

MINUTES OF THE FREE CONFERENCE COMMITTEE ON HOUSE BILL 500
MONTANA STATE SENATE
April 24, 1985

The Free Conference Committee on House Bill 500 met on the above date in room 104 of the State Capitol. The meeting was called to order at 8 a.m. by Senator Van Valkenburg, Chairman following roll call.

ROLL CALL: Members of the committee, Representatives Bardanoue, Waldron, Marks and Ramirez, Senators Regan, Keating and Van Valkenburg were all present.

Senator Van Valkenburg, Chairman reviewed the ground rules. He said, I think that all the members of the free conference committee are all here and we can begin. I think that probably the place to start is by some discussion of the ground rules of this particular conference committee. In particular in that regard I want to try and establish the voting procedures so that we don't have any misunderstanding about that as we progress. Clearly, I think from the Legislative rules there has to be a majority of Senators voting on any motion including the final motion to recommend a conference committee report. I think clearly on a final motion to recommend a conference committee report if the majority of House members or if there is a tie vote on House members a conference committee will go out of there is a majority with recommendation and when a tie vote without recommendation. I think that there may be one area of uncertainty here and that's what happens if there is a tie vote of House members on an individual motion, and I guess I would like to hear from the House members as to how that's being treated in other conference committees now.

Marks: I'm not sure that it has ever come up yet. I think it would be on the discussion within the committee itself if that is what your question is. I guess I think we would probably need a majority in the committee so to speak, as you do in the Senate in order to take a positive action.

Ramirez: On a particular issue, and then at the end when you are taking final vote that's when it comes into play as to whether the conference committee goes with a recommendation or without.

Senator Van Valkenburg: This hasn't come up at all?

Representative Ramirez: This hasn't come up in any that I've been in.

Senator Van Valkenburg: We got the opposite answer yesterday when I talked to Pyfer. Not that it hadn't come up before but that if you had a tie vote of House members on an individual motion rather than the final motion as to adopt the conference committee report that reading the House rules in this matter you would have an individual recommendation in there that in essence was without recommendation.

Representative Bardanouve: Mr. Chairman, however, that would create a problem. On a single issue conference committee that would work but we are in essence have an accumulation here of many issues and if you have one issue that is in there without recommendation, the House could not select out one issue that went without recommendation.

Senator Van Valkenburg: Well, I think it is an example of the problems that we have when we have evenly numbered conference committee and I think maybe we will see if we can get by and hopefully the problem won't arise, but I'd ask Mr. Pyfer to be available this morning, I understand he doesn't get here until 8:30 but perhaps he can come in after that and we can discuss it.

Representative Bardanouve: Well, Mr. Chairman, I think we should resolve this before we begin. I can see several times we will have a 2 to 2 vote. If it goes in the whole bill the House will not select out. You do not vote on the individual issues in a conference committee on 500. You vote on 500 up and down.

Senator Van Valkenburg: Well, I really don't care how you resolve it. I think it is a House matter, but I think it ought to be clear.

Senator Keating: In the Senate, are we going to be able to segregate for voting purposes anything that we do in here?

Senator Van Valkenburg: No. We have to vote the package.

Representative Bardanouve: You vote the whole bill, up or down.

Representative Marks: Well, I guess if it is House business, I would propose that the House members here work on the assumption that we take a majority to agree on a position here in the conference. I think there would be no doubt if we did that. There would be no doubt that they would be included in the conference or excluded. I think that would be a clear way of knowing, otherwise I think we would have a hazy area. There would be some put in the conference report without recommendation and some with recommendation. I don't think that would be very constructive to do it otherwise.

Representative Bardanouve: Well, Mr. Chairman, I would prefer as suggested by Representative Marks. It would be clear there was a majority for that issue, because there is no way of selecting out issues without recommendations from a conference committee report.

Representative Ramirez: We can just have that understanding and we will proceed on that basis. I don't think it is going to be as much of a problem as we anticipated.

Senator Keating: Will the House want to have every one of the changes from their standpoint with recommendations wouldn't you? Then would you form a subcommittee and resolve your differences on any issue where you are divided?

Representative Ramirez: You would vote it up or down and then at the end that's where the critical vote comes as to whether it goes with recommendation or without. When we make the final conference committee report.

Senator Van Valkenburg: Steve, do you have any comments?

Representative Waldron: No.

Senator Van Valkenburg: All right then, since three of you have expressed the the preference in that regard and Steve hasn't said anything, I think that is how we will treat motions is that they will require a majority of members of each house for passage. Without objection, that's the rules.

Senator Regan: I have some concern about that. I really do. It seems to me that your own rules speak to when there is not agreement it's without recommendation and you cannot kill a motion. The motion is sort of in limbo--it's just there.

Representative Ramirez: But each--for an example, on an amendment to a bill in committee, Senator Regan, we do not have--if there is a tie vote the amendment goes on the bill in committee--we operate in all of our committees by majority vote even though they're all equally divided until we get to the final vote that is the vote on the main motion to bring the bill to the floor and that's when our rule comes into effect and we have operated throughout in that way and I am sure that we are making the right decision here that we've got to have a majority within the committee on individual parts of this and it's only when we make the main motion to go to the floor with our recommendation that that's when this other rule comes in to play.

Senator Regan: Forgive me, I am not sure I understood you. You have a bill that you are considering before you here in conference committee in the House and an amendment is proposed and the split is 2-2. What happens to that amendment?

Representative Ramirez: It fails.

Senator Regan: It is just not considered then.

Representative Ramirez: Well, it's just like any other amendment in any other committee. We've been operating that way all session.

Senator Regan: It takes 3 people to put an amendment on the bill.

Representative Bardanouve: On appropriation committee every tie vote that ties--an amendment to any bill then dies.

Senator Van Valkenburg: Then I think you do have a precedent that you have established and that is the way we are going to proceed. So if there is a motion to cut something out of the bill and a majority of Senators vote for that but the House divides evenly the motion fails.

Senator Van Valkenburg: The next area that I guess I want to find out about from any members of the conference committee, from the Fiscal Analyst staff, from the Budget Office if they're represented. Is there anything major that has been forgotten or missed or is not included in House Bill 500.

Senator Regan: District Court funding, I believe.

Representative Bardanouve: There is a couple amendments handed to me as we come to that part of the bill.

Senator Van Valkenburg: Judy, is there anything that we are missing?

130. Judy Rippingale, Director, Legislative Fiscal Analyst: Mr. Chairman, there would be the question of if you want to adjust House Bill 500 to reflect movement in House Bill 919 from the Coal Board money. There have been from about \$150,000 where a bill passed that changed the National Heritage Program to the State Library Commission. Staff has an amendment to make that change. The Well Water Drillers have been moved to DNRC and that means that that should be taken care of. There was a Dam Safety amendment on the floor of the Senate which I am not sure the Senators' realized that the money that is going to be collected from that goes into the general fund, and therefore you said all the money that is collected can be expended but that is not a good precedent for the general fund. That is all that I remember right now, Mr. Chairman.

Senator Keating: Did you say major things? (ans. Yes) Well okay then because I've got a couple of "nit-picking" things.

Senator Van Valkenburg: Well "nit-picking" I think we'll save 'til last.

Representative Bardanouve: I don't know whether you'd call this "nit-picking" but Mr. Wanzenried has three bills that have been passed that will affect his department.

Senator Van Valkenburg: I think every department has got about 12 or something from the way I walked down the halls and they started handing you their little sheets.

Representative Bardanoue: And then--that is what I have here.

Senator Van Valkenburg: Mr. Hunter, is there anything major that you've been able to identify that is missing or ought to be addressed here?

Dave Hunter, Director, Office of Budget and Program Planning: Mr. Chairman, I think that in addition to the list that Judy had there, I think the only other one is the University Millage to be consistent with HJR 9. I understand that Senate Taxation is taking action on that this morning, so I would suggest that at a later meeting we look at their action this morning, to make sure that we adjust that appropriation.

Representative Waldron: I've got a couple of amendments here from -- Representative Harp gave me and he's been working with the Highway Department. Some language changes.

Senator Van Valkenburg: Were these major money items?

Representative Waldron: No, just language. \$40 million in one 90 in the other.

Senator Regan: I think maybe we should address the question of movement of some of the personnel out of the Capitol and that will need an appropriation.

Representative Waldron: Mr. Chairman, I don't know if it's major or not, but the Department of Justice did hand me a sheet of some bills that have gone through that affect them. Senate Bill 57, House Bill 108 and Senate Bill 116. Funding switches I believe, is mostly what those are. Senate Bill 116 is still tied up in conference committee, by their action yesterday, but we will try to get it resolved.

Senator Van Valkenburg: Anything else that is major. If Judy or Dave or anyone else on this committee comes up with something major I'd like to know about it as soon as possible because those are the things we've got to take care of.

Representative Bardanoue: I think there is one more point we should bring up. There are many, many of these amendments that are minor, there is language -- I believe if there's no change, mutually agreeable by all members, we should assume that the House will accede to those amendments, so we won't have to have a motion on any particular item that is not in question. Could we have a mutual agreement that we are acceding to those, or is that necessary?

Senator Van Valkenburg: Well, I guess I think we will proceed and see what you have to say about the Senate amendments to the bill and we will act on any motions, and in the end I would expect that there will be a motion that the House accede to all other Senate amendments.

Representative Bardanouve: That's what I am proposing. If we take no action as we go through the bill that we are acceding to those amendments.

Representative Marks: I agree.

Senator Van Valkenburg: With Representative Marks agreeing, I guess we are to the point here we could sort of start out with some (I hate to say this, but) "opening statements". (Asked if necessary he said no) If we can just start through the bill it is fine with me. (the committee agreed)

212. Opening of the Bill. Senator Van Valkenburg: Alright. I think that the easiest place to work on is from the accompanying narrative that the fiscal analyst has prepared because then you can see Senate action to the bill.

216. Boiler Plate Language. Senator Van Valkenburg: We will start with the Boiler Plate Language and the changes that are set out on B P-1 of the narrative. Is there any problem with this. No objection. Then we go on to Section A of the bill, General Government and Highways.

225. General Government and Highways, titled Senate action. gg/4.

226. Legislative Council. Representative Bardanouve: Mr. Chairman, why were the Interim Committees increased?

Senator Van Valkenburg: I think that that was a floor amendment in the Senate.

Senator Keating: That was in the CSG and NCSL.

Senator Van Valkenburg: To add travel for Legislators' to NCSL and CSG meetings.

Representative Bardanouve: Well, we already have money in the budget. This is over and above that.

Senator Regan: Mr. Chairman, I believe over in the House that money had been reduced. It had been taken out, and after we took out \$66,000 each year of the biennium on Legislative Council we thought we could restore that travel to what the subcommittees had originally recommended, and that is what our action was.

Representative Bardanouve: But the original recommendation of the subcommittee was higher than what we have. Higher in each biennium.

Senator Van Valkenburg: Senator Keating sits on that sub-committee and Mr. Roessner staffs it. I'm not sure what the answer to that is--Representative Marks.

Representative Marks: In that matter, I would move that that amount be reduced to the current level.

Senator Van Valkenburg: (recognizes Senator Keating but states) We have a motion from Representative Marks that the Senate amendment to the Legislative Council budget increasing NCSL travel and CSG travel be reduced back to the level that it was at when the bill left the House.

Representative Marks: I think that would be \$28,000.

Senator Keating: NCSL was cut back to \$35,000. NCSL was 35 and CSG was 25.

Senator Van Valkenburg: That's correct. In addition, I guess this amount would also include money for the Forestry Task Force and the Revenue Oversight Committee. Is that correct, Judy?

Judy Ripplingale: That is correct.

Representative Bardanoue: As a substitute motion, I would move that they be reduced by 50% of the Senate increase. That would accommodate some of the Senate concerns.

Senator Keating: The Forestry Task Force is an extremely important committee and there is 4 people on that and it is only \$20,000 for the biennium. We really need that. I would hate to see that cut any further. CGS and NCSL, I could agree with a cut there, on Forestry, I think \$20,000 is a fair budget.

Representative Bardanoue: Well, this will allow them additional of \$23,000 plus over and above what the House had.

Senator Regan: I am thinking of the Task Force. The budget here--

Representative Marks: I am not sure exactly what your motion does, Francis.

Representative Bardanoue: It just cuts this 47,000 by 50%.

Representative Marks: How would that be allocated then?

Representative Bardanoue: Well, then you'd want to--

Senator Van Valkenburg: Could I ask a question first? Mr. Roessner, could you give us a break down of this \$47,700 that is listed on here, where was that added in each committee.

Cliff Roessner, LFA: Mr. Chairman, there was \$10,200 added to the Forestry Task Force, \$14,000 apiece added to NCSL travel and

CSG travel and \$5300 added for the Revenue Oversight Committee.

Representative Marks: The motion I had was the \$28,000. That would be strictly--that was my intention--You would take just the \$28,000 out of NCSL and the CSG additional travel and that will allow the Task Force money to stay in and with this 5300--

Representative Bardanoue: I will withdraw my motion.

Cliff Roessner: Mr. Chairman, in addition there was \$4200 added to the Montana Western Committee involved in the Provinces budget Boundary Advisory Committee, and that should bring you up to \$47,700.

Representative Ramirez: That's on top of, in other words, what was already in.

Senator Van Valkenburg: On page 6 of the bill. There was \$35,000 in for NCSL travel and \$25,200 for CSG travel and that is the subject of the motion. The motion is to reduce NCSL and CSG travel. I guess I would speak against the motion. I think that Legislative travel, while public--some may feel is not a great benefit, I think is of considerable benefit to Legislators in terms of learning how things are done in other states that communication that goes on between Legislators of other states, and I think that the Senate found some money in the budget in that particular area and reduced that termination payment which I think is not necessary, and I think it ought to stay.

Representative Ramirez: Well we already have \$35,000 for NCS travel in the budget at the present time and it appears that we have \$25,000 in the budget for CGS travel, and I think those are adequate amounts to address your concerns if there is some value to be obtained from going to some of those meetings then I think that is adequate. My own view is that those meetings are not very helpful. I've been to a few and usually it seems to be war stories more than anything. There are a couple of subjects every once in awhile that are good presentations and they are worthwhile but I think we can be very careful with the Legislature's own travel budget and I would like to support the motion.

Senator Regan: I would like you to divide these and vote on NCSL and CSG separately. I would like to support one.

Senator Van Valkenburg: The request is to divide the question and vote first on reduction of \$14,000 from the NCSL travel budget. That would be on page 6, line 23 of the bill. Reduce that from \$49,000 to \$35,000.

QUESTION was called, roll call vote. Motion failed.

Senator Van Valkenburg: Second half of the motion here, is to reduce \$14,000 from the Council of State Governments travel budget. That is on page 7 of the bill, line 6.

QUESTION was called, voted, all members except the chair voting yes, Chair voting no. Motion carries.

Senator Van Valkenburg: Any further amendments in regard to the Legislative Council?

Representative Ramirez: I would like to move that we strike \$5300 from the Revenue Oversight Committee. I am on the Revenue Oversight Committee and we talked about this. I really think we have adequate monies to do our work in the budget as it came over from the House. With \$19,700 in travel and expenses for the Revenue Oversight Committee already without the \$5300 and I think we can do without it. In fact I don't think we have nearly the work load this time as we had the last time.

QUESTION was called, Voice vote Senators Regan and Van Valkenburg voting no, the motion failed.

Representative Ramirez: I do have a question. I don't see here the change--the \$4200.

Senator Keating: Line 17. (Senator Van Valkenburg said this was on page 8 and we will come to that.)

There was no further action on the Legislative Council, and we would proceed then to the Consumer Council.

389. Consumer Council. Representative Marks: Not on the Consumers Council, but in that area, the Fiscal Analyst's office--consideration that might be discussed is the possibility of adding \$10,000 in that budget for contracted services for possible necessary uses.

Senator Van Valkenburg: Yeah, I had forgotten about that when we were talking about major issues here. We talked to Representative Marks about this the other day. As Chairman of the Legislative Finance Committee, I think that it may well be very wise to add some litigation line-item money in the Fiscal Analyst budget based on a wage claim that has been filed with the Dept. of Labor with respect to a former fiscal analyst work in that office. I think that if we don't take that very seriously that we may be faced with a very serious situation in regard to our entire Legislative staff outside the Fiscal Analysts, in the Legislative Council, the Consumer Council and everywhere else, and that's why I bring that to the conference committee's attention.

Representative Waldron: I don't know necessarily that it would effect other Legislative offices because as far as I know the Legislative Fiscal Analyst's office is the only office that does not compensate employees for time worked. I don't think there is any other office that has that.

Senator Regan: I think they are compensated for time worked, but they are compensated in a different way. There are 2 steps in grade and they are considered professionals not working at an hourly wage and I think that is the real issue. But, that's one that's going to be settled in court but the question is whether we want to appropriate some money to defend this case and I think it is imperative that we do, so if Representative Marks would make the motion, I certainly would support it.

Senator Keating: What is the page and line?

Senator Van Valkenburg: Page 6, line 5 of the bill. Inserting a line item there for litigation expenses.

(Talk in the background for a biennium expenditure and change the 20 to 30 for contracted services.)

Representative Marks: I would make this a motion that we increase the \$20,000 (page 5, line 23) to \$30,000 for contracted services.

Senator Van Valkenburg: The motion is to increase the \$20,000 to \$30,000 under consultants in the Fiscal Analyst's office.

QUESTION was called, voted, passed, unanimous vote.

Consumer Council--no questions.

Judiciary. No questions.

Law Library. No questions.

454. Governor's Office, Coal Tax Lobby.

Representative Ramirez: I have a question there. As I understand it there is \$90,000 that was carried over plus another \$100,000 that we have appropriated. I would like to at least discuss this a little bit. We also have the federal state coordinator with about \$50,000. In view of the fact that there aren't really any intending threats, it seems to me, to our coal tax position, particularly in view of the passage of House Bill 607, which I think was recognized by our lobbyist--I was at the meeting where they indicated that they felt that would be a big plus in defending our position, and it just seems to me that at the very least we are putting more money into this than necessary at the present time and I'm not sure that we need it at all for the next 2 years. There are plenty of lobbyists in Washington, and I think that 2 years from now if we want to--if there was some threat, or even in the interim if there was some threat we could pick up on that. It just doesn't seem to me that it is necessary to have people on retainers at this kind of level -- \$190,000 a year -- or a biennium -- plus \$50,000 for the federal-state coordinator. There is \$90,000 that is carry over and let's see--that is in the narrative so

so to deal with that -- 2 steps. The first step, I'd like to take is to move on -- under the narrative-- and it is the last sentence that says "in addition any balance reverting from item 2 c in the governor's office in House Bill 447 of the 48th legislature is reappropriated for use in 1987 biennium." We would need to strike that.

Senator Regan: I would resist the motion and I resist it because of both the testimony Senator Stephens and Senator Blaylock, who have been very intimately involved with this, and while it is true that our taxes--per se, and our right to levy it is not under attack, what is under attack now is the fact that our resources may be used as a basis for allotting federal benefits-- in other words, what they are doing now is they are saying your resources, etc., your needs are not as great and they are cutting block grants and recently we had several formulas presented to us that had acted very adversely, particularly Montana, and think that is the kind of thing that just has to be fought, and the Eastern States are working very hard to also get all kinds of breaks for scrubbers which negates our advantage to our kind of coal. I think we have many problems in Washington, and we had better have lobbyists there, and good ones.

Representative Bardanouve: I feel if there's need for money, this should be up front in the appropriation of the bill of \$50,000 a year. I don't like, and that doesn't pertain to any particular office -- I see one more place in this bill that has the same kind of language. I feel that that money should revert back to the general fund and if there's justification for more money, it should be shown in black and white--or black and salmon on this bill--that that is what we intend the office to do. I'm not picking on any one office.

Senator Keating: Mr. Chairman. In defense of our coal tax is more importantly centered now in the Indian and Crow tribal litigation and we budgeted, I think around \$400,000 for legal expenses in that instance, and that is really where we defend our coal tax. Mr. Beckel's office --he is our lobbyist-- and we're not here for state and federal, and I am opposed to coal lobby funds for quite some time because I don't see that the lobby is all that effective anyhow. I would support this motion because I think we are supporting protections of our severance tax in the litigation in the Indian Tribal area.

Representative Marks: I support the motion, and I did do a little work on this earlier in the session. In looking at what the lobby has done. I got a report from the coordinator in Montana who coordinates the lobbyists from the Governor's office. Frankly, I was disappointed in the amount of activity that has been carried on. For some reason the Lobby had increased its fees in the last few months of 1984 almost 150% of what it had been previously to that and didn't seem to be any reason to increase it. I don't think they are really getting their job done. That council in Washington, and I feel that the amendment that Representative Ramirez has proposed you would still have \$100,000 available for the lobby there and I think

it would be reasonable to think that is a point to which we could accommodate.

Senator Van Valkenburg: You know, I think people are missing the point about that lobby now. The arguments against Montana in Washington D. C. have shifted away from the very narrow argument of our right to set a 30% coal severance tax, and quite frankly what we are battling now, is along with other western states, the issue of the representative tax system and that is a much broader attack on our states ability to tax as it sees fit and it is, I think, a much more difficult battle and it doesn't surprise me at all that the lobbyists would raise their fees. Because, I think that it is much harder work when you are fighting something that is as big as the RTS. I think, Francis that it is 6 of one and a half dozen of the other as to whether it's in the bill up front or whether the language is there. We're down to the last 2 days of the session and I don't think we can be that nit-picky over what's in the bill and what isn't.

Representative Bardanoue: Mr. Chairman, I don't think we're being that nit-picky over anything, that isn't fair, I think this is a very important issue. If you justify money up front I'll support it.

QUESTION was called, roll call vote, motion failed.

Representative Ramirez: I guess there is no reason to make a motion on the federal-state coordinator, but I guess I will. I move that we strike \$50,000. In going back to this, I think we are doing a couple of things that are in this whole area that are just a little silly, and a little bit deceptive, too. The first was the \$90,000 that was reverted to do something for us. The second is that we call it a coal tax lobby and apparently it doesn't have anything to do anymore with coal tax, it has to do with other issues entirely, and the third thing is that we just ignore the fact that we've got a congressional delegation that's supposed to be back there doing these very things for us and it just seems to me that it's unconscionable that we have to spend money for these things that there is a coalition--there is no question about it, but it is made up of other United States Senators and Congressmen from western states and other states in similar situations and a few dollars to a couple of law firms back in D. C. is not going to change the balance of that power. Those are power struggles between very large blocs of states. In any event I would like to move that we strike federal and state coordinator \$50,000, #6.

Representative Waldron: I am a little bit confused. If I could ask a question, maybe I could straighten out my confusion. Judy mentioned or some one of the staff may be able to answer it. Don't we also have a state liaison's office that is out

of the Governor's office?

Senator Van Valkenburg: Representative Waldron, this is the office and I think that this particular money here is for an additional person in that office. It is a one person office right now.

Representative Waldron: Right, I am aware of that.

Senator Keating: This is to hire a secretary.

Judy Rippingale: Would you like staff to answer that?

Cliff Roessner: Administrative aide, added to the office--about \$25,000 each year for salary and that person would be used to assist the existing single coordinator that is on staff already.

Judy Rippingale: Is this person then a sort of fancy secretary, is that what you are saying?

Senator Keating: Yes, while Mr. Bechtel is out getting doing his coordinating, there is no one to be in the office to answer the phone, give advice, type and do all sorts of things that's handled. Sort of a jack-of-all-trades, isn't it Cliff, as it was presented to us. I think this office is useful to our Governor and to our state, and I think Mr. Bechtel ought to have some help. I've tried to run a one-man office, and when I'm gone people hate like hell to fight with the answering machine so I'd be opposed to this motion. I think this ought to stay here.

QUESTION was called on the motion, Senate is unanimously against it, the motion fails.

#88 B. 21. Representative Marks: Mr. Chairman, I have a motion that should go in in this area, if you don't mind. That's the one on the -- it has to do with the one I handed out earlier and would fit into the area we are discussing. It is on page 10, line 12 of the bill. This would add the money for the district courts consideration relative to the passage of Senate Bills 25 and 142 which fund it. I have passed the amendments around (copy attached). This was prepared by the budget office.

Senator Keating: Would you give those page and lines again, please? (Representative Marks checked to see that everyone had a copy of the amendment).

Representative Marks: I would like to speak to it just a moment if I might and in consideration of Senate Bill 142 yesterday in the House, there was an agreement that the rate of the fee on vehicles in that bill together with the already appropriated money in House Bill 500 might be about \$275,000 more than what was needed. That was the consensus that was taken there by the people who were conferees, MACO, the budget office

and most of the people came to that conclusion and we allowed the bill to pass at the fees that were indicated in the bill with the conference committee, but with the idea that we would take out \$275,000 the second year, and that, I think, is the way this amendment has been prepared. Perhaps somebody from the budget office would be able to address that. Mr. Rostocki?

Norman Rostocki: What is the question, I guess I didn't hear it.

Senator Van Valkenburg: I guess the question is, do you concur in this particular amendment as being sufficient money to fund Senate Bill 25?

Norman Rostocki: The way that the Conference Committee voted yesterday, they took up the issue of how much money was needed and there were representatives there from the Supreme Court and from Local Government and cities and counties. This was determined as to how much money it would take to fund Senate Bill 142, and I was there and we were there representing the fiscal note that we did and we drafted the amendment the way the sub-committee resolved the issue.

Senator Van Valkenburg: Well, maybe I'm getting confused here, but the 142 is to fund 25 and I want to know if this is enough money to fund 25.

Representative Marks: On that issue we met with Mr. Abley from the court and they felt that it was enough, however in the event that it was not enough, because we are kind of on a trial run on this thing, the Governor had set a sort of amendatory veto on Senate Bill 25 which would allow the court to start pro-rating the fees. In talking to the court administrator -he was speaking to the chief justice he said they were going to run a conservative program in allowing these counties, they felt it would suffice.

Norman Rostocki: Mr. Chairman, I might add that if you talked to any of the Representatives that were in that room they'll agree that there are sufficient funds in Senate Bill 25 in this amendment.

Representative Waldron: Representative Raney who carried that bill in the House talked to me yesterday at the meeting with Representative Marks and he is satisfied with those amounts that you see in the amendment.

Representative Bardanouve: In reference to your earlier remarks, I would remind you that we are reducing, we are not adding. We are reducing \$275,000.

022 Question was called, voted, motion was passed, unanimously.

Senator Van Valkenburg: All right, we have covered the Council, the Judiciary, and there is no further motions in the Governor's office I take it. Northwest Power Council, none. Secretary of State, none. State Auditor. (There was a little discussion of going slower, etc. & Senator Van Valkenburg asked once again if there were something in the Secretary of State's Office)

Senator Regan: I have some concerns -- (It was decided this would be in another area)

Senator Van Valkenburg: I was just going through the Senate amendments to the bill. If you decide you want to bring up something else as we go through the bill-- (background discussion-- nothing decisive)

Senator Van Valkenburg: Alright, the next section is the State Auditor.

Senator Keating: Mr. Chairman, I've got a couple of little things here. Page 17, line 11. It says Item 3 c is for federally mandated modifications. The modifications that they are talking about are both federal and state, rather than just federal. I move we change by striking federally and insert Federal and State mandated modifications.
Motion. 064.

Senator Regan: Senator Keating, would you explain what the state modifications are that would cause this. I had concern when the money was put in--\$50,000 a year each year--on what might happen.

Senator Keating: The line item contingency. Right. Mr. Chairman, I would rather, I don't know--I don't understand it in detail. May I ask somebody from that department to tell us what it is all about.

Senator Van Valkenburg: Mr. Gilbert?

Mr. Gilbert: Mr. Chairman. For example, there would be 2 bills this session passed that would require changes in the PERS system (SB 247 and HB 774). Senate Bill 247 made certain changes to the PERS system and House Bill 774 made certain changes to the longevity in the accruals. We have to respond to those changes.

Senator Regan: Senate Bill 247. What kind of changes would you have to make? Mr. Chairman, may I pursue it?

Mr. Gilbert: Mr. Chairman, Senator Regan, I can't give you the specifics on the changes to the system. We have a PPP coordinator that could give you the details at a later date, but as a result of this bill passing, we have to go into the system and make alterations to the data base.

Senator Regan: This is where the employer picks up the employee contributions to the PERS. How much does it cost to put a line on the computer?

Senator Van Valkenburg: This particular change is estimated to cost \$20,000.

Representative Bardanoue: Time after time we turn down contingencies in the appropriation process. Jointly by Senate and House members, and I feel if there is a potential unknown effect and as has been done every session in passing beyond the appropriation--they should come in for a supplemental. As a result of that policy we have followed throughout the session I will 090. make a substitute motion that the contingency fund be removed from the bill.

Senator Keating: Well Mr. Chairman, It's not a onetime contingency fund appropriation. We estimated the \$50,000 on the basis of experience in the Department year in and year out. Because the auditor could not say specifically how much it was going to cost to make these changes, it had to be estimated. Somebody got word --somebody got wind of the idea that maybe we were building a contingency fund, and it just got carried out of whack. What we are talking about is estimating from experience what it will change to change the software based on federal and state changes in the law as it relates to paying personnel. We tried to plug in--tried to appropriate \$50,000 a year to do the job based on our best estimate. Now all of a sudden it had to be line itemed and now it's called a contingency fund. It's a proper estimate just like any other estimate in the budget that is appropriated.

Senator Van Valkenburg: My recollection of the discussion of this issue on the floor of the Senate last Saturday was that the money was going in because of federally mandated EEO requirements. Now you are asking to add federal and state in there and then Mr. Gilbert comes up and starts talking about Senate Bill 247 which is the employer pick-up issue which doesn't have anything to do with EEO or human rights or things like that and so you just start seeing this growth all along the way here where this is going.

Senator Keating: It's not a growth, it's a misinterpretation. We started out with federal and state changes to the system. It is just a \$50,000 a year appropriation that was a part of the State Auditor's budget. Somebody came along and picked it out and decided that that was a place to cut, and we've been trying to explain it ever since, and if we had left it in here as an expenditure for only federally mandated changes--if we hadn't said anything right now and just left it the way it was they probably could have used the money to make state changes but it wouldn't have been accurate. All we are trying to do is to put some accuracy in the thing.

Senator Van Valkenburg: Well, accuracy is what we are all after here, but based on the conversation I had with a House member yesterday, I also think that this issue is wrapped up with another one in the State Auditor's office about upgrades in the organization--reorganization of that office and I am led to believe that there was an offer in the House at one time that this money--this \$50,000--could come out if the other went in. Now, Francis or who?

Representative Bardanouve: You are exactly right, Mr. Chairman. We removed certain money out of the upgrades, reorganization for more efficiency, which cost a lot of money. We removed that money and it wasn't 15 minutes later that an amendment fluttered down from the gallery up there on the House floor which took this money for salary increases. There's some games being played somewhere.

Representative Marks: I just have a question on Representative Bardanouve's--I think your motion is on the floor.

Senator Van Valkenburg: Francis has a motion to, I think remove item 3 c here and the accompanying language that would go with it.

Representative Marks: I just have a question, Mr. Chairman. Francis, is it your impression that if there are federally mandated modifications that that can be accommodated by budget amendment as well.

Representative Bardanouve: No, not budget amendments. It would be a supplemental. General fund will provide it. We have departments every session and if they are fair and honest with us--we haven't criticized one department this time, democrat or republican for supplementals.

Senator Van Valkenburg: It was also my comment on the floor of the Senate when we discussed this issue that if there were federally mandated issues, there ought to be some federal money to go with them and that could be budget amended in there at the time.

Senator Keating: Mr. Chairman, I don't think it is what they call Federally mandated changes. What they are talking about is the change in federal law that affects the payroll requires certain changes in the data base that has an expense with it, and that is what they are trying to cover. Now if you think they can come in for a supplemental for it, fine. It doesn't make any difference so long as they have the authority to make their corrections in the payroll so all the little tiny numbers that are plugged in there and everybody gets their certain percentage of what they are supposed to get. It doesn't matter to me one way or the other. We can either come in for a supplemental which everybody will spew and fuss and say "Oh golly,

you're not supposed to come in for supplementals" but when you try to make arrangements for something ahead of time then it's a contingency fund, and that's bad too, so take your pick--one way or the other. The job's got to be done one way or another.

Senator Van Valkenburg: Are we ready for the question on Representative Bardanouve's motion? We will call the question. 192. The motion is to delete item 3 c on page 16 of the bill and the accompanying language on page 17, line 11. We'll take a roll call vote. Motion carried.

Senator Van Valkenburg: Are there further motions with regard to the Auditor's Office. Given the fact that the motion carried, Senator Keating's motion is moot.

Representative Marks: I just wanted to bring up one concern that was expressed in the House, at least, on the Auditor's office. There was an effort made to amend some money into the office for administration and for consolidating of some--or some restructuring of that office and there was some upgrading that was requested. There was a motion made in the House to do that and it failed.

Senator Regan: It is in here. The Senate put it in.

Senator Van Valkenburg: The Senate put it in. It is item 12 on this narrative here.

Representative Marks: I guess you didn't take anything out when you did this. That is the question.

Senator Van Valkenburg: Well, we didn't, but now we did.

Representative Marks: Well, I guess what I am asking is, where are we now in relationship to where the bill was when it came out of the House?

Senator Regan: Mr. Chairman, We added \$63,040 in the first year and \$74,921 in the second for reorganization--for administrative reorganization. I resisted that because I thought when you reorganize you ought to have greater efficiency and not cost more.

Representative Waldron: As I recall, they went from 5 divisions to 4 divisions and doing that cost us this amount of money. We took the money out in the House and then there was an attempted motion made, but it wasn't done very well, to go ahead and give the office some flexibility to make these upgrades and deal with the administrative changes. There were two amendments up there, one was to cut a like amount out of the payroll, and then put the money back in. That kind of balled up in the House though, because the Representative that made the motion

to put the money back in was the first amendment. The second amendment was the cut and some of us were a bit nervous about putting the money back in with the possibility of taking it out in another spot, and I believe that was a proposal at that time that the Auditor's office requested of the Representative who was making the motion, was to put in there for a trade. I am sure they would be happy to make a trade like that right now, but I don't think I would have a problem --if they feel that strongly about reorganizaing and adding those additional costs, having it taken out someplace else in the budget. That is just management flexibility that you really ought to let them have, but I don't feel comfortable just plugging the money in.

Representative Marks: Well, I was just going to offer the same comment, that if some flexibility could be offered and keep the budget the same--what exact kind of an amendment would you need to do that so that they could take some money out of one area and create some of the flexibility that they want in management, I wouldn't have any problem with that if we could accommodate that in the amendment.

Senator Van Valkenburg: Mrs. Rippingale has a comment about the flexibility here based on some boiler plate language change that took place.

Judy Rippingale: Mr. Chairman, on the program transfers--on BPL, (boiler plate 1), the House has removed the restrictions on the transfer so that it is back to--they can transfer 5% of the Agency total appropriation. The House had restricted it by program, so the Senate has given more flexibility for program transfers now.

Representative Marks: Do you have some idea of what that would amount to in this case? Could you give me an example, it may just cover it.

Judy Rippingale: For example, their total budget is \$2.4 million in one year. 5% of that is \$120,000.

Senator Keating: In our subcommittee we determined that many of the departments had small bureaus of 3, 4, 5 or 8 people, and that it was impossible for them to take 4% vacancy savings in some of those smaller offices so we gave the departments the 5% latitude for shifting around so that they wouldn't have to take any vacancy savings in some of the smaller offices and they could make it up in the larger ones, and that is the rationale for the 5% float.

Representative Bardanouve: There's no small bureaus in this.

Senator Van Valkenburg: Is there any motions here?

Senator Keating: Does the committee understand that what the

Auditor is doing is that rearranging the personnel was establishing the office to provide the function for which it was originated, and that is one of the elevations is a legal staff, a legal person to address all of the legal problems in all of the of the divisions within the department, and the other one is a personnel coordinator-office administrator which did not exist previously. Some of the divisions were downgraded and the clerks are in some of the positions that were upgraded and all it is is to streamline the office to perform the functions that it is supposed to handle.

Senator Van Valkenburg: There's always more that get upgraded than get downgraded though in those situations.

Senator Keating: In this case, yeah, there is a \$100,000 upgrade and this department brings in probably \$25 million a year in licenses and fees etc.

Senator Van Valkenburg: I think the laws bring that in.

Senator Keating: They perform a pretty serious function out there too.

347. Representative Bardanouve: I will move to reduce the Senate increase by 50%. That would give the flexibility of 5% plus half of this increase by the Senate.

Senator Van Valkenburg: Just for--kind of the niceness of the budget--since we have \$1 item in here we don't wind up with 50¢, can we--How about if we take out \$30,000 in the first year and \$35,000 in the second year, that is pretty close to 50%.

Representative Marks: Could you show us where we are there?

Senator Van Valkenburg: I think it is on page 16, line 15.

Representative Bardanouve: That's \$30,000 the first year.

Senator Van Valkenburg: Take out \$30,000 the first year and \$35,000 the second. That would still leave \$33,040 in the first year and \$39,941 in the second year. Maybe they can make the upgrades and downgrades balance out a little better there.

Representative Marks: They have flexibility and a little more money there. Question.

Senator Van Valkenburg: Question was called on the motion.

Voted, passed, Senator Keating voted no.

Senator Keating: Mr. Chairman, I am almost afraid to ask, but there were several bills that have been passed that have added to the cost of doing business with the state Auditor's office. Do you think it's safe to suggest that maybe we appropriate the funds so they can accomplish what it is that they have been

directed to do?

Senator Van Valkenburg: Give it a try.

Senator Keating: All right. This is the time and place.

Judy Rippingale: Mr. Chairman. If you would like to know--based upon the comments that you thought you were taking out \$275,000 when you voted on the district court thing--My staff tells me that you really were adding \$487,000, you were not taking \$275,000 out. Would you like to have an explanation of that?

Senator Van Valkenburg: (amid laughter and exclamations) We will work on it for awhile. I don't want the explanation right now, I want to keep going on the Auditor's office.

Representative Marks: I worked on that for 3 days and I thought I was right. (more laughter and comments)

Senator Van Valkenburg: Senator Keating, you can keep going on the Auditor's office.

Senator Keating: House Bill 338 costs \$28,000 in the first year and \$20,000 in the second. Adds $\frac{1}{2}$ an FTE each year and

Representative Bardanouve: What is the House Bill?

Senator Regan: Unisex insurance.

Senator Keating: 338 is title insurance, laws relating to title insurance and provides first time regulatory authority to the insurance commission over all title insurance. This is a new program assigned to the state auditor's office. It has to do with abstract deeds giving title insurance.

Senator Van Valkenburg: How much are you putting in here?

Senator Keating: It's \$28,266 in the first year and \$20,246 in the second year. Page 16, line 22.

Senator Van Valkenburg: And the source of funding is what?

Senator Keating: General fund.

Representative Waldron: There's no fees in there?

Senator Keating: There's insurance fees.

Representative Bardanouve: Well, it's general fund money.

Senator Van Valkenburg: One of the things that I was going to suggest with respect to these issues, and there are a number of them from all kinds of agencies where they say that they have

additional cost because we passed a bill, is that we really save that all to the end. Let's go through and deal with the issues as the Senate amendments to the bill, you know, or some of the other things that come up and see where we are. Is that all right with everyone?

Senator Keating: That's fine with me. (others agreed)

Senator Van Valkenburg: I would like to have the fiscal notes checked out and I would really like to have an analysis as to how severely it is going to affect their operations if they don't get the money.

Representative Waldron: Mr. Chairman, if I could interrupt a moment--I did list 3 bills that were handed to me by the Dept. of Justice. I don't know if the fiscal analyst has gotten those or not. Senate Bill 57, House Bill 108 and Senate Bill 116. I would feel more comfortable having the fiscal analyst take a look at them before we get to them.

Representative Bardanoue: There are House Bills 387 and 853 and they would be with the Department of Labor. You have 338 with the auditor. We should treat them all alike.

Representative Marks: Mr. Chairman, do you want to go back and take care of that district court thing now?

Senator Van Valkenburg: Well, do you? Are we all through with the Auditor's office? Okay, then let's get an explanation of this district court situation.

Representative Marks: Mr. Chairman, I would like to review what I thought the position was taken yesterday was that Senate Bill 142 was passed in the form that was agreed upon by the House and the Senate and approximately \$4 per car--.

Senator Van Valkenburg: Would you get one of those for Mr. Rostocki too please? (This was in regard to something being passed around)

Representative Marks: At approximately \$4 a car which is an average price but it brought that much money in and it was considered and agreed upon at that time that if that happened you could reduce the second year of the appropriation by \$275,000. Is it your position then that that amendment was prepared incorrectly then to do that?

Curt Nichols: Yeah, I think you--in terms of the amendment, may have -- I guess the \$275,000 you would save in the second year-- but you added additional monies into the court over and above the revenues. I guess that's probably where it shows up.

Representative Marks: Well, if this is correct, I would suggest that we use that.

Senator Van Valkenburg: Could we get a comment from Mr. Rostocki or someone here from the budget office?

Norman Rostocki: Mr. Chairman, I think as I said when I was up here before that we prepared the amendment for the compromise of the committee. I'm not saying there's anything wrong on Curt's sheet at all. I don't think we really discussed yesterday in the Conference Committee how much revenue was generated versus the costs, and we prepared the fiscal note and I think that was the issue that we sat down and talked about, and I don't know whether it really came out or what. That's why I prepared a complete different fiscal note yesterday when we had the conference up in the House and I went back and changed it to what the reflection of the committee was.

Representative Marks: Well, Mr. Chairman, I would suggest that we get Mr. Abley in and before we settle up on this because this is a fairly important matter and I wouldn't want to deal with it too fast and maybe it would be better to ask him and recruit him and Mr. Rostocki to sit down and go through that. I would later take some time and participate with some other people from the House.

Representative Bardanoue: Mr. Chairman--we are about \$3/4 million off of where we thought we were the 275 plus 1/2 million here is 3/4 of a million.

Senator Van Valkenburg: In that regard, in terms of our schedule for the rest of the day here. The Senate is going in at 10 o'clock, but what I was hoping was that we could work until 10, take a half an hour off then --just let us go in and get the show started and then 3 of us can leave, I think and come back and we could work until noon or something of that nature and see how far we have gotten in the bill, and then you might do the same thing. I don't know what your situation is today on the board in the House but certainly we could work on adjournment and try to finish this up today.

Representative Ramirez: We're not supposed to have much of a load today in the House so we might have some time fairly quickly after we go start in.

Representative Marks: Are you likely to send some material from the Senate to the House in your morning session? That would indicate we would have a little bit of something to do this afternoon. I think our board is fairly clear.

Senator Van Valkenburg: We sent an awful lot last night.

(discussion among House members as to commitment, coordinating with House and Conference Committee, etc.)

Senator Van Valkenburg: Well, let's keep going then. The Department of Justice, page 17 in the bill gg/4. (discussion on other departments, etc.) I am just going through the bill.

Representative Waldron: Was this a floor amendment or in committee to the undercover Criminal Investigation (19.)

Senator Van Valkenburg: It was a floor amendment.

Representative Waldron: It seems an awful big chunk all at once.

Representative Bardanouve: And there is another \$100,000 somewhere else.

Senator Van Valkenburg: It is included within that, I think, in 16.

Representative Waldron: The \$100,000 to buy drugs that is \$5,000?

Senator Keating: No, that's for the 5 county task force, isn't it?

Representative Waldron: Well, I found some language, I think it's on page 7. gg/7. \$100,000. I assume that's to buy drugs.

Representative Ramirez: Is that part of that \$400,000 and \$300,000?

Senator Regan: No, it would (interrupted)

Senator Van Valkenburg: Senator Gage is here in the room. He offered the amendment and I think he would probably be in the best position to explain it if you'd like to call upon him.

Senator Gage: The \$100,000 is line itemed for the undercover agent.

Representative Waldron: Is that in addition to the \$400,000 for '86 and the \$300,000 for FY '87? (some discussion in the background as to "yes, it's in there" and "it's 2 different programs)

Senator Van Valkenburg: If you look at the bill here, look at page 19 of the bill lines 20 through 23 you will see that there is about \$300,000 each year of the biennium on line 21 and then there's a separate \$100,000 on line 23 for a total of about \$700,000.

Representative Waldron: Did you set up a proprietary fund so you can make a profit on this? (background noise)

Senator Van Valkenburg: I know the humor that goes on in this whole process, but this is a pretty serious matter to the Senate.

Representative Waldron: Well, Mr. Chairman, in times of tight budgets to start an expensive new program does concern me a little bit. In working with PFP we whacked out a lot of new proposals for people and then completely eliminated people from general assistance. Maybe it is a good idea to start the program. Could it be done at a lower level?

Tape 89 A. 000. Senator Van Valkenburg: I think so. I think that the Senate wants this program in place, but I don't think it has to start on the first of July of this year. That will--you know, we could delay it and have some general funds savings in this biennium, but I'll be quite frank with you that that's not going to mean that in the 1989 biennium there won't be the savings there. Although--in this particular program, given some other legislation, I think there is the potential to bring in some additional funds through seizures and forfeitures and the like, and I also know in the law enforcement community that there is discussion of about finding another way to fund this in the 1987 session if this program proves to be successful. I could easily support a 6 month delay in the program.

Representative Waldron: Well, Mr. Chairman, how would we go about doing that? Looking at the bill we cut the bi-fund in half and the under-cover criminal investigation in half, will that do it?

Senator Regan: I don't think you want to cut the bi-fund in half, but you can cut the \$300,845 in half and then it will be a slower start up. They can either phase it in or they can wait until the second half of the year and start up then.

Representative Marks: I just have some questions. I'm not sure what's envisioned in this whole program, because we didn't have a bill on it or anything to present it. It's going to be a state wide program, as I understand it. Will it be coordinated--is there a lot of personnel here or what is this?

Senator Van Valkenburg: Is there a representative of the Department of Justice here to explain this? Mr. Kuchenbrod?

Robert C. Kuchenbrod, Administrator, Central Services Division, Department of Justice: Mr. Chairman, I'm Bob Kuchenbrod, the Administrator of Central Services, the first year 5 FTE were 4 investigators and one secretary and the second year were 4 investigators and an additional secretary. They will work in coordination with the 5 county task force team they have down in the Billings area and they will also work with the regular CI's who work the whole state, but this team will work

the whole state.

Representative Marks: My question then--is this then the total program? Or are we going to be looking at 10 next session?

Bob Kuchenbrod: We started out, I believe we had 12 FTE in our original proposal on budget modification, and since then we have reduced it down to 5 and 7. A team of 4 is important because the team of 4 has to work together, cover each other. It is a safety matter as far as the team working together.

Representative Marks: It is a squad then?

Bob Kuchenbrod: It's a squad.

Representative Bardanouve: Don't you have another criminal drug investigator or so in the department already?

Bob Kuchenbrod: We have our regular general investigators. There's 4 of them that work requests of the Legislative Auditor or the Counties, Local Law Enforcement and then we have the 5 county task force that works down in the Billings area and there is 5 people down there, but they work specifically, those 5 counties.

Representative Bardanouve: I have said for many years we are moving into a very powerful state police criminal investigation bureau which is going to run the law in Montana in a few years.

Senator Van Valkenburg: If I could respond to that. The opposite of that is to have a very powerful element of law breakers that operate with impunity because they can cross county boundaries and move around all over the state, and I don't think our fear of state police should cause us to ignore that element of society. This particular program only goes in to operate at the request of local law enforcement officers, and I think that there are protections in that regard.

Representative Bardanouve: The camel will have his nose in a tent, and you will see down the road what will happen.

Representative Ramirez: I would like to answer your question. There was some concern in Yellowstone County about the 5 county task force. If you could kind of give us a little bit of back ground on that?

Bob Kuchenbrod: Representative Ramirez, the details I don't know. I do know that one time Billings area pulled out briefly in the early part of the session. They have since resolved their difference and are back in the 5 county.

Representative Ramirez: Do you know why they pulled out and what the differences were?

Bob Kuchenbrod: It was probably more of a turf problem than anything else. Getting the investigators in certain areas. That would be a guess of mine.

Senator Keating: Ours was budget problems also. The county commissioners had to put so much money into that task force and they were--there was some concern over the amount of money in the budget as well.

Senator Van Valkenburg: Mr. Kuchenbrod, could you respond to the area that Representative Waldron raised in terms of what effect on the program there would be if we delayed its start-up and how that might be translated into dollars in the bill?

Bob Kuchenbrod: To delay the project--as long as we keep a team--give us FTE's for a team and starting later in the year we can work with that, but if you cut us back and start us like in July with 2 FTE's that is almost a non-workable situation. So the emphasis would be give us the FTE's but maybe delay it and it can go through the biennium wherever you want to start.

Senator Van Valkenburg: Could you tell us, for instance, if we have a 6 month delay or a 1 year delay what that would mean here--in terms of money.

Bob Kuchenbrod: Terms of money it would save about \$300,000 in general fund. Total.

Representative Waldron: Mr. Chairman, the first year of the biennium you are going to spend \$400,845. Well if you don't have the investigators, will you still need the bi-fund?

Bob Kuchenbrod: The bi-fund, what we did in saving that \$300,000, we put a proposal together for fiscal year '87 where we had 7 FTE, we had \$50,000 worth of bi-fund in the original equipment, so moving into fiscal year '87 we would have the 7 and the \$50,000 would cover that amount of money that we needed for bi-fund.

Representative Waldron: Bob, as I recall, I talked to some investigators and some police officers, and one of their complaints is that when it comes to bi-money, they never seem to have enough.

Bob Kuchenbrod: That's true. There are many times when if sufficient money was available, rather than getting the street people we would get the more important drug dealers if you had larger amounts of money we would be able to get more impressive bites.

107, 89 A. Representative Bardanoue: Is there a motion on the floor?

Senator Van Valkenburg: No, there isn't.

Representative Bardanoue: I will move we delay this program one year.

Representative Waldron: And leave the bi-money at \$100,000.

Representative Bardanoue: And leave the bi-money at \$100,000. This \$100,000 in all respects, no matter who is in that office, is the most open-ended appropriation you can possibly have, but we trust their honesty.

Senator Van Valkenburg: The motion is, as I interpret it, to strike \$300,845 in the first year of the biennium, leave the bi-fund in as a biennial appropriation.

Representative Ramirez: I have a couple more questions if I might ask them. Is this--this is a team of 4--is this a field team?

Bob Kuchenbrod: Primarily it would be a field team. An under-cover drug team is what it would be. They would go at the request of the local law enforcement and go into areas in trying to determine who is selling drugs, go under-cover and try to apprehend some of the people involved.

Representative Ramirez: But you have 4 members of the team plus a secretary. I am just curious as to why this field team has to have that secretary.

Bob Kuchenbrod: Representative Ramirez, currently the CI program that we have now has 4 investigators and no secretary. The secretary we use comes out of Law Enforcement Division administrators office and is over worked. If we add 4 under-cover people we have that many more transcripts, that many more trial proceedings, all kinds of things as far as preparation clerical work for going to court.

Representative Ramirez: So the secretary is really not just for the under-cover team, it is also to help you in C & I.

Bob Kuchenbrod: Yes, that's true. It is much needed.

Representative Marks: My question. Would there be any reason to make a biennial appropriation on the bi-money if you didn't have the team? Wouldn't that be moved to the second year also.

Representative Bardanoue: That would be proper.

Senator Van Valkenburg: Would you amend your motion to that effect then?

Representative Bardanoue: Yes.

140. Question was called. Voted, Senator Van Valkenburg asked that the record shows the vote unanimous, Motion passed.

Senator Van Valkenburg: Other issues within the Department of Justice? The Department of Highways has asked if there could be a language amendment in this section of the bill. I am not sure if they have communicated this to Justice or not, but on page 21, line 15 of the bill there, they would add in, they are referring to item 10 which is back on page 19, line 9. A portion of the appropriation in item 10 from the State Special Highway Revenue Account for the purchase of establishing regional dispatch centers is provided for the '86, '87 biennium only. The Department of Justice shall develop a cost allocation plan for the purpose of recovering the cost of operation of regional dispatch centers from all user agencies on an equitable basis and shall submit the funding plan to the 50th legislature within the departments '88, '89 biennium budget request. It is the intent that a direct appropriation from the states special highway revenue account not be used for this purpose. I think that the concern there is using gas tax money for the regional dispatch centers that the department has approved.

Representative Bardanoue: Mr. Chairman, I brought this up and we had it in appropriations committee, and there is a question --the Fish and Game have been using this, why should Highway have to pay for all? For example, Livestock Commission will be using it, why should Highway have to pay it all, so I suggested to Mr. Wicks that they work out the allocation of the costs and it is only fair that the users should pay for the use of the system.

Senator Regan: I move the language you just read.

175. Senator Van Valkenburg: Mr. Kuchenbrod, do you have any comment on that?

Bob Kuchenbrod: The only comment I would have, Mr. Chairman, is that we feel the Highway earmarked fund is proper use of that money for this communication project, and that we would be willing to set up an allocation for going into the next biennium.

180. Question was called, voted, Senator Van Valkenburg asked that the record show the motion carried unanimously.

Senator Van Valkenburg: Anything else on Justice? Board of Crime Control?

Representative Waldron: Juvenile Justice funds in there and as I recall that was federal money and in talking to some of the people that have been involved with it in the past, it appears to not have been a very worthwhile program. Perhaps moving it to the Board of Crime Control would make it a more worthwhile--I don't know, but as I recall we had some problems

with that in the House for that reason.

Senator Keating: Are you referring to the fact that it was at the Law Enforcement Academy for awhile and is that what your comment is?

Representative Waldron: Well, it was at the Law Enforcement Academy for awhile, but I also believe it is strictly funding. It was federal start up funds.

Senator Keating: Well, it was federal funds that were eliminated several years ago and then it was general fund money, and it was in the Law Enforcement Academy for awhile, but now the program has one FTE that is a part time monitor for the thing and they use contracted services to get in a specialist for training for counselor's and court people, school teachers and what-have-you, in putting on that training programs for the juvenile justice laws in the state and it is a useful program and I got an awful lot of letters and mail from the users of this in the counties who said that this prevents a lot of young people from ending up in detention and jails and that sort of thing and that it is a useful program and that it is a good tool for teachers and the people that want it.

Representative Waldron: Senator Keating, I just haven't heard too many glowing commentaries on it.

Representative Bardanouve: I never received one letter for this.

Senator Van Valkenburg: I got 50 of them last session, when we tried to cut it out. I remember that well.

Representative Marks: I remember that well too, Senator, but I am just wondering if this program has really been operating this current biennium. Hasn't there been a vacancy there or almost vacancy there?

Representative Bardanouve: I heard some talk, Mr. Chairman, in appropriation committee, in subcommittee said that it hadn't functioned very much in this past year.

Senator Van Valkenburg: Mr. Kuchenbrod, can you respond to what has been going on with the program?

Bob Kuchenbrod: The Juvenile Justice Program was established with a federal grant about 2 sessions ago and last session with general fund. Since that time the individual involved that led the program is going to retire in June, his health is very poor, and frankly the program did not do what we wanted it to do. The Attorney General asked Mike Lavin, Board of Crime Control, if he could take this over and give it some real direction. He felt that he could. He felt that his Juvenile Justice people that he has on board there would help to contribute to make this

work for the state. That's primarily why we ask that it be put in the Board of Crime Control.

235. Representative Waldron: Mr. Chairman, I would move to delete the funding for that.

Question was called, voted, The Senate voted unanimously no, the motion failed.

Senator Van Valkenburg: Anything more on Justice. Then we will close Justice. The next item in the bill is the Department of Revenue.

Senator Keating: Mr. Chairman, I'm going to stick my neck out again. This proposed amendment deals with the Income Tax Division of the Department of Revenue on their modification for 14½ FTE addition, and I want to emphasize that this is in the personal income tax division, not in corporations, not corporate tax, not corporate dollars or anything. We are talking about individual income tax. Now it was in our projected funds under general fund receipts under the \$747,000 in HJR 9--it shows that the income tax--the personal income tax would increase \$10 million a year--then at transmittal time when the package came over they had added DOR collections, auditors, \$11 million as a new source of revenue, which would mean a total of \$39 million in personal income that the Department would gather if they add these 14½ FTE. There are 6 auditors and 8½ collecting on here and at the cost of about \$584,000 for the biennium. It was explained in the subcommittee that there are 18,000 citizens out there that already owe us \$12 million in taxes. These are individuals and some of this is withholding tax by small employers who are in a Chapter 11 situation or small employers who are in arrears on reporting their withholding. There are some individuals out there that haven't paid the Department, but the \$12 million is owed and the idea is that if they send these collectors out they can collect that \$12 million and that's the stuff that is supposed to be this \$11 million, I guess, of new revenue, and I submit that that money will eventually come in anyhow because we know that it is owed to the state. Those people will pay it eventually. This department already has 11 auditors and 7 collectors and to add this many more people to go among our citizens out there to try to squeeze more money out of them when everyone knows how much unemployment there is, how much the average weekly wage has dropped, how tough it is out there for the little guy--we have heard that all session--so I'm submitting to you that rather than sending these people out there to harass our citizenry to squeeze some more, that we let those people work as best they can and be productive and pay their taxes and we will collect just as much money as if we add this modification. Mr. Chairman I move this

310. amendment to delete 14½ FTE from the Department of Revenue in the Income Tax Division.

Senator Van Valkenburg: Is there further discussion on the motion?

Representative Waldron: Senator Keating, I don't think your neck is sticking out too far on this amendment. I think if we leave the auditors in there John LaFaver's neck is stuck out for a long ways because he has told us he is going to be bringing in revenue, and if he doesn't there'll be a number of Legislators who will be eager to question him about that in the next session.

Senator Keating: Representative Waldron, I appreciate that, but I would like to share with you an observation from the last biennium in that there was a real scramble here to have 24 more assessors--appraisers--out there running around and we did not permit that addition to the budget, and the job got done and the work was done and was done for less money. But during that last biennium, in this evaluation, those people in the Department of Revenue were arbitrarily raising the market value of properties in many areas of the state--going out and saying, "This tractor is now worth x number of dollars" and "This oil rig is worth this number of dollars" and "This piece of property is worth x number of dollars" and we had people going to district court, going to the Tax Appeal Board and there was a fight out there and people were so busy going to court and so busy appealing their taxes they didn't have time to work. A lot of people moved their equipment out of the state, a lot of people quit doing business in the state. It was so discouraging out there that we lost a lot of productivity and a lot of potential revenue because of that oppression and that is what I am trying to say is what will happen here. We build an army of oppressors on people who are supposed to be productive and they will not produce, and you will end up being counter-productive with this because I believe that the DOR was counter-productive in the last biennium with regards to property.

Representative Bardanouve: Well your argument will be that we should abolish the Department of Revenue and all oppressors and everybody will just bring all their money to Helena and we will have prosperity in Montana because everybody will come here. I will make a little partisan remark here. I heard your eloquent speech about "little Joe six-pack" on the floor of the Senate. Whenever your political party becomes concerned about "little Joe six-pack" my ears begin to go like this. (demonstrates, laughter, etc.)

Senator Keating: Representative Bardanouve, I'm a moderate man. I believe in moderate measures. (more laughter)

Representative Ramirez: Before you call the question, I do have something I would like to ask. In 1983 we did the same thing. We added a number of auditors if I remember correctly, that was Representative Quilici's amendment, I believe. At

least I remember him discussing it on the floor. How do we determine--how do we gage the performance of these auditors? Do we have any figures from what the auditors did in the last biennium that we added. They were supposed to add a certain amount of revenue to the Department.

Senator Van Valkenburg: Mr. LaFaver, could you respond to that?

John LaFaver, Director, DOR: Mr. Chairman, we presented that information to the subcommittee. Basically in this area here, you have two ways to measure. One is the amount of money that the auditors find that is not --that is taxable but has not been assessed, and so that is entered on the books. Some of that money--the majority of it, is immediately paid, but some of it is not. Some of it then goes into a receivable and we turn it over to the collection staff here, much as a business or a credit card outfit would turn in an account receivable over and then they go out and try to get as much on that account receivable as they can, and we measured that as well.

Representative Ramirez: What is your estimate as to how much revenue you are going to be able to collect? I've heard so many different figures, I guess I would like to hear yours.

John LaFaver: Well, I think the estimate, not just in this area, but counting the corporate license tax and the Natural Resource tax as well, our objective that I think has been concurred in by most of the folks that need to is \$11 million over the next two years.

Representative Ramirez: And how much of that \$11 million is from these?

John LaFaver: It's the majority of it, I don't have that number handy. It is about \$8 million is the number that occurs to me.

Senator Van Valkenburg: Mr. LaFaver, is it your intention to go out and just squeeze the little guy as hard as you can and have an army of oppressors?

John LaFaver: No, Mr. Chairman, that isn't our intention. The vast bulk of this money, as Senator Keating has laid out is receivable that is on the books now. Any collection agency will tell you that the sooner you get to those receivables the larger the amount of money that you will be able to collect from it. I like to think that this is money that is legally owed the State of Montana. It doesn't make sense to simply allow those that willingly pay, to pay, and those that don't want to pay, to let them off. So I think both from a standpoint of more revenue as well as from a standpoint of insuring the revenue base of the state that these are very important staff.

422. Senator Van Valkenburg: Question is called, those in favor of the motion will vote aye. The motion failed, Senator Keating is the only aye vote.

Senator Van Valkenburg: We will take a half hour recess now so that the Senate can go into session. We are on the Department of Revenue, the last action that was taken was the motion of Senator Keating's on the FTE which failed, are there further issues in the Department of Revenue?

Senator Regan: Mr. Chairman, on the Senate, I think it was the floor, money was put in to pay 100% of the County Assessor's salaries. Originally they had funded at 80% and then at 70%. We are attempting to send a message back home that those offices could well be combined in many instances. In view of that, I am going to offer an amendment that simply says, In fiscal '87 451. there will be no subsidy. They will be at 100%. I would leave the \$217,400 in for '86 and then strike the '87 \$326,100. They would have plenty of time to consider that in their budget and make allowances for it, and Mr. Chairman, I move that amendment.

Senator Van Valkenburg: Okay, is there any discussion on the amendment? Representative Marks.

Representative Marks: Yes, I have some concern about the rationale of putting money in there.

Senator Regan: Well, I thought about striking it all but it seemed to be the wishes of the Senate that we not just chop them abruptly, and in fact, they restored the whole thing, and I thought a good compromise would be to go ahead and fund it this one year in '86 and then in '87 they would have plenty of warning and could make arrangements in their budget or whatever they have to do and perhaps even combine offices by that time.

Senator Keating: We are reducing our --we've been paying 100% we would be paying 30% of the salary in the second year.

Senator Van Valkenburg: It is 70%.

Senator Keating: We would be paying 70%, we would be making them pay 30%.

Representative Bardanouve: I would like to clarify this. Senator Regan says no subsidizing, but there is a very substantial subsidy of 70%. I would make a substitute motion that we delete those 2 items.

488. Senator Van Valkenburg: Question on the substitute motion to delete the addition that the Senate added in its entirety in the County Assessor's salaries.

Senator Keating: To clarify this you are paying 80% of the

salaries the first year and 70% of their salaries the second year, by your motion.

Senator Van Valkenburg: Question was called on the motion, we will take a roll call vote. The motion fails. We will revert to the main motion of Senator Regan. Question was called. 509. Voted, passed, Let the record show the motion carried unanimously.

Senator Van Valkenburg: Is there further discussion on the Department of Revenue?

Representative Marks: I have one concern. I am not sure of the language. Was there some -- There was a sunset on the Auditors and that was deleted. If you look at gg/7, in the narrative, item 6. I would move we reinsert the language 524. that was deleted so that in effect the collection staff and auditors would be sunsetted, and I do this that in the next session we would have an accounting of the progress that was made by the addition of those number of auditors in the DOR.

Senator Van Valkenburg: Senator Regan, that, I think, took place in the Senate Finance and Claims Committee.

Senator Regan: Yes, and I guess I'm not really going to resist it. As long as they can come in and show what they've done and it is fully understood that they can ask for that-- I suppose it would come in as a modified if they've done well it should have high priority. I won't resist the amendment.

Senator Van Valkenburg: I assume you would just as soon sunset them today. (laughter)

Senator Regan: It is a delayed effective date so (joke and laughter follow)

Senator Van Valkenburg: Those in favor, vote aye, those opposed no, motion carried, let the record show it was unanimous. Anything else on the DOR? We will close the Dept. of Revenue then. Department of Administration.

558. Representative Bardanouve: In the narrative, # 5. (gg/7) will somebody clarify what happened here. House Bill 12 was my bill is up for approval by the Senate members today. Why is this additional money here?

Judy Rippingale: That money was in House Bill 500. It was not necessary if House Bill 12 failed and my opinion it is not necessary if House Bill 12 passes. You pay your debt under the constitution but the Department felt better to have the spending authority on the books in case House Bill 12 failed.

Representative Bardanouve: Would someone clarify for me what were the Senate amendments in House Bill 12?

Senator Regan: I believe that there were a couple of agencies that came in and got added to the list so they would have the statutory authority.

Representative Bardanouve: There were no major changes?

Senator Regan: There is no major issue there, although there was a fear on the part of some Senators who passed it rather reluctantly.

Representative Bardanouve: Well, I think that language is unnecessary. I think nobody will oppose it in the House.

Senator Van Valkenburg: It has a place to go after it clears the House and Senate, and based on the testimony of the Counsel to the Governor before the Senate Finance and Claims Committee, I'd feel a lot better if that were left in the bill.

Representative Bardanouve: Well maybe, if we took it out, he might not be so free with his pen.

Senator Regan: I would move that we pass consideration of this item and we leave the DOA open for the purpose of considering this amendment, if we decide it is necessary as we approach the end of the bill. By that time we will know what happened to House Bill 12.

Representative Ramirez: When you say we are closing something. Are we closing it so that we can't go back if there is something that we forgot that we'd like to bring up. I didn't know that we were doing this the way we did it on the floor where we closed something and forever it was to remain sealed and not reconsidered.

Senator Van Valkenburg: Well, you know, you 'gotta' have some direction to this. We've got all these people sitting around here and you don't want to have them leave and go off to their bureaucracy's or whatever, and as soon as they get out the door, sandbag 'em. If something is genuinely forgotten, we will go back and get into it.

Representative Ramirez: Thank you.

Senator Van Valkenburg: Senator Regan has suggested that we pass consideration of this motion of Bardanouve's that the language on page 32, line 6 and 7 be deleted. Is that all right with you, Francis?

Representative Bardanoue: Yes, I have never seen such a tantrum of somebody from the Governor's office over a simple little bill. It amazed me how concerned that lady is.

Senator Van Valkenburg: Alright, anything else with respect to the DOA? No further issues on the Department of Administration?

Representative Ramirez: What about # 29, the communications technician. Maybe somebody could explain that to me.

Senator Keating: That's our telephone system, Mr. Chairman. I had that marked.

Dave Ashley, Deputy Director, Department of Administration: The telephone system in the State Wide system was put in two years ago.

Representative Ramirez: How much are you charging for the service and what service are you going to provide for that proprietary fund?

Dave Ashley: The position there is for a telecommunication assistant in the state wide system.

Representative Ramirez: How are you funding this.

Dave Ashley: We are funneling through the agencies that come to us in the DOA where Mountain Bell or AT&T provided this service before.

Representative Ramirez: I just wondered, how are you allocating that then--the cost of the communications technician? What will that person do and how are you allocating the cost?

Dave Ashley: Well, the cost is allocated through our rate base where we have a charge. We charge the state agencies in that position simply reflected in that rate construction to the state agencies.

Representative Marks: That comes out to be general fund money, then, doesn't it?

Dave Ashley: Part of it is general fund, part of it is proprietary, part special revenue.

Representative Bardanoue: I have found Mike Trevor to be one of the better qualified bureaucrats for the Governor. A very qualified person. If he recommends this, I am sure he would not purposely recommend another person in the department if it wasn't necessary.

Senator Keating: I recall in doing that budget it is about 1/3 general fund in that budget. The whole budget. It is financed about 1/3 from general fund. It is all proprietary but there is federal and Highway and other funds in there. His proprietary fund is fed by only about 1/3 general funding.

____ Tape 90 A. (Note Tape 89 B was not used.)

Senator Van Valkenburg: Any further discussion on this issue? Anything else in the Department of Administration? Public Employees? Department of Military Affairs? Disaster and Emergency Services?

(Some discussion here as to how this was going, it was going through the bill, and Senator Van Valkenburg was asked what page he was on.)

Senator Van Valkenburg: I am on page 34 in the bill. I know that there weren't any Senate amendments in these areas but I just want to make sure that we aren't missing anything.

Representative Waldron: I didn't realize that you were going through the bill and wanted to do it that way. I thought we were just going through the Senate amendments. I do have a motion on an earlier part of the bill.

Senator Van Valkenburg: Well, all right. We've done it both ways. We started out with the Senate Amendments, then we came along we had like the district court costs and those weren't Senate Amendments and we put those in. If you want to wait, that's fine. If you've got something bring it up and we'll do it.

Representative Waldron: I do have something. This is on the Legislative Auditor.

Representative Ramirez: That kind of brings me to a question. Are we just--I mean is everything fair game in this or just the matters that are written in dispute plus the matters -- anything that has come up since the action on the floor.

Senator Van Valkenburg: We are in a free Conference Committee so I guess you can say anything is fair game.

Representative Ramirez: I looked at the rule, it was brought to my attention that the rule--at least in Mason's is fairly--it is a little more restrictive than that. I hope we do not go into things that really don't matter in the dispute between the two houses and that we confine it to those that are in dispute plus anything that has come up since the action on the floor. I think that it is really better to do it that way.

032. Representative Waldron: First of all I would make the amendment and then let me explain. In the House there was a motion made to delete 7 legislative auditors, and a number of people who voted for that came and told me later that they were just using that as a sort of play and they expected actually to take less than that. They figured about 3. One of the parties had caucused against reopening the bill and so there were a number of people who voted to delete those 7 and didn't want to delete the 7 but it was impossible to go back into the House and reconsider because there was a caucus position. I think there was confusion over the way--over the whole issue. The number that kept coming up that others brought to me and they thought we should leave four and to remove 3. It is going to cause some problems in the medicaid audit that we started -- there are two major portions and some very significant results particularly in the second audit, and I am proposing a compromise between the 4 that were suggested that ought to go back in and zero that was put in the Senate this time. It's going to take some scraping and I don't think we can finish the committee for the audit to spend what the finance committee would like us to, but we can complete some major portions of it with those 2 FTE. Also, I am concerned about the discretion in the Legislative Auditor's office that I am aware of at least, in the performance audit, and I see that as one of the most significant things that goes by the Legislative Auditor's office.

Senator Regan: Mr. Chairman, I would put on my black hat and resist the motion. An attempt was made to put 4 back in and it failed. As a matter of fact, there was a motion to take 4 more out and it almost passed. By 2 votes it failed. I think there's a great feeling on the part of the Senate that we have an office that had grown considerably over the years, and when we were doing sunset audits and that kind of thing, perhaps there was some reason for it. We compared what Montana has with neighboring states and it is startling, and while I don't in any way question the quality of work or the amount of work, they do, I question whether we can afford it. It's a sort of a Rolls Royce operation and they do performance audits and all these things which are very nice to have done, but we are putting over a million dollars in general fund each year of the biennium in that department, and I think it is time to kind of tread a little bit and I think the action of the Senate was correct in what they did.

Representative Waldron: First of all, there was some trimming done in the House. Aside from the vacancy savings we also took a 2% across the board cut of the Legislative Auditor's office, and then the 7 FTE so there is some substantial cuts. I don't think it was the intention of the majority of the House members to whack quite that hard. Also, as far as the compliance auditing that is done, I think that most of the state agencies found that useful, and in comparing with other states you have

to be very careful. You've got to compare apples to apples and oranges to oranges. Some states have a smaller number of FTE's but then they make up for it because they have a larger dollar amount that is spent for contracts and contracting private auditing firms to do the same services. Also in some states, there is a split of function between their legislative auditor and their state auditor. You know we have a state auditor in Montana that really doesn't do auditing, and all those fun things for compliance and financial audits here in the Legislative Auditor's office. So when you are making those comparisons you have to be greatly conscious of doing that. As far as the performance auditing, a good deal of that performance auditing has been through the request of the Legislature itself such as the Highway audit which has resulted in some significant changes in the Highway districting law and such things as the request of the finance committee etc.

Representative Ramirez: I understand how strongly Representative Waldron feels about this issue, but I want to go back to the point I just made. I do agree with what Senator Regan has stated, but I also think that we should be very cautious--in fact, I think we should not go back into areas where basically there is no dispute between the House and the Senate as to what happened in this. That these things passed through the whole process. We've got to go back with whatever we come out with. We've got to go back and sell it to our respective fellow members, and if we start taking away things or adding to things that they have agreed upon already it is going to make our task more difficult. I think that it is their understanding, if not expressly if not tacitly, that we deal with the disputes between the 2 houses which deals primarily with the changes that were made plus anything that could not have been considered or was not considered at the time because it simply was not right for consideration. If we get off on other things, I think we jeopardize our whole process. We have only a matter of almost hours now remaining of this process. For that reason I am going to resist the motion.

Senator Van Valkenburg: Is there further discussion on the motion now?

Senator Keating: I support the motion because I think the Auditors office came before our subcommittee at below current level. His staff--although he had authority for FTE's he had kept his vacancy savings under quota and had done everything to comply with the law and still provide the legal reporting that we require in the law, and I think this massive cut is just too much for that agency to stand. We equate everything to money, it's as though the auditor doesn't do anything but go around and snoop on everybody and that he doesn't have any value. Well the job that they do down there ends up resulting in the savings of millions of dollars within our operations and it's an efficiency measure and for that reason the cut was too deep and

and we ought to replace a little of that so that that department can do the job.

Senator Van Valkenburg: Representative Ramirez, did the House know that they were cutting out 7 people when they voted on this?

Representative Ramirez: I think so. Oh, you mean 7 existing positions as opposed to prospected positions?

Senator Van Valkenburg: Well, that's one part of the question, but I guess my understanding of the House action on this is that there was a motion by--I think it was Representative Waldron, but that Representative Donaldson had put together, that directed the fiscal analyst to maximize other fund sources in the auditor's office, and that it wasn't until the fiscal analyst had done the work on that that it really turned into a reduction of 7 FTE's.

Representative Ramirez: I just can't recall the timing on this one.

Representative Waldron: There was a bit of confusion over the whole issue. The fiscal analyst book showed there were 58 FTE at current level. Well the auditor's office had been authorized 7 FTE to do the state wide financial statement which is really necessary for us in order to hold our bonding rating up. And so, it became very confusing as to whether or not you were talking about warm bodies, and it looked like an increase that was done this time, when in fact, it was our policy to do that state wide audit and the auditor, realizing they didn't need the FTE until the following year, Fiscal Year 1985, didn't hire them. The issue may not have even come up if they had acted fiscally irresponsible and hired the FTE's. That is the base year. You know, most of the agencies know that you spend as much money in the base year as possible to build it up because that is the year we look at, and so there is a good deal of confusion in the House as to whether you were talking about people who were actually aboard.

Senator Van Valkenburg: There wasn't much confusion in the Senate, I'll tell you that. It was pretty clear cut, in fact, as Senator Regan says, we were within 2 votes in the Senate of cutting out 4 more people and when the motion was made to add 4 that failed by 30 votes or so. But I'm not sure that the House really knew what it was doing, but then (more laughter and jokes here)
190.

Senator Van Valkenburg: Are you ready for the Question? Question is called, we will take a roll call vote. Motion carries. Any others out there that we can smoke out that haven't come up yet? All right then. We'll go back then to the Department of Administration. We finished with that and the PERD.

196. Department of Military Affairs, nothing there. Department of -- Disaster and Emergency Services in the Department of Military Affairs. Department of Highways. Is there anyone here from Highways? Mr. Gosnell and Mr. Wicks? They had given me some language that they wanted to put in but I am not desirous of offering it but I thought maybe they might want to do so.

Representative Marks: Senator, was that the language relative to that coal tax money that you were talking about?

Senator Van Valkenburg: This is regarding the reconstruction trust fund and presentation of their budget to the 50th legislature.

Representative Waldron: Mr. Chairman, in order to retain my fine friendship with Mr. Wicks and especially with my friend Mr. Gosnell, and more particularly my good friend Representative Harp (at this point there was laughter and jokes) I'll offer this motion which deals with the reconstruction trust program. The Department is directed to continue the current level of effort through fiscal 1987 in program development and preliminary engineering to develop a \$40 million per year reconstruction trust fund program. The department shall submit its 1988-89 biennium budget based on current revenues, and prepare an alternate budget which reflects the \$40 million per year reconstruction trust fund program, with additional revenue requirements, for presentation to the 50th Legislature. This could be described, I suppose as cosmetic, but the Highway Department would feel really good if we put that in.

Representative Ramirez: It could also be described as laying the ground work.

Representative Waldron: Yes, it could very well be described as that.

Senator Keating: Is that reconstruction trust account in the narrative on page 36. Are those the amounts that are in there now? \$32 million and \$29 million. My question is--in the narrative on page 36 the reconstruction trust fund has numbers here of \$32 million and \$29 million is that what the account is now that they are asking that we suggest that it goes to \$40 million in '88-'89 or however far down the road we are going with this thing?

Senator Van Valkenburg: Would you answer that Mrs. Rippingale?

Cliff Roessner: The amounts listed in the bill are just cash transferred from the Highway Gas Tax Account into the reconstruction account for '86-87. That is not the appropriation in that account. The appropriation in that account is around \$40 million each year.

247. Question was called.

Senator Keating: They are just asking for a continuation of the current level then, is that it?

Senator Van Valkenburg: No, they are asking us to put in the bill that they should come in and ask for a lot more next time.

Senator Van Valkenburg: The question has been called. Those in favor vote aye, those opposed vote no. The only aye vote represented is Waldron's, the motion fails.

Senator Van Valkenburg: Is there anything else here? All right, if there is nothing more here Section one of the bill is closed.

Senator Regan: Oh, wait a minute, when you say it is closed, I am going to later on make a motion to reconsider that action of the auditors. I think in view of the soundings that it is imperative that we just remain at status quo. They came within 2 votes of taking out 4 more. I think that is important. I will make a motion to reconsider. Whether you want me to make it now or later, Mr. Chairman, I care not.

Senator Van Valkenburg: If you want to make a motion, make it now.

Senator Regan: All right, Mr. Chairman, I make a motion that we reconsider our action in having approved 2 additional FTE's in the Audit Department. I don't know whether you realize how many auditors they have down there. Representative Waldron,-- how many--Mr. Chairman, may I ask him?

Senator Van Valkenburg: Well, let's resolve the issue of whether we are going to reopen--reconsider this thing first.
273. Question was called. No votes are Senator Keating, Representative Waldron, the motion carries.

Senator Regan: I won't pursue it any further, Mr. Chairman. Now, I'll ask that you remove the 2 auditors that you put in by our action of about 5 minutes ago.

Senator Van Valkenburg: And that is all you are going to say? You're not going to get my vote with that!

Senator Regan: Well, what I'm going to say is they have 65 auditors down there. I had a chart that compared the number of auditors in sister states along with the total budget for the state, the kinds of audits they did and the number of employees. And, we have more than twice as many as any other state around, I mean--you know--18 auditors I think in Idaho. I wish I had the chart, I really do. I could probably go to my file and get it if you feel it is imperative that I show you

what I ----- (interrupted)

Representative Ramirez: What I'd like to ask is that we--we've now moved to reconsider, I'd like to just defer that before you make a motion and maybe we can get some additional information, particularly in view of what Senator Van Valkenburg said.

Senator Keating: Two things. The Legislative Auditor office has about 54 FTE at this point and one of those is the Audit Committee, so you are down to around 53 personnel--I don't know how many auditors there are in there, but there aren't 64 or 65. The comparison with the other states is chuck full of errors and erroneous assumptions and that comparison sheet certainly is not evidence as to what we are doing here, and so, I think your motion is not well taken because it is based on erroneous information.

Senator Regan: If they have 54 now, I would like to hold them at that level. That would be 10 below, not 6 below. They are authorized, however, to have 60--I think it is 67, is that correct?

Representative Waldron: 65. In FY '85. Of course that also counts the Legislative Audit Committee, itself.

322. Senator Van Valkenburg: All right, are you in agreement with Representative Ramirez suggestion that postpone action here until you get this together? All right. Representative Marks wanted to address the district court funding issue.

Representative Marks: Yes, Mr. Chairman, I would move that we reconsider our action on this previously on the district court because the figures that were presented were apparently incorrect and -- I would make that motion first.

330. Motion to reconsider. Those in favor vote aye, those opposed no, the ayes have it and so ordered.

Representative Marks: Mr. Chairman, I would move the amendments as the new amendments I just passed out. In recomputing those, it was found that we had by the previous motion we had put in \$5 million 742 thousand the first year and \$5,737,000 the second. They actually need \$5,329,513 and \$5,425,448 which would accomplish about \$825,000 difference in our favor, so it is with great zeal that I make this motion.

Representative Bardanouve: Would you give me that figure again.

Representative Marks: We have taken out of the previous amendment about \$825,000 total.

Representative Bardanouve: Now this amendment will do what you originally proposed here?

Representative Marks: Yes. Apparently there was a mistake made in drafting the first amendment, and everybody seemed to agree on this one.

Representative Ramirez: So you are now adding a reduction.

Representative Marks: I am adding a reduction.

Representative Waldron: Mr. Chairman, Bob, since everyone is in agreement--.

Representative Marks: I talked to Mr. Abley, Henkle, the fiscal analyst, budget office, myself.

Representative Ramirez: What did it come out on the reduction?

Representative Marks: \$325,000.

Representative Ramirez: We were adding in 400 and something general fund so now we would be taking out about \$400,000?

(Debate in the background and they seemed to come up with \$275,000) Question was called.

360. Senator Van Valkenburg: Question on the motion. Those in favor vote aye, those opposed no, the ayes have it, the motion carries, and let the record show it passed unanimously. Is there anything more in Section one of the bill? We will move on to section 2. Department of Health and Environmental Sciences. Seeing no concerns here we will move on to the Department of-----.

Senator Regan: Wait a minute. Page 42 of the bill, lines 13 and 14. Mr. Chairman, I want to offer an amendment to strike the language on page 42, lines 13 and 14. This is the so-called Hannah amendment which says that as a condition of receiving Family Planning Services it is contingent that the physical plant of Family Planning does not contain an abortion clinic or a facility that performs abortions. I know this is a highly emotional amendment and when you address the amendment you are not voting for abortion, you are not in any way condoning it, but what you are doing is removing some language which I feel is improper and indeed illegal. Now, I did not offer -- and I have to explain to the body that I did not offer this amendment on the floor of the Senate because it was our intent to get through that bill--if you remember it was Saturday afternoon about 3:20 or so when I hit the--when this thing came up. I looked at the clock and realized if I brought up the issue I would irritate a great many people up there and subject the body to about a 2 hour emotional debate. I thought it better handled in conference committee where we can address the issue on its legal merit. I think you have all received material which has addressed this issue. Did you all receive the memo from Lee Heiman, the staff attorney--is there anyone

who has not received that? As well as other material that had been prepared by Joel Guthels Council for Planned Parenthood. If we do not strike this, I suspect what will happen will be the title 10 monies will be tied up by having action taken to enjoin the funds and it is far better that we address it in a rational manner here. So, Mr. Chairman, I move that
415. we strike lines 13 and 14 from the bill on page 42.

Senator Van Valkenburg: Is there any discussion on the motion?

Senator Keating: I am opposed to the motion and I'd like to pass out some sheets to the committee.

Senator Regan: Is Dr. Drynan here? Perhaps before we vote we should have Dr. Drynan here because I think I want to address a question or two to him.

Senator Van Valkenburg: Mr. Hoffman, in case Dr. Drynan is not in Helena.

Senator Keating: On one of the sheets that you have, it says page 5 is an excerpt from a report that was done by the Health Department in April of 1982 on the maternal and child health needs assessment cover letter by Dr. Drynan. The recommendation is that State Family Planning Program avoid any appearance in association with abortion and contracting of private family planning programs currently performing abortions. Requiring separate facilities and separate advisory boards for the programs associated with abortion may be one means of achieving this. Now, on the second sheet that you have, this is on the planned parenthood letterhead and is page 2 of a letter signed by Doug Haacke the clinic manager and is written to a Senator. On the second page he says, secondly it has been projected by examining new equipment, building maintenance and start up costs that the patient load at Yellowstone Valley Womens Clinic is not sufficient to support Yellowstone Valley Womens Clinic as a free standing clinic. Now let me explain the importance of that. In 1982, subsequent to this report from the Health Department, the Planned Parenthood Program in Billings purchased a building and rented space to the Yellowstone Valley Womens Clinic in the same rooms, so that a portion of the planned parenthood facility is shared by Yellowstone Valley Womens Clinic. In fact the examination rooms are used one day for Planned Parenthood and the next day for the Yellowstone Valley Womens Clinic which performs 1/3 of the abortions in the state. Last year there were 4,061 abortions performed in the state and of that 1128 were performed--1100 and--1211 were performed by the Yellowstone Womens Clinic out of 3618 performed in the state in 1984. 33% of the abortions in the state are performed by the Yellowstone Valley Womens Clinic. This is an increase in their percentage from the year before. Even though the number of abortions in the state have gone down, the number in YVWC has increased and on a percentage basis

whereas in the United States, abortions as a whole, has leveled off and has gone down. So the evidence is clear that there is --there are abortions there, but these two facilities are using the same floor space, the same rooms. Now then, Dr. McCracken is a $\frac{1}{4}$ FTE for the Planned Parenthood Program and he is in the principle physician for the YVWC. So he counsels and examines on one side and performs abortions on the other side and that is contrary to the requiring of separate facilities and separate advisory boards or separate personnel. In addition, Dr. McCracken's principle income is from the YVWC and he has a conflict of interest in that he advises in the PPP and then performs abortions in the same facility next door. Now that is contrary to law because there is specifically within the law that no one shall benefit personally from any program that is federally funded. Now the separation of the two facilities is implied both in federal language and federal intent and in state intent, so from a legal standpoint I believe that that facility is in violation of the law. Now there are 13 Family Planning Services. 11 are called Family Planning and 2 are called Planned Parenthood. The only facility in the state that is associated with an abortion clinic that is in the same building is in Billings under that PPP. The PPP and the abortion clinic in Missoula are separated. I would submit that because this unit in Billings is in violation of both federal intent and state intent that that unit jeopardizes all the title 10 money that comes for family planning to be used for Health Services in this state. I resist the amendment.

Representative Bardanouve: Senator Keating--would you yield to a couple of questions.

Senator Keating: Sure.

Representative Bardanouve: How many lawyers live in Billings?

Senator Keating: How many lawyers live in Billings?

Representative Bardanouve: Yes, how many lawyers.

Senator Keating: I have no idea how many lawyers live in Billings.

Representative Bardanouve: Do you feel they are very able lawyers that do live in Billings?

Senator Keating: Yes.

Representative Bardanouve: Okay, that's my point. There are several hundred lawyers and here we're taking a legal--and I am not entering into the issue itself, but I deeply resent on the House floor that we take a legal hassle that can be

settled by legal means in Billings and put it into an appropriation bill. The main bill that operates the Government of Montana. It really bothers me. Just think, if all the mining companies had a hassle, all the environmental people, all the people in the education. You take any area of controversy in Montana and you'll find hundreds of controversy wrote the little hang-ups, or I mean questions, and I am not saying there isn't a legal question there--in each of the appropriation bills and you couldn't spend money from the DNR because of some problem or from any department of government and in order to solve a legal problem. I think they should solve their problem in Billings through the courts and with attorney's and not write it in the appropriation bill. Now this is unprecedented to me--almost--even worse than the time that a member of the House--it is far worse--than a member --from Billings he was-- and tried to amend down the appropriation from the University System because he didn't like a speech that a professor at U.M. gave in St. Paul, and it took us half a day in the House to end that effort. I think we should not use our appropriation bill for a hassle on a local level. And, I'm not entering in to the argument itself.

Representative Marks: I'm not either, Representative Bardanouve, but I do think that common sense could prevail in that situation in Billings and they could take care of a very inflammatory situation by good management, and I think the amendment would provide that. On the floor there was another amendment that would have stricken the whole program and they didn't support that one but we do support the Hannah amendment. We do write restrictions in our law as to how people operate and I can think of one that says you cannot have a saloon except so many feet from a school house and I guess I kind of put this in the same equation. You take people who are seriously needing advice and counseling and right across the hall or maybe in the same room they can get the problem taken care of--I'd be inclined to at least let them walk 600 feet and let them cool off.

Representative Ramirez: Mr. Chairman, I guess I don't want to talk about the issue itself either for a second, but I want to talk about the procedure. This is exactly the kind of thing that I was concerned about when I made my remarks earlier. This is a matter that really is not in dispute as far as the House and the Senate are concerned. I don't know what happened in the Senate, apparently it was not specifically addressed, but the bill in this form was approved by a majority of the Senate. It was approved in this form by a majority of the House and we're as a committee of 7, going to undo language that was in there by majority vote. I don't think this is in dispute. I'm concerned also that if we tamper with this--this is an emotional issue, there are many people who, I think, would be very concerned if we took this language out and we jeopardize the

whole state budget over taking out language that isn't in dispute between the House and the Senate. I'm not even sure under the rules--looking at Mason's--we can do this, but apart from that technical aspect of it, I think we should confine ourselves to making changes of compromise between those areas in actual dispute between the House and Senate and we shouldn't get back into the things where they both agreed on this language through majority votes. That is the technical side, and I would object to us going into this. The other thing, this material that was just handed out by Senator Keating, and I don't think I have seen this before--I'm pretty sure I haven't seen this before--but this is pretty powerful material. If this abortion clinic cannot make it by its own admission in its own letter, it cannot make it as an independent -- I guess you would call it a - business? free standing business-- or a service, and can only make it if it is connected with planned parenthood, then I think that it is in effect, relying on the federal funds that it is prohibited from relying upon. To keep its operation going, so this to me, is--I think this is quite clearly--if this is true what they have said here by their own admission, they are violating federal law.

Senator Regan: I guess that I--first of all, I think it was mutual agreement on the floor that it not be addressed, and I told the press at that time that I chose not to address it because it is a quarter after three and we've got to get through the big bill, people have things to do and figured we would take it up here. I think that is a logical place to do so rather than have an emotional discussion. Indeed, I don't think you can address abortion without having an emotional reaction. I think we all agree to that. I don't like abortions, but they're legal, and I'm not pro-abortion, I am pro-choice. For myself I would never have one, but that is not the issue. Having an abortion is a legal activity, and since Planned Parenthood is doing nothing illegal and there has been no co-mingling of funds because they have been audited, believe me, those people down there that are objecting to the women's clinic have made sure they have been audited, and they have had a clean bill of health. How can you deny legally funds when there are no illegal activities going on? Question 1. To Senator Keating, who points to the number of abortions in Billings, I am not at all surprised. There are only two places in Montana, really, where a number of them are being done. Actually there are more being done in Missoula than in Billings. So, it isn't the fact that because Billings has planned parenthood that they are doing more abortions, they are actually doing more abortions in Missoula and your figures will show that. To address this, here--Do you notice in the upper right hand corner, it says recommendations. Now, as I understand it, there was a consultant that came in and made a number of recommendations. This was not adopted. It was a part of the thing that was published his recommendations to the department. It is not state policy, it has never been

adopted, and indeed, it should not be. It should not be public policy--that flies in the face of law, and if you would examine --or care to examine--what the staff attorney--our staff attorney--has put together, you will clearly see that this language is inappropriate and illegal and will jeopardize the title 10 monies because I can guarantee you that unless we strike that, Planned Parenthood in New York will enjoin the funds and they have said so. Lastly, and I probably shouldn't say it, but I always say what I think--I don't know why we are discussing it--if there were a bunch of women sitting at this table, it wouldn't be raised. It's too bad you guys can't get pregnant and then I think you might view the whole issue in a different light. Not that you like abortions but that you recognize the need for them at times. When you deny women services from Planned Parenthood indeed, you are driving them to abortion. Use your head.

Representative Ramirez: I guess the advocate in me is going to jump into this fray even though I don't really--but this is the very reason I don't believe we should address matters that were not at issue between the House and the Senate. We're going to get off on a tangent here in a conference committee--7 of us--that could jeopardize the entire state budget and perhaps force us into a special session if we don't go back and get agreement of what comes out of here. We should confine ourselves to the issues that are in dispute between the House and the Senate, and this passed by a majority vote. But let me go back -- Senator Regan, I want to take issue with one thing. I know you raised a piece of paper, and that is a different piece of paper than the one that I am referring to. I'd like to just quote from this. This is on the Planned Parenthood letterhead. I just saw it just now, and here is the language. "Why is Yellowstone Valley Women's Clinic located in the same building as planned parenthood in Billings?" This is the question that they are going to answer in their own letter. They give two reasons and they say--Here are two good reasons, and I won't go into the first one. Secondly, "secondly, it has been projected by examining new equipment, building, maintenance and start-up costs that the patient load at--the abortion clinic--is not sufficient to support the abortion clinic as a free standing entity." What this means to me is that they are relying on the PP funds to give the base support to keep going, and to me that is illegal. Now, maybe they are keeping their books separate but they are relying on some of the base costs that are being financed by state and federal funds to support the abortion clinic. Now even though abortions are legal, that is not a permissible use of federal funds, and it just seems to me that they have one very easy solution. We are not taking anything away from them if they will just what I think ought to be done in a sense of propriety and appearance and I think even legality, and that is just separate the two.

Senator Regan: Yes, they rent to the Women's Clinic. They also rent space to the Yellowstone City-County Health Department, and they rent it to the maternal child health program. Why? Because it is cheap space, and rather than the YCCHD going out and getting a separate building, they act prudently where they find adequate space for reasonable cost, and that's why it's done that way.

Senator Keating: Mr. Chairman, this motion passed by quite a margin in the House and the proposed amendment we have here was also proposed in the Senate Finance and Claims Committee and was rejected by a majority vote in the Finance and Claims Committee.

Senator Regan: By one vote.

Tape # 91. 066. Senator Van Valkenburg: Question is called, we will have a roll call vote. Motion failed. Anything else in the Department of Health? Seeing none, anything under the Department of Labor and Industry?

Representative Marks: Comment, Mr. Chairman. Item # 6 on page hs/3 Silicosis Benefits. That is the most innovative use of RIT funds that I've ever detected.

Representative Bardanouve: I thought that was the prime example this session. I compliment the Senate, you should go in for creative writing in finance.

Senator Van Valkenburg: Anything else in the D of L & I? Seeing none, the Department of Social and Rehabilitation Services?

Representative Marks: One question. I guess I have -- item 7, that contingency money there--is there any offset there?

Representative Waldron: I worked with the Fiscal Analyst yesterday on that one, and as I understand it, it is some one-time money for community programs for pre-school developmentally disabled children who are not getting services in schools, and I asked the Fiscal Analyst--both Dr. Blouke and Miss Joehler are trying to figure out if there is some way of offsetting general fund, and apparently under the regulations that this money is supposed to be spent, there is no way of offsetting general fund. It will provide some services to those pre-school children. Pam has prepared the answer to that.

Representative Marks: The other part of the question, Steve, is how is that going to affect, or does it affect the contingency fund that is already in OPI? I think that is general fund, isn't it?

Representative Waldron: Yeah, that's strictly general fund.

It is my understanding that it can't be utilized for that purpose either, it's got to be pre-school children, and that's going to be the outlet.

Pam Joehler: Mr. Chairman, that is correct. Gail Gray, Office of Public Special Services, informed me that this money is to be used for pre-school children, who would not otherwise have received services.

Representative Bardanoue: Item number 14. Mill levy, is this the amount of money--is this the same amount of money that we used earlier in the session--or has there been an adjustment upward. We've been moving some mill levies upward--I mean not the mill levy, I mean the result of the mill levy. If this is a larger one than what we calculated at the beginning of the session when we set the budget on the basis of the meetings with the department, we should reduce the appropriation to of the general fund. We have had a situation in the University system where we increased the millage. Has there been any judgment here. Dr. Blouke is shaking his head.

Peter Blouke, LFA: Mr. Chairman, no, this, Representative Bardanoue, is the same estimate of the mill levies that we used in the beginning of the session.

Representative Bardanoue: If we are to be consistent, and this is not a Senate-House issue at all--I think we should use the adjusted mill levy we now agree upon and reduce the appropriation of the general fund.

Senator Van Valkenburg: Is there someone here from the budget office? Mr. Hunter? Do you have a response on that?

Dave Hunter, Director, OBPP: I think we need to look at the numbers, Mr. Chairman. That is just the assumed county number and I know that Senate Tax did act this morning. Maybe if we could come back to that issue after lunch and look at what the right numbers are on that bill. We have a mill as you are aware in the University System and it might be well if we could do both of those this afternoon and I'll get something ready on it.

Representative Marks: I wonder if Mr. Hunter could bring back the total mill levy adjustment or a full evaluation adjustment at the same time in the taxable value of the state.

Dave Hunter: As adopted in HJR 9?

Representative Marks: The difference between that and where you are now.

Representative Bardanoue: That's why I'd like to have the answer.

Senator Van Valkenburg: Anything else in the Department of SRS? Seeing none, we move on then to Section C of the bill.

Representative Marks: I have one comment, Senator, on the narrative on hs/4 in SRS, on the part in # 5. I think there is--I have a quarrel with some of the language there. Which says except as provided in the previous paragraph, the department shall not expand or reduce the amount, scope, or duration of the benefits available, and I am wondering if we should be tying them down that tightly. I would propose that we strike that language.

Senator Regan: Mr. Chairman, the language is found on page 51, Representative Marks, line 14, and I think that when you read it in its entirety, the total paragraph you will find that that refers to the heart surgery, and then later on in the bill on line 21, this provision does not prohibit the department from amending reimbursement procedures to contain costs providing there are no reductions in the types of services provided to recipients or increases the amount paid by recipients under co-payment rules.

Representative Marks: You're talking at this amendment that I first referred to was specifically addressed to the heart transplant.

Senator Regan: I believe so, yes.

Senator Keating: The exception--except for the heart transplant.

Senator Regan: I think that is clear, reasonably clear.

Representative Marks: That language--why do you need the language, anyway?

Representative Bardanoue: Well, I see no relation between --there is something that bothers me here.

Senator Regan: Mr. Chairman, if we start in with heart transplants, are we going to have liver transplants and kidney transplants and etc. You are in danger of embarking on a whole new thing. They have not been approved for medicaid other, although Heart has. And, as technology moves forward, we are going to be facing some very serious questions. We are attempting to address the specifically, and let's face it, this language is put in here on this heart transplant to address a single case that we know of in Great Falls, and that's the intent of it. There may be other cases out there, the department said no more, shortly than 4 max, and that is why the restrictive language.

Senator Van Valkenburg: You are satisfied with that now?

Representative Marks: I don't think I am.

Senator Keating: What the amendment is really doing with the amount of money that is coming and doesn't pertain to the heart transplant part of it, what it deals with, is if there is an expansion or reduction of federal funds, then the department is going to have to expand or reduce, but then, they're given the latitude for changing the co-payment rules so that they can stretch the fund farther if they have to. The language--the one sentence that is struck from the bill is that if it is not sufficient funds they will come back for a supplemental, and that's what we took out.

Representative Bardanouve and Representative Marks both asked if that is really what was taken out.

Representative Bardanouve: Mr. Chairman, I was lost--the issue refers earlier.

Senator Van Valkenburg: All the Senate actually did was to provide an exception, and the exception applies to the heart transplant surgery. Otherwise it's the same as the House had it.

Representative Bardanouve: Does this exception refer specifically to the Heart portion of the appropriation, or as Senator Keating said, --.

Senator Van Valkenburg: If you look at it in the bill. It is page 51 of the bill line 16, and it is different in the bill than it is in the narrative that is accompanying the thing because apparently the Legislative Council decided that they did not want to say in the previous paragraph so they said except as provided for coverage of heart transplant surgery as set forth in this narrative.

Representative Bardanouve: Well, this doesn't then refer to the overall medicaid?

Senator Van Valkenburg: Yes, it does. It applies to the overall medicaid other program but it provides an exception as to the heart transplant surgery portion.

Senator Keating: It allows for an expansion for the heart transplant only. Other than that the only way that they can expand or reduce --I mean it can't be expanded or reduced, but it can be modified by the co-payment rules. That's what you are talking about here.

Representative Bardanouve: Maybe I'll get in trouble with Mr. Ramirez, but I was concerned about the language that has been in there. It passed the House and the Senate, but I think it

puts the Department of SRS in a rather difficult position. It almost encourages them an over-run of their budget in that they can't reduce their programs.

Representative Ramirez: What language are you talking about now?

Representative Bardanoue: It is in the SRS bill here.

Senator Van Valkenburg: If you ignore the exception, what he is talking about is where it says the department shall not expand or reduce the amount, scope or duration of benefits available to recipients under the medicaid other program unless.

Representative Bardanoue: Now this is what--our case load is soaring here and what we are doing--we are saying that they can't really tighten up their procedures--can't really do anything. Anything they do might be construed as a reduction of services.

Senator Van Valkenburg: Is Dave Lewis here? (yes) May I get a response from him because---

Dave Lewis, Director SRS: Mr. Chairman, The discussion in the House with the subcommittee, and then with the House Appropriations, had to do basically with that sentence on line 17. The consensus to this point of the Legislature has been that they do not want the Department to reduce services without coming back to the Legislature for specific permission. That, after the experiences in the last biennium and discussions in the previous bienniums, that the consensus expressed in this language is that--okay, we have determined the level of services and these are the type of services that we want--the Legislature wants the Department to provide, and that's why the language was required on the heart transplant. The language as it was written said we could not expand services, then it was amended in the Senate to say except for, you can go ahead and add heart transplants to the thing.

Representative Bardanoue: Well, the point, Mr. Chairman, is that this language almost prohibits them. The last, in this biennium ending now, SRS through no fault of theirs, but without the ability of really taking a hard position sometimes, have over spent their budget, probably with the contingency funds and the supplemental funds and things, quite a few millions of dollars. At least \$8 million not counting federal dollars. This here does not give the Department--and I guess the Department likes this language because it takes the heat off of Mr. Lewis, but I think the language is not the kind of language that you want in tough policy. It is not the kind of language I would favor.

Senator Regan: Mr. Lewis, this does not prevent from using a preferred provider system or restricting a medicaid recipient to just one specific doctor with referral to take the kind of cost containment measures--does that restrict you in any way?

Dave Lewis: No, in fact the last sentence again says that it does not prohibit the Department from amending reimbursement procedures, but what the big concern was, the big money basically gets into elimination of optional services. At this point in our discussion with the subcommittee and on through, we think we are underfunded on the medicaid program. All I asked from the committee and from the Legislature was some specific directions as to what they want us to do. Do you want us to cut out optional services. If that's the case, we'll go out and start chopping optional services. The consensus again to this point as expressed by the language is no, we think that should be a Legislative decision. I am totally agreeable to that.

Senator Van Valkenburg: Francis, do you have a motion on this?

Representative Bardanouve: Well, I don't have the ability to write quite the kind of language I would like to see. The Fiscal Analyst wrote me a couple of optional languages, and I don't have them with me.

Representative Waldron: Representative Bardanouve, as I recall, we removed some money out of medicaid and that was at your suggestion in the House.

Representative Bardanouve: It wasn't moved out of medicaid. It was contingency fund.

Representative Waldron: Well, the department claims that there is not enough money to run medicaid, and you told them at that time if there isn't then they should come in for a supplemental. This language would insure then, that they come in for a supplemental, would it not?

Representative Bardanouve: I don't question, if a department in good faith tries to do their very best they can and make some real tough decisions and there's still short fall, I'll surely will support a supplemental.

Representative Waldron: Mr. Chairman, Representative Bardanouve, what are the tough decisions that you would like the Department to make. I think that is Mr. Lewis's problem. It is not enough to say make tough decisions, what tough decisions do we want? Is there a priority of programs that you want eliminated?

Representative Bardanouve: That would be up to the Department.

Representative Waldron: Well, if you want that, then it should be put in the bill, and say this is the priority on optional services or other services that should be cut back if there is not enough money.

Representative Marks: We did that in one session as I recall.

Senator Van Valkenburg: If there is no motion we are going to move on. I am going to recess this conference committee now, and consider that we have really finished our business on Sections A and B unless there is something that has been forgotten, but we are not going to go back into all that again. We'll take--what's your schedule this afternoon in the House?

Representative Marks: We have about a dozen items to do. I would guess that it would not take too long.

Senator Van Valkenburg: Could we tentatively say we will meet here at 3 o'clock? I don't know where we will be in the Senate, but let's try and meet back here at 3 o'clock. We will resume discussions where we left off--we were just going into the Natural Resources section of the bill. Page 52 of the bill -- public service, there were no Senate amendments to that agency, any comments there? Seeing none, Department of Livestock? Department of Livestock's okay, next is the Department of Agriculture--any comments--

The conference committee was recessed to allow members to have lunch and attend the sessions in their respective chambers. Members then returned and the conference committee was resumed at 6:33 p.m.

331, Tape 91.A.

Senator Van Valkenburg: There were no comments on public service or Department of Livestock--Department of Agriculture, Any comments on the Department of Agriculture?

Representative Ramirez: I'll just ask a question, Mr. Chairman. On item 4. Pesticide Training Funding Change.

Representative Bardanouve: Yeah, I was interested in that.

Representative Waldron: They did some changes in funding within other funds.

Representative Bardanouve: Yeah, but that's "0", "0", "0", "0".

Senator Van Valkenburg: Can you explain that, Judy?

Curt Nichols, LFA: Mr. Chairman, this was a move of funds from federal special revenue to state special revenue. It occurred in others and there was a balance so it worked out

to be "0", but it was a motion that affected dollar figures in the bill so we listed it on the table.

Senator Van Valkenburg: Does that answer your question, Representative Ramirez?

Representative Ramirez: No, but that's good enough.

Senator Van Valkenburg: Okay then, is there anything else in the Department of Agriculture?

Senator Regan: I want to raise the issue of the appropriation of funds from the milk control board to the Department for milk testing, and I have been told by some members, and I've even had letters saying this was inappropriate and I would like one of the fiscal analysts to address it whether it was appropriate or not.

Curt Nichols: The language was put in in Senate Finance and Claims to allow \$27,600 that had been collected, I believe, between 1977 and 1982 for milk testing. There is some milk testing equipment being purchased in Livestock up in the Diagnostic Lab and this amendment forces the use of that money for that purpose. The legality question, I guess I don't have an answer for that.

Representative Waldron: If we don't use this money, what other source of money is there?

Curt Nichols: The contemplated source was a loan from the Livestock earmarked account which would be repaid by fees charged for milk testing.

Representative Bardanouve: This is kind of a family quarrel, let them fight it out among themselves.

Senator Regan: I would let them fight it out among themselves but it seems to me by this language we've taken sides. What we've done is stolen the money from the milk control board, and plugged it into the Department of Livestock, and I don't think it appropriate -- or agriculture--I don't think it appropriate and if there is sentiment around the table I will make a motion to put it back where it originally was.

Representative Waldron: Senator Regan, funds taken from one place and put in another has been a theme of this session, you don't want to change that now, do you?

Senator Regan: Yes, sometimes I do.

Senator Van Valkenburg: Is there a motion on this subject? (comments in the background) Is there anything else in the Department of Agriculture?

Representative Marks: Back up to that item 1. Rabies control.

Representative Bardanouve: The Department of Livestock, they are really hurting. The valuation of cows has gone down and I think also the Department of Revenue has reduced the herd by 5%. Of course, that is most of their income. They have been subsidizing the Rabies Program but they are now in a position where they have to lay off some of their personnel and they feel that Rabies is not a program they should be subsidizing.

Senator Van Valkenburg: Any motions on the subject? Seeing none, is there anything else in the Department of Agriculture? Seeing none, we will move on to the Department of State Lands.

398. Representative Bardanouve: Am I correct that item # 10 is the money from the confirmation of 2½% set aside for improvement of land?

Senator Van Valkenburg: Mr. Nichols, can you answer that question?

Curt Nichols: Mr. Chairman, that's correct.

Senator Van Valkenburg: Any further discussion on the Department of State Lands? Seeing none, we will move on to the 408. Department of Fish, Wildlife and Parks. Any issues there?

Representative Waldron: There is this--item # 11. What is this?

Representative Bardanouve: That is the Kleffner Ranch.

Senator Van Valkenburg: Representative Bardanouve is correct. That was a floor amendment that took place in the Senate. It was offered by Senator Fuller with the idea that that would provide a hundred thousand dollars on the initial payment on the purchase of the Kleffner Ranch.

Representative Bardanouve: I don't know what to do at this present moment the Kleffner Ranch is kind of hanging on a cliff at this moment in conference committee and if it falls off the cliff this money will be not available for this purchase.

Senator Van Valkenburg: What if I make this suggestion, that we amend the bill at this point to say that the money is available for purchase of the Kleffner Ranch if such is approved in House Bill 928, and if not it reverts to the Department of Fish, Wildlife and Parks for its other use.

Representative Marks: I have one question on this. Where does that money come from? What?

Representative Bardanoue: That is the coal tax park funds.

Representative Marks: I mean, where would it have gone had it not reserved for this?

Representative Bardanoue: It was used for Park maintenance.

Senator Van Valkenburg: Mr. Flynn, do you want to respond?

Jim Flynn, Director, F W & P: Mr. Chairman, Representative Bardanoue is correct, that is money that we had authorized for maintenance of the current park sites.

Representative Bardanoue: I hate to leave the money hang there, if something happens to the Ranch.
447.

Representative Waldron: Mr. Chairman, I'll make a motion that we insert that language to coordinate with 928 and if the money is not in that bill then it would go back into the department for maintenance.

Senator Keating: Where would it go?

Senator Van Valkenburg: It would go in page 59, line 24 and then, I suppose the language would go on page 60 or 61 somewhere. Isn't that right, Judy?

Judy Rippingale: Mr. Chairman, the language would go on page 61, probably following line 9.

Senator Van Valkenburg: Then in referring to item 6.a., line 24. Question is called, those in favor vote aye. Opposed no. The ayes have it and the motion carries unanimously. Any further items on F,W & P? Seeing none we will move on to Natural Resources. Is there any issues there? The Fiscal Analyst had asked us earlier to address the issue of Dam Safety Act.

Judy Rippingale: Mr. Chairman, if you would look on page 63, line 15. The fees that are assessed under Senate Bill 369 are deposited into the general fund and are part of the general fund, so really such funds are appropriated to the department for purposes of Senate Bill 369. This is quite a deviation from the previous policies--as you are saying collect a certain amount of money from certain sources coming into general fund and then open endedly appropriate it back out.

Representative Waldron: It looks like a statutory appropriation.

Senator Van Valkenburg: Mr. Fasbender, do you have any comments on this?

Larry Fasbender, Director DNR: It amounts to \$30,000. The Dam Safety Program would have gone through even at the \$30,000 level if we had just stayed with have collecting that. It still won't be adequate to fund that particular program. I don't think it is a statutory appropriation in that it is just for this one time only. The Legislature will come back and look at it in 2 years.

Senator Van Valkenburg: What is the desire of the committee?

Representative Waldron: Larry, wouldn't a straight appropriation make more sense?

Larry Fasbender: The Senate committee felt at the time that it should be --should come out of those funds that were generated under 369. We have hoped to change 369 through an amendatory veto, but it had already been signed prior to the time that that decision had been made.

Representative Waldron: How were you going to change it?

Larry Fasbender: To allow those funds to be transferred and to allow us to assess fees at a rate that would allow us to carry out the intent of Senate Bill 369. This particular amendment only applies to our inspection of dams. There is some 20 dams that we will be inspecting at about \$1500 each. It does not allow us any funds at all except for the first \$16,000 at the first to set up the rules. It doesn't allow us anything at all to administer that portion of the bill. It requires us to issue permits etc.

Senator Van Valkenburg: Larry, would putting \$30,000 in there be sufficient?

Larry Fasbender: That would help. We had anticipated if we could get 369 changed we might be able to change those fees by just putting a flat \$30,000 there it closes down so we can't change those fees.

526. Senator Regan: Mr. Chairman, I really think if we expect him to do it, and we did tell him that he could collect fees and obviously he cannot, so Mr. Chairman I move that in the 2nd year of the biennium ---- 1987, we insert \$30,000 of general fund money and we strike the language on page 63, lines 15 and 16. And, Mr. Chairman, I hope too, that the Department keeps track of what fees have been collected so we might take a look at it when we look at the budget next time around. I think that is a reasonable thing to do, Move the amendment.

Representative Bardanouve: What is the source?

Senator Regan: It would have to be general fund money.

Senator Keating: Does this replace the \$16,000?

Senator Regan: No, it is just the second year.

Senator Keating: So it is a total of \$46,000? Mr. Chairman, may I ask Mr. Fasbender a question? Less collect fees under 369?

Larry Fasbender: The fiscal note on 369 was about \$16,000 the first year and \$117,000 the second year, to administer the Dam Safety Program, so it's still far below what we estimate the cost of administering that program was.

Senator Keating: What do you expect to collect in fees?

Larry Fasbender: There are about 21 dams being we anticipate would be --they would have to be inspected, and that is about \$1500 a dam. That's \$30,000.

Senator Keating: That money then will go into general fund?

Larry Fasbender: This amendment speaks to adjusting that.

Senator Van Valkenburg: Any further discussion on the motion?

Representative Ramirez: Can I just have the motion clarified?

Senator Regan: Yes, my intent is that appropriate \$30,000 in general fund money in FY '87 and secondly that we strike lines 15 and 16 on page 63 since it is impossible for them to spend those fees. The bill that has already been signed says the fees will go into the general fund. I think the intent clearly was to allow them to do that, but now we have left them just hanging with nothing.

Representative Marks: Would that come out to be about a wash?

Senator Keating: They are going to collect \$30,000 in fees and spend \$46,000 in appropriated funds so it will cost the general fund \$16,000. That's the way I get it, did I hear that right?

Senator Regan: Mr. Chairman, the \$16,000 is already in the bill for '86. You can see that in section c in the bill. On page 62, line 21.

Representative Ramirez: What are they going to do in '86, or is the whole thing going to be geared up to start in '87.

Larry Fasbender: The \$16,000--we can't collect the fees until we get the rules and everything in place. The \$16,000 will do--it will put the program together and then beginning in '87 we will begin to collect fees, for inspection of those dams.

Representative Ramirez: Well then the \$16,000 is to get rules and that? Why couldn't we just give them the \$16,000 to get them started and then the \$30,000 in 1987.

Senator Regan: That's all I am doing.

612. Senator Van Valkenburg: Question is called, those in favor vote aye, those opposed no, the ayes have it and the motion carries unanimously. Other issues on the Department of Natural Resources. You had asked about Water Well Drillers.

Judy Ripplingale: Yes, Curt, do you have the amendment on the Water Well Drillers? (yes) There has been a transfer between the agencies on this.

(This amendment was passed around as is as follows: 1. Page 64, line 15. Strike "2,350,147 and 2,235,188" and insert "2,313,135 and 2,198,756" 2. Page 62. Following line 21 Insert "G. Board of Water Well Contractors 37,012 (state special 1986) and 36,432 (state special 1987)" LFA will amend the totals.)

Representative Waldron: Mr. Chairman, I'll move the amendments. I introduced a bill similar to this this last session. Bob Marks's Water Well people just chewed me apart, but apparently they changed their minds.

Representative Bardanouve: Not all of them changed their minds.

638. Representative Waldron: Well I don't want them to have the pleasure of coming in so I will make the motion. We can agree to do what we should have done last session.

Representative Marks: This is all special revenue?

Representative Waldron: Yes.

Senator Van Valkenburg: Question is called, voted, the ayes have it and so ordered. Representative Marks voting no. Any other issues in the Department of Natural Resources? Seeing none we will move on to the Department of Commerce.

Representative Waldron: I attempted to sit in on as much of the Senate hearings as I could. One of the things that happened in there that I think was in error. The person making the motion did not consciously make the error, but they were really concerned about the Business Assistance Program in the Department of Commerce. A motion was made to fund the Business Assistance program, that's number 24, and that failed so another motion was made to take \$40,000 out of the Director's office (that's number 28).

Senator Van Valkenburg: The Department of Commerce is on page 63.

Representative Waldron: What that did, I am sure the Senator thought he was making a direct swap there, taking money out of the Director's office and putting straight general fund into the Business Assistance Program--or putting an increase in the Business Assistance Program. But, in actuality, was taking other funds. Some of them are general fund but a lot of them are -- you've got all the Professional and Occupational Licensing money in there and so it's not just general fund. You've taken some of those types of funds and are attempting to switch them over there and you can't do it very well. I
695. would make a motion that we delete the general fund from the Business consultants and reinsert the other funds in the Director's office.

Senator Van Valkenburg: What are those other funds?

Representative Waldron: Well, some of it is general fund-- you know how a director's office works, all the agencies pay into the Director's office. It takes the money out of the Business Assistance Program and puts it back in the Director's office. Occupational and Professional Licensing and others.

Senator Van Valkenburg: Is the motion clear to the analysts?

Representative Waldron: So that just takes money back out-- general fund out of the Business Assistance Program and puts the other funds back into the Director's office.

Representative Bardanouve: What happens to the Business Assistance Program?

Representative Waldron: Well, they've still got -- that was just an increase, they've still got their original appropriation.

Representative Bardanouve: Oh, this isn't the only money?

Representative Marks: What was your motion, Steve? Could you repeat it?

Representative Waldron: You would delete the general fund from the Business Assistance --\$40,000-- from the Business Consultants.

Senator Van Valkenburg: On this summary sheet the analyst prepared, #24 would be a reduction of general fund of \$40,000 each year. Number 28 would result in an addition of other funds each year.

Representative Bardanouve: Where does the other funds come from?

Representative Waldron: That's the ones that come from Professional Licensing, etc.

Senator Van Valkenburg: Is Mr. Colbo here? Do you have any comment?

Keith Colbo, Director, Department of Commerce: I think Representative Waldron explained it pretty well. Proprietary funds, if I might expand on that come from billing of the director's office from billing back to the other programs. We bill back to the other programs. Approximately 30% of the Department's programs are general funds. There is that offset. That's how it operates. We bill all our services out.

Senator Van Valkenburg: Is there further discussion on the motion?

Senator Keating: Could someone give me a line and page?

Senator Van Valkenburg: Senator Regan advises that this is page 66, line 16 and the other one which is the Business Consultants is page 64, line 24.

Representative Bardanoue: Does he--the Department support this transfer?

Keith Colbo: It was Senator Smith in the Senate that made the original motion to do that. The net effect is the Department will lose general fund money over all, but it will restore the Director's office to a level as it left the House. We can live with that.

Senator Van Valkenburg: Question is called, all in favor vote aye, those opposed no, Senator Keating voting no, the motion carries. Further issues in the Department of Commerce?

Senator Keating: This would be page 65, line 7. The House deleted \$400,000 for Montana promotion which is a subsidy for tourism and Senate Finance and Claims reinserted the \$400,000 and my motion is to delete the \$400,000 from the Montana Promotion general fund budget.

Representative Marks: \$200,000 a year?

Senator Keating: \$200,000 a year. Mr. Chairman, I've heard all the reports that our tax money used for this kind of a subsidy promotes a whole bunch of income, but I have seen the reports done on the tourist industry and there isn't that big an affect on the return on the dollar. It is more like \$4 return for \$1 invested, and I didn't see where there was any great influence on people staying in the state longer or spending more money in the state etc. We are going to be in the traffic lane for people going to Canada and if the economy

picks up in some other states a little better, why we might be in the traffic pattern for more tourism in the state, and I think it will happen without this promotion running and I
770. move this amendment.

Senator Van Valkenburg: Is there further discussion on the motion?

Representative Bardanouve: I want to make it clear. You reduced the \$200,000 a year.

Senator Keating: Yes. I am returning it to what it was in the House, which was \$1,058,000 in '86 and \$1,043,000 in '87.

Senator Van Valkenburg: Any other discussion on the motion? Question was called, Roll call vote, Motion fails.

Representative Marks: I would move to reduce that \$100,000 each year. That would give them the additional \$200,000 from what they have now. I think that is appropriate because we are still short of the match that we asked for as far back as the '81 session when we first asked them, in fact it was my proposal that we asked the private industry to come up with some match money, dollar for dollar and they have so far raised \$375---we asked them in this bill to raise \$375,000 the first year and \$350,000 the second and I think that is a good compromise, and I so propose it.

798. Senator Van Valkenburg: Is there further discussion on the motion? Question was called, roll call vote, Motion fails. Any further issues in the Department of Commerce?

Representative Waldron: Can I ask a question about --on number 26 there. There is a reduction in the private sector of the promotional appropriation. What was the rationale for that?

Senator Regan: I think that the reduction was made because the person--I am trying to think of who made that, I think it was Senator Haffey, but I'm not sure--seemed to feel that it was never the intention that \$700,000 fee brings what that --but more than likely \$350,000 was what they thought the industry was going to raise and know that there was no way that the industry was going to be raising \$700,000 and so we inserted that figure as a much more realistic mark.

Senator Keating: In the last biennium we appropriated \$800,000 and the Industry had led us to believe they could raise \$700,000 and then raised \$290,000--less than \$300,000 for the biennium and so it would seem a little bit unlikely that they would raise \$700,000 in each year of the biennium and so Finance and Claims reduced it to a more realistic figure of \$325,000 to \$350,000.

Representative Ramirez: Well, I have a question. Why did you put \$375,000 for 1986 and reduce it to \$350,000 in 1987? It seems like it should be just the reverse.

Representative Bardanoue: Recently I read, and it doesn't resolve an imaginary figure anyway, but you will think that unless inflation fades there will be no reversion.

Representative Ramirez: But it is \$375,000 the first year and 350 in the second year.

Senator Van Valkenburg: Any further discussion on that issue?

Representative Ramirez: I would like to move that we take \$50,000 out of travel promotion each year. I have done quite a bit of reading--I read the audit that our auditor did but it was a performance audit and it talked about some of the --of course this was about a year and a half ago, and I am sure that the D of C has tried to improve the evaluation of its own performance, but I still think that we should be a little bit tighter on this particular budget. They're--most of the advertising is in National publications. They do try to target to a certain extent, but apparently the most effective program they have and it is the least expensive--I can't remember what it's called, but the Governor's "Invite a Friend". Very low cost to that, and it has really been most effective, but it does seem to me that --we still have concerns over the over-all budget and what we can afford. It appears that there is going to be, I hope adequately fund all the things we are doing, but there is some concern over using one-time money, and it just seems to me that to try to get current revenues and current expenditures back to a level where they're about in balance, we need to tighten up a little bit, and I think this is a place where I think we could take at least \$100,000 out of it.

Senator Van Valkenburg: Any other discussion on the motion? Question is called, roll call vote. Motion failed. Anything else on the D of C?

Representative Waldron: We've got a little program there, the Bureau of Business Research in Missoula and I think it has become pretty clear that there isn't a great deal of support for continuing the economic forecasting. However, there was something that Economic Forecasting did for the budget office and the fiscal analysts office and that's Chase Econometrics. That is an important tool that's got to be used in any kind of a forecasting tool and without that Chase Econometrics it is going to be a real burden on the budget office and the fiscal analyst's office. They have an excellent revenue estimator down there. (laughter) It may pose a burden on that person, also. Anyway, at some place in here--I'll be serious here now. At some place we should get the Chase Econometrics in and Commerce is probably place to put it, you know,

(Someone suggested the OBPP) That would be a good place to put it, we can put it in the Budget office.

Senator Van Valkenburg: You know, Chase Econometrics, we've --it's been appropriated in the past to Maxine Johnson's shop and then it was shared by that outfit and Budget office and the LFA, and I think that the money has been cut out in the Bureau of Business and Economic Research, and so , if we are going to continue to have Chase Econometrics available to the budget office and the LFA we've got to put that in somewhere, and I think it is an essential aspect of Revenue forecasting. I think \$13,000.

Senator Keating: What's wrong with putting it in Mrs. Johnson's Department--don't they work with that stuff all the time?

Judy Rippingale: It used to be that the Budget Office paid half and our office paid half and then when--just in the last biennium Maxine Johnson's shop and they put the appropriation into her because she was supposed to do this Build Montana program and it was a new program that is not being continued this session, it was last session, it is not being continued, but when we shifted the resources for Chase Econometrics over to that program, then when that program got eliminated, so did Chase Econometrics which the Budget office and our office rely upon heavily to do our work.

Representative Bardanoue: Mr. Chairman, 2 questions. Would she be able to use this material if the Budget Office -- I mean, would the information be available to her also?

Judy Rippingale: Mr. Chairman, yes. We would be glad to make the information available to her.

Representative Bardanoue: And, I remember about January they said the oil prices (motion) and the oil prices went (motioned thumbs down).

Representative Marks: I wonder what the dollar figure there.

Senator Van Valkenburg: \$13,000 a year.

Representative Marks: I have another question. What reliability do we have--I guess I am wondering--what use do we make of this information? It seems like when we get down to the place where we have to use it we use Ouija boards voodoo economics. (there is some comment in the background here) I recognize that in the forecast for the future there is some based on that but when we get right down where we have to use it we kind of lay it aside and go by hip-pocket economics or something.

Dave Hunter: Mr. Chairman, Representative Marks, we use it and I think LFA does for a basis for national trends of oil prices,

and interest rates and some other things that we have to forecast in our regular estimates, and we would certainly recommend to you starting from a professional econometrics service like Chase. Clearly this legislature has to make its own decision but I think having the Chase number to start from, I think it helps us to make a better decision than by helping out the Legislature here.

Representative Waldron: Just for inflation alone it is a pretty important tool to give us some sort of base to start from.

Representative Ramirez: How much are we talking about?

Senator Keating: \$26,000 for the biennium.

953. Representative Waldron: I was hoping someone else would make the motion, but I will do so.

Senator Van Valkenburg: The motion has been made to add \$13,000 a year to the Budget Office for Chase Econometrics, which will be shared by the Budget Office, the LFA and the Bureau of Economic Research.

Senator Regan: I want to remind people that when we took \$100,000 out of Maxine Johnson's shop when we took the Chase Econometrics out--that was part of it, so this is not an add-on, it's just--in the sense that we took \$100,000 out and by that we took Chase Econometrics out and we need that reference, I think.

Representative Ramirez: We always start from a standing point, and with the LFA and the Budget Director, why do we always have that big difference? (laughter)

Judy Rippingale: Mr. Chairman, we are very creative people.

Senator Van Valkenburg: Are you ready for the question? Question was called, those in favor vote aye, those opposed no, Representative Marks voting no, the motion carries. Any other issues in the D of C?

Senator Regan: Did that go into the D of C?

Senator Van Valkenburg: No, it went into the Budget Office. Any other issues in Commerce? Judy?

Judy Rippingale: Mr. Chairman, we have an amendment here which will adjust coal numbers in Commerce to reflect House Bill 919 action.

Representative Bardanouve: That is the Coal Impact Board?

Judy Rippingale: Yes, Mr. Chairman.

Senator Van Valkenburg: House Bill 919 passed the Senate unamended, is that correct?

Judy Ripplingale: Mr. Chairman, that was my understanding.

Representative Bardanouve: It passed the House.

Senator Van Valkenburg: Is there a motion on the amendment.

983. Senator Keating: I move the amendment. (page 65, line 18. Strike "8,820,000 and 8,232,840 and insert 3,115,980 and 2,957,671" LFA will amend the totals)

Senator Van Valkenburg: Any further discussion on the amendment? Question is called, those in favor vote aye, those opposed no, the ayes have it and the motion carries unanimously. Any other issues in the D of C?

Representative Ramirez: On this summary, there is a note, and I don't know exactly what this is, I haven't had time to check, but it says make appropriation of Local Government block grant money, non-dollar specific, and I think it should be dollars specific.

Representative Bardanouve: I have comparisons. I have some amendments. (discussion around the table on so many amendments lieing around, striking the sentence, put in \$ figures, etc. and then apologizes for not having it and asks Curt to give it.)

Curt Nichols: Mr. Chairman, on page 65, line 16, you have the appropriation for the Local Government block grant. The language that was just referred to took the State Special Revenue--took the specific amount out and made it a language appropriation. The specific amount that would go in there, would be \$15,459,000 and \$15,883,000. This is the Governor's office estimate of the cost of the Local Government Block grant. That coupled with the \$1,500,000 general fund appropriated make up the Local Government Block grant. The second part of the amendment is to strike on page 67 lines 18 and 19, which by language, appropriated those funds. The cite 15-36-112 is 1/3 of the oil severance tax and House Bill 870 is the fees. 032.

Representative Bardanouve: I will move these amendments.

Senator Van Valkenburg: Is there further discussion on these amendments?

Representative Marks: One question I have. Is \$870,000 is not quite done yet. Would that need to be coordinated?

Curt Nichols: Mr. Chairman, with this appropriation, you have appropriated the money should it become available. If 870 does not pass, there will not be enough dollars to make the

appropriation.

Senator Keating: This is just spending authority then?

Curt Nichols: That is correct.

Senator Van Valkenburg: Well Curt, what if oil prices were to go up to the extent that there was more money available for the block grant than this appropriation?

Curt Nichols: They would not be able to spend it under this appropriation, and they could document an emergency and process budget amendment, that would be a possibility.

Senator Keating: Wouldn't this be a statutory appropriation?

Curt Nichols: No, this would not be a statutory appropriation.

Representative Bardanoue: Mr. Chairman, we are trying to do everything we can to reach that goal. If for example oil prices go beyond that you'll have that money before the '87 legislature. We meet our obligation fully under that amendment.

Dave Hunter: I guess, I haven't seen Curt's amendment before just now. I think our numbers of estimated revenue were slightly higher than that. I guess I'd ask you appreciate also that the estimate for a block grant does not only dependent on how much--on what oil prices are and what oil production is, but also dependent upon an estimate of how many vehicles exist in the state and we therefore have to reimburse for. Both of those numbers are somewhat difficult to investigate. That's why we proposed in the Senate that the language that is in there be in there which would allow us to distribute to Local Governments the amount of money that becomes available under that 1/3 of the oil severance tax in House Bill 870. I think that's the intent of the Legislature. If you limit the dollar amount, and there is more money available, I think as Curt responded, we just won't be able to spend it. I think it would be hard for us to justify not being able to get money to finish the counties in an emergency under the budget amendment law. I think it would be difficult for us to budget amend it in.

Representative Bardanoue: Having the argument we have had all the time that we have tried to reach a certain level and this is what we are doing. If we fall below, we are supposed to make up from some other source and bring 'er up. But on the other hand, it should work both ways. I mean you're saying if we fall below we have to put more money in, if we go above, we have to put more money in, too.

Dave Hunter: Mr. Chairman, Representative Bardanouve, the statute that creates the Local Government Block grant provides for the second tier of block grant if there is more money available. I assume the intention of that statute is that if there is more money than replacement money available, it provides for the specific mechanism to distribute that. I guess if you want to prevent that from happening in this bill I guess you can do that, but the specific statutory language provides for that eventuality. Certainly when the block grant was created we assumed that oil prices would continue to increase and at least someday there would be more than reimbursements for Local Governments.

Representative Ramirez: I speak in favor of this amendment. If we can't do it here, we should go back into 870 and make sure that something is done there, so that these one-way obligations are just horrible--we're --we are imposing a fee--an extra fee on every motorist in this state in order to bring this up to some supposed level that we had a commitment to do and yet we are not going to get any of the excess apparently if oil prices were to go up, and I think we are making a tremendous commitment to Local Government by going out and putting that fee on motorists, and I think we should cap it.

Senator Keating: I would like to ask a question. What is the price you are using on oil and what is the volume?

Dave Hunter: I can't say it off the top of my head, I would have to go back on the (? 309 supplements) 112 on tape 91.

Senator Van Valkenburg: Are you ready for the question? The question is called, Roll call vote, motion carries. Any further motions in D of C? Seeing none, we will close the D of C and move on to the next section of the bill, the Department of Institutions.

Representative Bardanouve: I can see no problem there unless somebody else has.

Senator Van Valkenburg: Any issues in the D of I? Seeing none we will move on to the next section of the bill. Other Education. Any issues to be raised in respect to Section E of the bill?

Representative Waldron: The .50 reading specialist(Basic Skills). I had a heck of a time tracking that down since I didn't remember any discussion at all in Appropriations Committee and there was none on the floor of the House and we discussed the curriculum Specialists # 4, but-- I finally did track it down. It was a proposal that some committee had looked at and had not adopted and so I would move that we delete that .5--the fiscal analyst did up a paper here and the last couple of sentences. The Senate approved general fund

appropriation-etc, etc, that's for the 2 FTE and also \$35,338 in 1987 biennium of new general fund for the .50 Reading Specialist. The .5 FTE reading specialist is a new position and I believe it is 100% replacement of federal funds.

Senator Van Valkenburg: We are in the OPI on the summary sheet item # 2 in Section E of the bill and that will be found in the bill itself on page 78, line 9. The motion is to delete .5 reading specialist in both years of the biennium. Further discussion on the motion. Question is called, those in favor vote no, Senator Keating and Representative Marks voting no, the motion carries. Is there anything else in OPI?

Representative Bardanoue: I compliment the Senate for # 5. We goofed in the House and you caught our goof.

Senator Van Valkenburg: I think we may have goofed in not getting the amounts raised there too from the reimbursement.

Senator Regan: Mr. Chairman, I want to raise the issue because I want the House to be aware of what happened. The 2 FTE curriculum specialists found in item 4 were added on the floor of the Senate. They were resisted by members of the Education committee because, as I understand it, OPI lost 4 people because of drop of Fed funds, so the subcommittee recommended they pick up 2 of them and pay for them with general funds which is what we did, and then the motion was made on the floor to add these other 2 back in, so in essence we are picking up the whole program instead of just half of it. I resisted picking up these 2, I'm not sure we should be doing that and I guess as a trial balloon. I will move that we delete those 2 FTE curriculum specialists on the basis that we already picked up 2 of them and funded them with general fund and we just can't pick up---and we still leave them with 2.

Representative Bardanoue: Senator Regan, did you say the Senate members of the subcommittee resisted this?

Senator Regan: No, I said--Oh, yes, Senator Jacobson spoke against it and I did because already 2 of them had been funded.

Senator Keating: I would like to ask OPI, is that essentially the situation?

Bill Anderson, representing OPI: Well, this is some fancy bookwork, and -- Our total budget right now is approximately 140--just leave it alone. It's \$104,000 a year under our present operating program. I can go through the whole thing and we can talk about replacement of federal funds. Some of these spots like reading teachers, vo-ag people, vo-?, FFA, this type of thing, they've been in our budget since the 1930's. At one time they were federal monies. Now the same programs are there, we've the soft money or the federal monies, now we

lose that, we lose the administrative indirect costs on top of that. Our budget right now, if you leave it alone is \$104,000 per year under.

Senator Keating: Senator Regan was saying that 4 people were taken out, 2 people were put in, 2 more were put in and--.

Bill Anderson: The 4 people she speaks of were funded with federal programs at one time. That is definitely true. If you go back far enough, those same 4 people were funded by state. so we not only lose the federal money, we lose the indirect costs on top of it for administration, and that's what's happening to our budget.

Senator Regan: The federal money has already been lost. The question is whether it's appropriate all 4 of them with general fund money and that is the decision that has to be made. I feel the two that we replaced were a compromise and to come in and replace all 4 of them, I question.

Senator Keating: Well, do you use these people with a soft match? Is there a federal administrative money that comes with these 4?

Bill Anderson: Not with these 4 that we are talking about.

Senator Keating: Well okay, but it's \$80,000 in committee and then another \$80,000 on the floor, is that what we are talking about?

Bill Anderson: We are talking about \$82,000 that was put in. Two of these related to the 2 vocational ed teachers and then the $\frac{1}{2}$ for reading specialist that we do not know whether we can fund or not.

Representative Ramirez: Are there other curriculum specialists besides these two?

Bill Anderson: We have tried in Montana, because of the size of the schools, the majority of the schools except for the double A and a few of the larger A schools do not have curriculum specialists. It is absolutely essential that we have people that can go out there with the expertise to deal with each of these subjects. More so than most states.

Representative Ramirez: I am not sure that that answered my question. Besides the 2 that we are leaving in, are there any other curriculum specialists in vo-ed? In other words, did you only have the 4 to begin with? They were all funded with federal funds and now you have 2.

Bill Anderson: No, there are others that are funded with federal monies. We are trying to keep the program intact.

Representative Marks: I guess I have some concern where this is secondary vo-ed we are talking about here and we do have a --especially in smaller communities in this state we have a lot of those small schools that probably need some assistance here and we have already reduced this as I recall from where you are now? If these 2 stay in where are you compared to now?

Bill Anderson: We would be where we are now, if these two stay in.

Representative Bardanouve: I heard the debate on the Senate floor and I thought somebody said in the hysteria of the OPI --I am always subject to being wrong--that there were about 11 people involved.

Bill Anderson: I couldn't get into the total, but that's probably about right.

Senator Van Valkenburg: Any further discussion on the motion? Question is called, roll call vote, motion failed.

Senator Regan: Taking a lesson from my friend across the way, would you go for one?

Representative Bardanouve: Is that a motion?

Senator Regan: That's a motion.

374. Senator Van Valkenburg: Question is called, roll call vote, motion carries. Is there further questions in the office of Public Education.

Representative Waldron: The secondary vo-ed funds to go out to the schools, I think about \$750,000 a year. I talked to the fiscal analyst about that. The subcommittee had removed those funds from the OPI, who said they were needed for match. and the last I talked to Pam she said no.

Pam Joehler: Representative Waldron, In maintenance of effort in match. The OPI was stating that the state funds were necessary to be spent in this particular program in order to meet federal maintenance of effort requirements. I would think that, in my opinion, they are not needed as the state is not reporting approximately 5 or \$6 million worth of school foundation expenditures were maintenance of effort requirements.

Tape # 90 B. 006. Representative Marks: I would be interested in hearing from OPI if they would answer that same question. I've been confused about this thing since the session started on maintenance of effort and it seems like you hear conflicting reports on it all the time and I don't just like to hear some more conflict.

Bob Stockton, OPI: We were so close this last time on meeting the maintenance of effort. If one of the mill levies at vo-tech centers had failed we would not have done so. So, you can see how perilously close we are to meeting our match on that type of thing. So we were very very close this last time, if anything happened now, we would not be able to.

Representative Marks: Can I follow up on that? What do you mean if anything had happened, do you mean if you----.

Bob Stockton: Well, if the mill levies this last year at the vo-tech centers you know, for their additional funds, if one of those mill levies had failed we would not have had enough money, including the \$750,000 each year of the bien-nium for the secondary program to meet our federal match. We would not have maintained effort. I shouldn't say that--it's maintenance of effort. We would not have maintained our effort.

Senator Regan: I am not addressing the vo-tech. We are talking about secondary vo-ed, and our maintenance of effort is something in the vicinity of --well--6 to \$8 million because you can figure it on the ANB, the number enrolling. That's the maintenance of effort, is that not correct?

Bob Stockton: We have--I don't have those figures with me, Mr. Christiaansen has them, but in just trying to call some of these off the top of my head, I don't think we can, and I would have to rely on him for the final figures, but we're--the question is--it isn't a matter of vo-tech or post-secondary, we are talking about total vocational education with federal funds and meeting our match.

Senator Regan: I am trying to pin you down because, I think you are answering, but you are sort of not. The issue of meeting maintenance of effort on the vo-tech is a separate issue--yeah, it is as long as the vo-tech monies are there--is a separate issue from the amount of money which is necessary to satisfy maintenance of effort for vocational education, secondary. The reason I say that is because the \$750,000 that was put in here, was put in after the program got started and was used by the Department originally, and I spoke to the person who is responsible for doing this, originally used to buy equipment. It was sort of frosting on the cake, and distribute it to the various post-secondary schools as they needed it for equipment and that sort of thing. It was above and beyond our maintenance of effort and was distributed in that way. It is no longer being distributed in that way, but that was its original intent. Is that not correct, Mr. Stockton?

Bob Stockton: I can't say what the original intent was. I know that for quite a number of years the money has been

distributed on a basis of additional costs in those programs. Excess costs. The secondary vocational program did cost more like vo-ag and these most expensive of all programs. That's the way it is used now. I have not worked directly with that and I would not want to speak for the office, without Mr. Christiaansen giving me those figures because he is the director of vocational education. I could get those figures for you.

Senator Regan: I believe Pam is correct in that the \$750,000 is not required for maintenance of effort, and I just want the committee to be aware that that is the situation.

Representative Bardanoue: If a maintenance of effort is required --even if it were, you say you are losing in the item right below in the vo-tech centers, you are losing \$748,000 in federal dollars so you don't have to match those federal dollars you lost, which you claim you have lost--I mean the office has claimed they won't be able to use them. So right there, that wipes out any match on \$3/4 million--you follow me--because they lose this much federal dollars--they don't have to match those any more.

Senator Van Valkenburg: May I ask, Mr. Crosser, Do you work this in the budget office?

Tom Crosser: No, I didn't work this specific budget, but I am somewhat familiar with the maintenance of effort issue. It becomes very complicated in terms of vocational education. I believe Mr. Stockton is correct when he says they don't isolate secondary vo-ed from post-secondary vo-ed, which is the vo-tech centers versus what they do in the high schools. I think those are rolled together to make an aggregate maintenance of effort requirement. One of the issues is how much the OPI uses in their reports to maintain that effort. That can vary from year to year. One of the things that they can use is the amount that is allocated through the foundation program. It can be tied back to vocational education. You've increased the schedules for the foundation program by 4% a year so that would increase the amount that goes into those educational programs. I don't think it is real cut and dry how much maintenance of effort is currently in the budget when you take into consideration the foundation program, the additional money that was added to the vo-tech centers and all the other things--including voted levies that each vo-tech center has. If one of those did fail, and those are currently being counted as far as maintenance of effort, then yes, the whole spectre of education could be in jeopardy in terms of maintenance of effort.

Senator Van Valkenburg: Is there further discussion on this subject? I don't think we have a motion at all before us here.

Senator Regan: Just one final comment. If you look at item # 6 you can see that we have been losing federal vo-tech funds and you look at item 4 where we have lost further federal funds, we're plugging in great gobs of general fund money. Here in item 6 we're putting in \$3/4 million of general fund to replace the federal funds lost on vo-tech. And, I confess, I look at that \$750,000 each year of the biennium that they had to distribute --the way they distribute it now is sort of on the basis of how many kids are enrolled, and I called Billings, for instance, and I think our portion--ours is the largest of all the school districts, it is \$70,000. You get that \$750,000 spread across the state in every vo-tech center -- you are not talking about a great sum of money. However, when you are talking about \$3/4 million that we put in vo-tech centers, I wonder if there should not be some sort of short-trade made, perhaps to reduce that \$750,000 each year of the biennium. \$500,000 each year of the biennium would take up some of the slack. It is not all. We still have more general fund in there to begin with, and that's the sort of thing that's going through my mind. Now, if someone wants to make a motion, I'll certainly support it.

118. Representative Waldron: I'll move that we delete \$750,000 a year.

Senator Keating: You're on F & C, page 1 and you are looking at the vo-tech money--the \$375,000, is that what you are talking about?

Senator Van Valkenburg: No, she's on page 79 of the bill, line 7.

Senator Keating: That's the \$4½ million secondary vo-ed--that's in the high schools.

Senator Van Valkenburg: This is not an issue that was changed from the House version of the bill.

Senator Keating: Where's the \$750,000 come from?

Senator Van Valkenburg: I think, if I understand you correctly, there is a million 500,000 there for the biennium, and I think she is just dividing that in half.

Senator Keating: Of the OPI, how much secondary vocational education money do you have total in the budget.

Bill Anderson: Could Bob Stockton answer that?

Bob Stockton: You mean on the secondary schools?

Senator Keating: Yes.

Bob Stockton: This is the only money going in there except for a few specific grants, other of course, than they do operate these programs and they are being supported by foundation programs. We go through a very complicated formula of taking the number of kids in a program, the number of hours each day they're in vocational programs, that to the foundation program portion, they get to come up with figures that we do use in meeting the match now. So, we are using foundation program monies.

Senator Keating: So the foundation program has some money in it for secondary vo-ed.

Bob Stockton: Not specifically.

Senator Keating: May I ask Pam, please. Does the LFA have-- do you know what you've got in there in secondary vo-ed?

Pam Joehler: Mr. Chairman, Senator Keating, I can respond to that question by telling what the schools reported to OPI as having expended in fiscal '84. \$13,698,310.

Senator Keating: Based on the number of kids in the schools, and on the foundation program formula. Do we presume that there are that many kids still in school? Taking shop then for our projections.

Pam Joehler: Mr. Chairman, when the schedules are set for the school foundation program, there is no anticipation of how many students will be actively enrolled, at least on the state level to my knowledge that will be actually enrolled in vo-ed programs.

Senator Keating: If there are fewer kids enrolled then that \$13 million will go down. The formula itself is so much per head is not being changed anyplace at all. The only thing that will change your \$13 million figure from last year would be the number of kids that enroll in that secondary vo-ed program. Is that right?

Pam Joehler: Mr. Chairman, that's right.

Senator Van Valkenburg: Representative Waldron, you had a motion that you made?

Representative Waldron: It's to take a half million dollars out.

Representative Marks: You are taking out \$500,000?

Representative Waldron: That's in the biennium.

Senator Van Valkenburg: That would reduce 1.5 million on line 7 of page 79 to \$1 million, that is the motion.

Senator Van Valkenburg: Mr. Crosser, we have Pam Joehler's opinion here as to whether this can be removed, and I would like yours. I don't quite understand from what you said earlier as to whether we will have a sufficient maintenance of effort to obtain the federal money.

Tom Crosser: I guess we probably won't know until the allocation has been made for the distribution the OPI makes in their reports to the federal government on the secondary program that is financed through the foundation program. I see that as the key issue in maintaining effort. If the number of students stay relatively the same as in the past years and with the increase in the schedule amounts--in the amounts going for those programs, it is quite likely that that would be the case. If for some reason, the number of students drop off in those programs and they can report less there or if one of the voted levies goes down at one of the vo-tech centers, then could be a problem about it also--but if everything stays relatively constant in terms of those factors this would probably--could be absorbed.

Senator Regan: I guess I've got two things. Pam, can you tell us what reported in '84?

Pam Joehler: Mr. Chairman, Senator Regan, reported for maintenance of effort in fiscal year '84 OPI reported, on a secondary level only, the \$750,000 of the state grant and \$5.2 million of school foundation expenditures.

Senator Regan: Which is far less than our actual--.

Pam Joehler: Yes.

Senator Regan: Mr. Chairman, there is one other thing. The reason I'm going to support this motion is because we are making maintenance of effort. What we are really doing is shifting those \$500,000 down to help us on item # 6 where we are putting all general fund money in because we have lost federal funds. Those items here--of \$376,000 and \$371,000 are all general fund monies that we are plugging in. We are doing far more than maintenance of effort, and so we take that 500 we still have general fund of about that in terms of maintenance of effort, but I don't think maintenance of effort is the real issue. I think the real issue is whether you feel it appropriate to take the \$500,000 from that program and use it to help the vo-tech and to help relieve our general fund. That is the real issue. That's what we are doing. I happen to think that is a good trade-off.

Senator Keating: I'd like to ask Mr. Crosser one question. Are we taking some kind of a risk here, and if we gamble and lose what is it going to cost us?

Tom Crosser: Well, this issue came up about 8 years ago. The state was faced with the same issue in terms of maintenance of effort with the federal vo-tech funds. There was considerable discussions between the federal government and the state and was finally resolved by using the amount of money that was being allocated to secondary vo-ed through the foundation program. But up until that point in time when those funds were identified, there was a substantial likelihood that we were going to lose some federal money because of the maintenance of effort issue. That was resolved.

Senator Keating: How much money, what is our risk here?

Tom Crosser: The entire federal allocation for all vocational education including (?--Tape 90 B. 248)

Senator Keating: What's that add now?

Tom Crosser: I don't have the numbers.

Senator Keating: Mr. Chairman, I'm trying to get a figure out of somebody.

Senator Van Valkenburg: Miss Joehler, how much do we risk?

Pam Joehler: Mr. Chairman, approximately \$2.6 million.

Representative Bardanoue: We are creating a bogey man here which isn't here. We are receiving less federal dollars this year, because they claim, and I believe them that they are losing several hundred thousand plus any above the up in the above curriculum they are losing federal dollars and we are putting more general fund dollars in than we ever have before. There is no risk. There is less risk this biennium than there was last biennium, because we have a larger proportion of general fund dollars in '87 than we had in '85.

Senator Van Valkenburg: Well, no, that is the point I wanted to pursue. I also did want to ask one question. How suddenly do they pull the plug on these monies anyway, if there wasn't precise maintenance of effort. Would this mean that they could come in and shut it off immediately?

Tom Crosser: There was extensive debate 8 years ago as to-- and many hours spent going through records trying to verify maintenance of effort and it extended over probably a 3 month period of time before the federal government decided that there wasn't any problem and withdrew the action they had threatened us with for that period of time. They have to come in and prove that we aren't maintaining effort, and to do that they would have to get into considerable effort reviewing the dollars that are going into those programs.

Senator Keating: The motion is to delete \$500,000 in general fund money on line 7 page 79 and then there was some allusion that this was not going to be deleted but was going to be moved someplace else.

Representative Waldron: If you have this narrative sheet here. Item 6 , the vo-technical centers. The Senate put that money in for lost federal money, so that addition in the Senate is well above \$500,000. 700 and some thousand dollars. You are ending up with \$200,000 more than you had. Even with deleting this.

Representative Ramirez: I guess what we could do, and this is consistent with my feeling that we should stick to those issues in dispute--basically what you are doing by this -- by the short cut is saying--we are going to take \$500,000 out first of all out of item 6 and then we are going to decide if we want to replace that with \$500,000 out of-- on page 79, line 7, and then we are going to replace it.

Representative Waldron: Jack, that's pretty (? Tape 90 298) and that's not what we are doing, but if that makes you feel better, go ahead.

Representative Ramirez: No, but that is the mental process you are going through. It is the equivalent of saying, we are either going to take it out of line 6, but we won't take it out of line 6 we'll replace it with--.

Representative Marks: I have a couple of questions. This transaction that we are contemplating here, is taking some money out of the secondary vo-ed, vocational education program and is plugging it in the centers, isn't it? Now I have a question--I would like to ask somebody about the enrollment. What is the past couple years of enrollment in one of the (?) Maybe Mr. Anderson could answer that.

Mr. Anderson: I am sorry, we did not anticipate this at all. We do not have these figures. These things have been gone over many times. I think the question I would like to ask you, Mr. Chairman, is whether the schools of Montana are going to be funded. There have been some federal monies that have gone away, but we are not thinking of whether we want vocational ed in our schools or not. We are not thinking about the local property tax payer who is going to pick these programs up. They are not the type of programs you are going to pick up with local monies right now. The foundation program won't allow it. Excuse me, I appreciate your time.

Representative Marks: I wonder if Miss Joehler would have those figures on enrollment.

Pam Joehler: Mr. Chairman, the latest figures I heard from OPI is that secondary vo-ed enrollment currently is in the

neighborhood of 13 or 14,000 students a year, and I don't know if they expect that to go up or down or stay flat.

Representative Ramirez: I just want to say a couple of things because of the comment that was made. I really do think there are some issues here that we haven't addressed. I was hoping that we could address them in HJR 60 which was the study of not only the University System, but after Representative Donaldson's amendment, the whole post-secondary educational system in the state. See what we are doing, how it fits together, what we could afford, how it was funded, and so on. And, I guess, it's these kinds of choices that we have to make. We are losing federal funds, we are either going to have to pick them up or we are going to have to reevaluate what we are doing, and I think this is a legitimate --I'm going to support this motion, but I think it raises some issues that we've got to address, and I'd have hoped we would have addressed them in HJR 60, but it didn't make it through the Senate Committee. Perhaps next time.
358.

Senator Van Valkenburg: Question is called, roll call vote, please. Voted, motion carried, unanimously. Are there further issues in the OPI? If there are no other issues in the vo-ed, we can go on to the vocational technical centers.

Representative Marks: I do have a question on some language in the bottom of ed/1. On the Audiological Testing Centers, I was wondering what the rationale for that amendment # 1 is.

Senator Van Valkenburg: Was that in Senate Finance and Claims Committee, Senator Regan?

Senator Regan: Yes.

Senator Keating: Montana Deaf and Blind.

Senator Regan: That's correct.

Senator Van Valkenburg: Pam, can you respond to that, please?

Pam Joehler: Yes. Mr. Chairman, Representative Marks, this language was added because it came to the attention of the person making the amendment that there is suspectedly some money left over from the current appropriation--the current year, and since the Education subcommittee had taken all the inflation out of the base operating expenditures for the '87 biennium, you're hopeful that any money left over from the current biennium be available for use next biennium.

Representative Marks: Was there some indication of the amount that might be left, or--.

Pam Joehler: I believe it was in the order of \$30,000.

Senator Van Valkenburg: Any further discussion on the issue?
Seeing none, -----.

Representative Bardanouve: I don't like that language, Mr. Chairman. If -- I objected to that in the Governor's office, and the same language is here. I believe if you want to properly fund a program, you should put the money up front, and let any money revert. It bothers me when you say----- Pretty soon all agencies will say--well, you can put in some language, I can carry over and use any money I carry over. It is a poor way of budgeting.

Senator Regan: I am afraid that we were remiss when we took our subcommittee to school. That is not one of the things we pointed out to them. I think they've done the best they can under the circumstances, and it is too late to try and go back and fix it. Next time we take them to school, Francis, we will do it better.

Senator Van Valkenburg: Any other issues in the office of the Public Instruction? Seeing none, we will move on to the vocational technical centers. Any issues there? Seeing none--

Representative Bardanouve: There is one thing, Mr. Chairman. I would like to put language in the bill, and I think the LFA could probably write it, now they fear, and they have a proper fear, that they may lose this amount of federal dollars. They are not absolutely sure they will lose it, and they may qualify for more than they figure they can. I would like to put language in --in case they receive more than what they estimate--qualify for more, that the corresponding amount of general fund dollars will be reduced. I don't want to cut them all, but if they receive more. It is very difficult to qualify for some of this money now under this new Perkins educational law, but maybe they can qualify for more than they estimate.

Representative Waldron: I am rather surprised because I have the same thoughts. Yesterday--and I had these amendments put together. Let me explain a couple of problems here. One is that if you get straight general fund money it is a whole lot easier than going after the grants because you have to apply for them, there is a whole lot of reporting requirements, etc. so if you get general fund money you are in good shape. There is not too many reporting requirements--we have it audited once every 2 years and the fiscal analyst look at you once every 2 years, but really, so they are in good shape and so there is no incentive to go after the federal grants. If we say that there is going to be a dollar for dollar reversion if they do get some federal money, there is even less incentive to go after the grants. This amendment would say, okay--you've got an upper limit, we've given you the general fund, it replaces that federal fund you said you've lost. But in order to encourage them to go after additional federal

these amendments say, if you get some federal funds you only have to reduce half of the general funds. For every dollar in general funds you have to revert 50¢ in general funds. I don't know how much of an incentive it is, but it certainly a better incentive than saying dollar for dollar reversion.

446. (There is attached to the minutes a copy of the amendments, marked Waldron amendments, Tape 90. 446)

Senator Van Valkenburg: Any further discussion on the amendments offered by Representative Waldron?

Representative Bardanoue: Mr. Chairman, this will not cut them back, but would encourage them to have more money.

Senator Van Valkenburg: Question is called, Those in favor vote aye, those opposed no, Senator Regan voting no, the motion carries. Are there further issues with respect to the Vocational Technical Center. If there are none, we will close that and move on. The next section of the bill is the Arts Council.

Representative Marks: I wondered why the two \$20,000 general fund in there. That's--it seems like it is completely out of line. There is none under discretionary money there and it is straight general fund.

Senator Regan: I think that was done on the floor.

471. Representative Marks: I would move it be removed, I guess.

Senator Regan: May I speak to the--Pam, do you have recollection of why? What was this thing about?

Pam Joehler: That was added in Senate Finance and Claims. It was deleted in subcommittee action, and it was added back on for the purpose of providing community grants. To encourage communities to bring in cultural groups.

Representative Waldron: Mr. Chairman, this was in my subcommittee. I will explain it. My subcommittee took the money out by the way. It was out in the House. Let me explain a little bit about the grants. They're for the most part designed to do underwriting for the small rural communities and with the Arts Council we gave them this money and said try and get some sort of cultural projects or art project there and we will guarantee a portion of their costs if the thing flops and there is no other grant money available to this. On the other hand there is, under the federal money under the cultural and aesthetic grants that they administer but none that meet this specific purpose. In appearance, Mr. Chairman if it is all right with you, I would like to ask the person who is representing the Arts Council to respond if that's appropriate.

Brenda Schye, representing the Montana Arts Advocacy, not the Arts Council. Did you have a question specifically about the impact or what?

Representative Waldron: Yeah, about the impact--well it's \$20,000 each year.

Brenda Schye: Alright, I would point out that this \$20,000 per year is still at current level. The grants have been utilized in ways that insure the distribution of cultural events around the state. To make certain that such things as traveling theatre, art exhibits, do not just remain in the larger cities, but we have them in the rural areas which might be reluctant to stick their necks out and say we'll be able to come up with enough gate receipts--for instance--to have Shakespeare in the Park come to a place like Plentywood. If they are uncertain whether they might be able to make that out, there is the underwriting assistance through these grants to say--not if it is a flop, but if you can't make quite all of the gate receipts, that we will underwrite a small percentage of that. So there still is a significant match from the local communities. I would also point out that these are projects that are either such small grants or cannot be anticipated far enough in advance that they would be able to apply for cultural and aesthetic grant money in advance.

Representative Bardanouve: I served on the Long Range Building Committee which administers the Cultural grants for all kind of projects in Montana. We gave out several hundred thousand dollars of the coal money to local--maybe it isn't exactly the same as this, but we do put out quite a bit of money for cultural projects.

Representative Marks: I don't have any real concern about what they are going to do with this. It seems like it is sort of a quasi-bad use of general fund money and it's kind of a seed-money type of stuff as I see it. I think maybe some grant money would be appropriate there but I don't feel like general money which should be spent on something a little bit more sure.

Senator Van Valkenburg: May I respond. I sat in on the Long Range Planning Committee for 2½ months and one of the things that we heard all the time there was the cultural and aesthetic grant program. Those are grants, but if I understand correctly, this general fund money really just provides the ability of really small communities to enjoy the benefit of bringing some of these traveling troupes to their towns. I think the really small ones in the state is what we are talking about here, and those of us who live in the bigger cities won't be affected one bit by this, and in that respect I think it is an appropriate use of general fund money and seed money for that because -- How many times do the people in the way-off distances get a chance to see Shakespeare in the Parks or something like that?

Representative Bardanoue: How was this funded before? Was this general fund before, is this more general fund than before, or what?

Senator Van Valkenburg: Pam, could you respond?

Pam Joehler: Yes. Mr. Chairman, about \$22,000 --\$23,000 a year was spent in '84 and it has been about that amount, slowly increasing each year. So there is \$20,000 here and this does represent about a \$3,000 loss over current level.

Senator Bardanoue: Was it general fund?

Pam Joehler: Yes, it was general fund.

590. Senator Van Valkenburg: We have a motion before us to delete \$20,000 a year in the Arts Council Grants Program.

Representative Ramirez: Well, I guess everybody has made up their mind. You know we are in a tight spot here, and when you stop and think of some of the priorities that we've had and what we are trying to do--my objective has always been to provide essential services and help those people who really need help, and I'm not sure this falls in either one of those categories. It's nice, but it's -- and I don't want to call it a frill, because I don't think it is exactly a frill, but it's certainly something that is essential at a time when I think we've got in a tight financial spot.

Senator Regan: I suppose as a teacher, who looks at kids who have never had a chance to see a real live performance or hear a real live performance, I would plead the case that we don't live by bread alone and it is good for the spirit which nourishes the soul and should probably be continued.

Senator Van Valkenburg: Question is called, we will have a roll call vote. Voted, motion fails. Further issues in the Arts Council? Seeing none, Historical Society, seeing none, the State Library? We have an amendment that I think the analyst has from the State Library based on action of another bill, Judy?

Judy Ripplingale: May I have Bill Sykes explain this amendment?

Bill Sykes: Mr. Chairman, House Bill 860 transferred statutory responsibility for the Natural Heritage Program to the State Library from the Department of Administration. There is \$75,000 of money available in the form of a grant state special revenue from Fish Wildlife and Parks for the Natural Heritage Program. In addition there is also \$75,140 of private grant money available for the same program. This amendment establishes the program essentially in the Libraries budget pursuant

to House Bill 860 and establishes appropriation for those two grant monies. There is also in House Bill 922, \$225,000 of RIT money for the same program. There is no general fund in this amendment. It is all state special revenue in terms of the \$75,000 from FW&P and \$75,000 from the Nature Conservancy, a private foundation.

Senator Van Valkenburg: Do we have a motion on the amendment?

Representative Bardanouve: Where is the amendment?

Representative Waldron: Mr. Chairman, I'll move the amendment.

Senator Van Valkenburg: There is only one copy of it and Bill has it. You have the fact sheet there.

Representative Waldron: I asked Sara Parker from the State Library to put this fact sheet together.

Representative Marks: Could you address where the amendment is placed?

Senator Van Valkenburg: It would be, page 80 of the bill, line 5. Page 90 of the bill, I'm sorry--Page 90 of the bill line 5, Insert Section 8. Natural Heritage Program, \$75,000 state special revenue, column in FY '86, \$75,140 federal special revenue column fiscal '86. On page 90 following line 10 insert amounts in item 8 represent a biennial appropriation. Is there a motion?

Representative Waldron: I'll make the motion Mr. Chairman.
705.

Senator Van Valkenburg: Representative Waldron has moved the amendment. Any further discussion on the amendment. Question is called. Those in favor vote aye, those opposed no, the ayes have it and the motion carries unanimously. Any other issue in respect to the State Library? Seeing none, that will finish Section E of the bill. We will move on to Section F of the Bill, Board of Regents. Any issues there? Seeing none we will move to

Representative Marks: There seems to be an addition in there. A difference. The 13th meeting. I would move it be reduced Tape # 92. A. 000. to the same level as it was when it came out of the House, and that is why striking number 1 on Higher Ed on page 1 there. The comment that was made in the House that said this was that if you would strike the 13th meeting you could keep the Regents out of trouble.

Representative Waldron: We had a good deal of time with this in the House talking about the 13 months and educating the Board of Regents, but I would like to say--they still have

enough money in their budget if you let them make this--this is a small sum, I'll agree with that, so if they can have quite a few 2-day meetings. By striking a meeting you are not striking one day of meeting, you are actually striking--- it is not necessarily a one day meeting--there are a number of those 2 day meetings.

Senator Regan: I have a tendency to think this is nit-picking. We'll spend 10 minutes arguing about a thousand dollars let's forget it and go on to the rest of the stuff, I want to go home, and besides--

Senator Van Valkenburg: Are you ready for the question to delete? Question is called, those in favor vote aye, those opposed no, the motion carries with Senator Regan voting no. Representative Bardanouve also voting no, the motion still carries. The next item in the bill is Commissioner of Higher Education's office, any issues there? Seeing none, we will move to community colleges.

Representative Waldron: What was the justification for holding the Community Colleges from 51% to 53%?

Senator Regan: It appeared as if every other institution had been amended up Senator Smith brought this thing to be applied between the colleges and so he raised the state support from 51 % to 53%.

Senator Waldron: Are you serious?

Senator Regan: Yes, that is what he said, and that is what happened.

Senator Van Valkenburg: It was in committee.

Representative Waldron: Well, Mr. Chairman, I'll move we put the pack at 51%. That's where the subcommittee set it.

Representative Marks: That would strike all the additional material in it.

Senator Van Valkenburg: \$123,000 in each year of the biennium.

034. Senator Van Valkenburg: Question is called, those in favor vote aye, those no. Motion fails, (2 Senators voted no)

Representative Bardanouve: Mr. Chairman, I would move that we put it at 52%. That's a compromise. I don't know what the rationale -- if that is what was said or done, there is no rationale for that kind of a motion. I move that it be set
042. at 52%.

Senator Van Valkenburg: Question is called, those in favor vote aye, motion carries.

Representative Marks: You are just going to cut those in half, is that about what that amounts to?

Senator Van Valkenburg: I think you'd want to provide funding for---.

Representative Marks: I mean the equivalent of that.

Senator Van Valkenburg: You can figure it. Is there any other discussion on the Community Colleges? The next item in the bill is the the Agricultural Experiment Station. (some discussion on the Bureau of Mines--no issues raised)

Representative Waldron: Mr. Chairman, I want to tell you a story here and no one has been able to justify why it happened. No one. Those people who tried to justify it to me have been a little bit embarrassed by the extra amount of money they put in so they still made a stab at it. There is 2.59 dairy FTE. They had a dairy program and most of it was run on special revenue, they were collecting fees for their services, but it was losing money and there is some general fund in there. (60 some thousand dollars) So they closed down the program, and considering it was losing money that was probably a logical thing to do, and they should have saved \$60,000. Well, they didn't. They took the 2.5 special revenue and said let's spend general fund on it, and there's \$105,000 in FY '86 and \$107,000 in FY '87. I would move we delete that. We've got a lot of support in the House, in fact the biggest support, came from the cowboys because they were disgusted about the whole thing too.

Representative Marks: Would you just strike # 4 then? The \$105,987.

Representative Waldron: Right.

077. Senator Van Valkenburg: Is there further discussion on the motion? Question is called, those in favor vote aye, those opposed, vote no. Motion carries. (unanimous) Any other issues in the Agricultural Experiment Station?

Representative Bardanoue: Mr. Chairman, # 5 was removed by members of the Advisory Council to the Ag. Station, and he was a member and he put it back to the current level. This was above current level. And what is the total figure there?

Senator Keating: \$250,000 each year of the biennium, for equipment.

Representative Bardanoue: And this here is an additional--above and beyond current level.

089. Representative Marks: I move we delete that.

Senator Van Valkenburg: This is the equipment item.

Representative Marks: This is the Patterson amendment.

Representative Ramirez: Yeah, he made a very convincing argument.

Representative Marks: He is on the committee and he said they didn't think they needed all that new equipment.

Senator Van Valkenburg: This is on item 5 of the narrative here. \$65,000 the first year and \$81,000 the second. Is there further discussion? Question was called. All voted aye. The motion passed. Is there any other issues in the Agricultural Experiment Station? Seeing none. Cooperative Extension Service? Seeing none, the Forestry Experiment Station?

Representative Marks: I have a question on that. That is RIT money too then?

Senator Van Valkenburg: Yes. All right, nothing there. We'll move into the University System.

Representative Marks: Speaking of the difference between the House and Senate version, I think we could probably strike some sort of a compromise there. I would suggest a discussion at least a compromise of 98% for both years and providing support at 95 and 96 for first and second year and tuition at 97 and 98. That would be a savings of my proposal of 1.6 million, and I guess I'd have to ask Pam what the balance would be on the surplus on the tuition. She'll probably have that there.

Pam Joehler: Mr. Chairman, under this proposal, the total funding -- the total expenditure savings would be \$1.6 million, the general fund savings would be \$1.5 million and tuition and fees would be reduced \$489,000.

Representative Marks: My question was on what kind of a tuition balance would there be compared to what the Regents have asked for. That would not be using all the tuition. There would be a tuition balance there.

Pam Joehler: Mr. Chairman, \$489,000.

Senator Keating: Are there any of those little sheets around that had those formulas you set out.

Senator Van Valkenburg: The ones that were passed out in Senate Finance and Claims Committee?

Senator Keating: Yeah, that had a 99--that showed that the University System is \$78,000 under zero balance or the current level, or something like that.

Senator Van Valkenburg: Is there anyone from the University System that has one of those handy. Is there any other discussion on--any questions on this? Is that a motion?

140. Representative Marks: Yes.

Senator Van Valkenburg: Question has been called on the motion Roll call vote.

Senator Keating: May I ask a question first? I want to know about the numbers. How much are we backing out of this?

Senator Van Valkenburg: Representative Marks motion asks, I think \$1.6 million in general fund in the biennium.

Representative Marks: I think it is \$1.1 million. \$1.6 million total.

Senator Van Valkenburg: \$1.1 million general fund?

Senator Keating: What you are going to do is put it back where it was?

Representative Marks: Oh no, no, no. Oh no. (Some indistinguishable comments in the background)

Senator Van Valkenburg: Roll call vote will continue. Motion fails. Further discussion on the University System?

Representative Ramirez: Well, I guess I'd like to move that another compromise --this sounds like it might be the kind of compromise on the travel promotion thing, but in any event, to leave it at 98% in 1986 and go to 99% in 1987 on instruction.

Senator Keating: How much will that back out?

Representative Ramirez: Well, let's see--that should back out about \$600,000? If you leave everything else the same. Well- all right--98 and 99 on instruction 95 in both years on support and 97 and 99 on tuition. (some back ground chatter here) I guess I'd like to know what's the rationale for what's there. I mean, if we're just going to vote on it, it seems to me that we do have, again, some legitimate concerns about all of post secondary education, and again you know, the Commissioner of Education came in and resisted in the House the resolution that would have permitted us to take another look at Higher Education, what we're doing, how we're funding it, what's going on, and I think there's many legitimate questions, and not only can we not ask those questions and have them look at them, over the objection of the University System, but we're

then--I mean then basically these demands that we fund them at 100%. I think we're entitled to either down these expenditures to a certain extent or look into what they're doing and find out what we're getting in return for our money, and I don't think they should have it both ways. They shouldn't come in and ask for 100% funding and come in at the same time and kill a resolution for us to find out what they're doing.

Representative Waldron: Representative Ramirez, I would oppose the motion because I want to get re-elected the next election. I'd be a little afraid of this. There is something that would hurt me -- it would hurt my university because it is part of their program, and that's the Masters' of Business Education at Billings. That's in cooperation with the University of Montana. I could probably support-- that's a modified and I could probably support them.

Senator Regan: I am not unsympathetic to the problems in the University System and God only knows we had a Blue study--a Blue Ribbon Commission study that was done about 8 years ago and I think it cost us--I don't know--I want to say \$½ million. (comment -- I think that's right) And, that study was done and no one would bite the bullet. We threw \$½ million away and we all know what the inherent problems are with the system which is as diversified as ours. I think the most optimistic thing that's happened though, is when the Governor called in the Presidents and Commissioner and suggested that they go through the same scrutiny the various agencies did when the Governor had that task force. And, I would really hope that they will come up with better methods of structuring and organization for administration of these programs. I have some hope for that, but I am a political realist and I know we could do another study and it would cost \$½ million or more, and you and I and everyone else sitting around this table know that we will not close down those units even those that we know should be closed down. We can't. Politically upstairs the votes aren't there. Having said all that, then if our kids are going to the University, or to any of the units, don't we owe it to them that if we have raised their tuition, if we have promised them --and we did when we put them on a formula which would compare the peer groups--that we would work toward funding them 100%, and we've told them 4 years ago, or maybe it was longer than that. Now we're achieving it and it is on that basis that I'm going to resist the motion to change the formula.

Representative Ramirez: I think that there is an inconsistency in the position which you are advocating. I'm not saying that we need to do a \$500,000 study. We have that, but times have changed and we can look at some of the conclusions that were reached then. I've explained this before several times. Those

were different times in the 70's when that study was done yet. Farmer's surpluses--we had high inflation and in inflation times, tax revenue and we had more money than we could spend. We could give some back and still spend quite a bit--and more than we had before. Now we have indexing, we have lost some primary jobs in the state of Montana, our economy is not as good and our budgeting is more difficult. All I'm saying is there's a lot more to this than just taking a look at closing an institution. I'm not even proposing that that is the solution, but I do know that there are concerns about how much instruction is there versus research and publications. Are we getting our money's worth from the people in our institutions of higher education. Those are legitimate questions, I know there's a management study that's been proposed by the Governor, and I hope that it goes on--I mean that I hope that we do that, but this resolution was more or less to let us participate as a Legislature in finding out some of the answers and watching that process and seeing if we could make suggestions and have the benefit of participating in that. I still think that we're apparently ignorant as a Legislature as to what is going on in the University System and that we need to know that and we, to a degree, blindly fund the University System, and I don't like this formula and I think that we're getting into a numbers game where we say 99% or 98% and so on. We're going to be up to 100% next time and I don't see why we don't go up gradually. We made a tremendous increase in the University percentage against this mythical average of peer institutions in 1981, and I think we've made great strides, and I don't think that we should do more until they come in and say that they will not resist our efforts to study what they are doing in Higher Education.

Representative Waldron: Jack, I gave you a facetious answer. I will be a little more serious now. You know--imagine if you will a city of 800,000 people, and in this city of 800,000 people there's two full scale universities, there's four 4-year colleges, there's three Community Colleges, five vo-tech centers, and several private colleges and there's no city in the country like that. You take a look at the state of Wyoming they've got one University and that's it. The problem with the University System in Montana is that we have too many units for the size of the population in this state. If you want to resolve one of the problems, that's just the political problem--we ought to close Western Montana College, and I don't see anyone jumping that really hard bullet because that's going to be the hardest bullet we ever bit is when we decide to do what we ought to do and close at least one of the units of the University System.

Representative Ramirez: I guess, what I'm saying is I'm from a University community, or at least one that has University in it, and I know that it is a fine institution and I like the

people that are there. But what I'm saying is, that I'm ready to bite the bullet, at least a little bit right now, and I guess--I think we ought to bite the bullet -- not really not much of a bite, just saying it is only a matter of whether we increase them from 97% instruction clear up to 99% for both years or whether this amendment we simply go 97 now, 98% for instruction in 1986 and 99% for instruction in 1987. That is not exactly biting the bullet.

Senator Van Valkenburg: Representative Ramirez, regardless of what numbers you use there if the bill goes out of here as it sits right now, with respect to the University System, there will be a 1/10 of a percent decrease in state general fund going to University System, and I think we have an obligation to the University System that exceeds that and we are not meeting it, we are raising tuition substantially to fund education in the Higher Education.

Representative Bardanouve: I heard the same argument on the floor, and it is not a fair argument. We did not raise the tuition. If the Regents felt that they wanted to raise the tuition fees, so be it, but to raise --but to have the Regents raise the fees and say we are a bunch of S. O. B.'s because we don't put general fund money up to the level they are raising is not right and it is not fair, and you can argue all you want to but it is not a fair way of arguing.

Representative Marks: Just briefly, Mr. Chairman, I think there is some justification in reducing general fund and perhaps putting a little more obligation on tuition although the amendment that Representative Ramirez has offered would reduce the total tuition by about \$217,000 tuition and fees, but if we're going to provide virtually a University in almost every population center in the state, which we are doing, it seems to me that it should be a convenience to those people who attend there to put up just a little more of the funds themselves. The other concern I have is that we are in a situation of declining enrollment again, and if we don't do something to resolve that question, we will be getting into a crash like we did a few years ago where we had a lot of faculty hanging out there with University enrollments down so low that we are going to have to crash them out. It seems to me it might be much better to try to prepare for that a little bit and have some modest reductions here which this bare minimum including --the major one of course would be at Tech because they have such a drastic reduction. And then we're going to be coming back in next session if we go at 99 both years indicated we are going to have that base up there so high that we are going to have to increase it again. We are going to have the faculty hanging out there that I think we're going to be sorry we did. We've got an indication in secondary education that college enrollment may continue to drop for the better part of a decade, and I think we'd better prepare for it. I think this

is a reasonable compromise and I would hope that you can support it.

358. Senator Van Valkenburg: Is there any further discussion on the motion. Are you ready for the question? Question has been called, roll call vote, motion fails. Any other discussion on the University System?

Representative Marks: Would it be any use to try another run?

Representative Bardanouve: No, that's a sacred cow, so don't touch it.

Representative Ramirez: I am going to make a motion though just so I can say something else. I am going to say 98-99 on instruction, 95-96 on support, 97-99 on tuition. Now, I just think that what we are doing here--and you know, if we are in a situation where we do not have the courage to say no in the least respect to the University System when they have refused --I mean, basically, resisted a bona fide legitimate effort for the Legislature to just take a look at what they're doing--and this is perhaps to me the most incredible thing that I've ever seen--we just don't have the courage to say no in the slightest respect and I recognize that there are how many--1,2,3,4,5 out of the 7 members of this committee who are from that community that has a University Unit in it, but I just say to you that we'll never be able to make the hard decision unless somebody shows--in this room--begins to show some courage and leads the way.

Senator Van Valkenburg: I don't look upon this as courage--what you are suggesting.

Senator Keating: I have a question. You are talking about a House Joint Resolution, Senate Joint Resolution or what?

Representative Ramirez: House Joint Resolution.

Senator Keating: 60 that was supposed to be a study of the whole thing. Who killed it? What happened?

Representative Ramirez: One of your Senate Committees, I don't even know which one.

Senator Keating: Can we revive it?

Representative Ramirez: I'd sure like for you to.

Senator Keating: I have another question. How much are you talking about backing out now?

Representative Ramirez: This is \$614,913 in instruction and

\$368,746 in support and tuition \$217,667.

Senator Keating: You are talking about \$a million?

Representative Ramirez: \$a million.

Senator Keating: Wasn't that the last one?

Representative Ramirez: No, that was a million 3. last time.

Senator Keating: Well, let's see--what could we do to make this more attractive?

Senator Van Valkenburg: Well, you know -- these aren't you know-- in my opinion, real offers that are coming here. These are ways to try and---.

Representative Ramirez: To save \$600,000? I guess that's-- to me, that is a real offer, I don't know, maybe you're in a different ball game than I am. To me, that's a real offer.

Senator Van Valkenburg: If you want to talk about courage, maybe we could talk about some other issues that are pending in the legislature, too. Question is called.

425. Roll call vote. Motion failed. Further issues in respect to the University System?

Judy Rippingale: There is an amendment requested by Representative Bardanouve not given to him that I have to reduce the millage -- but to increase the millage revenue estimates to the budget office numbers and he also requested that the Units levy--the Department of Revenue levy 6 mills for the University System.

Representative Bardanouve: I don't know, I haven't seen these figures. It is not an attempt to cut anything out of the University System. It is merely trying to reflect what the best possible estimate we have to bring to the University System, and I don't know what change in general fund money it will need because I haven't had the figures.

Representative Waldron: \$608,000?

Dave Hunter: I think the millage numbers are what was adopted in HJR 9 this morning. They are our numbers and we looked at the amendment in the LFA this afternoon.

461. Representative Bardanouve: I move the millage levy as presented.

Senator Keating: What does it do?

Senator Van Valkenburg: A six mill levy for the University System and what this amendment attempts to do is to fully utilize what that 6 mill levy is expected to produce and to reduce the general fund contribution to the University System by \$608,000.

Representative Bardanoue: Senator Keating, this is every session we adopt the best estimates we have that the mill levy will produce. This is the best estimate we have.

Senator Keating: Will this be affected by 198 or whatever it is with regards to the increase in property tax? On the re-evaluation?

Representative Bardanoue: I asked this afternoon, and if--I think you had 5% at 1 mill--those figures are not in this revenue. If--say--nothing else decreases with revenue and that increases there will be more money than what is in these figures. There's no calculation on any bill that's before the House or Senate today.

Dave Hunter: Mr. Chairman, Representative Bardanoue is exactly correct. In fact it is our current revenue estimate. It does not include the property tax bills that are still in the Legislature--any of those tax ones would increase or decrease the taxable valuation on the state board of Taxes figures.

Representative Ramirez: What if 198 passes--what --do we need language in here -- do anything to revert any general fund that might--.

Representative Bardanoue: I would think about that since I found out that they have no -- and I would like to have language--I would hope that this language could right it-- saying that any impact on any bill -- any increase or decrease might end up--we might even lose something, I don't know what will happen -- that the general fund will be replaced if there is a final decrease in millage or the general--no, wait-- the general fund will be increased if a decrease in millage and the general fund will be decreased if there is--if we keep the level --it will be a wash. So the University won't be hurt if there is a decrease and it won't have a windfall if there is an increase.

Senator Van Valkenburg: On page 91 of the bill, there is a provision in here that the amounts in here include certain numbers and to the extent that they exceed that there must be a general fund reversion, in addition, in the amendment proposed here, # 16, there is a requirement that the Department of Revenue levy the full 6 mills, so I think that that will cause some reversion.

Representative Marks: I just had a question of Mr. Hunter. I misplaced the paper you gave me, but if that increased levy in the University would create \$608,000 then are you saying the foundation program would be raised about \$4½ million?

Dave Hunter: I guess I would have to go back, but I think the foundation program is already adjusted for the revenue estimate. I'd want to take another look at it.

Representative Marks: What did that amount to now? \$4½ million?

Judy Rippingale: \$4.84.

Senator Van Valkenburg: Any further discussion on this subject? Did you move these amendments?

Representative Bardanouve: I move the amendments.

547. Senator Van Valkenburg: We have the motion. Are you ready for the question?

Representative Waldron: Representative Bardanouve, did you include some language?

Representative Bardanouve: I suggested that the Fiscal Analyst write it. I think part of the language is already in there.

Senator Van Valkenburg: Mrs. Rippingale, is there need for additional language here to accomplish the results that Representative Bardanouve seeks?

Judy Rippingale: Mr. Chairman, just in case there were a couple of reduction bills that passed without an increase bill there could be a possibility of the Universities not having quite as much money as they had anticipated.

Representative Bardanouve: I would like a whole harmless section there. I would not like the Universities to have any loss if something happened tomorrow.

Judy Rippingale: Mr. Chairman, might I make a suggestion that becomes a fairly sticky method of writing that amendment in terms that if the estimate would provide to begin with, is it perhaps more appropriate -- it is quite clear what the Legislature intended they receive from the millage--could they not come back for a supplement?

Representative Bardanouve: If you can define me short-fall clearly define it, I am sure the Department of Revenue and the Budget Office can define it, I think that would be a proper way.

Judy Rippingale: Mr. Chairman, the amount is very explicitly written in the bill so it would not be difficult to define short-fall in this session at all.

Representative Bardanoue: Mr. Chairman, we, the Legislature will be back early enough in '87 so there wouldn't be--it would be whatever small short-fall -- it will have plenty of time for a supplemental, they wouldn't be hurt before the end of the fiscal year.

586. Senator Van Valkenburg: Question called, those in favor vote aye, those opposed vote no, the ayes have it and the motion carries unanimously. Further issues with respect to the University System?

Representative Marks: Well, I have a little item here in MONTCLIRC, and I was wondering if that can't be funded out of some fund other than general fund.

Senator Keating: Let me explain that if I can. What we've done is fund them for the first year. They will start charging fees during the first year and any fees that they generate will be returned to the general fund to help offset the cost of the second year. We are going to try to establish that the county attorneys and the public defenders will find this useful enough to pay for it and if it doesn't fund itself sufficiently through this biennium to warrant it. So let's try our experiment.

Senator Van Valkenburg: Any other discussion on that subject? Any other issues in the University System?

Representative Ramirez: Well, I know that some people have had concern over item 11, and this is an extra \$229,000 on top \$10,184,000. I guess I would like to have some explanation of this as to why the base might have gone down. I guess I'd just like to ask some questions if anybody knows about this.

Senator Van Valkenburg: Pam, could you respond to the MSU physical plant base adjustment? What that represents.

Pam Joehler: Mr. Chairman, Montana State University in FY '84 did not spend \$249,000 of an appropriation and the reason it appears as \$229,000 because of the inflation reduction for natural gas. However, the institution of the University unit presented its case before the Education subcommittee and said it did not spend the money in that program, it did spend the money in the Education and support programs because of the anticipated enrollment increases. Because of the way these particular programs are budgeted and because of the fact that they had moved the money out of the plant program, the plant program is budgeted on what they had actually spent in the base year plus allowance for inflation, because they had not

spent the money on that program to the extent to what they were actually appropriated, and they were asking for the restoration of their base. It was removed, I believe, on the House floor because it was felt that other units of the University System did the same thing and were not given the same treatment, and because other agencies do not have their appropriation restored if they happen not to spend the whole amount, or they just spend it in other programs.

Representative Bardanoue: I have a question. Pam, does this increase the base above and beyond what it would have been if the money had been used in a normal intended fashion. Do you follow me?

Pam Joehler: Are you asking me if the money had been spent in '84 in its intended fashion?

Representative Bardanoue: As it was appropriated. Does this increase the base beyond where it would have been?

Pam Joehler: Mr. Chairman, no. If the University Unit had spent its full appropriation in the planned program, it would have been \$229,000 higher than what it was.

Representative Bardanoue: How about the academical? Does that increase--did it not increase the academic program beyond?

Pam Joehler: It increased the academic program in that particular fiscal year, it did not necessarily increase the base.

Representative Bardanoue: The long term base was not affected.

Pam Joehler: That's right, Mr. Chairman.

Senator Van Valkenburg: Further discussion on the issue?

Representative Ramirez: I would move to delete \$229,000 from the MSU physical plant base in the budget.

— Tape 92 B. 002. Senator Van Valkenburg: The motion is to remove \$229,000 from the physical plant base in the budget. Question was called, those in favor vote aye, those opposed vote no. There is Representative Waldron, Ramirez and Marks voting yes, Representative Bardanoue voting no; Senators Regan, Keating and Van Valkenburg voting no, the motion fails. Are there any further questions?

Representative Bardanoue: I suppose it would be absolutely insane to look at # 12.

Senator Regan: You are correct, let's go on, Mr. Chairman.

Representative Bardanoue: Is this censored or pornography,

or something that we can't even look at it? (laughter etc)
More jokes and laughter.

Representative Bardanoue: I know, I feel like Representative Ramirez now, and nobody wants to hear me anyway, but we are setting up unit number 6½. We've got six units and now we are going to have another ½ unit with a brand new program, and nobody told us what the library will cost if we go into a program, an MEA program I'm sure the library program will be a considerable--beyond this because the argument I have heard many years ago that you've got to have a much larger library when you go into this high academic atmosphere. But we're not counting mentioning that, we are not mentioning the--all the costs of these programs. We are setting up another ½ unit of small--an inefficient unit --but I mean there is no use making a motion because the secretary probably----.

029. Representative Bardanoue: I'll make a motion that we delete this. The secretary doesn't have enough work to do so.

Representative Ramirez: I am going to support this motion. I am here for 50 Republican legislators who sent me here to represent them, and this instance, even though personally I would like to vote for that, I'm going to vote in favor of this motion because I think that is what they would want me to do.

Senator Regan: Mr. Chairman, I do feel that since the issue is raised, it should be addressed. This program has been approved by the Regents for the last three sessions that I've been here. Eastern already grants a Masters degree, I don't know whether you are aware of that or not. This program, however the degree would be issued by the University of Montana. It is simply that those instructors will come down and get it started. It will allow them to benefit from a masters degree in business administration. It is not Educational Administration. The subcommittee approved the program but then because of the budget crunch it was taken out in the House. It was put back in the Senate, and I think it was wise it did so. We are not unaware of the budget crunch and our concession was, we will only put it in only the second year of the biennium. We weren't asking to go full bore. I think we have acted responsibly. I think the program deserves being there, especially since it was approved for the past three bienniums by the Board of Regents, and so I urge that you reject the motion and support the program which I think it is good. And incidently, I would be surprised if you were the spokesman to all 49 of them, unless you've got such a locked on grab that blows my mind, and I'm beginning to think you are, although you are beginning to fracture. It's probably good that we are leaving just about now.

(laughter)

Representative Ramirez: I guess I wouldn't want to correct that--I know that there are some in my colleagues that want to vote for that, but I'm going to try to cast with the vote of the most.

Senator Keating: Well, I have a real special interest since Eastern is within my district and the students voted for me, I think--at least some of them do, but I told them that I'm not worried about that part of it but I told the president that I would not ask for or seek, I would not push for, I would not lobby for the Masters Program because I knew we would have a budget crunch. And so I didn't. I didn't ask for it or talk about it or say anything to anybody but there were a number--quite a number of Senators that voted for it on the Senate floor and I thanked them for the gift and I'm going to vote to keep this in the budget. As long as it's been a gift, I'm (too much laughter to hear)

Senator Van Valkenburg: Question was called, those in favor of the motion vote aye. Those opposed no. The House votes aye, the Senate votes no, the motion fails. 4 yes for the House, 3 no for the Senate. Further discussion on the University System? Seeing none--We had another millage issue that we needed to address in the State Assumption in the Welfare area. Do we have some amendments in respect to that also?

Representative Bardanoue: I particularly want to get this in so that we have enough money to finance the University System in Billings, and we do.

Representative Ramirez: Are we on an issue, or what? There is one that somebody brought to my attention that I would like to bring up, it is on one of the sections that is closed. It is not a money issue, but on the Coal Tax Lobby. The concern was expressed to me that maybe we should--as long as we are funding it at that level kind of reopen a selection process for lobbyists to see if we might want to change the lobbyist that we have. I don't know if anyone is interested in doing that. I think that that is healthy from time to time to do that and as long as we are spending that money--I think it is so easy to get entrenched and it just might not be a bad idea to evaluate these particular people and what they are doing and whether we want to have a selection process.

Senator Van Valkenburg: How would we go about doing that in the appropriation bill?

Representative Ramirez: Well, just -- could we do it in language suggesting that --or directing-- or saying that there should be a new selection process? I don't want to

to get into a big hassle but I just wanted it in.

Senator Van Valkenburg: We have a Coal Tax Lobby Oversight Committee. Isn't that more properly their function?

Representative Ramirez: Well, I think one nice thing, they have some direction. I happen to be on that, not by choice, (laughter).

Senator Regan: Mr. Chairman, he can make the suggestion, he can't use the appropriation bill to, you know.

Representative Ramirez: Well, I don't know. We're paying for it in this bill and we could either chose to pay for the lobbyists or not, it seems to me that we could suggest that there be a new selection process to see if we have the poeple we want.

Senator Van Valkenburg: We could draw up a letter, send it around, we'll all sign it up and send it to you, or somebody like that.

Representative Ramirez: Fair enough.

Representative Marks: Seriously, I think we have addressed this and it is serious.

Senator Van Valkenburg: That was serious.

Representative Marks: But following up on the same language, I think we have from time to time required reports to the Legislative Finance Committee, and I think it would really be appropriate to do that. Either to the Legislative Finance Committee or the Revenue Oversight Committee, on a periodic basis--those standing committees that meet from time to time. I guess Revenue Oversight would be the one that I would be inclined to suggest. I can't see any harm in it and it seems to be a way of monitoring. It wouldn't cost anybody anything. It just seems like it would be a good idea to put some language in there.

Senator Keating: I think it is a good idea. I like the idea of finding somebody else, and I recall there's a bill that has gone through and I believe it is signed by the Governor, and I believe it says whenever state money is spent you have to hire at least 50% of them have to be Montana residents. Just because the lobbyist is named Montana doesn't mean that----

Senator Van Valkenburg: Billings. His name is Billings.

Senator Keating: I think it is a good idea. There's some vehicle we can put it in and do it, I'd sure like to because--.

Senator Regan: Mr. Chairman, I really think the idea of a

letter is perhaps more appropriate than writing it in the bill. I would like to urge that we do that if it is the wishes of the group.

Representative Marks: Fine. I would like to pursue the idea of having the report come to the Revenue Oversight Commission.

Representative Bardonoue: I'm not critical of what they do in Washington. I don't know what---. It kind of bothers me, we keep an eye on the University System, we look at enrollment, we really police them. We watch the bureaucrats here in Helena, we look at $\frac{1}{4}$ of an FTE and we really analyze what they did 2 years ago and take -- . We have absolutely no knowledge of what we do or how we spend the money. Why we could create an accountant that could justify anything. Maybe they are doing the job, I don't know. It amazes me how certain areas really get nit-picked, almost; and yet we have almost we have nothing we know of what is happening in Washington.

157. Representative Marks: I would move that we insert language in the bill that would require the Coal Tax Lobby to make quarterly reports to the Revenue Oversight Committee.

Senator Van Valkenburg: Like where the appropriation is for the Coal Tax Lobby is in the bill? That would be an appropriate spot?

Representative Marks: Sure.

Senator Van Valkenburg: Is there discussion on the motion? Question called, those in favor vote aye, those opposed no. The ayes have it and so ordered, the motion carries with Senator Regan voting no.

165. Representative Bardonoue: I will move the mills levy for the assumed counties be adjusted in accordance with the Governor's office. I think--where are those amendments? Would you give a report, Mr. Chairman?

Senator Van Valkenburg: This amendment increases projected mill levy collections from the 12 state assumed counties by 1% each year, the 1% growth in collections of \$280,000 in FY '86, \$345,000 in FY '87. In return, reduces general fund by a like amount. Should collections exceed the 1% growth projection the excess would be deposited to the general fund. In sum here, you are reducing general fund \$280,000 in FY '86, \$345,000 in '87.

Representative Bardonoue: I move the amendment.

Senator Van Valkenburg: Question on the motion called, those in favor vote aye, those opposed vote no. The ayes have it and so ordered, the motion carries unanimously.

Senator Keating: The majority of both Houses have passed a dozen bills that add to the expense of government, and those amendments are floating around here someplace, and I move that we throw them in the middle of the table and have them plugged into the bill. (laughter, mock vote, etc.)

Representative Bardanoue: I hope the Senator wasn't serious, Mr. Chairman.

Senator Van Valkenburg: I think he is feeling some of the frustration we are all feeling on being here at 9:30 at night on the 89th day and--. Motion failed, by the way.

Representative Waldron: I have a motion that I hope won't fail. It gives some additional authority -- proprietary authority to the Department of Administration. I didn't have a chance to make up copies of this. Representative Bradley has a bill on the genetics--of whether assessing the fee annually on insurance policies and the bill is still tied up in Conference Committee, but if the Conference Committee comes out like the way I think it is going to come out they will need some additional authority.

Senator Keating: It was reported out this afternoon.

208. Representative Waldron: Okay, so, I will read what the amendment says. Page 32, following lines 7 insert "contingent upon passage of House Bill 430 \$12,500 in fiscal '86 and \$12,500 in fiscal '87 is appropriated to the Group Benefits program in personnel division, item 11 in proprietary funds. I won't make that the exact motion because the fiscal analysts have that.

Representative Bardanoue: Mr. Chairman, Mr. Waldron hasn't told you why it is necessary to plug it in. This will supplement the Employees Insurance, self insurance fund, because these policies will be assessed 50¢ now (V.V. said 45¢) I guess, well you changed it--45¢ and there's no income on Montana Employees, so you need to have some additional money to pay the 45¢.

Senator Van Valkenburg: Is there further discussion on the motion? Question is called, those in favor vote aye, those opposed no, the ayes have it and the motion carries unanimously.

Representative Bardanoue: Wait, Mr. Chairman, You said 45¢ is a small amount, but this is based on 50¢.

Representative Waldron: No, she based this on 45¢.

Senator Van Valkenburg: We had a discussion earlier today, about language on the medicaid "other". Francis, did you

want to change that in some fashion or another?

Representative Bardanouve: Well, we -- my main concern how it all began in the committee was the DEFRA reduction. What is it.

Dave Lewis: Deficit Reduction Act of 1984.

Representative Bardanouve: This is where the it was and this is why the first language was written, and it got hassled back and forth in the committee and the fiscal analyst has written this version and I would submit it. It will probably be, no matter what language you put in there, the Department will probably--unless we have a real economic boom, they will probably be in for a supplemental in '87. This will encourage them to really tighten up their belts as much as possible.

Senator Van Valkenburg: So you are satisfied with the language.

Representative Bardanouve: Well, I mean, that's up to you. I'm satisfied.

Senator Van Valkenburg: No further discussion then on that language in the bill. Trying to wrap up all of the issues that.

259. Representative Bardanouve: We haven't moved this amendment.

Senator Van Valkenburg: Oh, you are offering the amendment?

Representative Bardanouve: I am offering this amendment.

Senator Van Valkenburg: All right, the motion is to add language to the bill that says that except for documented cost directly attributed to the Deficit Reduction Act of 1984, DEFRA, the funds appropriated to the medicaid "other" program are not sufficient to provide medical care to all eligible persons the Department is directed to adopt cost containment initiatives in accordance with 53-6-141 MCA to maintain expenditures within appropriated funds in the event that despite cost containment initiatives documented by the Department costs directly contributed to DEFRA cause expenditures to the medicaid "other" program to exceed funds appropriated, the Department may seek a supplemental appropriation for documented DEFRA costs. Is this in place of existing language in the bill, or what? Mr. Lewis, would you want to respond to this?

Dave Lewis: I haven't seen the language and I really didn't follow it as you read it there. I have no idea what the intent of that is.

Representative Marks: Who wrote that?

Representative Bardanouve: The fiscal analyst's office. We have 4 or 5 languages that were written throughout the session and nobody was really happy with them.

Dave Lewis: Mr. Chairman, basically what it says is that we are to cut optional services if there isn't enough money in the budget other than for DEFRA then we come back for a supplemental for DEFRA but we will cut optional services if there isn't enough money otherwise. At this point we've done some calculations and in our calculations we believe we are about \$2½ million short so we will have to start cutting optional services really very early in the fiscal year, and that has been the issue all the way through the session as to whether the Legislature intends for us to cut optional services, but whether the Legislature wanted to make that decisions.

Representative Waldron: I remember that language quite clearly, Francis. I'm surprised you were able to hang onto it for this long. We had that language in Appropriations committee, it was discussed and we rejected that language for those reasons, and let me tell you what optional services mean. It is a terrible misnomer -- optional services are things like drugs, so if you have someone in nursing homes they would have the option of drugs, you just don't give them drugs, you know. It is really not properly understood.

Representative Marks: Eyeglasses, false teeth, prosthetics--

Senator Keating: What are the ramifications of if we don't tell him to cut optional services and he's 2½ million bucks short, does he come back for a supplemental next time or do we put some money in now or what?

Representative Waldron: I believe the intention of the subcommittee and, I worked closely with Representative Winslow on this, the Chairman there. The intention of the subcommittee was that the Department should get into a number of cost containment items such as requiring individuals to go to one doctor and they start doctor shopping, they are going to start looking at contracts, oxygen is very expensive and there is a very high mark-up on it, and if a contract with one vendor often times you get a substantial cut. It is those sort of cost containment items, and if they were unable to contain the costs, to not cut services but to come back for something--that was the intention of the House Appropriations. Francis might disagree, but I think I'm correct.

Senator Van Valkenburg: Are you ready for the question?
Question is called.

Representative Marks: I have one more question. What would

you cut, Dave?

Dave Lewis: Mr. Chairman, the big item, as I recall, is the medically needy. That's people that--and I think the major proportion of those people are in nursing homes. I don't have that schedule with me, but it would require drugs, various eye-glasses, hearing aids, those kind of things are the kind of things we would have to go into reducing and they're delineated within the legislation as optional services. Our problem is that we believe that the case load is going to be higher than approved and included within the bill at the present time. The compromise in the subcommittee is--okay, we're going to fund it at a lower level--at the level that is projected by the fiscal analyst in this case, but if we're wrong, we don't want you to cut services, we want you to come back to the next Legislature for some--to make up the money, it is not our intention to cut services, and that is--you know--basically where the subcommittee was.

Representative Marks: I have one more question--If you did--if this amendment passed would you do that reduction on a sharing basis or would you get cut teeth out or cut glasses out or-- would you say 50% of the cost of drugs would be reduced or something like that or what would you do?

Dave Lewis: There's other language in the bill that says that we cannot increase the amount of co-payments, so we wouldn't be able to shift costs onto recipients any further unless there is further amendments that --and again, I didn't see any change in that language in the amendment that was passed and--. So, I think it would simply be an elimination of services on a priority basis and then they are very difficult things--I think some of you may recall some years ago we got into that -- I think it was in the '77-'79 area.

Representative Marks: I can remember a certain gentleman getting chewed out by another certain gentleman here for not--.

Senator Keating: Would we be better off giving you the latitude of adjusting co-payments?

Dave Lewis: Mr. Chairman, again, this was the reason that we got into this, was that there was a lot of concern in the last legislature. As I recall, there was a petition signed by something like 70 or 80 legislators in opposition to the fact that the Department had proposed co-payments at all. There was a lot of concern all the way through that we certainly not be increasing co-payments. Again, what I told the subcommittees and the other committees that this has come up in, and I think this is about the 4th time we've talked about it--that if it is the intent of the Legislature that we cut out co-services, if it is the intent of the Legislature that we increase co-payments, that's what we will do, but I wanted at least declared to be very specifically what the Legislature

intended in this area. That that not be left in question.

Senator Keating: Then what this proposed amendment is saying, is you can't adjust co-payments, but you can drop optional services. Now, that means that with some services, the recipients are going to have to pay for it themselves. If we were to increase co-payments, we might pick up some of the cost of that, as long as we don't increase co-payments--.

Representative Bardanoue: My amendment don't refer to co-payments.

Senator Keating: No, it doesn't refer to co-payments, but what it means is that some services will not be paid for so the recipient will have to pay for it themselves.

Representative Waldron: Under co-payments you can raise the co-payments if the individual can't pay it, then what they have been doing, they are not increasing the cost of the client, you are lowering the amount of money that you pay the provider. Doctors, nursing homes, hospitals---.

Senator Keating: But then they charge the client.

Representative Waldron: But if the client can't pay then they have to eat the cost, and under the rules, cannot deny services to the client because they cannot afford to pay for the co-payments. Co-payment--a good part of that is just switched over onto the provider of services.

Senator Van Valkenburg: Question has been called on the amendment. We will take a roll call vote. Motion fails. 398. We've got--we had the issue of House Bill 923 which was whether we were going to put any money in for moving agencies out of the Capitol. Anybody want to offer any amendments in that regard? Seeing none. (Some comments on "space wars" and not knowing what is going on etc.)

Representative Bardanoue: I move we disregard this proposal.

Senator Van Valkenburg: There's no one offering anything in the bill we don't need to act on the motion.

Representative Marks: Another question, and maybe you intend to address them, but we had a number of issues that different agencies had come up with relative to some legislation that has passed. Now, I think Senator Keating proposed to throw them all in the middle of the table, but how are we going to pursue them?

Senator Van Valkenburg: I am going to take them up right now. I want to finish this thing. For anybody that's got anything to offer in terms of little amounts, now is the time to come

forward.

Representative Marks: I have one basic question, Senator and I would like some assistance on that. If these amounts are relatively small compared to an agency budget and they are going to be saddled with doing certain things because of some bills that passed, could we put in in general language in the bill that they could ask for supplementals to support some of these proposals. I don't think there are any of them that are so large that they would throw the budget into arrears by the time the next session came along. It seems like that might be some kind of language we could---.

Representative Waldron: Mr. Chairman, there may be some special revenue items that we will have to include, other than just general fund. There usually is right at the end of the session, you have the proprietary funds.

Representative Bardanouve: The Department of Labor is to need in that area there is almost no general fund money in that. They really are short of general fund money.

Senator Van Valkenburg: Before we proceed, may I announce that at this point we have almost \$3.8 million of general fund out of this budget based on our action, so far.

Representative Bardanouve: How much of that was millage?

Senator Keating: I have 3 bills that are state special revenue. The non-gender insurance law and the title insurance law and the Health Insurance pool in the state Auditor's office that total \$153,000 for the biennium. I would like to move that we 458. plug it in.

Senator Regan: This is the kind of thing that I talked about when I was up on the floor. When we passed that little innocuous bill that allowed the State Auditor to put fees in a special revenue account and then at the end of the biennium they slip into --they revert to the general fund. Those are not anything more than general fund monies that are being held in that office for 2 years -- 1 year -- because the action that we made foolishly with regret, so I would hope that when we vote on these we keep in mind that this is \$100,000 of general fund money.

Senator Keating: It is \$153,000.

Representative Bardanouve: Well, what are we going to get for \$153,000 of general fund money, Mr. Chairman?

Senator Keating: We get 1½ FTE's, 1 FTE to handle all of the forms and all of the work that is generated from the non-gender insurance law that will go into affect. All of the forms for all of the policies that are being offered for

purchase that go through the State Auditor's office. $\frac{1}{2}$ an FTE to manage the title insurance, licensing and fee gathering and monitoring for the abstractors and the title insurance companies within the state and all the policies that they are going to go through. Those are --they will all be charged for these fees, the insurance companies, and to the title insurance people and to the health insurance pool and there is no FTE in the health insurance pool under 817, that's probably soft ware or something or other; and all these will be -- all this money will be paid in fees generated by these services that are being directed by these House bills. By three House Bills.

Representative Waldron: Mr. Chairman, I am confused. Representative Keating, fees can be increased to pay these or--

Senator Keating: Well, the fees are being charged. It is not an increase, these are new programs.

Representative Ramirez: How does that work though?

Representative Waldron: Have you---.

Senator Keating: The title insurance has to get licensed, they got one more---

Representative Waldron: Okay, stop! I want to ask one more question. Have you gone over these figures with the fiscal analyst?

Senator Keating: No. Oh, yes, we've gone over the figures,--.

Senator Van Valkenburg: Mr. Gilbert, do you want to respond?

Mr. Gilbert: Mr. Chairman, I earlier today showed these figures and the narrative to Mr. Roessner from the fiscal analyst's office and he may want to respond.

Cliff Roessner: Mr. Chairman, I did review the figures with Mr. Gilbert and the dollar figures that he had requested seemed to be proper.

Representative Bardanoue: My question, Mr. Chairman, will the fees generated cover the cost of this money?

Senator Keating: Yes.

Representative Bardanoue: You're positive?

Senator Keating: That's the way the bills read.

Representative Waldron: Do all of these bills have fees in them or are tied to some laws that have fees or what?

Cliff Roessner: Mr. Chairman, the Title Insurance bill does have

a provision for collecting fees. The non-gender insurance law is--does not have a provision for fees in itself, and by the way that is a law that was passed after the last session that is due to go into effect October 1, 1985. There was no specific provision for fees in that law.

Senator Van Valkenburg: In that regard, did the insurance commissioner submit in her budget this year the request for funds to implement that law?

Mr. Gilbert: No, we did not. There were 2 bills that were introduced into the legislature this session that would have killed this--over over-turned this law.

Senator Van Valkenburg: So you assumed those bills would pass and therefore you wouldn't need the money?

Senator Regan: As I understand it, Unixex insurance law for any kind of a group policy is in place, and so they are only for individual policies that are being written. We've got 22 people in that Department and their charge is insurance regulation and licensing. What do they all do?

Mr. Gilbert: Bob Throssell is an attorney in our offices here, and he can, I think provide an answer to Senator Regan's question.

Bob Throssell: Mr. Chairman, Senator Regan, what has to take place with the non-gender insurance here between now and the first of October is that all the forms utilized in the policies on automobile and inherited life, property, casualty and all the life and health forms that are issued in the state have to be resubmitted by the companies and have to be reviewed by our office to see to it that those policies comply with the non-gender requirements. Along with all those policies is submitted an additional rate form in which the companies tell us what the rates are going to be as they implement the non-gender insurance law. Those all have to be reviewed and a determination made by our office as to whether or not the rates truly reflect non-gender rates for every person, and the FTE that is being requested is going to be initially involved in reviewing all these policies and the associated rates as submitted. Once that's done we anticipate, after October 1st when the law takes effect and the policies are issued that there will be a large number of questions because there will be a change in people's premiums that they pay particularly in the area of automobile insurance which everyone has to have. We anticipate that through '86 and into '87 as people's policies are renewed that we will receive a large volume of questions concerning how this non-gender gets down and applies to individuals as they go to purchase the various types of insurance. Our anticipation is that the one FTE will work initially to review the rates and forms and then after the first

the first of October act as a clearing house for all questions that come in and we anticipate a heavy volume of questions as people face fairly drastic rate changes in their insurance.

Representative Bardanoue: A short answer now, are these new fees that are in here or fees that you ordinarily assess anyway? Are these fees new fees or are you receiving fees for this kind of policy anyway?

Bob Throssell: Mr. Chairman, the--in the non-gender area the fees will be fees that we receive anyway for reviewing the other policies. It is just a question of the immediate volume that the changes in the policies that we will have to face here in the next 6 months. In title insurance proposal, those will be new fees that we collect for.

Representative Bardanoue: Thank you sir, The first \$54,000 they are already receiving them so this would be additional costs.

Senator Keating: What he is saying is it is the same type of fee that is being charged for all policies. We are talking about a whole bunch of new policies which is an increase volume which will be an increased volume of fees but there is a corresponding volume of work that has to be paid for.

Representative Waldron: Dick, you're looking at getting increased amount of fees then to increase for the policies?

Dick Gilbert: Mr. Chairman, not as a result of the unisex law itself. We will collect the same amount of fees that we ordinarily would have. With the exception of the title insurance law, but yes, we will still collect the same amount of fees, but as Senator Keating pointed out the work load now is going to increase now as a result of having to review all the new forms and rates.

Representative Waldron: Okay, so there is not going to be any additional money as far as the non-gender.

Senator Keating: That's correct.

Senator Van Valkenburg: Do you want to separate these? (yes was indicated by several) All right, the first is for non-gender insurance, \$54,000 in FY 86, \$43,000 in FY '87. Are you ready for the question?

Representative Ramirez: Can we divide that?

Senator Van Valkenburg: You mean years?

Representative Ramirez: You bet.

Senator Van Valkenburg: All right.

Representative Ramirez: Because I think there will be a legitimate increase for awhile.

Senator Keating: There is going to be an increase until they get on stream.

Representative Ramirez: On reviewing policies, but I don't think there is going to be that much of an increase from inquiries that you need \$43,000 for.

Senator Van Valkenburg: For FY '86, \$54,563.

Representative Waldron: Okay, Mr. Chairman, I'd like to speak in favor of that too. They're probably--there is going to be a volume of changes in those policies. We mandated that and it is a good thing that we've done that, but with that work load I think I can support providing additional funds in that first year.

695. Senator Van Valkenburg: Are you ready for the question? Quesiton is called, those in favor vote aye, those opposed no. With Senator Regan voting no the motion carries. Representative Bardanouve voting no, the motion carried. Now, the second half of that--\$43,000 in FY '87. Those in favor vote aye, Senator Keating voting aye, those opposed vote no, all others voting no, the motion fails.

Representative Bardanouve: I would like to make that a biennial appropriation. In case they might not need all the money the first year and they might have additional costs the second year and they could use it.

Senator Van Valkenburg: Is that a motion? The motion was to make the earlier appropriation here of \$54,000 a biennial and that motion passes there is simply a clarification that that position sunsets--doesn't go into the 1989 biennium base. The second issue here is title insurance-- $\frac{1}{2}$ of an FTE, \$28,000 in FY '86, \$20,000 in FY '87. Are you ready for the question?

Representative Bardanouve: They generate that in the new law, they generate additional money in the new law?

Representative Waldron: Yes, the fee is in the bill.

— Tape 93 A. 011. This is going to be general--this is state special revenue fund that otherwise would revert to the general fund. Those in favor vote aye, those opposed no, the ayes have it and the motion carries unanimously.

Representative Marks: One question on things like that. Are those fees that are going to fall into general fund been

counted anywhere? Or are they so small we haven't even counted them?

Senator Van Valkenburg: It is the reversions.

Representative Waldron: We counted them somewhere, either in miscellaneous or somewhere.

Judy Rippingale: They are counted.

Senator Van Valkenburg: Judy says they are counted. The last item here is for the health insurance pool, House Bill 817, \$4900 in FY '86, \$1900 in FY '87.

Representative Bardanoue: What do you use this for? There are no FTE's here.

Mr. Gilbert: In the first year of the biennium \$1400 would be used for a financial examiner, \$1600 for an actuary and to administer examinations. \$150 for rules, \$1,000 for communications, \$750 for hearings. In the second year of the biennium \$1600 again is for an actuary and to administer exams, \$7500 for rules, and \$250 for (this part has 2 people talking and is not clear)

Representative Marks: Why do you have to have rules the second year for?

Senator Van Valkenburg: We have a motion already. Senator Keating earlier made the motion and we divided the question. Question is called. Those in favor vote aye, those opposed vote no, we have 2 votes in favor--let's have roll call vote on this. Roll call vote taken, motion fails. Is there anything else in the Auditor's office. We have some Department of Labor amendments here. We have House Bill 387. They are asking for \$20,194 in FY '86 and \$4547 in FY '87. This is to establish administrative rules and prevailing wage rates to implement that bill. Did you want to move that bill?

Representative Bardanoue: I'll move that.

Senator Van Valkenburg: Are you ready for the question? Question is called. Those in favor vote aye, those opposed vote no. Let's take a roll call vote here.

Representative Marks: I have a little hand in passing one of those bills. It's to help establish the minimum wage. And I know that Mr. Waldron and Mr. Wanzenried and some of us worked pretty hard in trying to get that thing to where we think it is working and some hearings are required in different parts of the state. In order to get some fairness in this thing.

Senator Van Valkenburg: Are you ready for a voice vote here? The question is to adopt this amendment funding House Bill 387. Those in favor vote aye, those opposed no, the ayes have it and the motion carries unanimously. The 062. other one is to fund House Bill 853. This is the bill that requires certain state construction projects to be performed on work force consisting 50% bona fide Montana residents. It would provide \$4894 in FY '86, \$2922 in FY '87.

Senator Keating: I voted against that bill at every opportunity and I am going to be consistent and vote no now, but I just wanted you to know why.

Representative Ramirez: For the same reason, I'm going to vote no also.

Representative Waldron: There's no sense punishing the Dept. because got stuck with the bill.

Senator Van Valkenburg: Is there a motion to adopt this?

070. Representative Waldron: I'll make a motion to adopt this.

Representative Bardanouve: Well, I haven't heard why they are using money for it.

Senator Van Valkenburg: The bill will implement legislation, the Department will need to accomplish the following: Hold one rule making hearing in Helena, notice and publish rules in the Administrative Rules of Montana, investigate and resolve an estimated 15 complaints per year.

Representative Waldron: Mr. Chairman. I've worked that Department of Labor budget before. In most departments a small amount like that I'd tell them to eat it, but in this department they don't have a heck of a lot of general fund in there and eating it is going to be pretty tough.

Senator Van Valkenburg: Are you ready for the question? Question is called, those in favor vote aye, those opposed vote no. Two House members voting no, the motion fails. Representative Marks and Ramirez voting no, the motion fails. 083. We have the Department of Justice. We have three amendments that they have requested to the bill. Senate Bill 57 requiring motor vehicle division to inform drivers that they may donate organs if their driver chooses and designate with a sticker. \$5500 in each year of the biennium. Is there anyone who wants to move that? Seeing no motion, none will be considered. House Bill 108. Counties can charge the Department 090. of Justice \$20 per day for persons incarcerated by the Highway Patrol. Formerly it was \$10 a day. They are seeking \$50,000 each year of the biennium from the general fund to

pay that cost to the counties.

Representative Waldron: Now, Mr. Chairman, that bill was in the Appropriations Committee. We considered it, knew there would be general fund impact and I think we ought to pay it. I'll make the motion that we do pay it. It's not like this one was not considered and we didn't know that it was going to cost us when we passed it.

Senator Van Valkenburg: Is there further discussion on the motion?

Senator Keating: This is prison transportation, is it or?

Senator Van Valkenburg: No, the Highway Patrol puts somebody in the county jail right now the state pays \$10 a day. We passed a bill that increased that to \$20 a day and -- Question is called, those in favor vote aye, those opposed no. Senator Regan voting no, the motion carries. The last 104. one is in regard to Senate Bill 116 that provides an increase in salary for part time county attorneys. The state to pay half of the deputy county attorneys. It provides longevity pay for deputy county attorneys. What's the status of that?

Senator Keating: It's out of conference and in the last-- it's been reported out. What it does, it -- the state will pay some money on two deputies -- no deputy can receive longevity that will make his pay greater than any county attorney and the justices of the Peace have to assess a fee for each case in order to pay for this.

Representative Waldron: The money comes into the general fund and this appropriates out of the general fund. Mr. Chairman, I think it would be wise to put some contingency language in House bill 500 on this.

Representative Bardanouve: Yeah, but wait, Mr. Chairman.

Senator Van Valkenburg: Was there House action on this this evening? Representative O'Hara?

Representative O'Hara: Tomorrow morning.

Representative Bardanouve: Where is the separation here between the county attorneys and--this is a lump sum for everybody. This is just for county attorneys?

Senator Keating: Not county attorneys, deputy county attorneys.

Senator Van Valkenburg: Well, there's part time county attorneys in here, and then there's deputies.

Senator Keating: No more than two deputies to a county and then.

Senator Van Valkenburg: May I suggest this. Instead of adopting this because we don't know whether Senate Bill 116 will pass and in what form it passes, that we simply add language to the bill under Department of Justice that indicates that if Senate Bill 116 passes there is a general fund appropriation amount to fund that bill.

133. Representative Waldron: I would make that motion, Mr. Chairman.

Senator Van Valkenburg: The motion is simply to add language, not put the money in the bill at this time based on the potential passage of that bill. It's within, I think I last saw, within two votes of passage of Conference Committee from the House so--.

Representative Ramirez: How much are we talking about? I just wondered, what's the range?

Senator Van Valkenburg: On this sheet, it's \$700,000 a year, but there is a fiscal note that generates that amount of money for the general fund, so we are going to have increased general fund revenue to pay that.

Representative Bardanouve: Are you sure, Mr. Chairman. Was the fiscal note compared with the bill now?

Senator Van Valkenburg: Mr. Hunter, will you respond to that?

Dave Hunter: Mr. Chairman, I'd have to go and look, I don't have it with me.

Mr. Kuchenbrod: The amended fiscal note leaves a balance of about \$60,000 of expenditures as compared to Revenue the first year and about \$100,000 the second. General fund would pick up \$60,000 the first year and \$100,000 the next.

Senator Van Valkenburg: So if the bill passes, there is a benefit to the general fund of \$60,000 in the first year over expenditures and in the second year how much?

Mr. Kuchenbrod: \$100,000.

Senator Van Valkenburg: Are you ready for the question on Representative Waldron's motion? Question is called, those in favor vote aye, those opposed no, the ayes have it and so ordered.

Representative Marks: Mr. Chairman, that's -- if that is a wash or very close then that will not have any impact on a (?).

Senator Van Valkenburg: That's right. Are there further amendments to be proposed here. Judy, do you have one? This

is from the Department of Revenue?

Judy Rippingale: Yes. That happened to be in my hand. The Department of Revenue does want \$35,450 in '86, \$31,880 for FY '87. This is for House bill 815 and Senate Bill 19.

Representative Marks: What's the bills?

Senator Van Valkenburg: Agriculture in the schools and check-off program, Senate Bill 19-- Child abuse Senate Bill 334, non-game Wildlife. Is anyone going to move that?

Representative Waldron: Wait--if they are going to collect the funds they have to have the authority in it.

Senator Van Valkenburg: They're asking for money to administer the program. They don't need authority to collect the funds. Is there any other amendments that are being offered to the bill.

Representative Bardonoue: Wait now. I hesitate--I'm kind of embarrassed (some jokes and laughter) I know you will throw me out of the room, but even Representative Jack Moore supports me on this one. Mr. Chairman, members of the committee, earlier on in the session. A representative of the Great Falls Elks Club came to me and Mr. Archibald from the museum with a brochure of Charlie Russell--I mean it shows what they have, of original Charlie Russell work. It's probably the last Charlie Russell collection in private hands in Montana. It looks like an awful price, they're small illustrations. Many of them was in black and--he wrote letters to his friends and some very clever--some of his drawings. There is one art piece, art picture about (motioned) this big--something like that. The appraised price is right at close to--I haven't looked at that figure, I think about \$485,000--the appraised price. There is three appraisals on it. One is about 500, one is a little over 500 and one is around 480. There is a private donor in Montana who has pledged about \$25,000 to at least buy the painting. There'll be about \$450,000 additional over what the donor has offered, something like that. I remember as a young person when the Mint Saloon in Great Falls offered the Mint Collection to Montana Legislature. If I remember right, about \$65,000. The Legislature felt \$65,000 was an outlandish price. It went down to the oil country down South and any work in that collection will probably bring you 3 or 400,000 today. I know, I'm embarrassed in this time of short-fall revenues how we have pinched pennies, but I believe what we have done here today and saved a few dollars that there probably is enough money in the budget to accommodate this art work. The Elks Club in Great Falls is financially embarrassed, they have some heavy obligations that they can't pay, and I'm sure by '87 the art will have to be sold. As we bought the Russell painting from the Montana Club, Senator

Regan was my chief negotiator then and they were in financial problems and we bought the famous painting from Montana Club. At least, you haven't yelled at me, and I'll just leave it like that.

Senator Van Valkenburg: How much are you asking for it?

Representative Bardanouve: Well, this donation--there'll be around \$450,000, I think if they saw \$425,000 plus the private donor they would probably be happy. I could send Senator Regan up there to negotiate and she might come back with even less.

Representative Ramirez: I told you earlier today that I'm interested in helping on that, but I just question whether this is the right way to do it. We could do one of two things tomorrow. We could zip a bill through quickly if there is support, but it seems to me that is where it ought to be.

Representative Bardanouve: It should properly, but somebody told me very firmly he could not get a bill through the House in one day--through the Legislature in one day. I think you can, but if that is true--this will be my last resort. This is not the proper way --to put it in a bill without anybody having a chance to vote on it.

Representative Ramirez: And would you put in two bills, one that takes it out of the Coal Tax Trust Fund, because that is really where it ought to be taken out of.

Representative Bardanouve: No, I couldn't do that.

Representative Ramirez: I'll put that one in.

Senator Regan: Francis, what's the time frame. What about an option? There's some option money that I saw in this bill. What about an option and then asking for public subscription with the idea that for every--.

Representative Bardanouve: Well, we could write the bill that we put up so much, they could raise so much and--maybe, Mr. Chairman, I don't know how close Representative Moore is to this, but I know he has knowledge of it. I wonder if I could ask any short comments from Representative Moore.

Representative Moore: Mr. Chairman, I'd be glad to comment. I think this art work is very worthwhile in keeping it in the state of Montana, and I think it is an investment in the future. I think we should do everything in our power--it's there and I think we should try to acquire it. Those are my thoughts on it.

Senator Regan: Do you have any idea what the time frame is?

Representative Moore: Mr. Chairman, Senator Regan, knowing the past problems of the Elks Club up there and their financial status I imagine the time frame would be very short now.

Representative Bardanoue: I merely bring it up because some of the financial leaders of the Legislature is here on this table and I just wanted to let you know.

Senator Van Valkenburg: Do you want to offer a motion to put it in?

Representative Bardanoue: Well, I have serious reservations if Mr. Marks states that, I would have serious reservations, I might support that. It's not really a kosher way of doing it.

Representative Marks: I just have one comment. I think I can support a bill if prepared, and I think we can perhaps get it through, but I think it is unfair to have an item come up that none of the rest of the people have had a chance to visit about and they'll have to say yes, or no. I guess I don't think that's fair. I will support your proposal in a bill, however.

Representative Bardanoue: They couldn't vote against this in the bill because they would have to vote against the whole bill.

Senator Van Valkenburg: Are you willing to put in a bill in the morning to do this, or do you want to---.

Representative Bardanoue: At least you guys haven't torn me limb from limb.

Senator Van Valkenburg: No, its--

Senator Regan: We'll have to suspend the rules to take it, too.

Senator Van Valkenburg: Then you don't want to offer it here?

Representative Bardanoue: No, it wouldn't be fair.

Senator Van Valkenburg: Anything else to go in this bill?

295. Representative Waldron: I just want to bring up one thing. OPI talked me into explaining that there is not enough money to pay for the current schedules on the transportation and they just have to pro-rate things out otherwise. I am not going to make a motion.

Senator Van Valkenburg: Anything else to go in the bill?

Representative Bardanouve: I move that House Bill as amended be adopted.

Senator Van Valkenburg: That motion accedes to all Senate amendments not otherwise modified in the action of this Committee today.

Representative Ramirez: This does not take a majority of House members?

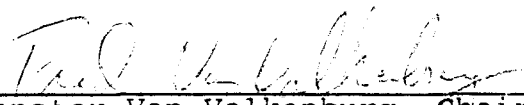
Senator Van Valkenburg: There's a majority of House members, there's a report that goes out with a recommendation to adopt, if the House ties on the vote the recommendation--the report will go out without recommendation. If there is a minority of members voting for this motion in either House the motion fails and there is no Conference Committee report at this point.

Representative Bardanouve: Say two House members and two Senators --

Senator Van Valkenburg: Are you ready for the question? Question is called. Roll call vote. The motion passes. Is there 329. any other business to come before this committee?

Representative Waldron: I want to compliment the Senate on working so hard to make the compromises that they made.

Senator Van Valkenburg: Thank you very much. The Committee is adjourned. (10:18 p.m.)



Senator Van Valkenburg, Chairman

7
April 23, 1985

Proposed Amendment to HB500
Due to the passage of Senate Bills 25 and 142

HB500, Salmon Copy

Page 10, line 12

Strike	2,158,880	2,172,575
Insert	5,742,013	5,737,948

Page 66, line 5

Strike	1,375,000 in FY 1987
Insert	-0- in FY 1987

This Amendment:

1. Adds \$3,033,133 in fiscal 1986 and \$3,015,373 in fiscal 1987 to the District Courts due to SB25 costs.
2. Reduces the existing appropriation in HB500 for grants to District Court by \$1,375,000 in fiscal 1987 only.
3. The amendment then adds \$1.1 million to the costs of District Courts appropriation, with \$550,000 in each year of the biennium.

HOUSE BILL No. 500

Salmon Copy

Free Conference Committee Amendment

Be amended as follows:

Page 5, line 9.

Strike: "1,069,503"

Insert: "1,113,793"

Strike: "1,041,559"

Insert: "1,085,849"

Add 2 FTE Legislative Auditor

HOUSE BILL No. 500

Salmon Copy

Free Conference Committee Amendment

Be amended as follows:

Page 5, line 9.

Strike: "1,069,503"

Insert: "1,113,793"

Strike: "1,041,559"

Insert: "1,085,849"

Add 2 FTE Legislative Auditor

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Strike: "1,069,503"

Insert: "1,113,793"

Strike: "1,041,559"

Insert: "1,085,849"

Add 2 FTE Legislative Auditor

DATE 7-24-85

HOUSE BILL 500

TIME 8:31

	YES	NO	ABSTAIN
REPRESENTATIVE BARDANOUVE	✓		
REPRESENTATIVE WALDRON	✓		
REPRESENTATIVE MARKS	✓		
REPRESENTATIVE RAMIREZ	✓		
SENATOR REGAN		✓	
SENATOR KEATING	✓		
SENATOR VAN VALKENBURG		✓	

MOTION: 2

DATE _____

HOUSE BILL 500

TIME 8:32

	YES	NO	ABSTAIN
REPRESENTATIVE BARDANOUVE			
REPRESENTATIVE WALDRON			
REPRESENTATIVE MARKS			
REPRESENTATIVE RAMIREZ			
SENATOR REGAN			
SENATOR KEATING			
SENATOR VAN VALKENBURG			

MOTION:

67 ye 6 Carried

Out 21

DATE 4-24-85 HOUSE BILL 500TIME 8:34 am

	YES	NO	ABSTAIN
REPRESENTATIVE BARDANOUVE	✓		
REPRESENTATIVE WALDRON	✓		
REPRESENTATIVE MARKS	✓		
REPRESENTATIVE RAMIREZ	✓		
SENATOR REGAN		✓	
SENATOR KEATING	✓		
SENATOR VAN VALKENBURG		✓	

MOTION:

Marks - y
to reduce NCST Tramp by \$14,000

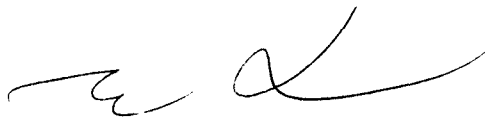
P. 83 minutes

DATE 4-24-85

HOUSE BILL 500

TIME 8:17

	YES	NO	ABSTAIN
REPRESENTATIVE BARDANOUVE	✓		
REPRESENTATIVE WALDRON		✓	
REPRESENTATIVE MARKS	✓		
REPRESENTATIVE RAMIREZ	✓		
SENATOR REGAN		✓	
SENATOR KEATING		✓	
SENATOR VAN VALKENBURG		✓	

MOTION: Ramirez 98 - '8699 - 87 =✓ 506 ✓95 =97 = 17Failed

District Court

1225
(20)

April 24, 1985

Proposed Amendment to HB500
Due to the passage of Senate Bills 25 and 142

HB500, Salmon Copy

Page 10, line 12

Strike	2,158,880	2,172,575
Insert	5,329,513	5,325,448

Page 66, line 5

Strike	1,375,000 in FY 1987
Insert	-0- in FY 1987

This Amendment:

1. Adds \$3,033,133 in fiscal 1986 and \$3,015,373 in fiscal 1987 to the District Courts due to SB25 costs.
2. Reduces the existing appropriation in HB500 for grants to District Court by \$1,375,000 in fiscal 1987 only.
3. The amendment then adds \$275,000 to the costs of District Courts appropriation, with \$137,500 in each year of the biennium.

DATE 4-24-85

HOUSE BILL 500

TIME 9:03

	YES	NO	ABSTAIN
REPRESENTATIVE BARDANOUVE	✓		
REPRESENTATIVE WALDRON	✓		
REPRESENTATIVE MARKS	✓		
REPRESENTATIVE RAMIREZ	✓		
SENATOR REGAN	✓		
SENATOR KEATING		✓	
SENATOR VAN VALKENBURG	✓		

MOTION: 6p 16 ✓ 17 21

*Bardensour delete item & accompanying
lang.*

Amendment to HB 500, Reference Copy

Page 21, Following Line 15:

Insert: "The portion of the appropriation in item 10 from the state special highway revenue account for the purpose of establishing the regional dispatch center is provided for the 1986-87 biennium only. The department of justice shall develop a cost allocation plan for the purpose of recovering the cost of operation of regional dispatch centers from all user agencies on an equitable basis, and shall submit the funding plan to the 50th legislature within the department's 1988-89 biennium budget request. It is the intent that a direct appropriation from the state special highway revenue account not be used for this purpose."

DATE 4-24-85

HOUSE BILL 500

TIME 9:48

	YES	NO	ABSTAIN
REPRESENTATIVE BARDANOUVE	✓		
REPRESENTATIVE WALDRON	✓		
REPRESENTATIVE MARKS	✓		
REPRESENTATIVE RAMIREZ	✓		
SENATOR REGAN		✓	
SENATOR KEATING	✓		
SENATOR VAN VALKENBURG		✓	

MOTION: Motion 2 - Ramirez#4 take out money

Amend House Bill 500, salmon reference copy, to read as follows:

1. Page 23, line 11.

Strike: "2,785,839 2,837,958"

Insert: "2,467,783 2,571,936"

LFA will amend totals.

Comment

This amendment removes the six FTE audit staff and 8.5 FTE collection staff added to the income tax division. Total reductions are \$318,056 in fiscal 1986 and \$266,022 in fiscal 1987.

The audit staff prior to adding the modified consisted of four field auditors, five office examiners, one withholding tax examiner and one compliance examiner. The modified added six more FTE consisting of two field examiners, two office examiners, one research clerk for field examiners, and one research clerk for withholding taxes.

The collection staff prior to adding the modify consisted of one supervisor, four collectors, one collection technician, and one clerical person. Added were 4.5 office clerks for telephone collection purposes, two collection technicians and two collectors.

DATE _____

HOUSE BILL 500

TIME 10:40

	YES	NO	ABSTAIN
REPRESENTATIVE BARDANOUVE	✓		
REPRESENTATIVE WALDRON	✓		
REPRESENTATIVE MARKS	✓		
REPRESENTATIVE RAMIREZ	✓		
SENATOR REGAN		✓	
SENATOR KEATING	✓		
SENATOR VAN VALKENBURG		✓	

MOTION: _____

YL Bond

Sub 17 - Assn

DATE _____

HOUSE BILL 500

TIME

11:05

	YES	NO	ABSTAIN
REPRESENTATIVE BARDANOUVE	✓		
REPRESENTATIVE WALDRON	✓		
REPRESENTATIVE MARKS	✓		
REPRESENTATIVE RAMIREZ		✓	
SENATOR REGAN		✓	
SENATOR KEATING	✓		
SENATOR VAN VALKENBURG	✓		

MOTION:

to restore 2 FTE
P / M
/

4 20

6

Rep Waldron
Leg St Auditor Office
add 2

failed

(17)

Amendment to HB 500, Reference Copy

Page 37, Following line 20:

Insert: "The department is directed to continue the current level of effort through fiscal 1987 in program development and preliminary engineering to deliver a \$40 million per year reconstruction trust fund program. The department shall submit its 1988-89 biennium budget based on current revenues, and prepare an alternate budget which reflects the \$40 million per year reconstruction trust fund program, with additional revenue requirements, for presentation to the 50th Legislature."



Planned Parenthood® of Billings, Inc.

721 North 29th • Billings, Montana 59101 • Telephone (406) 248-3636

CLAYTON McCracken, M.D., MEDICAL DIRECTOR
L.A. RAITZ, M.D., MEDICAL DIRECTOR
JOAN McCracken, R.N., EXECUTIVE DIRECTOR

HB 500
Keating

Now, more specifically, why is Yellowstone Valley Women's Clinic located in the same building as Planned Parenthood of Billings? There are two good reasons. Firstly, to contain costs by leasing existing equipment and exam rooms, thereby making more services available to more (low-income) women. Secondly, it has been projected, by examining new equipment, building, maintenance, and start-up costs, that the patient load at YVWC is not sufficient to support YVWC as a free-standing entity.

Currently, many women cannot afford even the \$200-\$250 for an abortion at YVWC. Some may be assisted through private sector grants which limit their loans to a hundred dollars or less. Should YVWC be forcibly moved, and thusly dissolved, it is reasonable to project the need for state-assisted child care will rise dramatically.

Finally, because Planned Parenthood is a non-profit organization dedicated to providing the best in family planning services, to any patient regardless of income, and because current funding does not adequately finance all the patients we subsidize, some of the balance is recovered by leasing space to not only Yellowstone Valley Women's Clinic, but also the Yellowstone City/County Health Department and the Maternal Child Health program.

Senator , I hope that I have been of some help in answering your questions and shed a little light on this often confusing and definitely misunderstood subject. Please feel free to contact me at any time if I may be of any further assistance.

Sincerely,

Doug Haacke
Clinic Manager

HB 500
Keating

Recommendations

Statement of Problem:

1. Local WIC programs may need the assistance of trained nutritionists in identifying and counseling high risk women to permanently change their nutritional patterns.

Therefore, it is recommended that SDHES:

MOVE TOWARD REGIONALIZATION OF THE SERVICES OF NUTRITIONAL CONSULTANTS, THEREBY MAKING THEM MORE AVAILABLE TO ALL LOCAL WIC PROGRAMS.

Chapter III, Prenatal Care

Statement of Problem:

1. Family Planning Programs have been shrouded in controversy even prior to the inception of the program. This controversy has often made it difficult to achieve acceptance of a new program in a community and has both restricted and threatened funding of the programs;
2. The subject of abortion is even more controversial than family planning;

Therefore, it is recommended that the:

STATE FAMILY PLANNING PROGRAM AVOID ANY APPEARANCE OF AN ASSOCIATION WITH ABORTION IN CONTRACTING WITH PRIVATE FAMILY PLANNING PROGRAMS CURRENTLY PERFORMING ABORTIONS. REQUIRING SEPARATE FACILITIES AND ADVISORY BOARDS FOR PROGRAMS ASSOCIATED WITH ABORTION MAY BE ONE MEANS OF ACHIEVING THIS.

Chapter III, Family Planning

Statement of Problem:

1. The urban Native American family planning outreach project is designed to meet the special needs of a special clientele;

Therefore, it is recommended that:

THE OUTREACH WORKERS FOR THE PROGRAM BE NATIVE AMERICAN WOMEN WHENEVER POSSIBLE.

Chapter III, Family Planning

DATE _____

HOUSE BILL 500

TIME _____

	YES	NO	ABSTAIN
REPRESENTATIVE BARDANOUVE	✓		
REPRESENTATIVE WALDRON	✓		
REPRESENTATIVE MARKS		✓	
REPRESENTATIVE RAMIREZ		✓	
SENATOR REGAN	✓		
SENATOR KEATING		✓	
SENATOR VAN VALKENBURG		✓	

MOTION: _____

Regan -
66 ✓

✓

Planned Parenthood

*Water Well
Drillers*

Amend House Bill 500, salmon reference copy, to read as follows:

1. Page 64, line 15.

Strike: "2,350,147 2,235,188"

Insert: "2,313,135 2,198,756"

2. Page 62.

Following: Line 21.

Insert: "G. Board of Water Well Contractors

37,012 (state special 1986)

36,432 (state special 1987)

LFA will amend totals.

DATE 4-24-85

HOUSE BILL 500

TIME 7 P.M.

	YES	NO	ABSTAIN
REPRESENTATIVE BARDANOUVE		✓	
REPRESENTATIVE WALDRON	✓		
REPRESENTATIVE MARKS	✓		
REPRESENTATIVE RAMIREZ	✓		
SENATOR REGAN		✓	
SENATOR KEATING	✓		
SENATOR VAN VALKENBURG		✓	

MOTION: Change back to Her4 P.M.

Jourist
S.W.
Keating Ann

DATE 4-24-85

HOUSE BILL 500

TIME 7:02 t

	YES	NO	ABSTAIN
REPRESENTATIVE BARDANOUVE	✓		
REPRESENTATIVE WALDRON	✓		
REPRESENTATIVE MARKS	✓		
REPRESENTATIVE RAMIREZ	✓		
SENATOR REGAN		✓	
SENATOR KEATING	✓		
SENATOR VAN VALKENBURG		✓	

MOTION: Y L

marks
Journisin
L/O

DATE 4-24-85

HOUSE BILL 500

TIME 7:07 t

	YES	NO	ABSTAIN
REPRESENTATIVE BARDANOUVE	✓		
REPRESENTATIVE WALDRON		✓	
REPRESENTATIVE MARKS	✓		
REPRESENTATIVE RAMIREZ	✓		
SENATOR REGAN		✓	
SENATOR KEATING	✓		
SENATOR VAN VALKENBURG		✓	

MOTION: Roll call. 50-92

for

yes

42

Leahy

30

Amend House Bill 500, salmon reference copy, to read as follows:
Coal Board funds

1. Page 65, line 18.

Strike: "8,820,000 8,232,840"

Insert: "3,115,980 2,957,671"

LFA will amend totals.

Comment

Adjusts coal board appropriations to reflect HB 919 actions.

DATE _____

HOUSE BILL 500

TIME 7:24 T

	YES	NO	ABSTAIN
REPRESENTATIVE BARDANOUVE	<input checked="" type="checkbox"/>		
REPRESENTATIVE WALDRON		<input checked="" type="checkbox"/>	
REPRESENTATIVE MARKS	<input checked="" type="checkbox"/>		
REPRESENTATIVE RAMIREZ	<input checked="" type="checkbox"/>		
SENATOR REGAN	<input checked="" type="checkbox"/>		
SENATOR KEATING	<input checked="" type="checkbox"/>		
SENATOR VAN VALKENBURG		<input checked="" type="checkbox"/>	

MOTION:

add C 665 @ 15
15 / Ver 15 +
add C 667 @ 18, 19,

ME

Local Gov. Block Grant.

DATE 4-24-85 HOUSE BILL 500 TIME 7:35

	YES	NO	ABSTAIN
REPRESENTATIVE BARDANOUVE	✓		
REPRESENTATIVE WALDRON	✓		
REPRESENTATIVE MARKS		✓	
REPRESENTATIVE RAMIREZ	✓		
SENATOR REGAN	✓		
SENATOR KEATING		✓	
SENATOR VAN VALKENBURG		✓	

MOTION: 2 lies in O P 1

Regan's motion 2 out of Curriculum Sp.

DATE 4-24-85 HOUSE BILL 500 TIME 7:36

	YES	NO	ABSTAIN
REPRESENTATIVE BARDANOUVE	✓		
REPRESENTATIVE WALDRON	✓		
REPRESENTATIVE MARKS		✓	
REPRESENTATIVE RAMIREZ	✓		
SENATOR REGAN	✓		
SENATOR KEATING		✓	
SENATOR VAN VALKENBURG	✓		

MOTION: One out GP1
roll 1 YTE) now
E - OPIZ, VOED

Regan

Passed

DATE 21-25-85 HOUSE BILL 500 TIME 8:02

	YES	NO	ABSTAIN
REPRESENTATIVE BARDANOUVE	✓		
REPRESENTATIVE WALDRON	✓		
REPRESENTATIVE MARKS	✓		
REPRESENTATIVE RAMIREZ	✓		
SENATOR REGAN	✓		
SENATOR KEATING	✓		
SENATOR VAN VALKENBURG	✓		

MOTION: SW. S d r u w b
pg 79 a 7

G m

*Rep. Waldron
\$ 500,000 out of 7
pg 79 line 7*

*Waldron
Amendment
SJR 92446*

Amend House Bill 500, salmon reference copy, as follows:
Representative Waldron

1. Page 82.

Following: line 10.

Insert: "Included in items 1 through 4 is \$127,612 in fiscal 1986 and \$128,910 in fiscal 1987 of federal vocational education funds. For each dollar of federal vocational education funds received by the Billings vocational technical center exceeding these amounts in each fiscal year, a general fund reversion of fifty cents shall occur.

2. Page 83.

Following line 9.

Insert: "Included in items 1 through 4 is \$121,613 in fiscal 1986 and \$121,613 in fiscal 1987 of federal vocational education funds. For each dollar of federal vocational education funds received by the Butte vocational technical center exceeding these amounts in each fiscal year, a general fund reversion of fifty cents shall occur.

3. Page 84.

Following line 8.

Insert: "Included in items 1 through 4 is \$121,010 in fiscal 1986 and \$121,221 in fiscal 1987 of federal vocational education funds. For each dollar of federal vocational education funds received by the Great Falls vocational technical center exceeding these amounts in each fiscal year, a general fund reversion of fifty cents shall occur.

4. Page 85.

Following line 7.

Insert: "Included in items 1 through 4 is \$106,295 in fiscal 1986 and \$107,743 in fiscal 1987 of federal vocational education funds. For each dollar of federal vocational education funds received by the Helena vocational technical center exceeding these amounts in each fiscal year, a general fund reversion of fifty cents shall occur.

5. Page 86.

Following line 6.

Insert: "Included in items 1 through 4 is \$327,807 in fiscal 1986 and \$326,987 in fiscal 1987 of federal vocational education funds. For each dollar of federal vocational education funds received by the Helena vocational technical center exceeding these amounts in each fiscal year, a general fund reversion of fifty cents shall occur.

DATE 4-24-85

HOUSE BILL 500

TIME _____

	YES	NO	ABSTAIN
REPRESENTATIVE BARDANOUVE	✓		
REPRESENTATIVE WALDRON	✓		
REPRESENTATIVE MARKS	✓		
REPRESENTATIVE RAMIREZ	✓		
SENATOR REGAN		✓	
SENATOR KEATING	✓	1	
SENATOR VAN VALKENBURG		✓	

MOTION: Arts Council

1 y 2 n

ML

Handwritten: 2/8/78

FACT SHEET

NATURAL RESOURCES INFORMATION SYSTEM/
NATURAL HERITAGE PROGRAM

HB 785, passed by the 48th Legislature, created a natural resources data system advisory committee. Twelve agencies took part in planning the project. It recommended the Montana State Library as the agency to be responsible for it. HB 860, passed by the 49th Legislature, transfers statutory responsibility for the program to the State Library.

The project establishes an information system which is to be "a comprehensive program for the acquisition, storage and retrieval of existing data relating to the natural resources of Montana." It operates in two ways: it would inventory existing data and information collected and stored by state agencies; and it would provide access to this information. The project would also establish a natural heritage program that would build a common data base of Montana's natural resources that are exemplary, rare or endangered at the state or national level. The project would operate through contracts. The Nature Conservancy operates natural heritage projects in 32 other states.

A proposal for funding was submitted to the Department of Natural Resources and Conservation as a Legacy project to obtain funds from the resource indemnity trust. At the same time other funding sources were explored. The Department of Fish, Wildlife and Parks has provided a grant of \$75,000, rather than incur the costs of establishing its own data system. This is from license fees and has been approved by the House and Senate as part of HB 500. The Nature Conservancy intends to raise and provide \$75,140 in private funding for the program.

HB 922 includes this project as No. 15 in its grant program prioritized for income from the resource indemnity trust. The amount for which the project would be eligible is \$225,561 as trust income is available.

DATE 4-24-85

HOUSE BILL 500

TIME _____

	YES	NO	ABSTAIN
REPRESENTATIVE BARDANOUVE	✓		
REPRESENTATIVE WALDRON	✓		
REPRESENTATIVE MARKS	✓		
REPRESENTATIVE RAMIREZ	✓		
SENATOR REGAN		✓	
SENATOR KEATING	✓		
SENATOR VAN VALKENBURG		✓	

MOTION: Marks. On Univ System - 9820 for
both years & tuition @ 97+98

MJ

DATE 4-24-85

HOUSE BILL 500

TIME 9:12

	YES	NO	ABSTAIN
REPRESENTATIVE BARDANOUVE	✓		
REPRESENTATIVE WALDRON	✓		
REPRESENTATIVE MARKS	✓		
REPRESENTATIVE RAMIREZ	✓		
SENATOR REGAN		✓	
SENATOR KEATING		✓	
SENATOR VAN VALKENBURG		✓	

MOTION:

Rem
White Master degree of Business
Educ. / Co.

42

DATE _____

HOUSE BILL 500

TIME 9:27

	YES	NO	ABSTAIN
REPRESENTATIVE BARDANOUVE	✓		
REPRESENTATIVE WALDRON		✓	
REPRESENTATIVE MARKS	✓		
REPRESENTATIVE RAMIREZ	✓		
SENATOR REGAN		✓	
SENATOR KEATING		✓	
SENATOR VAN VALKENBURG		✓	

MOTION: _____

last Ram
and

H8A

→ L
reduce % on support to un.

DATE 4-24-85

HOUSE BILL 500

TIME _____

	YES	NO	ABSTAIN
REPRESENTATIVE BARDANOUVE	✓		
REPRESENTATIVE WALDRON		✓	
REPRESENTATIVE MARKS	✓		
REPRESENTATIVE RAMIREZ	✓		
SENATOR REGAN		✓	
SENATOR KEATING		✓	
SENATOR VAN VALKENBURG		✓	

MOTION: Ramirez - 95-99 Inst 95-96 Sup
97-99 Tuition

ry L

Barry Amend G. H.

Amend House Bill 500, salmon reference copy, as follows:

1. Page 97, line 7. (MSU)

Strike:	"16,522,882	8,724,388	16,219,047	8,716,400"
Insert:	"16,445,067	8,802,203	16,056,623	8,878,824"

2. Page 98, line 19. (UM)

Strike:	"12,164,647	6,428,674	6,449,637"
Insert:	"12,104,759	6,488,562	6,574,641"

3. Page 98, line 20. (UM)

Strike: "12,288,456"
Insert: "12,163,452"

4. Page 100, line 12 (EMC)

Strike: "2,345,533"
Insert: "2,398,989"

5. Page 100, line 13 (UM)

Strike:	"4,407,788	2,333,690	4,375,382"
Insert:	"4,382,178	2,359,300	4,321,926"

6. Page 101, line 19. (NMC)

Strike: "1,484,713"
Insert: "1,509,385"

7. Page 101, line 20. (NMC)

Strike:	"2,753,993	1,452,667	2,743,993"
Insert:	"2,742,173	1,464,487	2,719,321"

8. Page 103, line 4. (WMC)

Strike: "592,878"
Insert: "606,038"

9. Page 103, line 5. (WMC)

Strike:	"1,110,953	583,692	1,103,545"
Insert:	"1,104,649	589,996	1,090,385"

10. Page 104, line 10. (Tech)

Strike: "1,468,155"
Insert: "1,500,639"

11. Page 104, line 11. (Tech)

Strike:	"2,614,503	1,577,565	2,723,032"
Insert:	"2,598,940	1,593,128	2,690,548"

12. Page 91, line 9.

Following: "exceed"
Strike: "14,187,000"
Insert: "14,384,000"

13. Page 91, line 10.

Following: "and"

Strike: "14,257,800"

Insert: "14,669,000"

14. Page 91, line 7.

Strike: "14,019,000"

Insert: "14,384,000"

15. Page 91, line 8.

Strike: "14,151,000"

Insert: "14,669,000"

16. Page 91, line 9.

Following: "MCA."

Insert: " The department of revenue shall levy the full six mills as authroized in Section 20-25-423, MCA."

LFA will amend totals

Comment:

This amendment increases the statewide millage revenue by \$608,200 in the 1987 biennium. This causes a concurrent reduction in general fund.

DATE _____

HOUSE BILL 500

TIME

9:38 t

	YES	NO	ABSTAIN
REPRESENTATIVE BARDANOUVE	✓		
REPRESENTATIVE WALDRON		✓	
REPRESENTATIVE MARKS		✓	
REPRESENTATIVE RAMIREZ	✓		
SENATOR REGAN		✓	
SENATOR KEATING	✓		
SENATOR VAN VALKENBURG		✓	

MOTION:

P W Bond

on Kefauver

ML

DATE _____

HOUSE BILL 500

TIME

9:52 t

	YES	NO	ABSTAIN
REPRESENTATIVE BARDANOUVE		✓	
REPRESENTATIVE WALDRON	✓		
REPRESENTATIVE MARKS		✓	
REPRESENTATIVE RAMIREZ	✓		
SENATOR REGAN		✓	
SENATOR KEATING	✓		
SENATOR VAN VALKENBURG		✓	

MOTION:

Last one on auditor's Pen

*ML**Keating
last 7 Sec. Motion*

DATE _____

HOUSE BILL 500

TIME 10:14 t

	YES	NO	ABSTAIN
REPRESENTATIVE BARDANOUVE	✓		
REPRESENTATIVE WALDRON	✓		
REPRESENTATIVE MARKS	✓		
REPRESENTATIVE RAMIREZ		✓	
SENATOR REGAN	✓		
SENATOR KEATING	✓		
SENATOR VAN VALKENBURG	✓		

MOTION: motion for adj. etc

yea

Concurs in
adopt an amended
the recs to S am, etc.