85 meant that the 6 mill property tax revenue to the University System will probably not meet all the expectations. This house bill reduces the taxable valuation of cattle.

Motion by Representative South that \$200,000 be added as a contingency fund per year to offset the potential loss of revenue from the passage of House Bill 85. Voted, passed, unanimous.

Senator Flynn said he would like to go back to his attempt to plug in more money into the School of Mines. He gave them more work to do, and did not give them more money to do it with--this seems wrong. It all pertains to the Natural Resources of the State of Montana. We usually wind up obligating the School of Mines because of the expertise they have. He said he would like to ask for \$100,000 over the biennium for them.

Motion by Senator Flynn that we put \$50,000 into the School of Mines each year of the biennium.

Senator Thiessen said they had always asked for the assignments, and he felt they had been funded in addition to the regular funding by the fees they charged the other agencies for the work they did.

Representative South said he felt the Bureau of Mines should have to justify their needs. There is both money and contractual arrangements and they receive more money for those. I think any money we plug in should be justified.

Motion by Senator Flynn for \$50,000 per year was voted and failed. 4-7, 1 pass.

Motion by Representative Lynch, page 32, line 12, Strike \$5,460, 546 and insert \$5,533,985. Strike \$6,538,217 and insert \$6, 569,633.

Mr. Lewis said the additional general fund for the Central Office, Department of Institutions, is required because the federal funds available had been overestimated. Fiscal Analyst, Tom Briggs said this was a result of his analysis in regard to the 314 grant to the state of Montana. Before it was directed to go to the Regional Health Bureau. They used part of it to fund their administration, part of it to fund the salary of Dr. Carlson. When the details came to our office, they were shown under the Federal funds available for region 5. Consequently I funded Mental Health with all the money instead of part of it. \$85,000 each year--that made \$74,379 and \$74,460 if they were to be funded at the approved level. It was not brought to his attention until after the action on the floor.

Senator Regan asked how much for match, and Mr. Briggs said no match at all. It is a grant. Senator Regan said within the central office budget? and was told yes, they then turn around and allocate the money to each division. They say they do not have any slack to add it. We did not take out any money.

Representative South said you would have to decrease the other funds by this amount in order not to increase the spending authority.

The motion was voted and failed, 6-5, 1 pass.

Representative Gerke thought possibly we had taken the wrong action and would like to talk about it a little longer.

Representative Menahan suggested deleting language by striking lines 19 through 27 on page 36 and on line 8, page 37 to strike

"designated for reversion under the provisions". He said he had worked with people on this budget and basically the bill says you are going to pay for 500 and by July 1 there will be less than 450. He said that the language would require a reversion of funds at Warm Springs if the patient population fell below 500.

Representative Gerke said the funds are there to provide for 500 patients. If that number is not realized, a reversion is in order. He said page 37, line 7 states "approval of the budget director" by reallocating to the other institutions. If you transfer from one institution to another, or from one patient service to another.

Mr. Briggs said a larger number of patients than those now residing in the institutions were funded because of the possibility of a return to the institutions of some who are now in community placements.

Representative Menahan did not feel there was a satisfactory explanation nor that the bill would handle the case loads in the various institutions and mental health homes with all fairness.

Representative Gerke explained there was a formula which took into consideration the type of care, amount of patients, cost of the specialized care, etc., and this formula was applied to each of the patients served, and that the money was allocated accordingly.

Motion by Representative Lynch, following "programs" to insert the budget director may require a transfer of reversion funds of any excess funds allocated under this section. The motion was voted and failed, 8-4.

Representative Marks said he would move to adopt an amendment in regard to providing some funding for House Bill 622. The bill establishes pilot programs for putting welfare recipients to work. He said the appropriation of \$119,680 each year through SRS of which \$31,189 the first year in general fund and \$81,431 the second year in general funds. He said the Senate took the language out of Representative Marks bill and put the language from Senator Towe's bill into it. No funding was given to the bill by the Senate Finance and Claims committee.

Senator Thiessen said this bill was slated for death until it was redeemed by Senator Towe to make it work. The appropriation would be a start.

Representative Marks said there should be a supervision of the program, travel costs getting some of the people to work, insurance costs, etc.

Marks motion to put the money into H.B. 145, contingent on the passage of House Bill 622 was voted and failed. 8-4.

Representative Gerke asked to go back to the section on Institutions, Center for the Aged, page 35, line 3. He would like to have added to the bill \$45,000 for the first year in 1978 for the Center for the Aged. This would be for an oven and a larger

grill and a walk-in-cooler-freezer combination. The committee had felt this should be a separate appropriation from Long Range Building and LRB had felt it should be in House Bill 145.

Representative South said they had discussed it in LRB. It should be a capital expenditure rather than under the auspices of LRB.

Senator Himsl said when the addition was put on they were told that the heating plant, etc., did not need to be replaced. These items are part of that equipment. They are now worn out, need to be replaced, and the committee felt it should become part of their operational budget.

Motion by Representative South to add the \$45,000. Voted and passed, unanimous.

Representative Bardanoue said that Representative Manuel had suggested that a clarification of the subcommittee intention in regard to Fish and Game was needed.

A motion by Representative Lynch as follows: Amend page 24, line 14 following line 14. Insert: "The appropriation from other funds to the parks and recreation program includes coal tax moneys in the park aquisition fund for this biennium only. The department may not propose any expenditure for operation and maintenance from this fund, other than as is authorized under Senate Bill 44, in its budget request to the next legislature."

Motion was voted and passed, unanimous.

Representative Lynch moved to add \$100,000 each year from the Highway earmarked revenue to the Highway Patrol. Page 14, line 23 he read the existing totals in the salmon colored reference bill and said on page 15, line 12, there should be \$200,000 added there. He read a letter from Office of Budget and Planning, which supported the amendment. He said House Bill 834, the Pay Plan, will be reduced by Representative South to cover this amount of money. He said what happened was that the budget office assumed the Highway Patrol were getting comp time for their over time. It turns out that the Highway Patrolmen are getting no comp time for overtime, and the additional money is to cover the salaries under the pay plan.

Motion was voted, passed, 11-1.

Representative Lynch asked to go back to page 12, the Board of Visitors. Following the first paragraph, line 12, to say the appropriation to the Board of Visitors shall not be used for hiring or contracting out-of-state consultants.

Senator Flynn said if this is a compromise he will be willing to change his vote.

Representative Gerke said this is quite a responsibility. You have people who are not in the field evaluating those who are in it. We plugged in the evaluator to evaluate where a patient ought to go.

The Board of Visitors will then try to find out if people are getting the proper care.

Motion by Representative Lynch that the Senate recede from the amendment on the Board of Visitors and the language be put into the proper place.

Motion was voted, passed, 9-3.

Discussion was held on the possibility of segregating the issues from this free conference committee which had contention, and having the conference committee on this bill to follow not be a free one.

Representative Bradley asked to go back to amendment 7, which was not decided yesterday. This was the amendment which adds \$300,000 for legal costs of assuring adequate state representation for jurisdictional disputes.

Motion by Representative Bradley to break down the appropriation as follows: (the appropriation from the general fund)

1. "Treaty review and research--\$20,000 each year.
2. Jurisdictional litigation --\$95,000 each year.
3. Legislative oversight -- \$35,000 by 4 members of each house to be equally bi-partisan, to hold a public hearing on each reservation, suggest alternative solutions, and to identify common bonds between Indian and non-Indian, and to propose legislation for the next session". This would be 95-35-20, making a total appropriation of \$150,000 for the year or \$300,000 for the bi-ennium. She was asked if there was a place to plug this into, and said she would expect the Governor to appoint the committee working with the Senate and House leadership on this.

Senator Roberts said the strong sentiment in the Senate was that they were not sure how much could be done handling it by meetings now. They seemed to feel the most pressing need is for litigation, and that is why the Senate has chosen to go the other route.

Representative Stephens said this whole proposition was explained in two ways--in one way to the Senate and in another way to the House, and he felt this is possibly where the difference comes. At this late date if we are going to do anything we are going to have to compromise. Even though he had voted against the Driscoll bill, we will have to compromise. He said he assumed a lot of money would go for staff and study.

Senator Thiessen asked if it would be acceptable to put \$20,000 in for the oversight committee and Representative Bradley said she would agree to that. She said she would change her motion to have \$20,000 per year for the oversight committee and to increase jurisdictional litigation to \$110,000 per year.

Motion voted and passed, 11-1.

The committee went back to page 8, line 2 for settlement of this amendment. Discussion was held on this and Senator Regan said the thing we really want to do is to make the agencies, including ourselves, aware of how many are traveling, where and why.

Motion by Senator Stephens to amend page 8, line 5 after "trip" to strike ", cost, and the benefit to the department or agency" and insert "and cost".

Motion was voted and passed, unanimous.

Representative Bradley referred to page 41. She said she would like to add \$20,000 each year to the Historical Society Network Program. She was told that this had carried both houses and is in the bill.

Representative Bardanouve mentioned again the Saline Seep study of which both Representative Manuel and Senator McOmber had shown concern about. This was to be certain that the program did terminate on July 30, 1979. This would take the place of Senate Bill 99.

Motion by Senator Thiessen for termination on July 30, 1979. Motion was voted and passed, unanimous. This motion is to have the language written by request of the committee by John LaFaver.

Representative Bardanouve suggested another amendment he felt should be included in H. B. 145, as follows: "Amend page 18, line 23." He said he found that the fiscal analysts don't know how this money is spent. This is coal board money and is spent in local areas. The amendment would allow analysts to know how the money is spent. Presently the law simply allocates \$13 million to the Coal Board.

Motion continued: Following line 22, insert: "The appropriation to the coal board for grants may be spent only upon notification to the budget director and the legislative finance committee of any proposed grant. Such notification shall be made at least four weeks prior to approval of a grant. A grant may be made only upon certification to the coal board by the reclamation division of the department of state lands that significant development will affect the area in which the grant is to be spent."

Motion was made by Senator Roberts for the above amendment, it was voted and passed, unanimous.

Representative Bardanouve referred to page 34, line 3 and said they are not taking any money. The Boulder Institution came in earlier to the subcommittee and asked for \$420,000 of supplemental to make up the salary addition. Also \$150,000 or \$160,000 to buy a generator--of which only about \$35,000 was spent. They had plans for using the money somewhere else. In the Senate committee where Boulder had the money--they offered an amendment to put this money into setting up an evaluation center for Pine Hills and Mountain View. They said they could use this generator money. He suggested reducing the appropriation to Boulder on page 34

line 3 by \$106,000 in '78 and authorizing a carryover from the present biennium in a like amount. He said he would like to have it in Boulder, but be spent where we wanted it in the first place.

Motion by Senator Roberts, voted and passed, unanimous.

Representative Gerke indicated that an adjustment of \$104,855 be made to the central office of the Department of Institutions to offset on the overestimation of federal funds.

Analyst Briggs indicated that if the legislature wanted the Mental Health Bureau to function at the level originally recommended, this adjustment would have to be made and the money put in.

Motion by Representative Lynch to reconsider the action on this amendment. Voted and passed, unanimous.

Motion by Representative Lynch to amend by adding \$73,439 in '78 and \$31,416 in '79 in general fund and remove the funds from the amounts appropriated to the central office, and that all figures be changed accordingly.

Motion was voted, passed, unanimous.

Representative Bardonoue said he had another amendment on page 18, line 3. "The department of administration is authorized to establish a Self-Insurance Account in the amount of \$2,500,000 to be used only for the state to self-insure any property or liability peril determined necessary by the department. The department is authorized to loan \$2,500,000 from account 03766 in the sinking fund which is reserved for early retirement of bonds, to establish the Self-Insurance Account. The loan shall be repaid from appropriations provided for insurance costs."

Representative Bardonoue asked why this could not be a loan instead of an appropriation, and he said that he was proposing a loan. That is earmarked funds that were set up by the Department of Administration to retire bonds. The budget office feels it is proper use of the money and should save Montana a lot of money. He said in the area of Liability it will be very helpful, that about 30% of the premiums go for adjustments. It complies with a Senate Bill that was passed. Senators Towe and Turnage were the first ones to sign that bill.

Representative Marks asked whether the Department of Administration intends to increase the deductible amount on insurance policies. He was told that the option the department has is to raise the deductible amounts on some policies.

Senator Himsel asked whether the project was going to be a selective program, and was told yes. He then asked if it was going to be selective in risks and whether the state would still insure

for catastrophic events? He was told yes, we could insure for a bigger deductible.

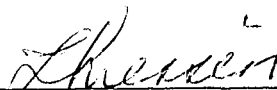
Motion by Senator Thiessen that this self insurance amendment do pass. Voted and passed, 903.

Motion by Senator Roberts on the totals throughout the bill--to be changed to the correct ones to correspond with the amendments made in the conference committee.

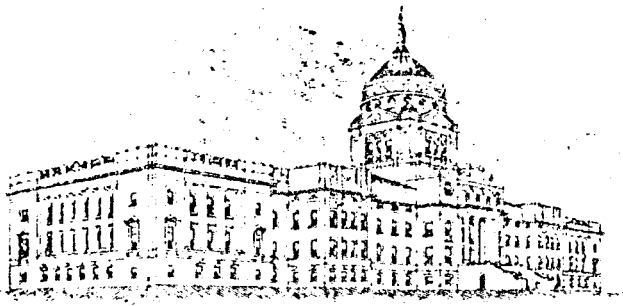
Voted and passed, unanimous.

Motion by Representative Lund to adopt the conference committee report. Voted and passed. Total tally 9-3. Senate tally 4-2. House tally, 5-1.

The conference committee adjourned at 7:10 P.M.



SENATOR THIESSEN, Co-Chairman



STATE OF MONTANA

OFFICE OF THE

SECRETARY OF STATE

FRANK MURRAY
SECRETARY OF STATE

JO ANN WOODGERD
CHIEF DEPUTY

HELENA, MONTANA 59601

April 15, 1977

Memorandum on Appropriation needed to implement HB 787

HB 787 provides for the involuntary dissolution of corporations by the Secretary of State. The bill requires that corporations that become delinquent after July 1, 1977 be dissolved in the year that they default. It allows the dissolution of corporations that defaulted prior to July 1, 1977 to be handled as the Secretary of State's office is able to process them.

It is the intention of the Secretary of State to proceed with the dissolution of corporations defaulting after July 1, 1977 as provided in HB 787 and to begin picking up the corporations defaulting prior to that time on a regular schedule. We believe there are at least 15,000 corporations now in our files that would be subject to involuntary dissolution. As far as we can determine there will be about 500 corporations per year for the next few years that will become subject to dissolution.

As stated in our fiscal note for HB 787, the review and processing of dissolutions and handling of re-instatements and correspondence associated with the process will require one full time corporation deputy in addition to those currently on the staff. We will also need a half time typist to handle the notices and correspondence. We will need these additional employees for at least six to eight years in order to keep up with the additional workload occurring each year and catch up the estimated 15,000 backlog.

FRANK MURRAY
Secretary of State

1:50

Am #15

FREE CONFERENCE COMMITTEE

DATE 4-17

HOUSE BILL 145

SENATE	YES	NO	HOUSE	YES	NO
THIESSEN		✓	SOUTH		✓
FLYNN	✓		BRADLEY	✓	
HIMSL		✓	LUND	✓	
REGAN	✓		LYNCH	✓	
ROBERTS	✓		MARKS	✓	
STEPHENS		✓	BARDANOUVE	✓	

tie

Motion on prosecutor to S & G

FREE CONFERENCE COMMITTEE

DATE 4-17-77

2:

HOUSE BILL 145

SENATE	YES	NO	HOUSE	YES	NO
THIESSEN	✓		SOUTH	✓	
FLYNN	✓		BRADLEY	✓	
HIMSL	✓		LUND	✓	
REGAN	✓		LYNCH	✓	
ROBERTS	✓		MARKS	✓	
STEPHENS	✓		BARDANOUVE	✓	

Motion Agree to reconsider & take away
the motion we had to recede to all
and 2 P 9 and 1 P 9 and 1 P 9
With drawn

Marks W (84 9.000)
1 P 9 (1.000)
1 P 9
yes man

Vote 21 (yes, no, W 1 P 1)
in a 1 P 1 of 2 P 1, 2 P 1
1 P 1, 2 P 1, 2 P 1, 2 P 1
in 2 P 1

W 1 P 1 (1.000)
W 1 P 1

FREE CONFERENCE COMMITTEE

DATE _____

HOUSE BILL 145

SENATE	YES	NO	HOUSE	YES	NO
THIESSEN	✓		SOUTH	✓	
FLYNN	✓		BRADLEY	✓	
HIMSL		✓	LUND	✓	
REGAN	✓		LYNCH	✓	
ROBERTS	✓		MARKS	✓	
STEPHENS		✓	BARDANOUE	✓	
	4	2	10-2	6	

Motion

Language on presenter

18 sunset

my coe

FREE CONFERENCE COMMITTEE

DATE 4-17-77

HOUSE BILL 145

SENATE	YES	NO	HOUSE	YES	NO
THIESSEN		✓	SOUTH	✓	
FLYNN		✓	BRADLEY	✓	
HIMSL		✓	LUND		✓ <i>more</i>
REGAN		✓	LYNCH	✓	
ROBERTS		✓	MARKS <i>absent</i>		
STEPHENS		✓	BARDANOUVE		✓
		6		3	2

8-3-1ab.

Motion 30% L - 1/0 L 1, W, S

L L

Roberts

#20 E-

FREE CONFERENCE COMMITTEE

DATE _____

HOUSE BILL 145

SENATE	YES	NO	HOUSE	YES	NO
THIESSEN		✓	SOUTH	✓	
FLYNN		✓	BRADLEY	✓	
HIMSL		✓	LUND		✓
REGAN		✓	LYNCH	✓	
ROBERTS		✓	MARKS		✓
STEPHENS		✓	BARDANOUE		✓

Motion *9-34*
Lynch to restore SFTC @ 20

26427

FREE CONFERENCE COMMITTEE

3:10

DATE 4-17-21

HOUSE BILL 145

SENATE	YES	NO	HOUSE	YES	NO
THIESSEN		✓	SOUTH	✓	
FLYNN	✓		BRADLEY	✓	
HIMSL	✓		LUND	✓	
REGAN		✓	LYNCH	✓	
ROBERTS		✓	MARKS	✓	
STEPHENS		✓	BARDANOUVE		✓

7-5

Motion

Lynch, section 41, 563, to National Guard

FREE CONFERENCE COMMITTEE

DATE _____

HOUSE BILL 145

SENATE	YES	NO	HOUSE	YES	NO
THIESSEN		✓	SOUTH	✓	
FLYNN		✓	BRADLEY	✓	
HIMSL	✓		LUND <i>Pace</i>		
REGAN		✓	LYNCH	✓	
ROBERTS		✓	MARKS	✓	
STEPHENS	✓		BARDANOUE		✓

6- 5no

9 Motion *Bradley to put back the 3 bank examiners*

30

3:19

FREE CONFERENCE COMMITTEE

DATE _____

HOUSE BILL 145

SENATE	YES	NO	HOUSE	YES	NO
THIESSEN		✓	SOUTH	✓	
FLYNN		✓	BRADLEY	✓	
HIMSL		✓	LUND		✓
REGAN	✓		LYNCH	✓	
ROBERTS	✓		MARKS	✓	
STEPHENS	✓		BARDANOUE		✓

Motion *py - 5m*
Bradley Drivers Safety Program

PL 355 96 1 & 11

31

31.2 / FREE CONFERENCE COMMITTEE

DATE _____

HOUSE BILL 145

SENATE	YES	NO	HOUSE	YES	NO
THIESSEN		✓	SOUTH	✓	
FLYNN	✓		BRADLEY	✓	
HIMSL		✓	LUND		✓
REGAN	✓		LYNCH	✓	
ROBERTS	✓		MARKS	✓	
STEPHENS		✓	BARDANOUE	✓	

3 3

5 1

Motion Roberts

c 15' / (re in stated

FREE CONFERENCE COMMITTEE

DATE 4-17-77

HOUSE BILL 145

SENATE	YES	NO	HOUSE	YES	NO
THIESSEN	✓		SOUTH	✓	
FLYNN		✓	BRADLEY	✓	
HIMSL	✓		LUND	✓	
REGAN		✓	LYNCH		✓
ROBERTS		✓	MARKS	✓	
STEPHENS		✓	BARDANOUE	✓	

74 - 5 N

Motion

Bradley

*Moved not to purchase the new
craft.*

FREE CONFERENCE COMMITTEE

DATE 4-17-77

HOUSE BILL 145

SENATE	YES	NO	HOUSE	YES	NO
THIESSEN		✓	SOUTH	✓	
FLYNN	✓		BRADLEY	✓	
HIMSL		✓	LUND	✓	
REGAN	✓		LYNCH	✓	
ROBERTS	✓		MARKS	✓	
STEPHENS	✓		BARDANOUVE	✓	

104-22

Motion to re-insert the \$40,000 to
the Natural Areas Study.

#39

FREE CONFERENCE COMMITTEE

DATE 4-17-77

HOUSE BILL 145

SENATE	YES	NO	HOUSE	YES	NO
THIESSEN	✓		SOUTH	✓	
FLYNN	✓		BRADLEY	✓	
HIMSL	✓		LUND	✓	
REGAN	✓		LYNCH	✓	
ROBERTS <i>ab</i>			MARKS	✓	
STEPHENS	✓		BARDANOUE		✓

104-1N-1ab-

Motion

Strike the last sentence of the bill.

FREE CONFERENCE COMMITTEE

DATE 4-17-77

HOUSE BILL 145

SENATE	YES	NO	HOUSE	YES	NO
THIESSEN			SOUTH		
FLYNN			BRADLEY		
HIMSL			LUND		
REGAN			LYNCH		
ROBERTS			MARKS		
STEPHENS			BARDANOUE		

Motion Struck in # 9

As 9:1 in 0 - 2 1/2

Will

FREE CONFERENCE COMMITTEE

DATE 4-17-77

HOUSE BILL 145

SENATE	YES	NO	HOUSE	YES	NO
THIESSEN		✓	SOUTH		✓
FLYNN	✓		BRADLEY	✓	
HIMSL		✓	LUND		✓
REGAN		✓	LYNCH	✓	
ROBERTS		✓	MARKS	✓	
STEPHENS	✓		BARDANOUE		✓

Motion

4 y 7 no
50-1
Pass
Amended

Amended

FREE CONFERENCE COMMITTEE

5:00

DATE _____

HOUSE BILL 145

SENATE	YES	NO	HOUSE	YES	NO
THIESSEN		✓	SOUTH	✓	
FLYNN		✓	BRADLEY	✓	
HIMSL		✓	LUND	✓	
REGAN <i>Pass</i>			LYNCH	✓	
ROBERTS	✓	✓	MARKS		✓
STEPHENS		✓	BARDANOUE		✓

P.L.
Motion ~~to add money into~~

Lynch -

pp. 32, line 12

Strike & insert

FREE CONFERENCE COMMITTEE

DATE 4-17-77

HOUSE BILL 145

SENATE	YES	NO	HOUSE	YES	NO
THIESSEN		✓	SOUTH		✓
FLYNN		✓	BRADLEY	✓	
HIMSL		✓	LUND		✓
REGAN		✓	LYNCH	✓	
ROBERTS		✓	MARKS	✓	
STEPHENS		✓	BARDANOUVE	✓	

4 y 8 no

Motion Deprich

page 37 "the budget Director
May require a transfer of reversion
funds of any excess funds allocated
to it

— 42

line 14

FREE CONFERENCE COMMITTEE

DATE _____

HOUSE BILL 145

SENATE	YES	NO	HOUSE	YES	NO
THIESSEN		✓	SOUTH	✓	✓
FLYNN		✓	BRADLEY	✓	
HIMSL		✓	LUND	✓	
REGAN		✓	LYNCH	✓	
ROBERTS		✓	MARKS	✓	
STEPHENS		✓	BARDANOUVE		✓

Motion *Marks, → S - Contingent*
✓ / ✓ P.C. 622
Motion 2

FREE CONFERENCE COMMITTEE

DATE _____

HOUSE BILL 145

SENATE	YES	NO	HOUSE	YES	NO
THIESSEN			SOUTH		
FLYNN			BRADLEY		
HIMSL			LUND		
REGAN			LYNCH		
ROBERTS			MARKS		
STEPHENS			BARDANOUE		

Motion

451 - Center for Aged

Cosler - Freyer - Grill - Owen

South

Passed

UNANIMOUS

*Manuel
Amendment*

PROPOSED AMENDMENTS TO HOUSE BILL NO. 145

REPRESENTATIVE SCULLY

REPRESENTATIVE MANUEL

April 15, 1977

1. Amend page 21, section 17, line 7.

Following: line 7

Insert: "The appropriation from other funds to the parks and recreation program includes coal tax moneys in the park acquisition fund for this biennium only. The department may not propose any expenditure for operation and maintenance from this fund, other than as is authorized under Senate Bill 44, in its budget request to the next legislature."

Motion (Lynch)

WJG LMM

RM:1kl

FREE CONFERENCE COMMITTEE

DATE _____

HOUSE BILL 145

SENATE	YES	NO	HOUSE	YES	NO
THIESSEN	✓		SOUTH	✓	
FLYNN		✓	BRADLEY	✓	
HIMSL	✓		LUND	✓	
REGAN	✓		LYNCH	✓	
ROBERTS	✓		MARKS	✓	
STEPHENS	✓		BARDANOUVE	✓	

Motion to add 1/2 to 1/2 of 1/2
of 1/2 of 1/2
Lynch

FREE CONFERENCE COMMITTEE

DATE 4-17-77

HOUSE BILL 145

SENATE	YES	NO	HOUSE	YES	NO
THIESSEN		✓	SOUTH	✓	
FLYNN	✓		BRADLEY	✓	
HIMSL	✓		LUND	✓	
REGAN	✓		LYNCH	✓	
ROBERTS	✓		MARKS		✓
STEPHENS		✓	BARDANOUE	✓	

Lynch

Motion The Approp for the b & d
shall not be used for hiring
out of state contracts for use
of state consultants.

Includes Reconsideration of yesterday
Amendment to put BQV back - + 1/2 280
Bill 413.

FREE CONFERENCE COMMITTEE

DATE 4-17-77

HOUSE BILL 145

SENATE	YES	NO	HOUSE	YES	NO
THIESSEN	✓		SOUTH	✓	
FLYNN	✓		BRADLEY	✓	
HIMSL	✓		LUND	✓	
REGAN	✓		LYNCH	✓	
ROBERTS		✓	MARKS	✓	
STEPHENS	✓		BARDANOUVE	✓	

Motion Bradley to break down
3 ✓ - Amendment # 7
litig, Study, Research

Good
Amend H.B. 145, Third Reading

1. Amend page 18, section 17, line 23.

Following: line 22

Insert: "The appropriation to the coal board for grants may be spent only upon notification to the budget director and the legislative finance committee of any proposed grant. Such notification shall be made at least four weeks prior to approval of a grant.

A grant may be made only upon certification to the coal board by the reclamation division of the department of state lands that significant development will affect the area in which the grant is to be spent."

2.
of C.B. 11
W. J. G. mu

Amend H.B. 145, Third Reading

1. Amend page 1⁸, section 17, line 1³.
Following: line 14 ²

Insert: "The department of administration is authorized to establish a Self-Insurance Account in the amount of \$2,500,000 to be used only for the state to self-insure any property or liability peril determined necessary by the department. The department is authorized to loan \$2,500,000 from account 03766 in the sinking fund which is reserved for early retirement of bonds to establish the Self-Insurance Account. The loan shall be repaid from appropriations provided for insurance costs."

Good Amendment

FREE CONFERENCE COMMITTEE

DATE 4-17-77

HOUSE BILL 145

SENATE	YES	NO	HOUSE	YES	NO
THIESSEN	✓		SOUTH	✓	
FLYNN	✓		BRADLEY	✓	
HIMSL		✓	LUND	✓	
REGAN	✓		LYNCH		✓
ROBERTS	✓		MARKS		✓
STEPHENS	✓		BARDANOUE	✓	

Motion _____

my (P)

to self insure

Am

FREE CONFERENCE COMMITTEE

DATE _____

HOUSE BILL 145

SENATE	YES	NO	HOUSE	YES	NO
THIESSEN		✓	SOUTH	✓	
FLYNN	✓		BRADLEY	✓	
HIMSL	✓		LUND	✓	
REGAN	✓		LYNCH	✓	
ROBERTS	✓		MARKS		✓
STEPHENS		✓	BARDANOUE	✓	

Motion _____

Motion

Adopted

Conf.

Comm Rept.

Slavin

EXPLANATION OF AMENDMENTS MADE BY
THE SENATE TO H.B. 145

Boiler Plate

OK 9
Amendment 1. Restricts expenditures for dues to private organizations and for travel to conferences.

Legislative Auditor

go back to -
Amendment 2.^{*OK*} The amendment allows eight new FTE per year instead of the 12 provided by the house.

Legislative Council *Subst. motion failed*
2. " " passed

Amendment 3. The reduction is \$25,000 per year in legislator travel which had been added on the house floor.

OK Floor Amendment 1. Requires membership to western forestry task force be bi-partisan.

Bradley

Environmental Quality Council

Amendments 4 and 5. The amendments delete 3 FTE: an economist, an ecologist and an attorney.

Governor's Office

Amendment 6. The addition to the office of budget and program planning includes \$38,429 for a long-range building planner and \$40,000 added costs for position control.

see Bradley Amendment 7. Adds \$300,000 for legal costs of assuring adequate state representation for jurisdictional disputes.

Amendments 8 and 9. Adds two FTE and \$93,015 to the lieutenant governor's office and deletes the energy and resource policy office.

OK Amendment 10. Eliminates the board of visitors.

Amendment 11. Changes the totals for the governor's office.

Secretary of State

Amendment 12. Adds 1.5 FTE and \$45,330 to implement H.B. 787 which prescribes procedures for dissolving corporations.

UNOFFICIAL CONFERENCE

Members of the Conference Committee were:

Senators:	Representatives
Thiessen	Bardanouve
Regan	Bradley
Flynn	Marks
Stephens	Lynch
Roberts	Lund
Himsl	South

The Chairman of the conference committee said this was an unofficial conference committee to try to iron out the points of difference and that a previous caucus had made an attempt to point out the main differences and where compromise should be made to be satisfactory.

Senator Thiessen, Co-Chairman, indicated that unofficially the caucuses seem to be about 31-19 to not concur in H.B. 145. He asked if Senator Himsl would start off on the problem areas seen by the Senate.

Senator Himsl said there are problems in a couple of areas that give a strong feeling of jeopardizing the acceptance of the report from the conference committee. He said the first was the energy and resource office--Bill Christiansen's office. The feeling seems strong that we are setting up a second executive office under the Lieutenant Governor's office.

Representative Lund said he had no strong feeling about setting up the other office. He said he thought it is in the Lieutenant Governor's office and had no strict feeling one way or the other. His strong feeling lay in saying it should be funded so that out in the boondocks they would have some expertise. At the present time there is a task force between Montana and Canada (Saskatchewan), that is negotiating water. It takes time and personnel and money to do these things. In our area we could not have done it without Christiansen.

Senator Himsl said there had been some dealings in his area with the Canadian Government and the state people did not look too kindly upon it. Representative Lund said in his area it was the International Joint Commission that ordered this done. He said the task forces of both Saskatchewan and Montana were ordered by the International Joint Commission to sit down and come up with something. Senator Himsl said he felt this was the problem of the State Department and not the Commission.

Senator Thiessen said he was sure no one had any qualms about Christiansen doing the job, but did not feel it should be taking it out of the Lieutenant Governor's office. ERPO certainly did not have the name or the influence that the office of the Lieutenant Governor did.

Senator Hims1 said another area they had difference with was the National Guard appropriation increase. He said he rather felt that we are not putting more money into it, but the level that we had previously accepted was about the level the Governor had.

Representative Bardanouve said that money had been put in by an amendment yesterday.

Representative South asked how strong the objection was and Senator Hims1 said he felt quit strong.

Senator Regan said that because of the problems within the bill she would like Senator Hims1 to list out the areas of concern so that we can see where the problems are, then we can see what we can do to trade off.

Senator Hims1 said Energy and Resource Office--\$363,028, the National Guard--\$41,000, The Natural Areas Study--\$40,000, The Board of Visitors--\$82,038, Amendment 33, the drunken drivers' school, the bus line subsidy--\$350,000, the strong feeling on the lease-purchase of the airplane, and the authorization to put it back and to negotiate.

Representative Bardanouve said the Board of Visitors would raise the hackles of some very influential members of the House, and the Natural Areas study will raise the rafters with one of the conference committee members here.

Representative Bradley said she would offer a compromise on the Natural Areas study to be reduced on the appropriation by one-half.

Representative Lynch said the House members should give some of their areas of strong objection. He said the first was Legal Jurisdiction--\$220,000. He said the Regional Service Center (amendment 61), being taken out of the bill almost lost the bill for them--those employees not being state employees. He felt some changes in this area would probably gain up to 20 votes in the House. He said another area of concern was the office of Campaign Finance and Practices Act. There had been some dispute on that day also. He said that some of the 90-some amendments the House is only protesting a few--they had certainly acceded on more amendments than the Senate had receded from.

Senator Stephens said that Representative Bradley had offered an amendment in the matter of the Natural Areas Study, and asked her to propose what she had suggested.

Representative Bradley said she would agree with cutting it in half, and having some part time work with it.

The Legislature has done very little on energy and I cannot see cutting it down. I would offer it as a compromise.

Senator Regan said the Senate is not 100% against the energy office. There was a great deal of support, particularly among the Democrats. It is set aside as a separate office. If it were

moved into the Lieutenant Governor's office it might be more palatable.

Representative Bardanouve asked if there would be any efficiency in combining the office. Senator Regan answered that we could possibly save a secretary.

Representative Lynch said he would agree this is a philosophical move. To show consolidation of the Lieutenant Governor's office and ERPO makes it become a part of the Lieutenant Governor's office and it does not stand out so visibly. It is still window dressing, but if it makes it more palatable we could live with it.

Representative Lund indicated that consolidation was alright with him. It might be preferable to have the Lieutenant Governor be the main energy spokesman.

Hands were raised for unofficial agreement, and 7 members agreed. Discussion was held on the amount of money that would be needed after the switching around that had been done. It was agreed to establish it with the same level of funding that the first conference committee had agreed upon.

Senator Hims1 said he did not feel it was the dollars so much as the philosophy involved--not to set up another special office. If we can move them into the other area with additional funding in that office I think the Senate would buy it.

Senator Regan made an informal motion to take the energy office and put it in the Lieutenant Governor's office, fund it at the current level as of our action of last night, and let it go at that. This would show on the bill with the dollar amounts transferred. The informal motion was voted and passed.

Senator Flynn said the Senate had different figures concerning the cost-benefit of purchasing an airplane than Representative Bradley had.

Representative Bradley said she felt it was fiscally incompetent to purchase the airplane, but if it will make a difference in the acceptance of this committee report, then she did not really care, and would not fight it.

Representative Bardanouve suggested that the Legislative Auditor recommendation after a review was made, could give the authority to purchase the plane.

Senator Etchart said he did not think that would be the way to go. The Queen Air is about 70 hours from a major overhaul. The proposal I have made would be a rent-purchase agreement and it would be paid out anyway without owning anything if you contracted the services. The present operation of the aircraft can generate the kind of figures the auditor can come up with now. I don't see where a study is going to solve anything at the present time.

Representative Bardanouve said it would make it much easier in the House if we could say it was a business-like way of doing things. Not so much objection to the plane as the unbusiness-like way of handling it, and providing the appropriation.

Representative Lynch said he saw a one-way trade going on. He asked if the Senate could live with the Board of Visitors if the House can live with the airplane?

Senator Regan said she had voted against the airplane and so had Senator Thiessen. She said she would support the airplane if she can be shown it is a fiscally responsible thing to do. This means the authorization will only be given when the legislative auditor can be shown that it is a fiscally sound thing to do.

Dave Lewis from the Governor's office of Budget and Planning, said Mr. Brusett is being put into a position of making an executive judgement. That is putting him in the wrong position. The Governor's office could do this. Life Cycle costing is pretty much the same no matter who does it.

Representative Bardanouve said this airplane is not being proposed to be bought with general fund money. If the proposal can be done --and done in a business-like manner, he would support it. He did not feel this would be selling his principles.

Senator Hims1 said he thought the suggestion of a life cycle study was a good one. At the time they did not have enough data to work that out. If the budget people could make this work out and it is feasible, then they could go ahead and make a deal.

Senator Roberts said he felt language should go into the bill that said subject to their satisfaction that such a purchase is feasible on the life cycle study they could then go ahead with the purchase-rent agreement.

Senator Regan suggested a review by the interim committee to ask whatever practical questions would arise following the life cycle study.

Senator Roberts said it will probably require a supplemental budget. The nice thing will be that the budget director will have egg on his face if they have to come back for another supplemental. He will take a real good look at it.

Senator Etchart said that on a six year rental-purchase the figures will be close to the same, but you will wind up owning the airplane. The rental is about 40% of the purchase price. He said they are figuring 350 to 400 hours of plane use. It should be worth 40% of the purchase price at the end of six years and will have gone through one major overhaul. If you rent a plane you also pay the pilot and the fuel.

Representative Bradley said the more it is used the cheaper it gets, and we want to be sure we are not making an incentive to travel more. Representative Bardanouve said the legislature had cut the Governor's travel.

Representative South said it seemed to him there had been a hang-up in the Senate and asked what the vote had been. Senator Etchart said it was about 2 votes. The Committee agreed to authorize the purchase of the airplane subject to the approval by the budget director.

Representative Marks said he would like to have the \$350,000 for a school for drunken drivers and the \$75,000 for transportation from the earmarked Highway funds be left in. He said in talking to Mr. Gosnell that there were no federal funds available to match with these funds for Highway purposes at the present time, but that it should be sunsetted. He said if it proved to be a really good program perhaps the Legislature would decide to fund it in the next biennium.

Senator Roberts said he felt there should be some language in the bill that said it was the intent of the legislators that it would be a non-recurring expenditure.

Representative Marks made a proposal that the committee vote on this--both the language and the sunset clause. Voted and approved.

Representative Marks said the major concern seems to be recurrence of costs and taking the money for matching funds. Mr. Gosnell said his analysis indicates this would not endanger any federal funds, and that we would not have had to raise the gas tax to 9¢ per gallon. They had put the budget together using all the money we have plus all we could get. We simply do not need more for match.

An informal motion was made to strike the \$41,000 , and a substitute proposal was made that the Senate recede from the Board of Visitors.

Representative Bardanouve said that Representative Lynch was concerned that the Senate would work around this and there would be nothing left to trade and they still would not get the Board of Visitors.

Representative Bradley said it had come to her attention they could use the money from the Resource Indemnity Trust Fund, and she suggested the Natural Areas Study be funded with \$15,000 per year from this fund instead of the \$40,000 of general fund money that was in the House version.

This suggestion was accepted by the committee.

Tom Briggs, fiscal analyst, said the Board's staff consisted of one administrative secretary currently being filled by a lawyer, a ½ time secretary added to carry on the correspondence of the board who was expected to go with the board to some meetings.

Senator Thiessen said the Board of Visitors was a hang-up in the Senate.

Discussion was held on the Board of Visitors, with concern that the entire bill could go down the drain over this one issue.

Tom Briggs, fiscal analyst said in the make-up of the appropriation he thought there was about \$7,000 in contract services. He said he would suggest removing, if it were agreeable to the committee-- \$5,000 per year out of the \$8200 appropriation.

Senator Hims1 said the strongest objection he heard was on the attorney. He is functioning as an executive secretary; and he had heard he is resigning. He thought if staff personnel other than an attorney were hired it might take some of the pressure off. He felt if we could provide for an office person and a little contract services it might be a compromise that the Senate would accept.

Representative Bardanouve reminded the committee that the Board had had its wings clipped and had been severely chastized by the Legislature. Representative Dussault suggested possibly many of the problems were concerning personalities, and if this were changed it might remove the difficulties.

Compromise by Representative Lynch was suggested to reduce the appropriation by \$5,000. Discussion was held on this with some suggestions of higher cuts etc., as well as discussion on the attorney.

Lynch's compromise on reducing the appropriation by \$5,000 was voted and proved acceptable to the committee.

Discussion was held on the Military Affairs Budget.

Motion by Senator Roberts that we give informal approval to leaving the Senate amendment as it was before the change we did yesterday. Voted and approved.

Discussion was held on the Regional Service Centers. Representative Lynch said he felt this was important because the bill was almost lost due to concern about this item. Representative Marks said there are a lot of rural people and a lot of rural schools that were really concerned about this.

Representative Bardanouve said he felt they could go out and hire people -- he was opposed to putting over 80 people on the payroll because OSPI says so. Representative Marks said he did not feel that this is the question that people are concerned about.

Representative South said the item was a proposal from the education subcommittee. It goes back to whether the Legislature is going to control the number of employees. Next time the OSPI could have another 40 or 50 people on this. The rural people say they want local control, but want the services from the OSPI.

Thanks were expressed by all the members for their efforts in cooperation and compromise.

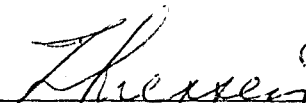
Representative Marks said there was some concern about the self-insurance program. This should be a supplemental rather than an appropriation now.

Representative Bardanouve said the language established a reserve and no insurance company can operate without a reserve.

Senator Thiessen asked if we could get this report drafted up. It will be put to the Senate--he said he would like to have these discussions down to take to the caucus.

Members of both the House and the Senate expressed the feeling that they could now sell the bill on the floors of their respective Houses.

The meeting adjourned at 9:45 P.M.



SENATOR THIESSEN, Co-Chairman

Members of the Conference Committee were:

Senator	Representative
Thiessen	Bardanoue
regan	Bradley
Flynn	Marks
Stephens	Lynch
Roberts	Lund
Himsl	South

Chairman of the Conference committee was Representative Bardanoue, Co-Chairman was Senator Thiessen. Time 4 P.M.

Representative Bardanoue called the meeting to order. He said the conference committee had been called together to try to iron out the differences between the Senate and the House.

Motion by Representative Lynch that the second conference committee be the same as the first conference committee report with the seven exceptions, attached.

Representative Marks said he thought they had a serious problem since the passage of the House Bill 773 creating a Legislative Revenue oversight committee. The bill says it shall be funded, and it could put a drain on the Legislative Council funds. He felt some limitation should be included in the bill.

Representative South said we should have killed the bill, the money will come out of the Legislative Council because it is statutory, and will come out at the expense of other committees.

Senator Regan said this is a twelve member committee that can call itself into a meeting at any time. She said she had some real concern about it.

Motion by Senator Roberts to reconsider the conference committee report on HB 773 and get it into a free conference committee and make it subject to priorities like every other committee. Representative Lynch said the Taxation Committee was very adamant and Senator Mathers was adamant in the Senate Taxation Committee. They said "You will find the money someplace."

There was discussion about the possibility of a gentlemen's agreement, or waiting until next January and getting a supplemental.


Representative Bardanoue questioned who would do all the work of the committee for only \$30,000. This amount would scarcely cover the travel costs. Representative Lynch said the Department of Revenue was supposed to furnish the staff for this.

Substitute motion by Representative Marks to add \$30,000 to the Legislative Council budget and limit the oversight committee to that amount. It was decided in this conference committee that would be out of order since they could not open the bill up again.

Question was called and the motion^{||} failed 7-5.

The motion from Representative Lynch to accept the report with the seven exceptions was voted on and passed, 11-5.

The meeting was adjourned at 4:45 P.M.



SENATOR THIESSEN, Co-Chairman

FREE CONFERENCE COMMITTEE

DATE 4/19

HOUSE BILL 145

SENATE	YES	NO	HOUSE	YES	NO
THIESSEN		✓	SOUTH	✓	
FLYNN		✓	BRADLEY	✓	
HIMSL		✓	LUND	✓	
REGAN		✓	LYNCH	✓	
ROBERTS		✓	MARKS	✓	
STEPHENS		✓	BARDANOUE		✓

Motion Marks Sub-Motion 30✓ - ✓

Motion failed

*Sub.
Motion to put back 30✓
in Leg. Council ~~Cons~~ Budget
for the Tax over sight Committee
to limit it to the 30✓*

FREE CONFERENCE COMMITTEE

DATE 4-19

HOUSE BILL 145

SENATE	YES	NO	HOUSE	YES	NO
THIESSEN			SOUTH		
FLYNN			BRADLEY		
HIMSL			LUND		
REGAN			LYNCH		
ROBERTS			MARKS		
STEPHENS			BARDANOUE		

Motion by Lynch that the Conference Committee report be the same as the first report with the exception of the 7 items listed on the first page of this report.

Voted - passed.

FREE CONFERENCE COMMITTEE

1

DATE 4-19

HOUSE BILL 145

SENATE	YES	NO	HOUSE	YES	NO
THIESSEN	✓		SOUTH	✓	
FLYNN	✓		BRADLEY	✓	
HIMSL	✓		LUND	✓	
REGAN	✓		LYNCH	✓	
ROBERTS	✓		MARKS		✓
STEPHENS	✓		BARDANOUVE	✓	

Motion Accept the one I am going to

Motion has carried
motion the conference Committee report be
agreed moved to adopt

the same as the first report with
the exceptions listed on the first
page.
with