

MINUTES OF THE MEETING OF THE HOUSE APPROPRIATIONS COMMITTEE
MARCH 28, 1981

The meeting was called to order at 7:00 a.m. in Room 104, State Capitol, by CHAIRMAN LUND. All members of the Committee were present, except REP. CONROY, who was absent.

EXECUTIVE SESSION.

HB 709 and HB 601.

REP. STOBIE moved that HB 709 be amended to include HB 601, with an appropriation of \$200,000 for the St. Claire Siphon.

REP. THOFT stated that he would like boiler plate language to be added to the bill so that the funds cannot be used unless the siphon is built.

REP. BARDANOUE made a substitute motion to amend HB 601 at \$130,000. The motion as made by REP. BARDANOUE, passed with 12 members voting aye and 3 voting no. Two members were absent.

REP. MOORE moved that HB 601 do pass as amended. The motion was unanimously approved.

HB 469.

REP. BARDANOUE moved that HB 469 do not pass. The motion was approved with 9 members voting aye, 6 voting no and 2 members absent.

HB 542.

REP. DONALDSON stated that HB 542 was covered in HB 500.

CHAIRMAN LUND stated that the bill would match Federal funds in FY 82.

REP. LORY moved that HB 542 do pass.

REP. MOORE made a substitute motion that funding of \$28,000 would come from the resource indemnity trust fund rather than from the general fund.

REP. MOORE then withdrew his motion and moved that the funding come from the renewable resource development fund.

The motion as made by REP. MOORE passed with 9 members voting aye, seven voting no and 1 absent.

REP. MOORE moved that HB 542 do pass as amended. The motion failed in a tie vote, 8-8, with one member absent.

REP. MOORE moved that HB 542 be tabled.

REP. QUILICI stated that without \$28,000 for the biennium, the study would not be completed in the '81 biennium.

REP. BARDANOUE stated that he would support the bill if a like amount were withdrawn from HB 500.

REP. MOORE moved that the Committee reconsider its action on HB 542. The motion was unanimously approved.

REP. MOORE moved that HB 542 do pass as amended. The motion failed, again in a tie vote, 8-8, with one member absent.

HB 469.

REP. THOFT moved that the Committee reconsider HB 469. The motion failed with 9 members voting no, 7 voting aye and 1 absent.

CHAIRMAN LUND appointed a subcommittee to complete recommendations for HB 709. REP. DONALDSON was appointed Chairman and REPS. MANUEL and STOBIE were also appointed to the subcommittee.

HB 836.

REP. BARDANOUE moved that the Committee do not pass HB 836.

REP. HURWITZ made a substitute motion to table HB 836. The motion was approved with 16 members voting aye and one voting no. (EXHIBIT 1)

HEARINGS:

HB 832.

REP. DONALDSON, District 29, testified as sponsor of HB 832, stating that he feels greater consideration is needed of small business in Montana. He stated that the bill would appropriate funds to the Department of Commerce for planning and conducting small business conferences. He stated that \$5,000 would be appropriated for each year of the biennium, totalling \$10,000 for the '83 biennium, as amended. (EXHIBIT 2)

MR. ED NURSE, Small Businesses in Montana, stated that he attended the White House Conference on Small Business, which examined problems in an organized manner. He stated that this appropriation would assist in promoting legislation to benefit Montana and that the funds requested would also pay for mailing expenses and travel in Montana for meetings. He added that the appropriation amounts to 10-20 cents per person in small business in Montana.

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MR. GARY BUCHANAN, Acting Director, Department of Business Regulations, stated that he feels HB 832 is compatible with the direction of the new Department of Commerce.

MR. STU BURWELL, Executive Director, Helena Chamber of Commerce, stated that he feels this bill would demonstrate legislative support of small business in Montana and that he feels the amount of funding requested is sufficient to establish true concern for small business in Montana. (EXHIBIT 3)

MR. FORREST BOLES, Montana Chamber of Commerce, stated his support of HB 832.

MR. GARY LANGLEY, National Federation of Independent Business, stated his support of HB 832.

REP. HURWITZ asked what the problems were for small business in Montana and how they would be addressed.

Mr. Burwell stated that problems would surface through meetings and solutions would be sought. He stated that Chambers of Commerce have small business committees to look into these problems in some communities.

REP. COZZENS asked if other funds for State meetings would be raised from the private sector.

Mr. Nurse replied that they would be.

REP. DONALDSON, in closing, stated that he feels the economic future in Montana will come from the ability of small business to survive.

REP. HURWITZ moved that HB 832 do pass as amended.

REP. QUILICI stated that he hopes \$10,000 will be adequate to support these agencies and that he hopes a common direction will be established.

The motion as made by REP. HURWITZ was unanimously approved by the Committee members.

HB 851.

REP. BARDANOUVE, sponsor of HB 851, stated that he feels awkward about the Committee hearing this bill before enabling legislation is passed.

MR. LEO BERRY, Director, Department of Natural Resources and Conservation, stated that there are currently 40 state-

owned water projects, which provide \$3,000,000 in revenue to the general fund annually. He stated that some of these funds are used for repair and maintenance of the projects.

MR. BERRY stated that he proposed earmarking this revenue for the water development account in addition to \$650,000 annually from the resource indemnity trust fund, for a total of \$950,000 annually for off-stream storage, water conservation districts and water from the Yellowstone River.

Mr. Berry stated that these funds would also be used to rehabilitate State-owned projects and investments in water-based recreation projects.

Mr. Berry proposed that the renewable resource development program be split and that .625 be taken from the Coal Severance Tax to back \$5,000,000 in bonds and create a State debt for the bonding program.

Mr. Berry stated that if no bonds were issued, the funds would go into loans and grants fund for public entities via the legislature. He stated that any remaining funds could be loaned by DNRC to private individuals, with care in establishing criteria for personal loans.

Mr. Berry stated that a preference system on loans and grants would be set up, which would be very specific. He stated that by 1983, approximately 50% of the fund would be flowing into the trust portion of the fund.

Mr. Berry explained that the fund would be set up by a 3/4 vote to put \$250,000,000 in the investment fund and that if there were no activity in six months, the funds would go into a permanent trust account. He stated that the fund account would be used to guarantee bonds.

Mr. Berry proposed that the bill be amended to the effect that after 1983, 15% of the interest on the trust account would revert back into the permanent trust account to replace funds used. He stated that in 15 years, the 15% would pay back \$250,000,000.

Mr. Berry stated that the program, in a nutshell, would allow the legislature to attach provision to the bill at any time by a majority vote. He stated that if the 3/4 vote is adopted, very few projects will ever be funded and that the State debt would be set up by a 2/3 vote on bonding.

MR. GARY FRITZ, Administrator, Water Resources Division, Department of Natural Resources & Conservation, stated that the cumulative amount of anticipated coal tax interest in 1983,

is \$100,000,000.

Mr. Berry stated that provisions would prohibit \$800,000 from being used for rehabilitation of current water projects and specify that it is to be used for new water projects.

CHAIRMAN LUND asked, that if this bill passes, could the Tongue River Dam be handled by this program.

Mr. Berry stated that without this bill, the Tongue River Dam could not be built. He stated that the language in the bill would attempt to provide for legislative review of loans and grants without actually appropriating funds and that appropriations would be made in conjunctions with DNRC. He stated that loans were not a critical part of the bill.

SEN. BLAYLOCK, District 35, stated that he does not oppose the bill, but has concerns with how the funds are to be obtained. He stated that he feels all of the Coal Tax funds should not be spent by the generation. He stated that the principle of the Trust Fund shall remain inviolate unless 3/4 vote of the House and Senate declares otherwise.

SEN. BLAYLOCK stated that he feels that if HB 851 is passed, it would only take a 51% vote to get at these funds. He stated that he feels this in direct conflict with the wishes of the people of the State of Montana. He suggested that the Committee strike Subsection 1 of Section 1, in its entirety from the bill. He stated that he feels that if a project is worthwhile, it will get a 3/4 vote.

MR. PAT OSBORNE, Northern Plains Resource Council, stated that language in SB 409 is not just a water development program as it is written. He stated that he feels that if a water development program is desired, the bill should be written to reflect this intent.

There were no opponents and the Hearing on HB 851 was closed.

SB 458,

REP. MOORE moved that SB 458 be amended to extend the sunset date to 7/1/83. The motion was approved, with 14 members voting aye, one member voting no and 2 members absent.

REP. MOORE moved that SB 458 do pass as amended. The motion was approved with 14 members voting aye, one voting no and two absent.

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HB 217.

REP. HURWITZ moved that the Committee do pass HB 217 as amended. The motion was unanimously approved.

The meeting was adjourned at 9:00 a.m.



REP. ART LUND, CHAIRMAN

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HOUSE APPROPRIATIONS COMMITTEE

Date. Mar 28, 1981

[illegible]

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

WITNESS STATEMENT

NAME Jack D. Beckert BILL No. HB 491
ADDRESS Helena, Mont DATE 3-27-81
WHOM DO YOU REPRESENT Dept. of Hwy
SUPPORT _____ OPPOSE _____ AMEND _____

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Comments:

Several concerns relative to Tennaco's plans have been expressed by members of the agricultural community in areas surrounding the proposed project. Concerns expressed in the area generally address the unknown effects on land and water resources and possible impacts to present and future operations.

It is generally believed by agricultural interests in the project area that construction of the pipeline may, if fully evaluated, yield several opportunities for increasing productivity. Those opportunities are believed to include possible availability of irrigation waters along the pipeline routes and at off-stream storage sites, range improvements, and others.

Agricultural interests concerned about possible impacts and interested in potential benefits include primarily farmers and ranchers in the Dawson/Wibaux County areas of the project.

Given the many unknowns associated with the proposed project a study of potential impacts and possible benefits to agricultural interests in the area is warranted. Such a study would be purposed at evaluating all potential physical and economic impacts, and opportunities for project related benefits. Basically, the study would determine how Tennaco can develop its project with the least impacts while providing the greatest benefits to agricultural interests in the area.

Specific activities associated with completing the above described study would be expected to include:

- Review of Tennaco Project Plans
- Establishment of a Project Steering Committee
- Inventory Potentially Impacted Resources
- Estimation of Potential Impacts
- Identification of Possible Alternatives for Reducing Impacts/Increasing Benefits

--Evaluation of Possible Alternatives for Reducing
Impacts/Increasing Benefits

--Preparation of Report Documenting Findings and Recommendations

The ultimate objective of the study would be to answer technical questions regarding impacts and benefits, thereby allowing agricultural interests and Tennaco to agree on a method of completing the project which results in the lowest level of negative impacts possible while maximizing positive aspects of the project.

To successfully complete this project, a coordinated/cooperative approach is necessary. Coordination could be provided through the establishment of a project steering committee. Membership to the committee might include agricultural interests, Tennaco officials, public land managers, or others.

A cooperative approach to the project could be fostered through a joint funding effort. It is suggested that the Dawson and Wibaux County conservation districts provide funding to supplement funding provided by Tennaco.

It is anticipated that completion of the project could take six to seven months. The estimated cost range for completion of the project is \$160,000 to \$190,000.

WITNESS STATEMENT

Name Patrick Osburn Date 3/28/81
Address Box 858 Helena Support ?
Representing Northem Plains Resource Council Oppose ?
Which Bill ? HB 851 Amend ? ✓

Comments:

Support the water program
Support Senator Blaylock's suggested
amendment to strike subsection (1) of
Section 1 in HB 851.

The effect of this amendment would
be one of requiring a $\frac{3}{4}$ vote on a
project by project basis before coal revenues
tax bonds, as described in SB 409, could be
authorized to finance water & other projects.

Please leave prepared statement with the committee secretary.

Silicotics - Spouses
 Spouses Prior to 3/14/79

FY 82

$$232 @ \$25 = \$69,600$$

$$201 @ \$12.50 = \underline{30,150}$$

$$\$99,750$$

FY 83

$$222 @ \$25 = \$66,600$$

$$176 @ \$12.50 = \underline{26,400}$$

$$\$93,000$$

$$\$192,750$$

$$\$200 - \$175 = \$25.00$$

$$\$100 - \$87.50 = 12.50$$

60-8

WITNESS STATEMENT

Name Ellen Ditzler Date 3/28/81
Address PO Box 1184 Support ? _____
Representing Environmental Information Center Oppose ? _____
Which Bill ? HB 851 Amend ? ✓

Comments:

EIC supports the water development program as outlined in SB 409 (enabling legislation).

EIC supports Sen. Blaylock's suggestion to amend ^{HB} 851 in order to require $\frac{3}{4}$ vote on appropriation, on a project by project basis (Sec. 1, subsection (1)) in bill.

The bonding mechanism established by SB 409 would ~~not~~ divert coal tax trust fund for areas broadly defined as "water development, other capital improvements and economic development." With such broad areas, a $\frac{3}{4}$ vote on each project should be required to safeguard Montana's coal tax trust fund as intended by the Constitution. The $\frac{3}{4}$ vote will not make it more difficult to approve projects, but will more solidly confirm the merit of the project as well as keeping faith with present and future Montanans.

Please leave prepared statement with the committee secretary.

'Workfare' program doesn't work, critics say

empted.

For a few welfare recipients, the critics say, the California program did what it was supposed to do — it required them to do unpaid work for public agencies. But the critics contend that the program never approached the level of success that the governor had predicted for it.

"Conceptually it was a good proposal," said Thomas J. Dooley, who at that time was the welfare expert for the California legislative analyst's office, a non-partisan staff that advises the Legislature. But, Dooley added, "The program never really did anything. It ended up like a leaf-raking operation."

It did not succeed, he said, because no money was set up to administer it. He also criticized the failure to provide money to buy tools for the people assigned to work or to compensate them for such job-related expenses as commu-

ice

) — When then-Gov. Ronald Reagan for welfare" or "workfare" program in 1971, he called it "the very core reform plan."

Reagan proposes a similar change in operation, critics of his three-year effort for a failure.

800,000 people in community jobs, reform without any pay beyond their efforts would go to elderly or incapacitated parents of a child under the age of 3 if no day care was available. Teen-agers 18 if in school, would also be ex-

Western Montana

Missoula

From page one

'Workfare' doesn't work, critics say

(Continued from page 1)

ment Department in 1976.

The study found that the program was not "administratively feasible and practical." It published statistics showing that the increase in welfare applicants was higher in counties in which the "workfare" experiment was in operation than in the other counties.

The study found that welfare workers appeared to avoid the workfare device, where possible, as they sorted through programs for assigning welfare recipients. And it said that those assigned to the jobs seldom moved into regular public jobs because of Civil Service testing and entrance requirements.

William T. Bagley, who was the Republican chairman of the Assembly Welfare Committee when Gov. Reagan's welfare proposals were adopted, defended the "workfare" operation.

Bagley pointed out that it was but one part of a much larger program where eligibility rules were tightened and that it was aimed at a small part of the total welfare load — the able-bodied adult who was free of responsibilities and available to work.

His recollection was that 35,000 adult males were living

ing to their jobs. They could be required to work up to 80 hours a month, he said, but received no additional stipend from welfare funds or from the public agency to which they were assigned.

A state study conducted after the program ended in 1975 said its failure had been caused in part by the apathy or hostility toward it by the state officials in whose hands the program was placed.

Under the plan, federal authorities waived certain rules in 35 of California's 58 counties that housed 47.5 percent of the state's beneficiaries of the Aid to Families with Dependent Children. The waiver permitted institution of the work requirements in the 35 counties.

When the program was announced, the Reagan press office listed 58 suggested public jobs that might be assigned to welfare recipients. Some examples were swimming pool

attendants, road clean-up crew members, watchmen and various clerical positions.

At the time, Gov. Reagan called the program "a far-reaching element of our work ethic to our way of life."

The governor estimated that about 100,000 adults on welfare in the 35 counties would be required to do public jobs by the Community Development program, the formal name of what was called "workfare."

But in the next three years, only 100,000 were made, a figure that included 50,000 who received more than one assignment. Cited in a study for the California Department of Social Services.

(Turn to page 2)

in families covered by the Aid to Dependent Children program. He also recalled that about 9,000 people worked under the Reagan plan, and said that 25 percent ratio. He also said that "workfare" had varied from county to county, and that the county welfare director had to approve the program.

Robert Orsman of Oroville, who was the director of Butte County, Calif., said that in 1976 public schools were assigned to nine public schools. Eventually, seven of them were assigned to welfare. And he said that the program had become a regular school employee and became the only "workfare" assignment which 1,000 eligible recipients then

Among the critics of "workfare" was Senator Anthony C. Belenson of Butte County. "It borders on servitude," Another member of the Senate, said it was "workfare" program would require the program to be in Washington, which was now a member of the Senate.

Soon after Edmund G. Brown became governor in 1975 the "workfare" program was reported on its effectiveness said, "It is not meeting its objectives." It cost \$570,000.