

MINUTES OF THE MEETING  
FINANCE AND CLAIMS COMMITTEE  
MONTANA STATE SENATE

April 15, 1985

The 19th meeting of the Senate Finance and Claims Committee met in room 108 of the State Capitol on the above date. Chairman Regan called the meeting to order at 8:02 a.m. following roll call.

ROLL CALL: all members present.

Senator Regan said before we start House Bill 500 she would like to set forth some ground rules. I intend to go through the bill section by section. We will go through the whole section with the Subcommittee Chairman pointing out the House action and Appropriation Committee action, then we will return for executive action. We will just pick up the items of concern to the committee. This is not a general hearing. The committee members may address questions to any member of the audience. Please be brief. We have only until the 85th day to be done. We are going all day today and tomorrow and tomorrow night if necessary.

Representative Quilici, subcommittee chairman for General Government and Highways explained that section of the bill on changes. He went through the bill starting with the Legislative Auditor on page 4. He followed in the Fiscal Analyst's narrative on corresponding page A-1 which showed the summary and A-2 which gave the subcommittee action and the House Appropriations Committee action. Inserted in the narrative section are blue sheets showing changes in the bill which were made on the House floor.

Representative Quilici went through the sections listing the changes made on Appropriation action or House Floor action and drawing the attention of the Finance and Claims Committee to these changes.

Senator Regan asked if on A-12a the Coal Tax Lobby -- page 11 of the bill--was that only \$20,000 each year?

Cliff Roessner, Fiscal Analyst, said that was deleted in the House Appropriation committee.

Senator Regan: It is on the introduced bill but not on the blue bill.

Representative Quilici: \$20,000 in general fund was deleted in the House Appropriation under the Economist III, and referred to A-12a of the narrative for continuing with his review of the actions.

Representative Quilici said in the Department of Administration on A-71a they put a lot of language in to sunset FTE. We thought they were funded by general fund or in some cases proprietary funds.

Senator Regan asked what was the training analyst?

Representative Quilici: It is an information service. He went on to the Public Employee Retirement System and said on A-92a, he felt this was a foolish amendment. It was put on in floor action.

Senator Regan: Was this a modification or an existing employee?

Representative Quilici: Modification. I think they need a lawyer and were going to split one between the teachers retirement PERS and Architectual. It probably would have saved a lot of money. He remarked that there was no amendments in the Highways, but they lost \$13 million because House Bill 19 did not pass. As a result you are going to see some cuts in primary and secondary highway programs because of lack of funds.

Chairman Regan said we would now do this section on Executive Action, and asked the committee to go back to A-la of the narrative, page 4 of the bill.

LEGISLATIVE AUDITOR: page 4 of the bill, A-la of the narrative.

Senator Christiaens: In the House action seven auditors were removed. I had done some investigation as to how the numbers of auditors compared to other states and we are a lot higher. I am not sure but what we could still take out more of them and still do the job. Montana has 53 plus 14 performance auditors with about 14,000 state employees. Idaho has 21 auditors, Nevada 17, North Dakota 36, South Dakota 37. Nevada has 11,900 employees. It would appear we could get tougher and save a lot of money. What would happen if we took an addition of another 6 out for a total of 13?

Senator Smith: I would like to make one comment. Have you also got the amount of various agencies the auditors audit in the other states? We may have more agencies to be audited.

Senator Regan: Do you have an amendment prepared for this?

Senator Christiaens: No.

Senator Regan: Can we pass consideration of this until an amendment has been prepared?

Senator Christiaens: I have a table of comparison of audit staff and functions in Montana, Idaho, South Dakota, North Dakota and Nevada. I will pass them out so the committee can be looking at them. Attached as exhibit 1, Senator Christiaens.

Senator Regan: There are 67 auditors less the 7 equal 60 auditors now.

Senator Jacobson: This highly effects our bond rating which is now good. We approved and voted to put auditors on because we just prepared to do the state wide audit and we need to do them to stay on the bond rating. The Medicaid one will have to be cut back on. I would like to ask them what you will be able to do if we cut?

John Northy, Legislator's audit office said the current is 65 including the audit committee as one FTE. Originally it was put down to 61. The floor took out an additional 7. There are 54 actual FTE now. We are down 10 from the current level. I think if it should be about 7 FTE for the state audits. They should be done every year or they are not effective. Performance audits: We are doing extensive medicaid audits. We have an indication the state is not getting all the money it should be. Also HRDC. We will be cutting into federal compliance where they require anual or biennial audits. If we do not do the biennial the feds could stop the money.

Senator Hims1: The legislative audit chart does not compare. This is a legislative post audit set up under the constitution. The committee would not only have a finance audit but a compliance audit that the different agencies of the government carry out the intent of the legislature. When you compare it with the chart you will find the point does not stand up. Second--how many have contract audits and what are the requirements for audits. We are strong in the audit department but we have been because it gives a financial credance. We have one of the best financial bond ratings of any of these states. If we do not comply we will lose money by not complying.

Senator Gage: During our subcommittee hearing we pointed out that tardiness is just as detremental as faulty ratings. Everything we looked at by contract people was more cost than when done by legislative employees.

Senator Regan: Over \$1 million in the biennium went into that agency. Some of those costs should be charged back. There is an agreement that there will be a charge back?

Senator Gage: That is what I understand.

Senator Regan: We do not have a motion before us.

Senator Aklestad: Are we going to have motions for amendments?

MOTION by Senator Jacobson that page 5, line 6 be amended to change the figures to put back the 7 auditors. Motion attached MOTION #1. The 7 that were added are now deleted. They are the ones used to do the state wide audit.

Senator Haffey: Who on the committee was on the subcommittee that heard this?

Senator Stimatz: We all favored adding them.

Senator Keating: The auditors office came in, with a budget that was less than their 1984 budget. They had cut that considerably and it seemed that the austerity was well taken in view of the crimped budget and we felt that they were fair.

Senator Himsl: The '84-'85 appropriation for \$4,878,000--the proposed request approved by the committee was \$39,700 plus--

Senator Stimatz: On the sheet put out by Senator Christiaens --all but South Dakota are higher than Montana budget.

Senator Regan: This is the budget for all of total government. That is the governor's budget they are auditing. We have 67 auditors in a smaller budget than the other states have.

MOTION # 1 was voted, failed.

Senator Aklestad: On this sheet--21 people in Idaho. Some of the states have more population than Montana. Do we need more justification as to the higher number? The fiscal analyst answered no.

LEGISLATIVE COUNCIL: Blue bill, page 6, Narrative, A3a.

Senator Lane: Page 6, line 25, the Forrestry Task Force. This is a biennium appropriation. This was tried to go back in. It is quite an honor for Montana to be represented in this forestry task force.

Senator Aklestad: How much latitude did you give this particular department to move money around?

Representative Quilici: We funded everyone according to what we felt was their needs. Under this what was not taken into consideration was \$500,000 was dues and allow the amount of money Senator Lane is putting in --- without this amount of money Senator Lane is putting in you could not see this forrestry task force function.

Senator Aklestad: There is a 4% increase over '84. There is no way they can move any from other areas?

Representative Quilici: That would be printing and copy ready. Montana Codes Annotated. It is the printing cost.

Senator Lane: Before the Forestry Task Force was \$25,000 and now it is \$20,000.

Senator Smith: I would just point out one thing. The additional cost is because of printing. Transferring funds from various areas. 8½% additional membership. Maybe there is a chance to move some money.

Senator Regan: These are line itemed amounts. I would address this line item, and then address moving the funds.

Senator Boylan: The Canadians are really putting their timber markets in the states. Senator Baucus is very concerned about it. Unless there is a nucleus and they keep track of this so we have a better picture of it. This little bit of money does a lot for Montana.

Senator Himsel: I am not sure how much this type of membership does. There is a little concern about the relationship with Canada supplying 35% of the timber being used in this country right now. They are trying to make a courtship with Canada to try to get a quota system to help the National Timber Industry in the Northwest.

Senator Bengston: I would support the amendment if Senator Lanes makes one. Montana Legislature does not operate in a vacuum. These interim committees serve if a resolution to the other committees in the Legislature. This is a small amount and it is good that the legislators take part.

MOTION by Senator Lane to amend Page 6, line 25 to increase the appropriation of the Forestry Task Force. Motion # 2, Lane. Votes, passed, unanimous vote. Two exhibits are attached.

Senator Smith: One page A-3 why is there a 9% increase in the FTE at the top, of the page there?

Representative Quillici: The 9% should be bracketed. It is a decrease. This is the '87 subcommittee recommendation. That is a legislative year and that is why that number of FTE in that year.

Senator Aklestad: I would question the bracket. The subcommittee went with 76.

Cliff Roessner, LFA, said if you follow the right hand column, you are comparing the columns and it is a 9% decrease.

Senator Smith: In '84, 45.7, then the executive request -- the current is 53 and was increased to 56. There are 3 additional FTE.

Representative Quillici: If you will notice for actual '84 it was 45.57. The subcommittee was actual 86 was nearly 4 less. It was 41½ FTE. In FY '83 -- it was usually around that number in a legislative year.

CONSUMER COUNCIL: Page 8 of the bill, page A-4a of the narrative.

Senator Christiaens: When you were talking about energy, you said the contracted services was in general funds and it appears

that the \$25,000 that was cut was from from the council's tax from state special revenue. What was the reason?

Representative Quilici: I personally thought it was needed. It is a contingency and it is the special tax. There was a statement made though, that it is on all like groups. The indirect rates will pay it. The AT&T investor that you are looking at. The federal energy ruling and others, because the finishing up on Coal Strip # 3 and whatever happens on Coal Strip # 4.

Senator Christiaens: Because of that and because I know it is an ongoing thing, I think it is unwise.

MOTION # 3, Senator Christiaens, to put back \$25,000 in the Consumer Council. Voted, passed, Senators Hammond, Aklestad and Story voting no.

JUDICIARY: Page 8 of the bill, page A-6a of the Narrative.

Senator Regan: I would like to turn the gavel over to Senator Jacobson, since I wish to address this issue. I would like to make an amendment on this, and would address the amendment that was made in regard to Montclirc, a program run at the University of Montana. It furnishes research and position papers to local governments, writes briefs, etc. when the Local Governments request information dealing with law. The 2nd and 3rd year law students provide the research.

MOTION ON AMENDMENT # 4: Insert 42,618 for '86 and 55,961 for '87. This amendment would place the money where it belongs in the University System, and has fees generated for some of the money. It is \$200,000 per biennium. If the program is as valuable as we are led to believe, we could continue it but ask some support from the agencies using it. I don't make this amendment lightly. I had my secretary call 20 or 30 towns and ask would they be willing to pay a fee. They said yes, providing the fee was not too large. We are funding it about 53 or 54%. I will move the amendment.

Senator Jacobson: This amendment is to the University System. It is addressing the cut made. It would go on page 84 of the bill. I think we should wait until we get to that section and address it there.

Senator Regan: I will withdraw my motion until later.  
MOTION WITHDRAWN.

Senator Keating: Before the amendment is withdrawn, has the University agreed to take this?

Senator Regan: This is a step child no one wants. The AG doesn't want it. The Supreme Court doesn't want it, and the University does not want it. It swells the budget. It probably belongs in the law school at the University of Montana and this would place it there.

Senator Keating: The Board of Crime Control has said they would take it at no additional expenditure and at no additional money. The Board of Crime Control would be willing to take it. I think the counties would be aided and I would suggest amending it into the Board of Crime Control.

Senator Regan: I would prefer to leave it at the University. If you want to amend it, go ahead. You will not be offending me.

Senator Hims1: I am prepared to offer that amendment. I think a different funding is appropriate. The Board of Crime Control will take it. It would not take a transfer of what you had. I thought this would come up in another section of the budget.

Representative Quilici: Dean Mudd said he thinks it is a good program and would like to see it remain within the law school.

Senator Jacobson: Is there any further discussion?

Senator Regan: I will withdraw this until we reach the University section of the bill.

Law Library: page 9, line 12.

MOTION ON AMENDMENT # 5: Senator Gage said this amendment segregates between the state special revenue account and the general fund revenue. I would move the amendment.

Senator Aklestad: Why use general fund?

Senator Gage: Part of the services are not provided from special revenues, but they receive their services from other funding.

Cliff Roessner, LFA: When the amendment was offered in House Appropriations Committee I had not seen a copy of the amendment yet. The first time was when Representative Quilici moved the amendment. I said it should not be all state special revenue funds. I quickly said yes. \$11,000 belongs properly in the general fund. They fund themselves and don't charge a fee for it. The balance does get charged out to the other users. It is \$16,000 plus.

Question was called, the Amendment # 5 was voted, passed, unanimous.

GOVERNOR'S OFFICE: Beginning Page 9, A-12a.

MOTION by Senator Hims1, AMENDMENT # 6, page 11, line 7 of the bill, A-18a of the narrative. This would put \$29,000 plus each year to put the economist position back to the Northwest Power Planning Council. This economist is in the office, it is from Bonnaville funds. Mr. Brusett has taken that office over. We are having some real problems in the northwest. We are having some real problems with the ARCO plant. The department needs

help. The expertise comes out of Portland. We need something from Montana. We need some statistical help from this Northwest Planning Council. The rates have jumped from \$9 million to \$80 million a year and there is a question of whether or not the plant is going to expand.

Senator Gage: It has taken quite a turn. Senator Hims1 said the information we have received has been pretty much from other areas. We need to either get in or get out. We are unique in the whole program. We have concerns in the whole area they are in. A considerable area is Indian. We need to determine what can and what cannot be done on the reservations. We need to determine whether we need to follow Oregon or whatever on standard building codes.

Senator Aklestad: These funds are available to place it under the special revenue or what?

Senator Hims1: They come out of Bonnerville Power.

Representative Quilici: Congress appropriates money to Bonnerville Power and they appropriate to the Northwest Power Council.

Senator Haffey: Would you explain what the reasoning was for not having it in?

Representative Quilici: At the time the floor action was taken they were looking to make money cuts, as many as possible. They saw it was an FTE not in in the '83-'84 biennium. Personally, I think in this organization of all things we need this economist.

Senator Haffey: This was an FTE decision on the House floor. The source of funding was not so much the decision as just FTE.

Representative Quilici: It was looking at the current level FTE and they just made the decision.

QUESTION was called, amendment # 6 was voted, passed, unanimous.

MOTION on AMENDMENT # 7, Senator Christiaens, on Coal Tax Lobby Effort, page 10, line 15 of the bill, A-14a of the narrative.

Senator Regan: Are you offering these two sheets as one amendment?

Cliff Roessner: One of these was travel by the office and one was by someone else. There is some confusion since it would strike the same number in both amendments. We take one and then revise them all in the other one.

Senator Regan: Senator Christiaens has given us 4 sheets of paper. 2 of explanation and 2 of amendments. It would appear



at first glance that they are somewhat in conflict in terms of money being appropriated. I have asked Cliff to identify and he said take one first and then the next one.

Cliff Roessner: The two amendments do do different things. The LFA amendment corrected an adverse amendment on the floor where a duplicate deduction was made. An FTE from the Revenue Oversight Committee -- when the House deleted this they in effect did it twice. A second amendment took out the FTE, and there they took out the FTE twice. If you will work on this first and the other one second.

Senator Regan: To restore the funding it was an inadvertant error where they took the money out twice.

Senator Keating: This goes to the Coal Tax Advisory Council?

Cliff Roessner: In the beginning, yes. It was deleted twice.

Terry Cohea, Governor's Office, said there are two amendments. It would add .1 FTE back to the Governor's office. Legislator's bill design and salaries has a partial FTE. When the full committee took it out they also took the bill design out. It was an error and they thought they had it in. On the full floor they took out an FTE that was not related. This is an accounting mechanism that is being added in a staff.

QUESTION ON AMENDMENT # 7 was called, voted, passed, unanimous.

AMENDMENT # 8, the other amendment on the same line and page, motion by Senator Christiaens. He said some others wished to speak on this, Senator Blaylock and Senator Stephens.

Senator Stephens: I appreciate the opportunity to speak briefly on this issue. Having served on your committee in the past, I can appreciate the difficulty and hard work. In 1981 the Legislature in due consideration of protection of Montana's right to put a severance tax on coal, and financed through the governor's office, we hired a lobbyist. It was a bi-partisan position. Leon Billings, Democrat, and Richard Whalen, Republican that became Montana's Coal Tax Lobbying team to look at Montana Coal Tax severances. We are here asking you to insure a part of that money. As you know, Montana tax, the 30% is no longer under attack as per se. Our Coal tax lobbyists have been monitoring the whole attack over the past 4 years. In the beginning, I wondered if it was really necessary. As you know from your experience, it is most difficult for a single person, and for our four in Washington to monitor and be active on every single issue of interest to the state of Montana is impossible. They feel an obligation to monitoring this, they feel the need for a professional lobbyist. The Northeast, Midwest Coalition 212 funds in Congress would like to see Montana lose out here. Dixon has offered and says he will again offer additional legislation that would limit the cost of developing energy. That would almost eliminate our coal tax severance tax. So far we

have been successful in thwarting this. Senator Blaylock will address some of the other things. The House eliminated this budget in its entirety. What is going to be the net effect of that, if it remains. If we lose the lobby team the sky will not fall in. We are saying however, that we are willing to take the risk. We are requesting this committee give us \$50,000 and ability to expend the unexpended amount of the budget for this year. This meets a lowest level. It also means an ongoing effort to every member of our delegation in Washington.

Senator Blaylock spoke on the amendment saying I have been a member of the Coal Tax Oversight Committee in the 4 years it has been in. I would like to agree with everything that Senator Stephens has said, it is true the focus has changed. The Northeast, Midwest coalition, representative tax system. It would measure the effect we make on some 23 different taxes and could be measured against the average. We would lose a very considerable some of money. Another is to change the Federal Highway Program financing along the same way. If that goes the way the heavily populated area coalitions want, then we could lose about \$29 million in highway funds. We need our lobbyists there to watch and monitor this program also. Montana stands to lose a tremendous amount of money. Our lobbying team has been broadened out to monitor these trusts. Rich Beckel, the Governor's liaison officer, Marlene and Williams said they hope he remains since he is of real value and they said she really needs some help. They did put on a lady named Anne Sullivan. It is just invaluable. He gets along with all the congressional delegates. He may be the only liaison between all the offices and they like and trust him.

Senator Christiaens: The one sheet of paper -- the proposed budget for Coal Tax Lobby Effort -- It makes the amendment figures.

Senator Keating: Is there a carry over in the budget in the amounts to the budget? How much?

Senator Regan: A \$90,000 carry over.

Senator Keating: The lobby fund will be a total of how much?

Terry Cohea: If you will note on the proposed budget, it would be \$50,000 per year for the coming biennium, and the \$90,000 carry over. It would total \$190,000 authority in the next biennium.

Senator Keating: We will also be asked to expand Mr. Beckel's office. The federal coordinator, between it and other states. That is another \$50,000 we are asking for. I would refuse that amount in view of the Window of Opportunity bill that is going in because the attempt at the federal level has failed in the past. We have not experienced a savings, and do not have the need to spend that much. I would be in favor of expanding the personnel in Beckel's office, but not for lobbying.

Senator Haffey: I would support the amendment. Senator Stephens was here and you heard his comments Senator Keating, and they were based on these concerns. When Mr. Whalen and Billings were here, they pointed out they must deal with all three groups of people and sometimes the ones who seem the most reasonable are the most unreasonable ones. It is a sort of mission, and you penalize the resources in some states. Mr. Whalen and Billings --week after week-- are doing the foot work to insure the problem that might be used and can be advised in terms of highway funds, etc. If the opportunity goes, it is the last great move that we would have and we would be seriously remiss if we would not keep the insurance policy of these two people.

Senator Stimatz: I feel we should return them. The intangibility over any lobby effect-- Montana has not been affected in the past. Was it just good luck and to what extent due to lobbying. I have seen some of the brightest minds--Mr. Durnburger for one--pointing out to them that taconite mining makes more in his state than Montana coal. I have seen the other side where they sit down and council. I think we should weigh this carefully before we throw it out. If you come down on the side of a limit, the fact that they have been returned money to the general fund does not mean they do not need money. We have been very diligent in investing in areas that show good need. A good fiscal group.

Senator Gage: This amount comes from general fund. Does your amendment say it comes from general fund?

Senator Story: With the revisions, what is the new total?

Senator Regan: The \$90,000 would have been a reversion if not allowed to carry it over.

Senator Regan: To Governor's office. Is that an even figure?

Terry Cohea: That is the anticipated balance for the fiscal year. In the year of -- In the year ahead.

QUESTION was called, MOTION # 8 was voted, passed, Senator's Keating, Aklestad and Story voting no.

Senator Hims1: I do not come out right with the figures.

LFA: That is because of the previous amendment. It will read, page 10, line 15. Strike 891,771, strike 1,209,271, strike 906,095; insert 916,796, insert 1,234,296, insert 931,131, and insert 1,248,643.

AMENDMENT # 9, Motion by Senator Christiaens, Page 12, line 15. The totals were deleted incorrectly. It should have been 22,017 and 22,054 in '87. In the House action only 6,467 was deleted and this amendment gives the correct figures. We gave the amount on the bottom of the comments.

Senator Smith: Actually the Senate will be only correcting a figure that was only done on the floor. You are correcting something in subtraction only.

QUESTION was called, Amendment # 9 was voted and passed, Senator Keating voting no.

AMENDMENT # 10, page 13, line 22, A-28a. Motion by Senator Keating to reinstate the security investigator position. In 1983 this position was vacated through the vacancy savings. It was because the position was vacant that the House felt it was not necessary. A greater number of security violations in the state now. One is a Canadian mining company. The state auditor has had to undertake action in that matter. This would be a necessary activity. About 27 investigations per year, it could amount to \$½ million to the people in Montana for fraudulent stocks. It would come out of fees generated by this department.

Senator Aklestad: How many security analysts do you have now as compared to '84.

Andrea Bennett, State Auditor, said we have one investigator examiner and this is the other position we have had since 1981.

Senator Regan: What do the rest of the people do? You have had to cover this for 1½ years or more. What are the other parts of the same department. 8 staff.

Andy Bennett: The slack has been picked up by the deputy on over time. He is in charge of the entire department.

Senator Regan: Your current shows 8. The subcommittee shows 9 with the addition of that person. You show in the '86 level.

Senator Haffey: I assume it was because it was held vacant. In '84 there were 9. What was the other one?. You show an actual 9 and 8 as current level with one out.

A man from the Auditors office (he did not give his name) said there were actually 9. The LFA shows 8 after the deletion.

Senator Regan: You have 8 and now you are asking for the 9th.

Senator Haffey: Why do you need \$3 more in the first year than in the second year?

QUESTION was called, Amendment # 10 was voted, passed, Senator Regan voting no.

AMENDMENT # 11, Senator Keating moved, page 14, line 18. This would be in the Auditor's office which has been showing more and more need for legal services. They have contracted under legal services in the past. In the course of the reorganization they

will have deleted 2 positions for legal council and deputy for budgeting and personnel. It is the legal services specialist needed in the Auditor's office. In the past the insurance has had the greatest demand, but the department as a whole is in need of a person who is familiar with the whole department. The chief counsel could divide his time within the various bureaus in the Auditor's office. This request is for the deletion of 2 positions to provide those services. A total cost time is not reflected for the two other positions. It is necessary and we would ask your concurrence in this matter. I would move the motion (# 11) Explanation is attached as narrative following the amendment.

Senator Aklestad: In your narrative you have a reduction of 2 positions of salary but when you put on the additional attorney you will have an increase.

Senator Keating: There is an increase of \$63,000 in there for '86 and \$75,000 for '87.

Senator Aklestad: How many FTE are you putting on?

Senator Keating: No new ones. There were two that were existing of lower grade. They were converted to a deputy and a chief counsel. The rest are reductions in salary.

Senator Aklestad: So we have a reduction in salary for some positions and upgrades of others to compensate for the reductions. How much money for upgrading?

Senator Keating: There are 2 positions that are being upgraded.

Senator Christiaens: This does not sound correct -- The department appears, in subsection (2) of your narrative following the amendment that the reorganization also resulted in 12 positions being given additional responsibilities or moved into supervisory capacities and all 12 of them being upgraded.

Senator Keating: Yes. There were 12 that were given additional responsibilities and given upgrades.

Senator Christiaens: 14 upgrades and 6 downgrades then?

Senator Regan: The exempted positions are to be upgraded too?

Senator Keating: They will be given a 2½ percent increase in salary but because exempt they are not figured into the automatic raises, etc.

Senator Regan: Why should reorganization cost more money? In theory when you reorganize you do so to bring about more efficiency. It should save money, not cost more.

Senator Keating: In the past 4 years the department has been

under an extremely austere program and because of the pending retirement of Omholt and a number of others in the Department, the changes that were needed were not made in expectation of those retirements. They said we will just live with it for the time when in fact, that department was lacking in administrative activities for the various problems in the state at the time. The over time and comp time that was billed in reflected the lack of staff. Also the back log of work reflected the same.

Senator Smith: I see the Legislative budget (he reads the percentages on A-27 and A-28). I think that is a 1.4 increase is very good according to the other budgets we have been looking at.

Senator Lane: Representative Quilici, what do you have to report of that?

Representative Quilici: We had that budget out of the subcommittee. The House Floor action deleted that money. We had it in in the subcommittee action.

Senator Haffey: In the full committee?

Representative Quilici: Yes, it was in.

QUESTION WAS CALLED, Amendment #11 was voted, passed, roll call vote.

DEPARTMENT OF JUSTICE: Beginning page 15 of the blue bill, A-33a of the narrative.

MOTION by Senator Gage, Amendment, # 12 page 17 and 18, lines 9, 11 and 17. See 2 exhibits attached.

Senator Gage: This was to establish a state wide drug and stolen property program. The bill was deemed to be an appropriation measure and went to the House. They requested \$750,000 be used from Coal Board money and the House Appropriation Committee knocked the socks off the program. We later heard a bill to use the money for the foundation program in trying to determine how to come up with money for the program. When the House sent over the package they said to balance the budget.

Senator Gage told about the program which would get a percentage of confiscated assets through the federal government on any raid they participated in they had some now and could not collect it until a bill went through to authorize it, how they have examined different accounts in an attempt to get this program started and felt it would eventually pay for itself. He told of the tremendous amount of drug abuse in Montana and felt the drug industry was moving into western Montana. Reference was made to a work sheet that was not passed out for the minutes.

Senator Christiaens: Under Senate Bill 67 on the work sheet.

\$409,850. Where did it come from?

Senator Gage: The assumption was made by the Department of Revenue. (he went through some figures on a sheet that was not given to the secretary) This sheet discussed taxable valuations in various counties.

Senator Christiaens: In the House the money you are proposing to handle this amount was used to balance the budget and came from the coal tax.

Senator Gage: The original. We are not counting on it now.

Senator Christiaens: If we adopt this we will have to look for money.

Senator Gage: Yes.

Senator Christiaens: Confiscate property, didn't we have a bill on that in this committee?

Senator Manning: House Bill 779. We amended that and it is back to the House.

Senator Keating: There were two bills.

Susan Hanson, A.G. office, said there were 2 bills. H. B. 779 establishes the law enforcement assistance account. It lets them use the money. Funds get acquired during confiscation. The other bill was a Senate bill and would allow the attached property--it did not pass the Senate.

Senator Christiaens: Is there any account match from the state that is from the federal Government?

Susan Hanson: It is at the discretion of the A.G. office as to how much. The federal government says separate account. It could be nothing and could be a substantial amount.

Representative Quilici: Sue just answered the question for you.

Senator Keating: There was some federal money that was taken in a drug bust not too long ago. The amount that would come from the state is around \$800, isn't it?

An unidentified person called Carrol: Crime investigation. The way it pro-rates. The Congress can reimburse the state for a portion of the money collected as a seizure, etc. Proportionate to the amount collected. In that particular case we would have an agent that worked with them and they have collected money on one case.

Senator Smith: Could we amend the amendment so it reads if the bill passes and then it could be spent.

Senator Regan: It is already provided for by passage of the other bill. I know the problem is important and the costs are prohibitive. Is it not the same bill to take the money from the coal board? Is this the same program?

Senator Manning: Is there any way we can fund this on a piece-meal to start out?

Senator Regan: We are now.

Senator Bengtson: In 5 counties now--it is 8.

Senator Regan: It looks like earmarked money. If you take the \$750,000 it does not go into the school foundation program and then we would have to replace the \$750,000.

Senator Christiaens: On page 17 of the bill. Are these 2 separate programs?

Senator Regan: On line 18-20. They are really spending authority to the coal board to grant the money.

Senator Haffey: You know about the bill Senator Gage had. The bill as it went through the department required funds, etc. Did you have this in your subcommittee?

Representative Quilici: We did not have this in the subcommittee recommendations. There was a high department value of it. We supported it and would hope there was some way we could fund it because of the need, but no money for it. It is a matter of coming up with \$2 million.

Senator Haffey: What you have here, Senator Gage--In a sense you are saying the House has sent to the Senate a proclamation and there is in effect \$1.2 million or so needed of revenue more than they thought and you would like to say here you go--here is the support for it. Is this package all or nothing?

Senator Gage: It is probably a package you could separate around the state. These funds would be expended by the local level with coordination with the A.G. office. This is just pushing people out of other states and into Montana.

Senator Haffey: If the \$1 million is there we will knock them dead and if not there in total so then indicate we should not put it in. A 5 county program that was effective is an indication we could do it in 5 more counties. I think we are going to compound the problem in other areas. I think the state wide will get the whole state involved.

Senator Aklestad: I don't think any town---the program should be put into force at some place in time. House Bill 799 should get some federal funding. We have already pumped money into the budget. This would be \$1.4 million and we are on page 16 of this bill. I think we should start remembering this.



Senator Haffey: No alternative but to go for it but to go for the whole thing here.

QUESTION was called on amendment #12. Voted, failed. 7 yes, 9 no.

MOTION on AMENDMENT # 13. Senator Keating , page 16 of the blue bill, line 11.

Senator Keating said this is a transfer of funds. It is two different amendments, related but separate. Senate Bill 182 passed and then truck inspection has been transferred to the Highway Patrol. This is the spending authority for federal monies that occur under the soft match--80% federal, 20% state. It is a technical correction in the bill. Under federal special revenue. It is under operations. Transferring from PSC to Dept of Justice which handles the Highway Patrol. Senate bill 182. It passed both the House and the Senate.

Senator Smith: There will be an amendment on the Public Service Commission on the House floor and it is the Senate amendment and it is out.

Senator Christiaens: We are not increasing. Just a transfer.

Senator Keating: A transfer of funds and a transfer of duties.

Senator Regan: Does the Department want this? Were they seeking it?

Sue Hanson: The A. G. office was not in support of taking patrol off the road for it. This would entail a small truck and Safety Program. If the bill passes we would have to have money to handle it. We believe if it passes it is not one that the Governor would be inclined to veto.

QUESTION WAS CALLED, Amendment # 13. Voted, passed. Unanimous.

AMENDMENT # 14, Senator Keating moved the amendment, page 16, line 10 of the blue bill.

Senator Keating said this would provide for 5 additional Highway patrol officers to cover the high accident areas of the state on 24 hour patrol. Motion was voted, failed.

(Note: Error on numbering--there is no # 15.)

AMENDMENT # 16, Senator Keating said this was a modified. It was a request because of the expanded duties of the Highway patrol. With the DUI and the inspection bills the force felt it necessary to have some additional officers. They are asking for 5 additional officers. The Highway Patrol will have to re-organize and the less populated areas will lose some to the

more populated areas. This additional patrol is vital to the law enforcement programs in the state.

Senator Smith: Are you asking for another additional bunch of patrolmen in addition to the others?

Senator Keating: That additional money did not include the additional officers. Only the operating expenses.

Susan Hanson: The transfer of funds does include some funds for FTE. Vehicle inspectors is all.

Senator Smith: The subcommittee recommended the number of Highway patrol remain the same.

Senator Keating: The subcommittee authorized an increase of 13 patrol officers, it was not approved by the whole committee.

Senator Aklestad: I would question the additional. Last Wednesday I was traveling on the Highway and within a given milage of 6 or 8 miles there was 4 Highway patrol officers. Within about 5 miles maybe. I understand some of the time they are traveling in pairs. I guess I am wondering why not space them out. Within a few hours 3 highway and one sheriff's officer were at a pancake house. I guess I would have to ask how many times we see the Highway officers together at a coffee spot. I think I would like to see a little better distribution. This was on Highway 15 and the highway accident rate is nearly nil.

Representative Quillici: We had testimony on the subcommittee. You will see 3 to 5 in an area. They congregate in an area of high accident rate. That is why you will see that. The subcommittee added 7 new in '86 and 6 in '87, and then that was taken out in the full appropriation committee. This 5 would be the minimum amount you could put in.

Senator Aklestad: This was on Interstate 15 south of Dutton. It is not a high accident area.

Senator Keating: There is a special group of patrolmen that roam the state in different areas. Unfortunately you saw them at one time. You have not addressed the 98% of the time you do not see any of them when you are driving down the highway. The clusters are a chance to keep people awake in an area. They do congregate sometimes at restrautns to discuss briefly their tactics which could be picked up if done by radio. I think some problems with coordination and then they are off on routes by themselves. They do coordinate with the sheriff's in the area.

Senator Smith: It wasn't because I received a ticket. When we were told earlier of the number of employees in the state of Montana. How long can we continue to expand the state of Montana.

Senator Story: If you pass this amendment you go over the \$½ million amount.

QUESTION was called, Amendment # 16 was voted and motion failed.

MOTION on AMENDMENT # 17. Page 16, line 22, Senator Keating moved the amendment.

Senator Keating: This is the LENS program. It is the law Enforcement communications program. This will provide for FTE as radio dispatch operators. The money was deleted by House floor action. It is the Highband radio system to have all agencies able to be in contact with others. The legislature has been appropriating money to get the communications on line. \$80,000 a year to fund the 4 radio dispatch officers. It covers 14 counties in the eastern part of the state.

Senator Smith: Is this in addition to the present law officers on the dispatch system we have now?

Senator Keating: Over 24 hour dispatch system and may be in the sheriff's office?

Senator Smith: It covers them all. Is this a take-over or different duties or what?

Sue Hanson: Dispatch counties.

Senator Smith: Sheridan, Fallon, etc.?

Susan Hanson: That is local law enforcement. They did not dispatch any county officers at all.

Senator Smith: I had a very serious accident and it was dispatched by county officers and county centers.

Senator Aklestad: This is part of the proposal I rejected last time. We could not get the law agencies to work together. They would not do it and this is a portion of the problem. I killed it last time and I want them to be within one part of the county. This would put Highway patrol in a special building and a separate entity. Unfortunately this failed, but I still think they could work with county groups to save FTE to use for monitor service. Separate communications is fine, but we should work in conjunction with other law enforcement agencies. We could share the expense with the Highway patrol.

Senator Story: In some cases it is being done.

Senator Aklestad: On a piece meal basis. 4 regional communications in the state that will have nothing to do with sheriff's offices. You will still have what you are talking about, but this on top of that. The first one in Helena.

Senator Stimatz: This is part of the state program to establish Highband radio. What the other Senators before were talking about is a hodgepodge of relays. In the 48th session you authorized a highband system that will have 4 dispatch centers. One in Helena, this one is going in there, two more to go, the equipment is there and if you don't authorize this you have some very expensive equipment. The subcommittee testimony was in favor of this. This enables the sheriff's office to get in direct touch and saves a relay system around the sheriff's offices. This is the personnel to operate it.

Senator Christiaens: In the first line--replace 4 of the 11 deleted. What are the total number of operators now and what are the monitor numbers down the road.

Senator Hammond: The original plan does include 4 dispatch officers. Helena, Billings, Glendive and Missoula. The original request said 11 officers in FY 86. Those would have come on to staff the Glendive and Billings offices. Now one in each. It takes 5 people to staff a 24 hour operation. It would have been 4 in each and 3 in Helena. In the 2nd FY, 5 assigned to the Missoula office. Now there are 5 located in Helena and that is it. One in Billings and one in Glendive. They are dispatching on the existing system. Down the road it would be 5 operators each, 15 more.

Senator Aklestad: How many hours does the Glendive office operate?

Senator Hammond: I don't know.

Senator Smith: 24 hours.

Senator Aklestad: What Senator Stimatz said is correct. I am saying that the dispatchers in Glendive Montana should have been part of the Sheriff's office and that could have taken care of the building. Why don't we share the services that are existing. There are 2 in Glendive.

Senator Keating: Senator Smith is talking about Sheridan county.

Senator Smith: I am referring to all those. Glendive, Sidney, Wolf Point--they already have 24 hour dispatch service. I had to contact those people in the middle of the night. Highband frequency. Are the local officers going to have to receive the same equipment to contact them?

Senator Story: With a little cooperation one person can operate more than one piece of equipment. They can handle both the Highband and regular system.

QUESTION was called on Amendment # 17. Voted, passed, roll call vote.

MOTION on AMENDMENT # 18. Page 17, line 20, blue bill. Senator Gage moved the amendment.

Senator Gage: This would provide the Criminal Investigation Bureau with spending authority to provide undercover criminal investigations to the Eastern counties. It would authorize expenditure of coal tax money. It increases the spending by about \$130,000.

Senator Christiaens: Money taken out of the coal tax board. Will this money be available?

Senator Gage: If not they can only spend the money available.

Senator Aklestad: Why is the amount being proposed different than the original amount in the bill?

Senator Keating: What happened--there was some discussion on the amount the accounts were as to whether they will join the task force. The House removed the money and thought Yellowstone did not. This is just replacing the funds that were taken out on the House floor.

MOTION on amendment # 18 was voted, passed, unanimous.

Senator Story: Has this grant already been made? Even though the authority to do that hasn't?

Senator Regan: This is the spending authority only.

Senator Christiaens: Next week the coal tax meets and they will take action on this.

MOTION on AMENDMENT # 19, Senator Himsl, Page 19, line 14 of the blue bill. Motion by Senator Himsl.

Senator Himsl: This amendment puts Montclair back in. It restores the funding to the University of Montana law school. It originally started in the Board of Crime Control then was moved to the University and then to the Supreme Court. The University does not think it fits in as a public service program. The Supreme Court does not want it either, it don't fit into their program. The Crime Control will take the program for administrative purposes. I am sure you have all received a lot of requests from attorneys' and J.P.s', county prosecutors' etc. Many of them have no money in their budget to pay and no library in the smaller counties. This is in the service program and the counties do not have the fee structure in their budget and feel it should not be in the general fund. Senator Van Valkenburg said to share with you that they were in favor of the program and thought it belonged in the crime control. In the event it could not be totally funded from general fund give them at least a year to construct some means of funding it in their budget.

Senator Story: My county attorney called me and said in favor. I asked if they would be able to pay a fee. I think that is the way it should be funded.

Senator Aklestad: There is no language that would require the fee as yet.

Senator Regan: That is coming up.

Senator Aklestad: Is this a duplication of services with Mark Racicot? I know they call in quite a bit for information and advice. Isn't this a duplication on their part?

Senator Keating: He is the special prosecutor from the A.G. office. At a special request he will go to the 35 or 36 counties--then he is the one. This is for researching the law on various legal questions. There is also private attorneys private attorney firms and they also utilize the research from them to gather information.

Senator Christiaens: Jack Mudd is here. You indicated a problem with putting fees into place.

Jack Mudd: I would like to make it clear the only private attorneys using it are those hired by the counties for defense. Providing fees would be simply allocating from one tax base to another. The question of whether to renew the contract with this one--if looking at it like a job, we would need some start up time. We could not get this kind of revenue in a short time.

Senator Regan: I think of all the programs that were cut this may be the most heavily lobbied. I had my secretary spend a considerable amount of time and I spend a considerable amount of time asking would they be willing to continue to use the program with a fee attached. They said yes, if a modest fee. This serves two purposes. I firmly believe the second purpose may be that at least 60% of the value of the course. It is a work study program for law students in there that work and are paid \$5 an hour. Private attorney's have said they really learned by this. They research and write briefs. We cannot always continue to pick up with general fund money. This is a program that would be better funded if we reach some kind of compromise. I asked Mr. Mudd where it could best be handled. I would rather have it in the University because it is a part of the law school. Whether to put it under the Board of Crime Control or under here is immaterial. The basic question is should we continue to fund it under 100% general fund money or give them the start up cost and if they can through a subscription basis or through so much per using it for each investigation I would be sure it was a good project and therefore I would reject Senator Himsl's amendment. I will enter my amendment and put it in the Board of Crime Control if that is your thinking. I would make it a biennium grant to make it so that they could shift the money around and see what happens to the program.

Senator Haffey: I might have to ask Mr. Mudd. What I heard you say was that it might be that the modest fee is due and the county attorneys recognize the benefit but gearing up will take some time. There is particular concern that the source does not drop off, the director of the program, etc. What is your feeling on this? Unless all 56 counties will put into their county budgets, you would be up a creek without a paddle, so to speak. If I am correct on this, a biennium grant of \$97,000 that would give you 2 years to see how the fee thing goes.

Mr. Mudd: You will create some administrative over head. I think there is a problem. Jim Ranning has checked. It makes some sense but practically, I don't know if it makes sense. I would be extremely concerned about projecting that amount of money.

Senator Haffey: If Senator Himsl's amendments--If he were open to anything--say to 97,542 the first year and 54,000 something the second, it would assure the program starting in place the first year and give them time to reach out and say, we are going to put in place a fee system that will cover part of the service you say you benefit from so much. The second year you could get it in your budget. Would this be reasonable?

Mr. Mudd: If you agree this should be done. I just don't know. I would be very concerned about losing the program. I just feel very uncomfortable in saying we can justify raising that amount of money.

Senator Keating: I believe the work study funds that go with this program amount to about \$5 an hour. Would it be possible to attach boiler plate language to allow the program director to charge a fee of so much an hour and put the money into a special revenue account. We appropriate the funds necessary for 2 years but allow the director to charge a fee and we can see how willing the users will be to pay for the rest of the work study part of this and the special revenue would go back to the general fund or establish a special revenue revolving account or whatever.

Senator Regan: Your intent. If we fund it in a special revenue account we set up and at the end of the year they could generate \$30,000. What is your assessment of the program? Would you be willing to fund it at the same level as before?

Senator Keating: How many hours do we have here?

Senator Regan: 3,000.

QUESTION was called on Senator Himsl's amendment # 19. Voted and tied. Motion failed.

AMENDMENT # 4, Senator Regan, Page 19, line 12.

Senator Regan turned the gavel over to Senator Jacobson to

Senator Regan said she would like to go back to this amendment and ask Mr. Mudd a question. Do you have any objection to having Montclair at the law school?

Mr. Mudd: Only one objection. At the law school it should be reviewed. I would recommend that.

Senator Regan: I will then withdraw until we get to that section.

MOTION ON AMENDMENT # 20. Senator Keating, Page 19, line 12. A 56a in the narrative.

Senator Keating: This was approved by the subcommittee. It is to restore the juvenile justice training program with 48,177 in '86 and 48,566 in '87. This was taken out on the House floor. After it was dropped there was a flood of lobbying. There is one FTE in the Board of Crime Control. The money is for the one that is there. Contract services with experts in the field that do go through various regions and put on the training program dealing with youth in the various areas. This program can point to a reduction in the number of youth who do time in the state. It is useful program in that it helps in the reduction of crime.

Senator Haffey: I couldn't agree more. The person who does the training, he shared with me what they have done in the workshops, etc. Unless this position is filled all these work shops in terms of juvenile programs are not in existence.

Representative Quilici: I think you are correct in that assumption.

Senator Bengston: I would support the amendment. This is a resource that the juvenile groups really use. Not much else in the state on an ongoing training.

Senator Aklestad: I would point out that we should realize this program only has about \$19,000.

QUESTION was called on Amendment # 20. Voted, passed, roll call vote.

MOTION ON AMENDMENT # 21, Senator Gage, page 18, line 11 of the blue bill, page A-54 a of the narrative.

Senator Gage: This will replace the DUI forensic scientist in the Forensic Science division. There is an explanation following the amendment.

Senator Aklestad: When you took this out on the floor--why?

Representative Quilici: We had it in in the full Appropriations committee because of the reasons so stated by Senator Gage. At the time it was taken out there was a person that felt that a better use for the alcohol monies.



Senator Aklestad: Where are the funds transferred to?

Cliff Roessner: Grants to local groups for alcohol troubles.

Senator Aklestad: Now we would have to pull it away from the local groups?

Senator Keating: Taking something away from local groups but for the benefit of local groups. This has to do with the driving under the influence in various communities. You need expert officers to support the local officer. This is a benefit to the counties. You are getting a licensed expert.

QUESTION WAS CALLED, voted, passed, roll call vote.

The meeting recessed at 12:10 p.m. and the committee would come back during the floor action. Senator Regan announced recess subject to call of the chair.

The meeting reconvened shortly after 3 P.M. with Senator Regan saying we would now begin with the Department of Revenue, Page 19 of the blue bill, page A-57a of the narrative.

DEPARTMENT OF REVENUE

MOTION on AMENDMENT # 22, page 20, line 23, Senator Gage.

Senator Gage: This is the vehicles for the property assessment division. It is only buying those authorized in the first year rather than over 2 years, and there is no fiscal impact.

Senator Regan: You would strike 33,670 and the second year to make that 193,670.

Senator Christiaens: The reason for these figures is that the appropriation is all made in the first year rather than  $\frac{1}{2}$  of them each year of the biennium.

Senator Gage: They left them with  $\frac{1}{2}$  and  $\frac{1}{2}$  and the vehicles are in excess of 100,000 miles and would all be replaced in '86 and none in '87. No additional funds, just a transfer from '87 back to '86.

Senator Story: Are you moving on both these things (referred to sheet with amendment)

Senator Regan: This one deals with the vehicles, we will just vote on the first one. I would like to ask Cliff to comment. Did the subcommittee request this?

Cliff Roessner: No request. I have analyzed the mileage. They did request 16 from the subcommittee and were cut down to 8. This would let them buy them all the first year.

Minutes, Finance and Claims

April 15, 1985

Page 26

Senator Aklestad: I can't understand the change on line 23. Why not in '87 just drop and go back to '86 and leave them?

Cliff Roessner: Originally they had requested over \$67,000 in equipment. I think this would just make it be on a biennium appropriation.

Senator Aklestad: They are part of the property assessment division? This is service vehicles?

Cliff Roessner: On line 23. Yes.

Senator Aklestad: And now?

Cliff Roessner: It is staying within the same division.

Senator Regan: Just allowing them to buy them all in the first year.

QUESTION was called on amendment # 22. Voted, passed, unanimous.

MOTION on AMENDMENT # 23. Page 19, line 25. A-57a of narrative.

Senator Gage: This would restore the \$35,000 of legal fees to the Director's office. It is a reduction from the current level.

Senator Regan: Was this floor action that did this?

Senator Gage: A-57a of the narrative.

Senator Keating: It is also in the narrative on the hand out. Representative Marks made the motion to delete. The original request started out and moved up and the subcommittee cut them back to \$35,000. Contract services for legal advice for trying cases in district court beyond the tax appeals board. In case where it is taken to district court beyond the tax appeals board where they wound up losing. In going to district court the taxpayers pay the legal fees. I supported it in the subcommittee.

Senator Regan: What other legal support do they have?

Cliff Roessner: A legal division staff but I guess they handle what is allocated out to the various divisions. According to the testimony they need this.

Senator Regan: \$2½ million in legal and investigative programs.

Cliff Roessner: Yes, but 4 different functions.

Senator Regan: How many attorneys do you have?

John LaFaver, Director, Department of Revenue, said 4 that are handling the day to day hearings. We have contracted out using

a firm for the very complex type of legal actions. About 4 or 5 of them a year. That expense is simply to continue the current level of legal action we are about to do right now. If we don't have that it will reduce the legal action we are taking.

Senator Haffey: We will still hear some amendments asking for attorneys. The argument is going to be the extension of outside legal fees. In your case it is cheaper for 4 in house and some outside?

John LaFaver: I think, yes. Some cases it is so complex you had better bring in outside counsel. It is cost effective to have some on staff and a small amount you can contract.

QUESTION was called, Amendment # 23 was voted, failed, roll call vote.

MOTION ON AMENDMENT # 24, Senator Smith moved the amendment, page 20, line 23 of the blue bill.

Senator Smith: This would restore funding for the county assessors salaries. I would like John Shontz to address this.

John Shontz: Some of the concerns the county governments have is what the subcommittee has done is make the counties to have no control over the process and have to pay a portion of the county assessors salaries. One thing it does is every county assessor will draw a salary until January 1, 1987 if the office were abolished. In counties where not at a maximum the counties will have to reduce something else to make up to pay the salaries. If you want to address it do so on the means of those going out in 2 years and for the counties to address it then. The last 2 years put in the full beinnium. Some of the items do increase property tax. That is raising new revenue to pay for the cost.

Senator Story: It will put you over \$1 million now.

Senator Smith: At the time this budget was set (see A 69) the property tax assessment was granted an increase over current level in operating expenses of \$560,285 in FY '86 and \$386,164 in FY '87. The thing I would like to point out is a 20% increase in costs for the next appriaisal cycle and for completing the present cycle. We have some pieces of legislature that will relieve the D. of R. of some of the costs. There could be some adjustments there.

Senator Regan: (To Cliff) When this was discussed was there a discussion of some trade-off made as to revenue coming to the counties as off sets?

Cliff Roessner: There was no discussion of that in the sub-committees.

Senator Regan: It was solely on the basis of consolidation of offices?

Cliff Roessner: Yes.

Senator Story: The D of R pointed out that the County Assessor is not required by the state. It has been paid by general fund. In the subcommittee we felt it would help the drain on the general fund by asking the counties to pay some of the expenses. Primarily to relieve the pressure of the general fund.

QUESTION was called, Amendment # 24 was voted, tied, Motion failed. Roll call vote.

MOTION ON AMENDMENT # 25, Senator Regan, on page 23, line 7 of the bill through line 9.

Senator Regan: I will turn the gavel over to Senator Jacobson for the purpose of making a motion at this point. I would move the amendment on page 22, line 7 through 9, the addition of the auditors in the Department of Revenue. There is ample testimony that this addition of auditors are going to bring in considerable sums of money -- in fact, we have built it into our pay plan. I would delete line 7 through 9. Even though we do it now we will have to go back. Rather than go through the whole hassle I will remove the language. If anybody is unhappy they can clip their wings. I do not intend to wipe them out.

QUESTION was called on Motion # 25 to delete line 7 through 9 on page 22. Voted, passed, unanimous.

MOTION ON AMENDMENT # 26, Senator Christiaens, page 23, line 8 of the bill.

Senator Christiaens: This would increase the vacancy savings to 4% for the general fund portion of the salaries in general services division. An error in calculation leaves them in less than a 1% increase and is not consistent with the others. It saves money, actually.

QUESTION called, voted, passed, unanimous.

DEPARTMENT OF ADMINISTRATION Page 22 of the blue bill, A - 71a of the narrative.

MOTION ON AMENDMENT # 27, page 22, line 16, Senator Keating, A 92a of the narrative.

Senator Keating: This proposed amendment affects the director's office, the proprietary funds. It is for one legal assistant in the department. The attorney would be placed in the central administrative office.

Senator Regan: Did Cliff address this when the House took this action? They had the attorney and moved him or hired another or what? When they replaced the old attorney, did they move him from only one or what? Did they only clip

him part way. That other  $\frac{1}{4}$  out of PERS, etc. They left the teachers alone. We are considering the intent of the motion.

Senator Keating: I have the next amendment to restore that.

Cliff Roessner: A transfer into the central office to pay for this attorney but he will be in the central office.

Senator Regan: Should \$17,000 be transferred from PERS each year?

Cliff Roessner: That is  $\frac{1}{2}$  of an attorney.

Senator Regan: A&E  $\frac{1}{4}$ ?

Cliff Roessner: A&E and Graphics  $\frac{1}{4}$ .

Senator Regan: This would let you consider putting together and getting the whole attorney in or the whole attorney out.

Senator Keating: One attorney is requested, etc. (he read the explanation on the amendment sheet)

Senator Aklestad: In this juggling are we adding any?

Cliff Roessner: Yes, one.

Senator Regan: Your second amendment addresses more than just the attorney. It also restores a position of an administrator or assistant administrator.

Senator Keating: On the sheet, yes. It would be for  $1\frac{1}{2}$  FTE. An assistant administrator and  $\frac{1}{2}$  clerk position.

Senator Regan: I would like to address the question of the attorney first and  $\frac{1}{2}$  of the second amendment next.

QUESTION was called on amendment # 27. Voted, passed, roll call vote.

MOTION on AMENDMENT # 28, Senator Keating, the 2nd part of the above amendment to replace  $1\frac{1}{2}$  FTE. A half-time clerk position and an assistant administrator.

Senator Keating: Larry Nachtsheim, Administrator for the Public Employees Retirement Division is in the hospital and is not expected to be in this position very long and they do not have an assistant and there is a need for this position in this division along with  $\frac{1}{2}$  FTE for the Micro Fiche project for \$7,000. It is something that the project needs to handle the increased work. Over the years the FTE have diminished and the work load increased. A-92 white copy shows how much.

Senator Story: How much for the attorney.

Senator Keating: \$17,000 for the legal fees and it would be transferred to the department for the attorney.

Senator Regan: On 92A, Administrative assistant and ½ time clerk, \$37,503 in '86 and \$37,516 in '87. That is the 1½ FTE.

QUESTION was called, voted, amendment failed on a tie vote, roll call vote.

Senator Smith: You transferred the something here out of the courts division to the Dept of Commerce.

Senator Regan: Perhaps it would be easier to take the bill page by page. Is there any further amendments on page 22 or 23?

MOTION on AMENDMENT # 29. Senator Keating. Page 23, line 20.

Senator Keating: This amendment deals with the building codes division. State special revenue fund. 1½ FTE. The legal assistance is requested to prosecute legal cases concerning building code violations. It will be attorneys. There are several areas in the law that have been expanded recently requiring the building codes to additional inspections in the state. These are coming home to roost. There is one at Deer Lodge, one at Big Sky-- There was a fire and the state is in the position of being sued for \$14 million in that situation. Another over \$35 million portions of which are based on the building codes division having made an inspection and okayed the permit and something and we were wrong. Bonnerville Power Division is requiring new codes on all homes with electricity in the western part of the state. If they do not comply all the people will be penalized in their rates. This is putting a tremendous burden on them. Once inspections and approval of the buildings then the state becomes liable and it is important the state do a good job. Another possibility is to repeal the whole building codes law in Montana along with the state inspections and licensing, but until then we had better do the job right to avoid the horrendous expense.

Senator Aklestad: I guess maybe the problem won't be solved by this legislation. The problem is out in the field where the inspectors are charged the fees, get the check and do not do a job of inspecting. You will still have the problem. More attorneys and more people down here but still have the problem.

Senator Smith: I have one question. Are enough fees collected to take care of the position or do we increase fees?

Senator Keating: I would have to ask the division people.

Jim Kembel, Administrator, Building Codes Division, said we would have to raise fees.

Senator Keating: One other point. If we don't do this, legal assistance by contracted services would be \$90,000 and In house legal services \$30,000 a year. There are about 23 not resolved files and we are trying to use county help, but we are not getting the job done.

Senator Regan: When this part of the budget was considered, was this discussed?

Senator Keating: The subcommittee approved the 1½ FTE. It was taken out in the house floor action.

Cliff Roessner: It was approved by the subcommittee but the House appropriation did not put it into the budget.

QUESTION was called, Amendment # 29 was voted, failed, roll call vote.

MOTION on AMENDMENT # 30, Senator Gage, page 23, line 8; page 24, line 22 and page 28, line 18.

Senator Gage: The first amendment consolidated offices, House bill 788, the second is H. B. 550 was sick leave, and House Bill 430 genetics.

Senator Regan: Adding \$12,000 to the budget of \$47 million each year of the biennium -- actually \$48 million in the second -- they can surely add this much each year of the biennium.

Senator Bengtson: This House Bill 778 is that the one that set where separate offices for state agencies they could come together under one roof?

Senator Gage: General services division for administering and looking into programs of consolidation. You need state licensing, etc under one roof.

Senator Haffey: Who is here that could respond to a question? Dave? This would go to cities like Billings -- it would coordinate and get them into another building -- a whole year to have the leases expire and go to the offices to assist with the consolidation etc? This is for the hiring of the person?

Dave Ashley, DOA: This is for an FTE to carry out the intent of this bill.

Senator Haffey: The end result over the years will be lower rental costs?

Dave Ashley: Yes.

Senator Story: Some of the savings should show up this biennium and it should be reflected in the other divisions and departments.

Dave Ashley: The savings will accrue to the agencies as they save. They will accrue into the agency budget and you will have the option then.

Senator Story: The first ones will spend that on something else then?

Dave Ashley: I cannot answer that.

Senator Regan: It would appear that general services has an exceptional budget enough to handle this without another appropriation.

Senator Keating: What is the status of 430? \$400,000 would take all of it.

Senator Regan: This is to pay for the 25¢ for insurance policy if you look at the budget here you will see on page 28, line 18. It is in the states share and you are looking at a budget of \$47 million in one year and \$48 million in another year. They are asking for about \$25,000.

QUESTION was called on motion # 30. Voted, failed. Senator Gage voting yes.

MOTION on AMENDMENT # 31, Senator Gage, page 23, line 20 and page 28, line 12 and 13.

Senator Gage: Senate Bill 242 has been signed by the governor. We are transferring the departments share of the Department of Commerce and it is a moving of the functions of money.

Cliff Roessner: This is to insert the administration fees charged by the Department of Commerce to the building codes for doing their accounting and management. It adds \$75,000 to '86; \$60,000 in '87.

Senator Regan: On page 28, line 12 and 13 you would strike the contingency language and make the appropriation at this time.

QUESTION was called on amendment # 31. Voted, passed, unanimous.

MOTION ON AMENDMENT # 32, Senator Keating, Page 24, line 16 of the bill.

Senator Keating: This affects the telecommunications bureau and would be a telecommunications expert which will be even more necessary in the future.

Senator Bengtson: That must have been a budget amendment.

Mike Trevor, Director Information Services, said this funding came through the rate structure for use of the telephone and long distance.

Senator Keating: It is proprietary funds. The other departments



have had their budgets approved and are using the functions and it is currently active and it is important to the telephone network.

Senator Regan: Why not in the regular budget?

Mike Trevor: It was not in effect in the previous year. We had to address it as a modified because it was not a part of our base.

Cliff Roessner: In a budget amendment was where we had it. The subcommittee approved it but not the Appropriation committee.

Senator Smith: This may be proposed funds but already appropriated in another budget.

Senator Bengtson: I think it was something that slipped through the cracks. It should not have been pulled out by the committee. We addressed the budget amendments as a modified.

Senator Keating: This information services division in the last biennium gave up 3 FTE and and came in without any real raise in the appropriation. They were very frugal. They are proprietary funds and it goes through although it comes from general funds someplace. We approved the other budgets to pay for it. This one is asked to pay.

QUESTION was called. Amendment # 32 was voted, passed, unanimous.

MOTION on AMENDMENT # 33, Senator Gage, page 24, line 10.

Senator Gage: This would add the funds for Senate Bill 8.

Senator Regan: The subcommittee recommended it and then it was taken out.

Cliff Roessner: It was recommended by the subcommittee but it was not approved by the full House Appropriations Committee.

Senator Bengtson: This is not quite like the last one. It did not come on board by a budget amendment. I don't have any problem with the last one. I am not sure that this is not a modified.

QUESTION was called on amendment # 33. Voted, motion failed. roll call vote. (this was on page 24, line 10.)

Senator Gage then moved the second part for travel and lodging for one, insert in page 24, line 9 and 10. AMENDMENT # 34.

QUESTION was called on the travel and lodging for one, voted, passed, unanimous. AMENDMENT # 34.

MOTION on AMENDMENT # 35, Senator Keating, page 26, line 15.

Senator Keating: This is the message computer for the LETS program. It is also a pick-up for the main SBAS computer. If they should go down, the back up computer can pay our warrants at the state and we have other major necessary functions. This individual that is appropriated here is a software specialist that is very necessary in this linkage between the Information Services Division at the Mitchell Building and the computer at the National Guard Armory. This person would have the expertise of the soft ware for the computer so that we get these jobs done.

Senator Regan: Was it considered in the subcommittee and why isn't it in the bill?

Mike Trevor: The position was approved by the subcommittee and was disapproved with some of the other lump sum positions in the appropriation committee.

A representative from the House said he had served on the subcommittee dealing with this program. Without it we will have a lot of trouble down the road.

Senator Regan: What does he do except when the main one goes down. He can watch over and run the program?

Mike Trevor: Behind the scenes IBM can help us for a certain extent. We have to tailor it to work in Montana. We get a package. We cannot get soft ware ready to go. We have to have a full time person to handle this.

Senator Regan: One computer can talk to another?

Mike Trevor: I understand your concern.

QUESTION was called, Amendment # 35 was voted, tie vote, motion failed, roll call vote.

MOTION on AMENDMENT # 36, Senator Gage, page 26, line 5.

Senator Gage: This is copy machine costs.

Senator Regan: This was considered and deleted on the floor. You are adding back (on A-88a) the \$15,000. Is this the same amendment?

Cliff Roessner: This went through the subcommittee and was taken out on the House floor. It was a modified that was approved by the subcommittee but not put in by the Appropriation committee.

QUESTION was called on Amendment # 36. Voted, Failed, Senator Gage and Stimatz voting yes, the remaining members voting no.

Senator Regan said this would complete section 1 and there is a pick up or two to address. There is one from Senator Christiaens on page 8, line 11 which would restore \$25,000 each year to the consumer council for unanticipated cases. Senator Christiaens said this had been taken care of.

MOTION on AMENDMENT # 37, Senator Aklestad, Legislative Council, Page 7, following line 21.

Senator Aklestad: This would add something over \$4,000 to allow the committee to work with the Canadian government on the Milk River Project and to allow the USA to move cattle up there to slaughter and the meat would then come back out of Canada slaughtered. It would utilize their slaughter houses. It would be appropriated to the Legislative Council. House Bill 488 language was in. The money belonged on page 8, line 5. A couple of people who work with Alberta and Saskatchewan on the Milk River Water project. This would have the cattle slaughtered and then they could be moved back into the USA. The facilities are just across the border and it would not be so much transportation cost.

Senator Haffey: Is this all connected to Loren McKenzie's department?

Senator Aklestad: Sort of. Representative Ivorson has been working on this.

Senator Lane: On the cattle. They were talking about taking feeder cattle up there, sending them and then shipping them back. We would be using their grain and bringing them back.

Senator Aklestad: This was to send finished cattle. We would use the facilities and they would then come back in.

Senator Regan: You only have an advisory committee set up. Why a general fund appropriation?

Senator Aklestad: This is just like the other committees. This is just the funding.

Senator Regan: We don't have to fund them. They can do two things at once.

Senator Aklestad: There is no funding in the bill.

Senator Regan: I would like to close the section except for this one issue if it is agreeable to the committee.

MOTION by Senator Manning to close the section with the exception of the proposed amendment by Senator Aklestad.

Voted, passed, unanimous. Motion carried.

HUMAN SERVICES beginning on page 34 of the blue bill, B-1a of the narrative.

Senator Regan said we would have a 5 minute break for the subcommittee chairman and the LFA staff to rearrange for the next section.

The committee was reconvened, and during the break some things had shown up that had not been included in the previous section.

MOTION by Senator Manning to reconsider the action of the committee on closing the section. Voted, passed, unanimous.

Senator Regan gave the gavel to Senator Jacobson.

Senator Gage said he was concerned if House Bill 12 passes.

MOTION by Senator Regan, AMENDMENT # 38.

Senator Hims1: What will we do. Are we going to put \$12 million under a statutory appropriation?

Senator Regan: This is a debt service funding. It is a statutory appropriation. If the House Bill passes, it will no longer be a statutory appropriation.

Cliff Roessner: It would originally request the \$12 million put into the budget if House Bill 12 as introduced passes. It was not included as a statutory appropriation. They have been suggesting to have this as a statutory appropriation. If it passes it will not be necessary to appropriate it in this bill.

Senator Hims1: It excludes appropriation?

Senator Regan: It has passed the House. It is in our Committee now.

Senator Hims1: I think that is a pretty risky assumption.

Senator Regan: Perhaps then we should add some additional contingency language so that it is not granted twice. I will amend my motion to indicate this contingent on House Bill 12. We can put the contingency language in and accomplish that.

MOTION by Senator Regan to amend the amendment.

Senator Hammond: You are telling me it will be in there one way or another as a statutory appropriation.

Senator Regan: If House Bill 12 passes, the amendment you see before you is proper. The debt service then becomes a statutory appropriation.

QUESTION was called on amended Amendment # 38. Voted, passed, unanimous.

MOTION on AMENDMENT # 39, Senator Regan, page 13, line 22, etc.

Senator Regan: This would amend page 13, line 22; page 13, line 24; page 14, line 24; page 14, line 5 and page 15 lines 10 and 11. Those are the two bills, HB 634 and 759 that have passed both houses and were signed by the governor and it is the amounts.

QUESTION was called on amendment # 39, voted, passed, unanimous.

Senator Jacobson: Before you go on to the next amendment, Senator Gage said the second amendment and that page should read line 24.

Senator Aklestad: Strike page 13, line 22, 233,617 and that is not the figures. There was an amendment made in the subcommittee that made it to 355,245. You are taking out the wrong figure on that line.

Senator Regan: Could we just ask Cliff to straighten out the figures? There are a number of technicalities in building the balances to reflect what we did earlier.

Senator Aklestad: All you intend to do is increase according to what the state general fund money had been increased then?

Senator Regan: Yes.

The committee revoted on amendment # 39 and again it passed unanimously.

MOTION on AMENDMENT # 40, Page 14, line 11, Senator Regan.

Senator Regan: This reduces contract services for modifications to payroll, personnel position control by \$50,000.

Senator Story: That is \$100,000 in general fund.

Amendment # 40 was voted, passed, unanimous.

MOTION ON AMENDMENT # 41, Senator Regan, page 15, following line 9.

Senator Regan: There are also several others stricken but this amendment takes care of them all. It simply says there may be no program transfers out of item 3a. They cannot shift out of the operations account.

Senator Aklestad: Did the subcommittee originally give them the authority to do this?

Cliff Roessner: It was a line item not addressed in subcommittee.

Senator Bengtson: What is the reason?

Senator Regan: Simply to prevent transfers of money from operations to payroll.

Senator Bengtson: All the other agencies? If you look through the bill it doesn't seem to address the others.

Senator Story: It will reduce the general fund by \$100,000.

Senator Regan: No, that was the last one.

QUESTION was called, Amendment # 41 was voted, passed, Senators Bengtson, Himsl and Aklestad voting no.

Senator Keating: That is made up of 3 divisions, now we say they cannot transfer it.

Senator Regan: I am offering this to build in some restraint as to the way salaries may or may not be set at will. This simply says out of payroll division no transfers out.

Senator Bengtson: Example of other state agencies.

Senator Regan: Page 18, line 16--a line itemed appropriation. It means no transfers. We are doing the same thing here.

Senator Aklestad: In some of the other budgets like our subcommittee--this operation is run pretty tight.

Senator Regan: We just pumped money into it this morning in a slush fund. What do you mean it is tight? I would request a roll call vote.

Cliff Roessner: Line items so that the money could not be transferred into any other division.

Senator Stimatz: Does it prevent the state auditor paying the exempt people if she wants to increase the salaries?

Cliff Roessner: This amendment does not prevent that. They were passed this morning.

Senator Stimatz: What does it do then?

Cliff Roessner: Makes no transfers out of this.

Senator Haffey: Can you give me an example of the problems it might solve?

Cliff Roessner: I don't know if it is solving any other problems.

Senator Himsl: No others?

Cliff Roessner: In theory, in the Dept of Justice there are

line items that say no programs out of one program.

Senator Himsl: But also changing the funding to special revenue.

Senator Keating: In a number of the agencies that we heard because of the vacancy savings that was imposed on everybody we gave a 5% discretionary shifting of funds so that they could take vacancy savings. Would it impede money in the State Auditor's office? I would like to ask Lois -- what would the effect be there?

Lois Menzies, Legislative Researcher, said it seems to me -- as it says -- within the program it is okay but would restrict only between the programs where it would be applicable.

QUESTION was called, amendment # 41 was voted, tie vote, motion failed. Roll Call Vote.

Motion # 37, Senator Aklestad, Page 7, line 21 and page 8, line 5. This motion had been held from earlier.

Senator Aklestad: The appropriation would be for legislators that would be appointed to be on the council and one staff member to drive up to Canada -- probably Edmonton -- on all the items I mentioned. One meeting a year and they would come down one meeting a year. The travel is so high going up to Canada it is very difficult to get there by air. I would like to address this question to Senator Van Valkenburg.

Senator Van Valkenburg: In the Legacy Program in the Long Range Building, we put in money to work with Canada on water to help the Milk River Users.

Senator Aklestad: I would have to ask -- Is there a committee that is working directly on that proposal?

Senator Van Valkenburg: Loren McKenzie's are the one.

Senator Aklestad: That is two different things.

Senator Hammond: Local exchange in dealing with other common problems that do not respect the Canadian Line.

Senator Keating: Could someone from the Legislative Council address this?

Lois Menzies: This is a biennium committee. It is contained in the interim budget. It is independent of the study that you are talking about. They were watching to see if the bill made it through.

Senator Regan: Where is the bill?

Lois Menzies: Signed by the Governor.

QUESTION was called on Amendment # 37. Voted, passed, Senator Regan voting no.

MOTION by Senator Manning that Section 1 of House Bill 500 be closed.

HUMAN SERVICES Page 34, B-1a in the narrative was opened. Representative Winslow to explain the changes to the committee.

Senator Aklestad: All the Super fund in B16?

Representative Winslow: Those are the RIT that match federal funds. It is in there as a part of the central control.

Senator Keating: There is a bill that is presently before this committee that would take subdivision funding from the proprietary account of established subdivision fees for general fund appropriation.

Senator Regan: We have it in committee and it was saved to look at this before it was passed out of that committee.

Department of Labor, page 38 of the blue bill, page B39a of the narrative.

Representative Winslow: There was very little action on the full House Appropriation committee or on the floor here. Most of the funding is federal dollars. B39a there were 2 lawyers and a secretary with Workman's Comp cases removed. The only other action was \$500,000 of funding from a balance that had accumulated was taken from Crime Victims Account and transferred to general fund also.

Senator Bengtson: I have a question on Crime Victims Account. It was transferred to general fund. We just passed a bill out of committee to use some of that for the centennial.

Senator Stimatz: On Workman's comp. Didn't anyone need the lawyers?

Representative Winslow: That was the discussion on the appropriation committee but they were taken out on the floor action.

Senator Haffey: A relating of those attorneys to the Supreme Court decisions and that it removed the need for those attorneys.

Representative Winslow: Also some uncertainty on some issues.

Senator Haffey: The case load is there, it is a continuing case load and the alternative to the two and the secretary is contract legal services.

Senator Stimatz: How come so much litigation to be paid. We



were going to remove all the middle men from the scene and it seems to me we are spending an awful lot of money on lawyers.

Gary Blewett, Dept. of Commerce Director: That was the theory. The argument was to the matter of accidents and the kind of compensation.

Senator Stimatz: That was the theory in the '70's. It was changed to put the lawyers in the picture.

SOCIAL AND REHABILITATION SERVICES, Page 40 of the blue bill, B-54a of the narrative.

Representative Winslow: These two pages summarize all the floor action in the bill. This was a difficult budget for the committee and it was difficult for the floor to decide on. About \$14 million in the PFP area. (Priorities For People) There is no question as to the need. I think some of the increases we saw it ended up with the trade-off to take the top tier of PFP. That has been pared back about 1/3 of the top tier. Some had to be included because there was no funding.

Representative Winslow: On B-54a, # 4 DEFRA (Deficit Reduction Act) there might be some questions there.

Senator Regan: About # 4, DEFRA, this in essence says that the Department is looking at Medicaid and any other program connected will continue to be funded if a recipient appeals. Is that correct?

Representative Winslow: The next paragraph says "This provision does not prohibit" etc. If you run out of funds they may have to cut back \$5 or so on a reimbursement. This was allowed-- a decision as to who makes that decision as to what is cut back. This would be better than cutting out a service without the Legislature saying so.

Senator Regan: Are there any specific questions on this from the committee?

Senator Aklestad: How many on the AFDC case load. (Aid for Dependent Children)

Representative Winslow: 7400, I think on B-56 you will probably find this information. The average monthly case load was 7,125 and has been budgeted at 7,940.

Senator Aklestad: A \$5 limit increase from actual '84 in this assistance program. Where would the majority of the money be?

Representative Winslow: General Assistance took a big jump.

A 19% increase and 34% in general assistance. The result of the court action. One thing the AFDC reflected was the movement into it from general assistance.

Senator Hammond: Non-resident general assistance.

Representative Winslow: It would be \$100,000 a year. To back up the movement of the people from welfare to AFDC. It is a one time thing.

Senator Story: On B 65. House Action. You apparently added a nursing home ombudsman and a lawyer to AFDC. Is this the one time thing?

Representative Winslow: This was federal funds.

Senator Story: We killed a bill to do this. To transfer from the Governor's office similar funds and contingent to having this. It was being put into the state statutes and being moved to the Governor's again.

Senator Jacobson: The ombudsman is in the Governor's office.

Representative Winslow: Putting it on the state statutes was the big thing.

Senator Regan: If there are no more specific questions we will now go into executive action on this part of the bill. We will not come back and work tonight. We will come in at 7 a.m. in the morning.

MOTION on AMENDMENT # 42, Senator Jacobson, page 34, line 13, the grant to the Health Information Center.

Senator Regan: Is this the program that was 5 Valley's Health Center?

Senator Keating: The telephone one. Answering questions and telling them how to get in touch with Dental Board, etc.

Senator Christiaens: Originally this came before the committee and they asked for \$90,000. The committee wrestled with the problem. The committee decided to fund it partially. It went with \$35,000 for '86 and less for '87.

Representative Winslow: It was amended in committee and then was defeated.

Senator Regan: As I remember this program, it came in last time, they were funded at 100% and they said if we funded at that they would not be back. I asked them if they were sure. I told them I would hold them to that statement. Now they are back?

Senator Jacobson: Could I ask Senator Van Valkenburg to talk

about it?

Senator Van Valkenburg: I asked that this amendment be offered. It was a program where we hoped for no future need. The way the amendment is structured is an attempt to phase out the general fund support. A great deal of public support, it is very popular state wide. It had over 6,000 requests in '84 and more in '85 at the rate they are running now. The citizens of the state are finding it very useful. I think after this next biennium it will be fully self contained.

Senator Story: We had to say very large needs and problems and set our priorities. From a scale of what was deadly to what was just miserable, I can think of at least 25 programs I would rather put money into.

Senator Regan: How much money had they brought in? How much in fees over the biennium.

Senator Van Valkenburg: About \$20,000 over the biennium.

Senator Regan: Each year of the biennium?

Senator Van Valkenburg: About \$20,000 over the biennium I think. I don't know.

Senator Keating: What is the source?

Senator Regan: They charge fees for answering questions for research.

Senator Van Valkenburg: Distribution of literature for doctor's waiting rooms, etc. Training seminars, etc. That is the source of their funds.

QUESTION was called on Motion # 42, voted, failed, roll call vote.

MOTION on AMENDMENT # 43, Senator Christiaens, page 35, line 23.

Senator Christiaens: LUST (Leaky underground storage tanks)-- this amendment would give the DHES (Department of Health and Environmental Sciences) the spending authority for HB 676.

QUESTION was called on Amendment # 43, voted, roll call vote.

MOTION on AMENDMENT # 44, Senator Manning, page 35, line 16.

Senator Manning: This would fund the additional x-ray inspector for the DHES with general fund rather than fee funds.

Senator Keating: No strike from federal special revenue and transferring it into the general fund. This says rather than charge user fees. Why? Why was the user fees going into the special revenue fund?

Ray Hoffman, DHES, the amendment is just as deleted of anticipated fee funds to put in another x-ray inspector. The current one is not being mandated but is being used to service x-ray machines in the state. It would allow them to increase by one. It is public service rather than a fee generating source.

Senator Keating: What federal funds were anticipated?

Ray Hoffman: Not specifically federal, just federal and other in the column.

Senator Jacobson: Was there any reason why the amount was changed. The total. You are striking 205 and it was 206.

Ray Hoffman: That is a typo.

Senator Smith: It would also have to add 1 FTE.

Senator Regan: That is correct.

Senator Haffey: It is not another addition of a FTE is it?

Ray Hoffman: It is an addition of one FTE. There is one now and it would make 2.

Senator Keating: Who are the users of this inspection?

Ray Hoffman: The bureau fees are in with us. Codes annotated would allow the Department of Health to inspect x-ray machines to chiropractors, dentists, vets, etc.

QUESTION was called on amendment # 44. Voted, failed, roll call vote.

MOTION on AMENDMENT # 45, Senator Christiaens, Page 35, line 23.

Senator Christiaens: This would give DHES spending authority for the Environmental Quality Protection Fund.

Senator Regan: You are giving them spending authority in the amount of \$1 million and it is confined solely to the program.

Senator Aklestad: Is the intent of your motion to pick the money up out of '87 and put it into '86 special revenue or what?

Senator Christiaens: It is a biennium.

Senator Aklestad: You are adding \$500,000.

Senator Regan: Is there any problem. What is being questioned is state special revenue.

Senator Christiaens: I need to ask the Council a question. on l. after "insert" should the i. be I. ?

Senator Keating: I am curious about the I. Is the capital correct?

Lois Menzies: No, that is right.

QUESTION was called on Amendment # 45. Voted, passed, roll call vote.

MOTION ON AMENDMENT # 46, Page 38, line 8 and 9 of the blue bill.

Senator Christiaens: This is the Family funding service. This amendment deletes both lines it would remove the physical requirement. There seems to be some constitutional problem with this language in the bill.

Senator Regan: I had some research done on this by Lee Heiman in the Legislative Council. I have handed it out. I would like to ask Lee if he would address the problem.

Lee Heiman: This involves Title 10 money. First there is a problem on the state deciding on how to allocate the federal monies when the federal law has already addressed it. The amendment is contrary to what is in the federal law and federal rules and could be a problem in title 10 monies to the state. Second, there is an equal protection problem. As I discussed if in the bill there would be good grounds for that. This is a good thing because of picketing involved in the abortion part of it. A higher use if used in other place--the hecklers have a right to picket. One side would say don't give a permit. A lot of protesters. The Supreme Court said no. If you have to do this, the other side has a right to protest. These are the two major points.

Senator Bengtson: What all is Title monies for?

Senator Keating: I wish to resist the motion. I have a hand-out that I would like to have you see before I give any arguments. This is from the report. (He read the section checked and typed in caps) The clinic in question is the Planned Parenthood program in Billings which purchased a building and have rented out space to various organizations. Within their list is the Yellowstone Family Clinic--it is an abortion clinic. It shares space and some interlocked personnel. Principally, one of the Doctors is a 25% full time employee with the Planned Parenthood Clinic and is the principle doctor with the Yellowstone Women's Clinic. He also performs the majority of the abortions in the clinic. The Department has been very explicit in saying to avoid even any appearance of connection. Here the

same staff is performing abortions. 1211. 33% of the abortions in the state were done in that clinic. Last year 4,000 plus with 1,000 plus done in Billings. They have increased their activities to say they are not involved is to deny fact. To say this is unconstitutional--there is no precedent any place in the nation. It is purely questionable. It is merely an opinion. There are too many abortions going on there and there is no reason to disperse money to be used for anything furthering abortions.

Senator Jacobson: We have a family planning program in Butte. It is providing very necessary and needed health services for women. If I am reading Lee Heiman's interpretation of this amendment, we are endangering funds to all family planning programs if we do not pass this amendment. We have a good program, it handles a lot of women, and we have no abortions done in Butte. Our funds and everyone else's are in jeopardy. I have never been in the building. I think it is not a solution to jeopardize everyone's funds.

Seantor Keating: There are 13 family planning units. 11 are family planning units under the planned parenthood program. One in Billings and one in Missoula. In Missoula is the other 1/3rd in the state of abortions. 2/3 of the abortions are done in those two cities. It is the planned parenthood units within these that are jeopardizing those funds.

Senator Regan: It seems to me if you deny family planning services you are almost recommending abortions as a result. I would like Joan Uda to address this. She has done some work on this.

Joan Uda: I would support the things in Lee Heiman's memo. There is case law. There is a line of cases. The language in this particular bill is buying a law suit. My best guess is it is a successful law suit. Too many things here in addressing this. We are not showing concern about family planning per se. I would be happy to provide cases for those who want them. Many cases were this type of thing. Some were also on pickets.

Senator Haffey: You are saying it is your opinion that you can't --You would agree that a cause-effect can't be made between the provision of funds for family planning and the instrument of abortions in the two programs used in the same building.

Joan Uda: No future basis. If a court decision said this was an interference because of the picketing, then they would have to move out of the building. It is my opinion that the picketing would go on anyway. Another point is the Dr. who does more than just abortions. Abortion is constitutionally protected as an activity. Your intent to indirectly do what you can't do directly, --You can't come in the back door. This is the most effective planning program in the state. If they were somehow to fail, it would affect the funds throughout the state.

Senator Haffey: What you are also saying is a vote for this motion is not a fund in support of abortion.

Joan Uda: It is a vote for family planning, and the maximum bang for the vote. They have been audited and audited and audited.

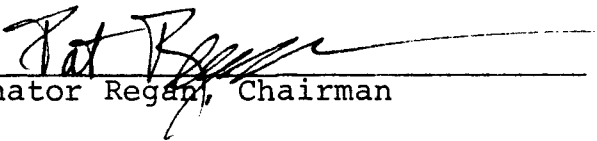
Senator Hims1: Certainly Family Planning is one program and abortion is another program. You can't make me think they have to be tied together. The funds go to the family planning and not to the abortion clinic.

Senator Keating: I would like to have Don Lloyd, Billings respond to the legality and constitutionality.

Don Lloyd: I am a citizen, talking to you from Billings. The program guide lines states they must establish safeguards to prevent anyone from using their position for private gains for themselves or others. If this is in fact a conflict of interest it is at least subject to question. If you address the question of constitutionality then you are assuming a law suit. The YVWC did not bring a law suit and if neither brought one there would be no question.

QUESTION was called on Amendment # 46. Voted, failed, roll call vote.

The meeting was adjourned and the committee will continue with House Bill 500 tomorrow morning at 7 a.m.

  
\_\_\_\_\_  
Senator Regan, Chairman

ROLL CALL

SENATE FINANCE AND CLAIMS COMMITTEE

49th LEGISLATIVE SESSION - - 185

Date 4-15-85

NAME	PRESENT	ABSENT	EXCUSED
SENATOR REGAN	✓		
SENATOR HAFFEY	✓		
SENATOR JACOBSON	✓		
SENATOR AKLESTAD			
SENATOR HAMMOND	✓		
SENATOR LANE	✓		
SENATOR CHRISTIAENS	✓		
SENATOR GAGE	✓		
SENATOR HIMSL	✓		
SENATOR STIMATZ	✓		
SENATOR BOYLAN	✓		
SENATOR STORY	✓		
SENATOR SMITH	✓		
SENATOR MANNING (Dick)	✓		
SENATOR BENGTON	✓		
SENATOR KEATING	✓		





*Handwritten signature/initials*

**Table 1**  
**Comparison of Audit Staff and Functions**  
**Montana to Idaho, South Dakota, North Dakota and Nevada**

<u>State</u>	<u>Biennial Budget</u>	<u># of Auditors</u>	<u>Statewide Audit</u>	<u>Performance Audit</u>	<u>Financial Compliance Audit</u>	<u>Contract Auditors</u>	<u>Approx. # of State Employees</u>
Montana	\$2.2 billion	53 (14 Performance auditors)	Yes, all funds	Yes-continuous function	Yes-All state agencies on a biennial basis.	Yes, Leg. branch & other selected audits 98,000 FY 86 94,000 FY 87	14,000
Idaho	\$2.3 billion	21	Yes-general fund only.	Yes-on request of legislature	Yes-All state agencies on a biennial basis.	Public Schools & Higher Education See Footnote 2	Footnote 1
Nevada	\$2.3 billion	17	State Controllers Report on yearly basis-limited to	No	Yes-Revenue functions on a yearly basis. Major agencies on a biennial basis smaller agencies every 3 or 4 years	For Fed. Grants Cost \$125,000/yr others - 120,000 year of general	11,900
North Dakota	\$2.4 billion	36	No	Only on request of legislature	Biennial audits of all state agencies	None	12,000
South Dakota	\$1.9 billion	37	No	No	All agencies on a biennial basis	None	12,500

<sup>1</sup> Call back has not been received on this question for Idaho  
<sup>2</sup> Call back has not been received on the cost of these contract audits

①

~~Senator~~ *Senator Jacobson*

HOUSE BILL No. 500

Third Reading Copy

Amendments by Senate Finance and Claims Committee

Be amended as follows:

Page 5, line 6.

Strike: "1,069,503"

Insert: "1,224,518"

Strike: "1,041,559"

Insert: "1,196,574"

*Amendment for 7 FTE  
legisl. auditors*

*155,000*

SENATE COMMITTEE

FINANCE AND CLAIMS

VOTING RECORD

Date 4-15

H

Bill No. 500

Time 8:

Name	YES	NO	ABSENT	EXCUSED
Senator Haffey	✓			
Senator Jacobson	✓			
Senator Aklestad		✓		
Senator Hammond		✓		
Senator Lane		✓		
Senator Christiaens		✓		
Senator Gage	✓			
Senator Himsl	✓			
Senator Stimatz	✓			
Senator Boylan		✓		
Senator Story		✓		
Senator Smith		✓		
Senator Manning (Dick)	✓			
Senator Bengtson		✓		
Senator Keating	✓			
Senator Regan		✓		

7 - 9

Sylvia Kinsey  
Secretary

Senator Regan  
Chairman

Motion: Amend #1  
Restored > ✓

2

Amend House Bill 500, third reading copy, as follows:  
Senator Severson

1. Page 6, line 25.  
Strike: "9,800"  
Insert: "20,000"

LFA will amend totals

Comment

This amendment increases the appropriation to the Legislative Council for the Forestry Task Force.

# Timber firms cry for help

*epd #2 Low Am #2*

By ROGER HOPKINS  
Of The Daily Inter Lake

Forest products industry representatives in northwest Montana are hoping the federal government will take notice of their plight and stop what they see as a flood of imported Canadian timber.

"We can't be competitive with Canada with everything they have going for them," said Royce Satterlee, president of Stoltze Land and Lumber Co.

The advantages include what he unabashedly calls a government subsidies of the industry with non-

There has been 'an enormous amount of unrest and anger about timber imports. We want to get the current state of the problem.'

John Flink, aide to Sen. Max Baucus

competitive bidding for cutting contracts on government land and low rail freight rates.

Satterlee said wholesalers tell him that, at border stations where Canadian rail cars unload their freight for transfer to American trucks, as much as 100 million board feet of logs may be waiting for transfer. Thus, in one fell swoop, the Canadians are making available more timber than has been cut annually from the Flathead National Forest in five of the last seven years.

The concern for the local industry comes at a time when President Reagan is making overtures to Canada to open up their borders to free trade.

That concerns Sen. Max Baucus, D-Mont, who will address potential problems associated with a free trade agreement when he comes to Kalispell Monday to meet with industry leaders.

"We want to know just how that will affect us in Montana, and what kinds of things we want the Canadians to give in on," said John Flink, Baucus's press secretary in Washington D.C.

Since the free trade initiative began between the two countries, two pieces of legislation have been introduced in Congress. One bill, by Rep. Jim Weaver, D-Ore., would reduce Canadian imports to 20 percent of the American market's share.

That would be a reduction from the current level of 30 percent. Flink said that 10 years ago, only about 17 percent of the timber processed in the U.S. came from Canada.

The Weaver bill has passed the House Interior Committee and is pending in the House Ways and Means Committee. The Canadian government opposes the bill, as does that nation's lumber industry.

The Canadian Lumberman's Association says the bill threatens as many as 75,000 Canadian jobs, particularly in British Columbia, Ontario, Quebec and New Brunswick.

A second bill, one that Flink said Baucus embraces more enthusiastically, was introduced into the House by Rep. Don Bonker, D-Wash. It would increase tariffs on Canadian imports and redefine domestic subsidies.

Satterlee said that redefinition is important, because of industry efforts in 1982 which failed. He said the International Trade Commission ruled unfavorably on a petition which sought to have the Canadian stumpage system ruled as an illegal subsidy of the industry by the Canadian government.

Flink said redefining the law regarding subsidies would allow the stumpage question to be addressed.

He said Baucus favors the Bonker bill because of its difference in philosophy. Flink said whereas a quota system is protectionist and doesn't deal directly with the problem, a tariff increases parity.

As a member of the International Trade Subcommittee of the Senate Finance Committee, Flink said, Baucus will look closely at any free-trade agreement signed by the two countries.

"If we're going to make concessions, let's get something in return," Flink said.

Satterlee said the problem is exacerbated by a strong American dollar that allows mills to buy Canadian sawlogs for less. His final concern is for the Burlington Northern rebate system, which gives a better break for the large Canadian producers over the smaller American mills.

All this is happening at a time when the industry is in worse shape than it was last fall.

"We haven't had our normal spring business at all," he said.

Typically, he said, an upturn in sales begins about February. But this year it hasn't come, and wood products are selling for less than they were last fall.

Flink said Baucus's appearance in Kalispell to meet with industry representatives comes at a time when there has been "an enormous amount of unrest and anger about timber imports. We want to get the current state of the problem."

Baucus will meet with representatives beginning 2:30 p.m. in the council chambers at Kalispell City Hall.

*Security*

epk # 2  
am # 2  
Lane

am # 2

WESTERN STATES LEGISLATIVE  
FORESTRY TASK FORCE

Established 1974

Meetings activities of  
The Task Force During The  
Last Biennium

January 21, 1985

CHAIRMAN

Senator Elmer Severson

WESTERN STATES LEGISLATIVE FORESTRY TASK FORCE

VICE CHAIRMAN

Assemblyman Norm Waters

BACKGROUND

The Task Force was organized on July 12 & 13, 1974, in San Francisco. Senator Randy Collier, California, was elected Chairman and Senator Ted Hallock, Oregon, Vice Chairman. Five states were represented at the first meeting: California, Oregon, Washington, Idaho and Montana. Alaska joined the task force in 1978. Two of the founding delegates are still Task Force members; Senator Barry Keene of California, and Senator Lowell Peterson of Washington.

MEMBERS

ALASKA

Senator Dick Ellason  
Senator Bob Ziegler  
Representative Ben Grussemdorf

CALIFORNIA

Senator Barry Keene  
Assemblyman Pat Johnston  
Assemblyman Norm Waters

WASHINGTON

Senator Ermit Kiebert  
Senator Terry Svedsten  
Representative Richard Adams  
Representative Robert Scales

ARIZONA

Senator Elmer Severson  
Senator Lee Lane  
Representative Robert Beam

Re Bernia SWIFT

OREGON

Senator Mae Yih  
Senator Bill Bradbury  
Representative Bob Braganti

The Task Force consists of two Senators and two Representatives (Assemblymen) from each of six Western states. These delegates are appointed, respectively, by the President of the Senate and Speaker of the House (Assembly) of each state.

WASHINGTON

Senator Lowell Peterson  
Senator Scott Barr  
Representative Doug Swan

GOVERNMENT/OPERATIONS

The Task Force is governed under a set of By Laws which are reviewed periodically. The Chair and Vice Chair are required to be from different states and are elected for one year terms. No person can serve more than one year in either office. Officers are rotated among the member states.

EXECUTIVE DIRECTOR

Mr. E. Corlett

Four or five meetings are held each year; these are rotated among the member states, except that, one meeting each year is held in Washington, D.C.. Normally meetings are public hearings with knowledgeable persons or organizations invited to discuss current forestry issues which have regional interest or significance. The public is invited.

An Executive Director is appointed by the Task Force and serves as its Secretary. The Executive Director is employed on an independent contractor-contractee basis. The Task Force office is currently located in Portland, Oregon.

#### POLICIES

Task Force policies are determined by vote of the membership, following issue review at one or more meetings. Decisions of the Task Force do not necessarily bind either the legislatures or state governments of the member states.

#### MEETINGS 1983-1984

The Task Force held nine meetings during 1983-1984. A brief description of each meeting follows:

1. Sacramento, CA, State Capitol, Feb. 18-20, 1983

Forty-four persons attended. Issues considered included: A Review of the Western timber economy; Congressional Legislative Review; Canadian lumber imports; U.S. Forest Service appropriations; forest animal damage research, and forest genetic development.



Resolutions adopted

- Support allocation of U.S. Forest Service funds for state and private forestry.
- Support flexibility in federal timber contracts.
- Support continued forest animal damage research.

2. Washington D.C., Bellevue Hotel, May 1-3, 1983

The Task Force held a public hearing in the Capitol Building. Witnesses from Idaho discussed the Idaho Wilderness Bill and RARE II relationships. Proposed wilderness criteria, proposed by Oregon's Governor, were considered. National Forest Products Association officials explained U.S. Forest Service contract relief legislation and a timber sale contract buy-out proposal. Other speakers included the Montana State Forester, re: state and private appropriations, and a report from the Associate Deputy Chief of the USFS. The Task Force enjoyed lunch with the Chief of the U.S. Forest Service. Members met with Congressional delegations.

Resolutions adopted

- Draft and circulate a letter to the Western Governors re: the Oregon Governor's proposal for wilderness criteria to be used as a means for resolving the RARE II issue.

3. Big Sky Montana, July 8-9, 1983

Thirty-Five persons attended. A public hearing produced information on the Montana fire control system, prescribed fire procedures and the relationship of federal funding to state and private programs. Speakers discussed Montana RARE II Legislation, USFS timber sales, salvage logging on USFS lands, reforestation

programs, and wildlife management. A forest bus tour included Mountain pine beetle devastation, various harvesting practices, commercial thinning, and visit an active logging operation.

Resolutions adopted

- Honoring Senator Kermit Kiebert (outgoing Task Force Chairman) for his accomplishments as Chairman.
- Senator Richard Eliason, Alaska was elected Chairman.
- Senator Elmer Severson, Montana was elected Vice Chairman.

4. Vancouver, Washington, Inn At The Quay, October 21-22, 1983

Forty-Four persons attended. On October 21, twenty-five members and guests were hosted by Weyerhaeuser Co. on a bus tour of the Mt. St. Helen's blast zone. The recovery of vegetation, reforestation and the strong reproduction of elk in relatively bare terrain, were viewed and explained.

A Task Force public hearing on October 22, received information on U.S. Forest Service management of its lands in the St. Helens blast zone; elk recovery following the St. Helen's eruption; economic predictions from U.S. League of Savings Institutions; an overview of RARE II; Washington and Oregon wilderness proposals; new federal policies on timber contracts; national legislation and a report on the federal timber dilemma.

Resolution adopted

- Reaffirmation of Task Force interest in settling RARE II.

5. Sacramento, California, Mansion Inn, February 2, 1984

Thirty one persons attended. The meeting was planned principally to interview candidates for the position of Executive Director. However, interviews were postponed at the request of some member states. An Executive Session was held part of the day.

A public hearing developed considerable information on federal timber supplies, public timber sale policies, and potential company bankruptcies resulting from high bids on federal timber. Both large industrial association, and small mill owner views were heard.

Resolution adopted

- Support of California Legislative resolutions regarding the Federal RARE II Process.

6. Portland, Oregon, Sheraton Airport Inn, March 24, 1984

The Task Force met to interview candidates for the position of Executive Director. The proposal and bid of James B. Corlett was accepted effective April 1, 1984. He replaced Richard Robyn who had faithfully served the Task Force for nearly seven years.

7. Washington, D.C., Bellevue Hotel, May 13-16, 1984

Testimony on Wilderness legislation and on forestry issues affecting the states, was received during a public hearing at the Bellevue Hotel. Members met for lunch with their Congressional

representatives, then met with the Deputy Secretary of Agriculture. The next day, a breakfast business meeting was followed by a Task Force meeting with the Office of Intergovernmental Affairs in the Old Executive Office Building; lunch with the Chief of the U.S. Forest Service, and four of his Deputy Chiefs. Later meetings were held with the Deputy Asst. Secretary of Interior; the Special Asst. Secretary for Wildlife and Parks; Deputy Director of the BLM; Director, office of Trust Responsibilities, Bureau of Indian Affairs and his Chief Forester. On invitation, a Task Force delegation met with a Presidential Assistant - the Chairman of the Council on Environmental Quality. Additional meetings were held with members of Congress.

Resolutions adopted

- Requested the council on Environmental Quality to clarify immediately its regulations regarding "Worst Case Analysis" in Environmental Impact Statements.
- Supported retention of the present 25% formula for federal timber sale distribution to the counties.

8. Ketchikan, Alaska, City Council Chambers, August 31-September 2, 1984

Forty-six persons attended two days of public hearings. Ten persons testified on an update of Alaska logging and the condition of the timber industry. Other testimony included the following: "Worst Case Analysis" impacts on forest management from U.S. Forest Service staff, the National Wildlife Federation, and the Chief of the USFS; resolution of conflicts between recreation and

mining; the Alaska National Interest Land Conservation Act; BLM programs in Alaska, and a report from the National Association of State Foresters.

Resolutions adopted

- Support continued federal funding for cooperative forestry programs with the states.
- Commended John A. Sandor, retired Alaska Regional Forester.
- Commended Senator Richard Eliason for services as Task Force Chairman.

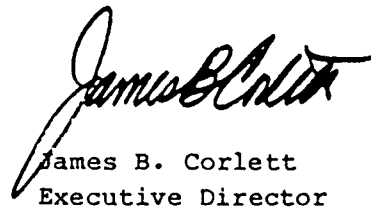
9. San Francisco, California, Travelodge At The Wharf, November 30-  
December 2, 1984

Testimony was received on state vs. local control of state forest practices; update on herbicides; forest insect, threats including Western budworm and Gypsy Moth; 1984 Montana fire storms; archeology and forestry relationships; programs of California Women In Timber; "below cost timber sales"; impacts of timber relief legislation; reports from Regional Forester USFS and the California State Forester.

Resolutions adopted

- Requested that the USFS conduct economic analyses in a timely manner so that Western budworm control efforts can be undertaken as needed. Requested federal funding for budworm control.
- Supported continued animal damage research at Olympia, Wash. and Bend, OR; requested a supplemental appropriation and contractual arrangement between Fish and Wildlife Service and U.S. Forest Service.

- Recommended the US Forest Service identify public interest benefits from timber sales and supported below-cost timber sales under certain conditions.
- Urgently recommended that Congress fund the USDA Animal and Plant Health Inspection Service for Gypsy Moth abatement in Oregon and in order to remove the threat to adjacent states.
- Recommended funding continuation of the current level of national fire weather service.
- Supported a balanced approach to air quality regulations that recognizes the vital role of prescribed burning in forest management.



James B. Corlett  
Executive Director

JBC:ljn

# 3

Put back

25,000

Consumer Council

Passed

Chris

#4 page

Amend House Bill 500, third reading copy, as follows:

1. Page 84, following line 22.

Insert: "1a MONTCLIRC

52,618 general fund for fiscal 1986

55,961 general fund for fiscal 1987"

LFA will amend totals.

Comment

The amendment restores funding for the secretary, student payment and operating costs for MONTCLIRC. The director's salary for MONTCLIRC is not included in the funding.

Withdrawn 2-2-7  
cong G



#5

Gage Passed

Amend House Bill 500, third reading copy as follows:  
Senator Gage

1. Page 9, line 12.

Strike: "485,435 58,861 490,261 58,861"

Insert: "497,146 47,150 501,972 47,150"

LFA will amend totals.

Comment

When the modified for computer services in the Law Library was approved by House Appropriations there was confusion as to the funding source. All of the funding was put in the state special revenue account. Partial funding should be from the general fund. The increase in the general fund and the corresponding decrease to the state special revenue fund is \$11,711 each year of the biennium.

*Himsel  
#6  
Amend*

Amend House Bill 500, third reading copy, as follows:  
Senator Himsel

1. Page 11, line 7.  
Strike: "403,633 425,611"  
Insert: "433,217 455,207"

LFA will amend totals.

Comment

This amendment adds the economist position back to the Northwest Power Planning Council.

# 4  
Chris

Amend House Bill 500, third reading copy, as follows:

1. Page 10, line 15.

Strike: "886,026           900,350"

Insert: "891,771           906,095"

LFA will amend totals.

Comment

House floor action reduced the Revenue Oversight Committee by a .18 FTE. The .18 FTE was mistakenly identified as being for the Revenue Oversight Committee when actually it was for the Coal Tax Advisory Council for which all funding had already been eliminated. This amendment restores \$5,745 in fiscal 1986 and fiscal 1987.

2W # 7

GOVERNOR'S OFFICE  
FEDERAL-STATE COORDINATOR  
BUDGET MODIFICATION REQUEST

An additional FTE is requested to provide assistance to Montana's Federal-State Coordinator in Washington, D.C. The individual will be responsible for office management and for performing relatively complex research assignments on topics such as the federal budget and pending federal legislation that affects Montana.

<u>Category</u>	<u>FY '86</u>	<u>FY '87</u>
Salaries (Grade 14 Step 2)	\$20,819	\$20,819
Benefits	<u>4,206</u>	<u>4,217</u>
TOTAL	\$25,025	\$25,036
<u>FUNDING:</u>		
General Fund	\$25,025	\$25,036

Blaylock  
on 8/8

## The Representative Tax System Threatens Montana's Revenues

Fundamental changes in the distribution of federal grants to the states will be considered this year in Congress. These proposals would increase payments to large population states, primarily in the Midwest and Northeast, at the expense of most energy producing states and rural states. Many of the proponents of these changes believe energy producing states should be penalized for their ability to raise revenue through taxes on energy development. If the proposals go into effect, Montana stands to lose millions of dollars in federal grant revenue.

Personal or "per capita" income has been used for decades as the indicator of relative economic well-being among the states. It is used in the distribution formulas for a number of federal aid programs, including General Revenue Sharing, Medicaid, Aid to Dependent Children, and Vocational Education.

To shift money away from energy producing states, some Members of Congress have proposed replacing per capita income with the Representative Tax System (RTS) in federal grant formulas. RTS is essentially an estimate of the amount of revenue each state would raise if all states used an identical set of tax rates. RTS looks at 26 sources of tax revenue, from mineral production to license fees, and applies a national average tax rate to the tax base of each state. The tax capacity estimate is then divided by each state's population to obtain per capita tax capacity. Finally, all states are ranked against a national average.

RTS discriminates against energy producers because not every state has energy resources to tax. Montana and eight other major energy producers are said to be above average in tax capacity under RTS, and thus relatively better off financially than states like New York, Indiana and Ohio, which are said to be below average in tax capacity despite their higher per capita incomes and broad economic, industrial and financial base.

The debate over federal funding formulas does not always include the Representative Tax System. In 1984, for example, Congress came close to approving a change in "4-R" federal highway repair payments which put greater emphasis on gasoline and diesel fuel sales and reduced emphasis on highway miles. This change would have tilted the program dramatically toward the populous states at the expense of Montana and other large rural states.

Just how much Montana has at stake in the funding formula debate is shown in the attached estimates.























PROPOSED CHANGES IN FORMULA FOR  
"4-R" HIGHWAY REHABILITATION PROGRAM  
(Millions of Dollars, FY 1986 est.)

-66%

CURRENT

LAW:

PROPOSED:

\$14.8m

\$44m

REPRESENTATIVE TAX SYSTEM:  
 THE IMPACT ON MONTANA  
 (Millions of Dollars)

GENERAL REVENUE  
 SHARING\*  
 -26%

MEDICAID\*\*  
 -37%

Current Law      PTS

Current Law      PTS

\$50.9m

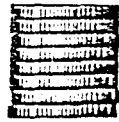
\$18.7



\$39.0m



\$11.8m

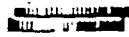


VOCATIONAL  
 EDUCATION\*\*  
 -13%

Current Law      PTS

\$ 2.7m

\$ 2.3m



\* FY 1982  
 \*\* FY 1983

#8  
Chris

PROPOSED BUDGET  
FOR COAL TAX LOBBY EFFORT  
FY86-87

Original request - \$340,029

FY86	FY87
\$124,961	\$125,068

Plus unexpended balance from FY84-85 = about \$90,000

Revised request - \$190,000

FY86	FY87
\$50,000	\$50,000

Plus unexpended balance from FY84-85



*#8 Passed*  
*Chad*

AMENDMENTS TO  
HB 500 (Third Reading Copy)

1. Page 10, Line 15  
Following: Line 14  
Strike: "886,026 1,203,526 900,350 1,217,852"  
Insert: "911,051 1,228,551 925,386 1,242,888"  
Adjust totals accordingly.
  
2. Page 11, Line 17  
Following: Line 18  
Insert: "Coal Lobby Effort 50,000 50,000"  
Adjust totals accordingly.
  
3. Page 12, Line 9  
Following: Line 9  
Insert: "The lobby effort is for the purpose of defending the state's right to establish and levy a tax on coal mined within Montana's borders, to oppose federal legislation that would diminish the state's revenue through discriminatory formula or funding allocations, and to monitor federal actions regarding coal transportation and the Clean Air Act. This appropriation would also fund the legislative oversight committee established in HB 828, Session Laws of 1981. In addition, any balance remaining from item 2(c) of the Governor's Office appropriations contained in HB 447 of the 48th Legislature is reappropriated for use in the 1987 biennium."

*new total*

#9  
Sent Christ

Amend House Bill 500, third reading copy, as follows:  
Senator Christiaens

1. Page 12, line 15.

Strike: "904,444 868,707"

Insert: "889,775 854,273"

LFA will amend totals.

Comment

When the 1.0 FTE documents specialist was deleted in house floor action, the incorrect personal services figures were used. Totals that should have been used were \$22,017 in fiscal 1986 and \$22,054 in fiscal 1987. Only \$6,467 in fiscal 1986 and \$6,738 in fiscal 1987 were deleted. This amendment reduces the balance of the personal services costs of \$14,669 in fiscal 1986 and \$14,434 in fiscal 1987.

April 4, 1985

#10  
-Voting  
Passed

AMENDMENT TO HB 500

Reinstatement of Securities Investigator Position

Page 13, Line 22

Stike "233,617" and "234,272"

Insert "255,345" and "255,997"

This amendment reinstates a securities investigator/examiner (1 FTE) in the State Auditor's Office. This is a current level position which was deleted in the House of Representatives. The cost of this positions is \$21,723 in fiscal 1986 and \$21,725 in fiscal 1987.

The position was deleted based on the fact that it was vacant for approximately 80 percent of fiscal 1984. The reason this position was vacant is due primarily to the Crabtree decision which necessitated a Special Session in December 1983. Immediately following the Special Session, the position was advertised for approximately 45 days. Unfortunately the advertisement did not attract experienced applicants. Once Mr. Omholt announced his retirement, no action was taken to fill the position until the new State Auditor took office in January 1985.

Since the new State Auditor assumed office, the position has been advertised with the intention to fill this position immediately. The work load for this position has been handled by other staff on a priority basis, causing an undue burden and stress.

The fact that this position was left vacant in fiscal 1984 was not the decision or responsibility of the new State Auditor. The new State Auditor regards this position as necessary to provide adequate service to Montana investors and companies and to completely dispatch the department's responsibilities under the Securities Act of Montana.

RWG:dd2E6

## AMENDMENT TO HB 500

## Reorganization of the State Auditor's Office

#11  
Keating Passed

Page 14, line 18

Stike "326,511" and "334,095"  
Insert "389,551" and "409,036"

This amendment reinstates \$63,040 in fiscal 1986 and \$74,941 in fiscal 1987 to reorganize the State Auditor's Office. These funds were approved by the General Government and Highways Subcommittee and the House Appropriations Committee. The funding was subsequently deleted in the House of Representatives.

This amendment will allow the State Auditor's Office to reorganize after twenty-two years under the previous administration. The new State Auditor believes it is imperative that the organization reflect her goals and objectives and one which will operate efficiently and effectively. We believe that the reorganization of the office will result in better services for the citizens of Montana and in the long-run will result in cost savings.

The cost of the reorganization is detailed as follows:

(1) New Positions

The reorganization plans of the State Auditor called for the realignment of two existing positions. The two positions created as a result of the reorganization include a Deputy for Budget and Personnel and a Chief Counsel. However, rather than seek two additional positions from the legislature, the State Auditor chose to utilize two existing positions. The two positions utilized were clerk positions. The increase in personnel service costs result from the higher salary and benefit costs of the new positions. The increase is approximately \$37,094 in fiscal 1986 and \$38,743 in fiscal 1987.

(2) Reorganized Positions

The reorganization also resulted in twelve positions being given additional responsibilities or moved into supervisory capacities. We are requesting increases in salary and benefits in order to compensate the individuals for the additional responsibilities. The cost of these increases is \$47,460 in fiscal 1986 and \$54,827 in fiscal 1987.

(3) Salary Reductions

Also as a result of the reorganization, six positions were filled with lower salary and benefit levels than was budgeted. This aspect of the reorganization will save \$21,514 in fiscal 1986 and \$18,580 in fiscal 1987.

(4) Exempt Positions

The State Auditor's Office is statutorily authorized up to 15 exempt positions. Under the reorganization plans, the office intends to utilize the maximum of 15 exempt positions. Calculated into the cost of the reorganization is a 2.5 percent annual increase in salaries for the exempt positions. Since these positions are exempt, they will not receive any automatic pay increases. Only classified positions have received automatic increases in the past under legislative authorized pay plans.

RWG:dd2E9

SENATE COMMITTEE

FINANCE AND CLAIMS

VOTING RECORD

Date 1/5

★

Bill No. 500

Time 10:45

Name	YES	NO	ABSENT	EXCUSED
Senator Haffey	✓			
Senator Jacobson		✓		
Senator Aklestad		✓		
Senator Hammond	✓			
Senator Lane		✓		
Senator Christiaens		✓		
Senator Gage	✓			
Senator Himsel	✓			
Senator Stimatz	✓			
Senator Boylan	✓			
Senator Story				
Senator Smith	✓			
Senator Manning (Dick)	✓			
Senator Bengtson	✓			
Senator Keating	✓			
Senator Regan				✓
	10	5		

Sylvia Kinsey  
Secretary

Senator Regan  
Chairman

Motion: # 11

Keating AM. Passed

# 12  
Copy  
J. J. J.

UNDERCOVER CRIMINAL INVESTIGATION

\$1,199,114 proposal

Amend House Bill No. 500 third reading copy (blue) as follows:

1. Page 17, line 9.  
Strike: "152,748            154,123"  
Insert: "789,840            616,145"
  
2. Page 17, following line 11.  
Insert: "B. BUY FUND"  
Insert: "100,000" under FY86 general fund
  
3. Page 18, line 17.  
Following: "6B"  
Insert: ", 14B,"

LFA WILL AMEND TOTALS

4-11-85

TO: POWELL COUNTY SHERIFF

Gage  
on # 12

IF SOMETHING IS  
NOT DONE ABOUT  
THESE DRUG DEALING  
SCUM LISTED BELOW  
WE WILL TAKE CARE  
OF THEM OURSELVES

\_\_\_\_\_ D. U. VIGILANTES  
WE WILL  
MAKE THEM  
PAY

Sen. Gage,

I received this today  
from the Deere Lodge  
Sheriff - He just got  
it in the mail this  
week. The Sheriff  
has no money or personnel  
to work drugs.

Gary Powell



UNDERCOVER CRIMINAL INVESTIGATION

\$1,199,114 proposal

<u>FISCAL DATA:</u>	<u>FY 1986</u>	<u>FY 1987</u>
<u>F. T. E.'s</u>	12.0	12.0
2 Enforcement Program Managers - Grade 17		
5 Investigators - Grade 16		
1 Attorney - Grade 18		
2 Secretaries - Grade 9		
2 Intelligence Clerks - Grade 12		
 <u>Personal Services</u>	 306,929	 328,765
 <u>Operating Expenses:</u>		
Contracted Services	17,163	18,163
Supplies & Materials	19,102	20,102
Communications	24,317	24,179
Travel	36,527	38,180
Rent	22,047	22,047
Utilities		
Repair & Maintenance	6,241	8,836
*Other Expenses	101,750	1,750
 Subtotal	 227,147	 133,257
 <u>Equipment</u>		
1 van	17,000	
3 automobiles	25,560	
3 100 watt/8 channel mobile radios	6,549	
1 100 watt/GE repeater	11,000	
5 2 way portable/20 watt radios	17,500	
3 2 way portable/5 watt radios	5,400	
Data processing equipment	26,000	
Unitel	5,500	
Bird Dog	13,500	
Counter Measurer	8,500	
Telephone	23,000	
Night vision	4,000	
Bloc alarm transmitter	2,000	
Evidence kit	250	
2 rifles	600	
7 agents - tape recorder \$303; handgun \$225; safety vest \$200; binnoculars \$100; other \$280	9,856	
Office equipment/furniture	16,001	
Photographic equipment	10,800	
Subtotal	203,016	
 <u>Total Request</u>	 <u>737,092</u>	 <u>462,022</u>

Biennium Total

1,199,114

Includes \$100,000 biennium appropriation for buy money.

SENATE COMMITTEE

FINANCE AND CLAIMS

VOTING RECORD

Date \_\_\_\_\_

Bill No. \_\_\_\_\_

Time 10:00

Name	YES	NO	ABSENT	EXCUSED
Senator Haffey		✓		
Senator Jacobson		✓		
Senator Aklestad		✓		
Senator Hammond	✓			
Senator Lane		✓		
Senator Christiaens		✓		
Senator Gage	✓			
Senator Himsel	✓			
Senator Stimatz	✓			
Senator Boylan		✓		
Senator Story	✓			
Senator Smith		✓		
Senator Manning (Dick)	✓			
Senator Bengtson		✓		
Senator Keating	✓			
Senator Regan		✓		

7-9

Sylvia Kinsey  
Secretary

Senator Regan  
Chairman

Motion: # 12  
10/7

13  
Read  
Passed

MOTOR CARRIER SAFETY INSPECTION

Amend House Bill No. 500 third reading copy (blue) as follows:

1. Page 16, line 11.  
Strike: 143,440            173,063  
Insert: 451,440            481,063

LFA WILL AMEND TOTALS

*Krak*  
*F 14*  
*Failed*

ADDITIONAL HIGHWAY PATROL OFFICERS

Amend House Bill No. 500 third reading copy (blue) as follows:

1. Page 16, line 10.  
Strike: "2,919,511            3,032,747            6,270,787"  
Insert: "3,063,066            3,060,450            6,389,607"
  
2. Page 16, line 11.  
Strike: "6,261,568"  
Insert: "6,355,436"

LFA WILL AMEND TOTALS

This amendment will provide for five additional highway patrol officers in FY 86 and continue those positions in FY 87. The cost in FY 86 will be \$237,423 (General Fund--\$143,555, State Special Fund--\$93,868) and the cost if FY 87 will be \$146,523 (General Fund--\$27,703, State Special Fund--\$118,820).

The Highway Patrol needs additional officers to provide 24-hour coverage in high accident areas, to continue to provide coverage in rural areas and to address problems created by increased traffic and vehicle miles traveled in Montana. The Highway Patrol has 200 uniformed officers to patrol the State's highways 365 days a year. In 1984 the Montana Highway Patrol investigated 8,046 accidents, issued 115,354 tickets including 65,739 for 55 mph conservation violations, and focused on DUI enforcement issuing 2,350 summons for DUI.

On a given shift the Highway Patrol has an average of only 33 officers on duty to patrol the entire State of Montana. The need for additional officers is demonstrated by reviewing highway patrol coverage on an average day--Friday, April 20, 1984.

Day shift--42 officers on duty  
Evening shift--32 officers on duty  
Night shift--25 officers on duty (no officers are on duty between 3:00 a.m. and 6:00 a.m.)

The problems resulting from this sparse coverage are continuing to increase. In 1984 the total number of motor vehicle accidents reported was 18,779 up .6% from 1983; the number of vehicle miles traveled was 7,188, up 1.7% from 1983, the number of injuries was 9,361 up 1.1% from 1983. Fortunately, the number of deaths declined to 238, a 16.8% decrease from 1983. The decline in the number of fatalities is attributed to increased emphasis on enforcement of DUI laws by both local law enforcement agencies and the Highway Patrol.

In FY 85 Highway Patrol officers accrued approximately 8,348 hours of overtime. To be eligible for overtime an officer must be called out when not on duty, or be processing a DUI or investigating an accident past the end of his or her shift. Even with these restrictions, officers are often required to put in overtime. The Patrol was appropriated \$92,000 for overtime in FY 85. Those funds were depleted by March of 1985 and the officers were given compensatory time which only exaggerates the problem of too few officers on the road.

The Highway Patrol currently has 34 one-officer stations, 18 two-officer stations and 18 multiple-officer stations. The continuing shift in population from the rural areas to metropolitan areas is forcing the patrol to evaluate the effectiveness of stationing officers in rural areas with low traffic counts and lower percentages of accidents per vehicle mile traveled. If the Patrol does not receive additional officers the Department must seriously look at the possibility of closing some of the one-officer stations or reducing the two-officer stations to one-officer stations and transferring those personnel to high accident metropolitan areas.

Another factor which should be considered in discussing the need for additional officers is the possible transfer of the State's truck safety inspection program from the PSC to the Highway Patrol under SB 182. This program relies on federal Department of Transportation money in order to operate. To receive the requested \$327,000 of federal money, the State must provide a match of \$108,000. The match money which takes the form of employees assigned to the program, is equivalent to three or four patrol officers. The Highway Patrol can ill afford to take three or four officers off the road to conduct truck safety inspections. If the program is transferred to the Patrol, approval of this modification would help the Patrol to meet this new responsibility without adversely affecting its main mission of traffic safety and provision of emergency services to motorists.

The Attorney General initially asked the Legislature to add seven Patrol officers in FY 86 and six more officers in FY 87. Even if the Legislature approves this pared down request, the Patrol will still have a serious shortage of officers.

SENATE COMMITTEE

FINANCE AND CLAIMS

VOTING RECORD

Date \_\_\_\_\_

Bill No. \_\_\_\_\_

Time 11:13

Name	YES	NO	ABSENT	EXCUSED
Senator Haffey	✓			
Senator Jacobson		✓		
Senator Aklestad		✓		
Senator Hammond		✓		
Senator Lane	✓			
Senator Christiaens		✓		
Senator Gage	✓			
Senator Himsel	✓			
Senator Stimatz	✓			
Senator Boylan		✓		
Senator Story		✓		
Senator Smith		✓		
Senator Manning (Dick)	✓			
Senator Bengtson		✓		
Senator Keating	✓			
Senator Regan		✓		

7-9

Sylvia Kinsey  
Secretary

Senator Regan  
Chairman

Motion:

#14 Keating

5 additional Highway Patrol

failed

# 17  
Kelt  
Passed

REGIONAL DISPATCH OPERATORS--GLENDDIVE

Amend House Bill No. 500 third reading copy (blue)  
as follows:

1. Page 16, line 22.  
Strike: "629,971 666,169"  
Insert: "709,951 746,158"

LFA WILL AMEND TOTALS

This amendment will replace four of the 11 radio dispatch operators in the L.E.N.S Program which were deleted by amendment on the floor of the House of Representatives during consideration of HB 500. The cost of this amendment is \$79,979 in FY 86 and \$79,989 in FY 87 in State Special Funds (highway earmarked account).

The 48th Legislative Assembly authorized funds to purchase highband radio communications and dispatch equipment for the Highway Patrol and other State agencies for use in eastern Montana. The equipment will be completely installed and operational by July 1, 1985. This amendment would provide four dispatchers to staff the Glendive regional dispatch office. These four dispatchers in addition to the one dispatcher already stationed in Glendive would enable the Highway Patrol to staff the dispatch office 24 hours a day.

The counties that would be served by the Regional Dispatch Office in Glendive are: Dawson, Garfield, Valley, Roosevelt, Daniels, Sheridan, McCone, Richland, Prairie, Wibaux, Fallon, Custer, Powder, River and Carter. The Glendive center would provide radio communication and dispatch services for the Highway Patrol, Department of Livestock brand inspectors, Department of Fish, Wildlife and Parks game wardens, Department of Justice criminal investigators and fire marshals, and after hours service for the Department of Highways. The dispatch center will also communicate with local law enforcement agencies whenever necessary. Radio communication and dispatch services are especially critical for this area of Montana which is sparsely populated and law enforcement agencies must cover large areas of land.

A regional dispatch center has already been established in Helena which will provide dispatch services for the central section of the State. A third center is planned for Billings and will be staffed at least on a part-time basis with existing personnel. Ideally, these three dispatch centers would provide dispatch services for all of Montana east of the continental divide.

SENATE COMMITTEE

FINANCE AND CLAIMS

VOTING RECORD

Date \_\_\_\_\_

Bill No. \_\_\_\_\_

Time 11:00

*Keating*

Name	YES	NO	ABSENT	EXCUSED
Senator Haffey	✓			
Senator Jacobson	✓			
Senator Aklestad			✓	
Senator Hammond		✓		
Senator Lane	✓			
Senator Christiaens	✓			
Senator Gage	✓			
Senator Hinsl	✓			
Senator Stimatz	✓			
Senator Boylan			✓	
Senator Story		✓		
Senator Smith		✓		
Senator Manning (Dick)	✓			
Senator Bengtson	✓			
Senator Keating	✓			
Senator Regan	✓			

11 - 5

Sylvia Kinsey  
Secretary

Senator Regan  
Chairman

Motion:

# 17



# 18 Passed  
Boyer

CRIMINAL INVESTIGATION, COAL BOARD

Amend House Bill No. 500 third reading copy (blue)  
as follows:

1. Page 17, line 20.  
Strike: 140,180      140,180  
Insert: 265,874     271,375

LFA WILL AMEND TOTALS

This amendment would provide the Criminal Investigation Bureau with spending authority to provide undercover criminal investigative services to the Eastern Coal Counties Task Force. Funding for this program is a grant from the Montana Coal Board to the Eastern Coal Counties Task Force.

Himsel  
#19

Amend House Bill 500, third reading copy, as follows:  
Senator Himsel

1. Page 19, following line 14.  
Insert: "2. MONTCLIRC Grant  
97,542 general fund in fiscal 1986  
100,885 general fund in fiscal 1987"

LFA will amend totals

Comment

This amendment restores the funding for the MONTCLIRC grant to the University of Montana Law School. The grant will be paid by the Board of Crime Control instead of the Supreme Court.

Handwritten: # 19

ANSWERS TO THE "TOUGH" QUESTIONS ABOUT MONTCLIRC

(Supplement to "Fact Sheet about MONTCLIRC")

1. Why Don't the Attorneys and Judges do Their Own Research? They do. The questions which MONTCLIRC receives are the more complicated questions which require a specialized library to do the research, and there are only two such law libraries in the state. The questions also come from smaller counties without criminal law specialists or the resources to hire extensive criminal law staffs. MONTCLIRC fills the need by providing criminal law expertise and resources to every county in Montana.

2. Why Can't the Operation Work on a "Pay As You Go" Basis? This would be totally unworkable for most requests, because a justice of the peace who needs the answer to a question in three or four days is unlikely to seek a requisition from his county commissioners which may take two or three weeks. Most counties do not have any special budget category which would be an obvious source of funds for judges or prosecutors or public defenders to resort to for such requests. Most public defenders, moreover, are on a contract basis and would have to take money "out of their hides" in order to pay for MONTCLIRC research services, so that as a practical matter virtually no public defenders would continue to use the research center. Further, many of our current requests are for copies of prior memoranda. It would be unfair to charge only the first person who asked a given issue, when we send out ten to twenty copies of that same research to subsequent users who ask the same question. Finally, even if the system were workable (which it would not be), there would be no real gain, since all that would be happening is that funds would be transferred from one state agency to another, the only net difference being the additional administrative costs involved.

3. Is the Center Really Receiving Adequate Usage? MONTCLIRC receives an average of sixty requests for help each month, or three each working day. Requests have come from every county in Montana, and the Center receives more requests on a proportional basis from the smaller counties than the larger counties, even though in absolute terms more requests do come from the more populous counties. Usage level is almost exactly what one could hope it might be, not being too little on the one hand and not being too much on the other hand. We have found that as the number of requests per month has increased, so too has our ability to answer them, due to a large brief bank of prior memoranda and the increased overall level of expertise accumulated.

4. What's in the Budget and Can't it be Cut Somewhere? The budget consists mainly of the following items: (1) director's salary (determined by the salary levels of other faculty at the law school); (2) legal secretary's salary (set by state classification system); (3)

student salaries (contrary to the assertion that this is a mere "student employment" program, student payroll is less than 20% of the budget); (4) printing and xeroxing costs; (5) maintenance contract on the wordprocessor; (6) supplies, telephone and postage; and (7) indirect costs (lowest rate applicable to this type of contract, for "rent" of the facilities). The only conceivable places to cut something would be in the area of printing (this would be a very bad idea, as our newsletters are very popular, and our xeroxing of prior memoranda is extremely useful and cost-effective) and in regard to the student salaries. But student salaries are not that big an item in the budget and, as noted above, it makes no sense to try to derive this money on a "pay-as-you-go" basis. In sum, as indicated by the 100% recommendation of the LFA and the Joint Subcommittee of Senate Finance and House Appropriations, this is a "bare bones" budget which just does not have any "wiggle room" in it.

5. Why Isn't this Budget Part of the Law School's Budget? There are historical and practical reasons. This program started out in the budget of the Montana Board of Crime Control (after having been initially started with federal monies by the Board's parent agency), but then the Board was scheduled to go out of business, so as an emergency measure the Montana Supreme Court graciously accepted the program as part of its supplementary budget. The judgment was made that it was too late to seek an amendment to the Law School's budget, given the lengthy process through the University system and the Regents. Further, although MONICLIRC has significant educational side benefits, it is not primarily an "educational" thing. Students earn no law school credits, and it is not part of the clinical program. It is, rather, a service to the various law enforcement and crime control agencies existing across the entire state of Montana. Thus, it seems most appropriate that it be considered as part of the budget of the Montana Board of Crime Control, rather than being considered by a committee whose expertise relates to educational matters.

This does not mean that the Law School is not very strongly committed to the MONICLIRC program. The Dean and Board of Visitors of the Law School view MONICLIRC as a very important outreach program and service of which they are most proud. Indeed, it is submitted that the entire state of Montana ought to be proud of what they have created in the Montana Criminal Law Information Research Center. This is one of the best things this state has ever done, and it serves as a model to similar programs across the entire country.

PROPOSED MONTLICRC BUDGET, 1985-1987<sup>1/</sup>

<u>Personnel</u>	<u>1985-1986</u>	<u>1986-1987</u>
Director	\$40,800.00	\$42,432.00
Legal Secretary <sup>2/</sup>	14,560.00	15,140.00
Research Assistants <sup>3/</sup>	15,600.00	16,000.00
Employee Benefits <sup>4/</sup>	10,120.00	10,523.00
<u>Travel</u> <sup>5/</sup>	500.00	500.00
<u>Equipment Rental &amp; Maintenance</u> <sup>6/</sup>	1,400.00	1,480.00
<u>Supplies &amp; Operating</u>		
Supplies	700.00	700.00
Printing & Xerox <sup>7/</sup>	5,000.00	5,000.00
Telephone	1,400.00	1,400.00
Postage	700.00	700.00
Indirect Cost <sup>8/</sup>	<u>7,262.00</u>	<u>7,510.00</u>
<b>TOTAL</b>	<u><b>\$97,542.00</b></u>	<u><b>\$100,885.00</b></u>

1/ As noted in our current contract with the Court, the direct cost items are estimates provided as a breakdown of the total contract cost.

2/ Currently Grade 9, Step 1, (Legal Secretary II).

3/ Part-time in school year; three to four full-time in summer.

4/ Teacher Retirement, PERS, Social Security, Workers' and Unemployment Compensation, group insurance.

5/ Mainly to lower court conferences.

6/ Maintenance contract on word-processor.

7/ Prior memos, periodic case synopses, quarterly newsletter, and annual bibliography.

8/ Calculated at rate applicable to State contracts of 8% of direct cost.

Date \_\_\_\_\_

Bill No. 500

Time 11:56

Name	YES	NO	ABSENT	EXCUSED
Senator Haffey	✓			
Senator Jacobson		✓		
Senator Aklestad		✓		
Senator Hammond	✓			
Senator Lane		✓		
Senator Christiaens		✓		
Senator Gage	✓			
Senator Himsel	✓			
Senator Stimatz	✓			
Senator Boylan		✓		
Senator Story	✓	✓		
Senator Smith	✓			
Senator Manning (Dick)	✓			
Senator Bengtson		✓		
Senator Keating	✓	✓		
Senator Regan		✓		

8-8

Sylvia Kinsey  
Secretary

Senator Regan  
Chairman

Motion: Amend #19 V motion  
6-6-62

#20  
Keating

Amend House Bill 500, third reading copy as follows:  
Senator Keating

- 1. Page 19, line 12.  
Strike: "435,728 437,496"  
Insert: "483,905 486,084"

Comment

This amendment restores general funding of \$48,177 in fiscal 1986 and \$48,588 in fiscal 1987 for the juvenile justice training program.

Passed

#20  
Keating

SENATE COMMITTEE

FINANCE AND CLAIMS

VOTING RECORD

Date \_\_\_\_\_

Bill No. \_\_\_\_\_

Time \_\_\_\_\_

Name	YES	NO	ABSENT	EXCUSED
Senator Haffey	✓			
Senator Jacobson	✓			
Senator Aklestad		✓		
Senator Hammond		✓		
Senator Lane	✓			
Senator Christiaens	✓			
Senator Gage	✓			
Senator Himsl	✓			
Senator Stimatz	✓			
Senator Boylan	✓			
Senator Story		✓		
Senator Smith		✓		
Senator Manning (Dick)	✓			
Senator Bengtson	✓			
Senator Keating	✓			
Senator Regan				✓

Sylvia Kinsey  
Secretary

Senator Regan  
Chairman

Motion: #20 - Keating

Passed



# 21  
Page

Passed

FORENSIC SCIENTIST--DUI

Amend House Bill No. 500, third reading copy (blue)  
as follows:

1. Page 18, line 11.  
Strike: "661,047 647,571"  
Insert: "691,083 677,608"

LFA WILL AMEND TOTALS

This amendment will replace the one DUI forensic scientist in the Forensic Science Division budget which was deleted by amendment on the floor of the House of Representatives during consideration of HB 500. The Laboratory of Criminalistics currently has one forensic scientist doing DUI analysis. This amendment would provide a second forensic scientist for this purpose at a cost of \$30,036 in FY 86 and \$30,037 in FY 87, of State Special Funds (alcohol).

The demands placed on the DUI Section in the Laboratory of Criminalistics are many. Besides analyzing breath and blood samples for drug and alcohol content the Laboratory is called upon to perform many other duties in relation to the DUI enforcement effort in Montana. The Laboratory is responsible for installing the alco-analyzers placed in the field, training law enforcement officers in the use of the alco-analyzers, testing the equipment twice a year to ensure it is working properly, and testifying in court as expert witnesses.

Even though the actual number of samples analyzed at the Laboratory had decreased due to the increased number of alco-analyzers located in the field, the total number of DUI samples taken in the State is growing causing a significant increase in the workload of the DUI section. This is due to the increased numbers of days the forensic scientists are spending testifying in court and the time required for installing, testing and training officers in the use of the alco-analyzers.

The numbers of days the forensic scientist was required to be away from the Laboratory to testify in court has more than doubled between 1982 and 1984. In 1982 the DUI forensic scientist spent 61 work days testifying in court and in 1984 the scientist spent 135 work days in court. Approximately three percent of all DUI cases go to trial and in most of those cases the Laboratory is called upon to testify on the physiological effects of alcohol, the interpretation of the analysis, the accuracy of the equipment, or the training of the officer performing the test. This testimony can only be given by a forensic scientist who is qualified as an expert witness.

The number of alco-analyzers located in the field has more than doubled since 1982. In 1982 there were 24 alco-analyzers located throughout the State. By July 1, 1985 there will be 56 of these machines located at local law enforcement offices. These machines must be installed by forensic scientists. In addition, a forensic scientist must test the equipment twice a year and train over 1,000 law enforcement officers working in this State in the use of machines.

The Highway Traffic Safety Division for the State of Montana estimates that there could be 12,000 DUI arrests in Montana in FY 86. This means that laboratory personnel could be required to spend as many as 300 work days testifying in court. Delays in providing court testimony can result in serious problems for prosecutors, including speedy trial issues.

The workload for the DUI section in 1984 calculated out to be 361 work days, which is 1.64 FTE. The demand for DUI services was met by using the one DUI forensic scientist, backup from the firearms and toolmark examiner who is certified to do DUI analysis, as well as using a contracted employee for \$3,100. The subcommittee deleted the \$3,100 in contracted services when they approved the proposed modification. The Laboratory estimates that the workload for 1985 will require 2.25 FTE. This modification will provide the second FTE and the .25 will be met by using other forensic scientists in the lab on an as needed basis.

DUI Samples	Analyzed in Lab	Analyzed in Field	Total Samples
1982	3,601	2,221	5,822
1983	2,833	2,487	5,320
1984	2,609	3,724	6,333

	No. of Refusals	Days Court Testimony	No. Field Instruments
1982	746	61 days	24
1983	906	84 days	30
1984	1,090	135 days	38
1985			56

SENATE COMMITTEE

FINANCE AND CLAIMS

VOTING RECORD

Date \_\_\_\_\_

Bill No. \_\_\_\_\_

Time 12:09

Name	YES	NO	ABSENT	EXCUSED
Senator Haffey	✓			
Senator Jacobson	✓			
Senator Aklestad		✓		
Senator Hammond		✓		
Senator Lane	✓			
Senator Christiaens	✓			
Senator Gage	✓			
Senator Himsel		✓		
Senator Stimatz	✓			
Senator Boylan		✓		
Senator Story	✓			
Senator Smith	✓			
Senator Manning (Dick)	✓			
Senator Bengtson		✓		
Senator Keating	✓			
Senator Regan	✓			

11-5

Sylvia Kinsey  
Secretary

Senator Regan  
Chairman

Motion: # 21 Gage

DEPARTMENT OF REVENUE



TED SCHWINDEN, GOVERNOR

MITCHELL BUILDING

STATE OF MONTANA

HELENA, MONTANA 59620

April 15 1985

MEMORANDUM

TO: Senator Pat Regan  
Senate Finance and Claims Committee

FROM: John D. LaFaver  
Director

SUBJECT: Proposed Amendments to HB500

I would ask the Senate Finance and Claims Committees to consider the following amendments to the Department of Revenue budget:

# 22 1)

2

# 23  
+ code

Biennial Appropriation for Vehicles: The Property Assessment Division has present authority to replace 8 vehicles annually. We are asking authority to buy all vehicles in the first year because of the urgency of replacing more of them. There is no fiscal impact.

Legal Fees: Representative Marks successfully moved on the house floor to remove \$35,000 of legal fees from the Director's Office. This is a reduction from current level and, if not corrected, will compromise our ability to meet legal challenges especially, in corporate and natural resources taxes.

If the Department is to meet its commitment to provide \$10 million in additional tax revenue through increased audits, our legal resources need to be at least maintained at current level.

1. Amend page 20, line 23

Strike "11,115,443"	"10,395,236"
Insert "11,035,443"	"10,315,236"
Strike "33,670"	
Insert "193,670"	

Senator Pat Regan  
April 15, 1985  
Page Two

2. Amend page 19, line 25

After line 25, insert:

c. "Legal Fees - \$35,000" in the general fund column.

Page 21, line 11

Strike "ITEM" through "APPROPRIATIONS"

Insert "Items 1c and 9a are biennial appropriations."

#93

JDL/ddc

*Roll call  
Failed*

Date \_\_\_\_\_

Bill No. 500

Time \_\_\_\_\_

Name	YES	NO	ABSENT	EXCUSED
Senator Haffey	✓			
Senator Jacobson		✓		
Senator Aklestad		✓		
Senator Hammond		✓		
Senator Lane	✓			
Senator Christiaens	✓			
Senator Gage	✓			
Senator Himsel	✓			
Senator Stimatz	✓			
Senator Boylan		✓		
Senator Story		✓		
Senator Smith		✓		
Senator Manning (Dick)	✓			
Senator Bengtson		✓		
Senator Keating		✓		
Senator Regan		✓		

7-9

Sylvia Kinsey  
Secretary

Senator Regan  
Chairman

Motion: Gage  
35 - 141

~~Amendment #23~~

~~galy~~  
Am # 3  
md

*Sen  
Smith # 24*

Amend House Bill 500, third reading copy, as follows:  
Senator Weeding

1. Page 20, line 23.  
Strike: "11,115,443 10,395,236"  
Insert: "11,332,843 10,721,336"

LFA will amend totals.

Comment

This amendment restores full funding for the county assessors salaries. General fund increases by \$217,400 in fiscal 1986 and \$326,100 in fiscal 1987.

SENATE COMMITTEE

FINANCE AND CLAIMS

VOTING RECORD

Date \_\_\_\_\_

Bill No. \_\_\_\_\_

Time \_\_\_\_\_

Name	YES	NO	ABSENT	EXCUSED
Senator Haffey		✓		
Senator Jacobson		✓		
Senator Aklestad	✓			
Senator Hammond		✓		
Senator Lane		✓		
Senator Christiaens		✓		
Senator Gage	✓			
Senator Himsel	✓			
Senator Stimatz		✓		
Senator Boylan	✓			
Senator Story	✓			
Senator Smith	✓			
Senator Manning (Dick)	✓			
Senator Bengtson	✓			
Senator Keating		✓		
Senator Regan		✓		

8-8

Sylvia Kinsey  
Secretary

Senator Regan  
Chairman

Motion:

*Smith Co. Assn  
Y N 100%*

*Failed 0-2*



*Disc*  
*# 26*

Amend House Bill 500, third reading copy, as follows:  
Senator Christiaens

1. Page 23, line 8.

Strike: "566,044 574,118"

Insert: "561,183 569,201"

LFA will amend totals.

Comment

This amendment increases the vacancy savings to 4 percent for the general fund portion of the salaries in the general services division. The vacancy savings was originally set at 2 percent and was not revised because it was thought that the rate charged per square foot would have to be recalculated. The reduction however, results in less than a one cent increase in the rates which is insignificant. Reduction to the general fund are \$4,861 in fiscal 1986 and \$4,917 in fiscal 1987.

Page 22, line 16.

Strike: "8,851 8,854"

Insert: "41,407 41,330"

Explanation:

Funding - Proprietary Fund. This amendment affects Central Administration (Director's Office). One attorney is requested due to expanding need for legal assistance in the department. Currently, there is only one attorney to handle the department's legal needs. This position will assist three divisions - Public Employee's Retirement Division, Teacher's Retirement System, and the Architecture and Engineering Division. The position was deleted in House Appropriations and the full House deleted funding in one of the three divisions - the Public Employee's Retirement Division.

Date \_\_\_\_\_

Bill No. \_\_\_\_\_

Time 3:45

Name	YES	NO	ABSENT	EXCUSED
Senator Haffey	✓			
Senator Jacobson	✓			
Senator Aklestad		✓		
Senator Hammond		✓		
Senator Lane	✓			
Senator Christiaens	✓			
Senator Gage	✓			
Senator Himsl	✓			
Senator Stimatz	✓			
Senator Boylan	✓			
Senator Story	✓			
Senator Smith		✓		
Senator Manning (Dick)	✓			
Senator Bengtson	✓			
Senator Keating	✓			
Senator Regan	✓			

Sylvia Kinsey  
Secretary

Senator Regan  
Chairman

Motion: Atty 1/2 Pers etc  
Keating  
WJG

Proposed Amendments to HB500

Page 28, line 21.

Strike: "758,786 738,100"

Insert: "813,289 792,616"

*WB*

Explanation:

Funding - Pension Trust Fund. This amendment affects the Public Employees' Retirement Division. The amendment has two parts. First, legal fees of \$17,000 each year are needed to help pay for the costs of the attorney in Central Administration. The retirement system has a need for legal assistance in handling the increasing number of disability claims and contested cases.

Second, 1.5 FTE are requested. One position would be an assistant administrator. The assistant would work directly with the administrator and be responsible for the general management of PERD. This includes all personnel, developing and overseeing training programs, provide technical research for all legislative proposals, assist in the implementation of all retirement legislation, and to review federal legislation and regulations to ascertain division compliance.

A half-time clerk position is also necessary to assist with the retiree microfiche project.

*Testing  
g7*

*ald  
#27*

*#28*

SENATE COMMITTEE

FINANCE AND CLAIMS

VOTING RECORD

Date \_\_\_\_\_

Bill No. \_\_\_\_\_

Time 3:51

Name	YES	NO	ABSENT	EXCUSED
Senator Haffey	✓			
Senator Jacobson	✓			
Senator Aklestad		✓		
Senator Hammond		✓		
Senator Lane		✓		
Senator Christiaens	✓			
Senator Gage		✓		
Senator Himsl		✓		
Senator Stimatz	✓			
Senator Boylan	✓			
Senator Story	✓			
Senator Smith		✓		
Senator Manning (Dick)	✓			
Senator Bengtson		✓		
Senator Keating	✓			
Senator Regan		✓		

8 - 8

Sylvia Kinsey  
Secretary

Senator Regan  
Chairman

Motion:

*Keat*  
*1/2 of 78*

*22*

PROPOSED AMENDMENTS TO HB 500 FOR DEPARTMENT OF ADMINISTRATION

F 9  
2  
Heat

Page 23, line 20.

Strike: "1,025,369 882,413"

Insert: "1,076,329 917,437"

Explanation:

Funding - State Special Revenue Fund. This amendment affects the Building Codes Division. Legal assistance is requested to prosecute legal cases concerning building code violations. For FY'86 the request is for 1.50 FTE and in FY'87 this is reduced to one FTE. The positions will be attorneys.

# 29  
SENATE COMMITTEE

FINANCE AND CLAIMS

VOTING RECORD

Date \_\_\_\_\_

Bill No. \_\_\_\_\_

Time 4:01

Name	YES	NO	ABSENT	EXCUSED
Senator Haffey	✓			
Senator Jacobson		✓		
Senator Aklestad		✓		
Senator Hammond		✓		
Senator Lane		✓		
Senator Christiaens		✓		
Senator Gage	✓			
Senator Himsel		✓		
Senator Stimatz	✓			
Senator Boylan	✓			
Senator Story	✓			
Senator Smith	✓			
Senator Manning (Dick)		✓		
Senator Bengtson		✓		
Senator Keating	✓			
Senator Regan		✓		

7-9

Sylvia Kinsey  
Secretary

Senator Regan  
Chairman

Motion:

# 29 Keat

Page  
#30

Amend House Bill 500, third reading copy, as follows:

1. Page 23, line 8.  
Strike: "566,044 574,118"  
Insert: "596,544 604,618"

LFA will amend totals.

2. Page 24, line 22.  
Strike: "891,911 907,162"  
Insert: "902,368 914,974"

LFA will amend totals.

3. Page 28, line 18.  
Following: line 17.  
Insert: "Contingent upon passage of HB 430, \$12,500 in fiscal 1986 and \$12,500 in fiscal 1987 are added to the Group Benefit's Program appropriation of Personnel Division (item 12), in the proprietary fund."

Comment

Due to the passage of HB 788 by both houses, there is added to the General Services Division's appropriation (item 1), \$30,500 in fiscal 1986 and \$30,500 in fiscal 1987 in the general fund.

Due to the passage of HB 550 of both houses, there is added to the Personnel Division's appropriation (item 2), \$10,457 in fiscal 1986 and \$7,812 in fiscal 1987 in the general fund.



#31 Page

6 under

Amend House Bill 500, third reading copy, as follows:

1. Page 23, line 20.

Strike:	"1,025,369	882,413"
Insert:	"1,100,573	943,134"

LFA will amend totals.

2. Page 28, lines 12 and 13.

Strike: "Lines 12 and 13 in their entirety"

Comment

Senate Bill 242 has been signed by the governor. Therefore, the administrative costs are added to the budget.

PROPOSED AMENDMENTS TO HB 500 FOR DEPARTMENT OF ADMINISTRATION

Page 24, line 16.

Strike: "7,639,522 8,015,209"

Insert: "7,666,092 8,041,789"

Explanation:

Funding - Proprietary Fund. This amendment affects the Telecommunications Bureau of the Information Services Division. A telecommunications analyst was previously approved by the Legislative Finance Committee (June 1984) in order to provide badly needed technical support for the state telephone network. The position is actively involved with the implementation of the short-term transmission plans approved by the Telecommunications Policy Advisory Council.

# 33  
Page

Failed

BOARD OF INVESTMENTS  
Amend House Bill 500, Third Reading Copy:

1. Page 24, line 10.				
Strike: "755,254	755,254	756,011	756,011"	
Insert: "785,402	785,402	785,410	785,410"	

See →  
Failed

NEW FTE

One new FTE is requested to perform the underwriting of Montana mortgages and the 10% instate investment function of the Board of Investments.

(Subcommittee Recommendation)	<u>FY '86</u>	<u>FY '87</u>
	\$27,348	\$26,599

SENATE BILL 8

Passed

Senate Bill 8 relates to the adding two new board members to the Board of Investments and has been signed by the Governor. The board meets monthly and there will be costs (travel, lodging, meals, and per diem) associated with their attendance. Based upon the fact that one of the two new members appointed by the Governor on April 11, 1985, resides in Helena, the projected additional costs are:

<u>FY '86</u>	<u>FY '87</u>
\$2,800	\$2,800

Travel + Lodging for one  
Passed.

#33

1.

SENATE COMMITTEE

FINANCE AND CLAIMS

VOTING RECORD

Date \_\_\_\_\_

Bill No. \_\_\_\_\_

Time 4:10

Name	YES	NO	ABSENT	EXCUSED
Senator Haffey	✓			
Senator Jacobson		✓		
Senator Aklestad		✓		
Senator Hammond		✓		
Senator Lane		✓		
Senator Christiaens		✓		
Senator Gage				
Senator Himsel	✓			
Senator Stimatz	✓			
Senator Boylan		✓		
Senator Story		✓		
Senator Smith		✓		
Senator Manning (Dick)		✓		
Senator Bengtson		✓		
Senator Keating	✓			
Senator Regan		✓		

5 - 11

Sylvia Kinsey  
Secretary

Senator Regan  
Chairman

Motion:

Gage - pg 24 line 10  
underwrite

Failed

135-<sup>Text</sup>  
37/  
PROPOSED AMENDMENTS TO HB 500 FOR DEPARTMENT OF ADMINISTRATION

*Failed*

Page 26, line 15.

Strike: "7,397,572 7,472,713"

Insert: "7,427,238 7,502,379"

Explanation:

Funding - Proprietary Fund. This amendment affects the Information Services Division. A software specialist position is necessary in order to implement and maintain the software required to provide the linkage between the computer in the Mitchell Building and the computer in the National Guard Armory. This linkage will provide disaster or routine outage recovery capability for either system.

SENATE COMMITTEE

FINANCE AND CLAIMS

VOTING RECORD

Date \_\_\_\_\_

Bill No. \_\_\_\_\_

Time 4:15

Name	YES	NO	ABSENT	EXCUSED
Senator Haffey	✓			
Senator Jacobson	✓			
Senator Aklestad		✓		
Senator Hammond		✓		
Senator Lane	✓			
Senator Christiaens	✓			
Senator Gage	✓			
Senator Himsel		✓		
Senator Stimatz	✓			
Senator Boylan		✓		
Senator Story		✓		
Senator Smith		✓		
Senator Manning (Dick)	✓			
Senator Bengtson		✓		
Senator Keating	✓			
Senator Regan		✓		

8 - 4

Sylvia Kinsey  
Secretary

Senator Regan  
Chairman

Motion:

# 35 Keas

*factis*

PROPOSED AMENDMENTS TO HB 500 FOR DEPARTMENT OF ADMINISTRATION

*Page  
# 36*

*Page 4*

Page 26, line 5.  
Strike: "1,887,151"  
Insert: "1,944,362"

Page 26, line 6.  
Strike: "1,705,460"  
Insert: "1,762,666"

Explanation:

Funding - Proprietary Fund. These amendments affect the Publications and Graphics Division. One FTE and operating expenses are requested to operate a Quick Copy Center at the new Department of Natural Resources Building.

*This was  
done earlier  
Chris*

Amend House Bill 500, third reading copy, as follows:  
Senator Christiaens

1. Page 8, line 11.

Strike:	"75,100	75,000"
Insert:	"100,000	100,000"

LFA will amend totals.

Comment

This amendment restores \$25,000 each year to the line item appropriation for unanticipated cases.



# 37  
Akkersland

Proposed Amendment to HB 500, third reading (blue):

1. Page 7, following line 21.  
Insert: "17. Montana-Western Canadian provinces boundary  
advisory committee -- (HB 488)"

Under Fiscal 1986 General Fund "\$4,200"

2. Page 8, line 5.  
Strike: "16"  
Insert: "17"

DSD85/ee/HB 500

Amend House Bill 500, third reading copy, as follows:

1. Page 13, line 22.  
Strike: "233,617 234,272"  
Insert: "233,617 state special revenue fiscal 1986  
234,272 state special revenue fiscal 1987"
2. Page 13, line 15.  
Strike: "3,696"  
Insert: "3,696 state special revenue fiscal 1986"
3. Page 14, line 24.  
Strike: "639,238 641,531"  
Insert: "639,238 state special revenue fiscal 1986  
641,531 state special revenue fiscal 1987"
4. Page 15, line 5.  
Strike: "9,240"  
Insert: "9,240 state special revenue fiscal 1986"
5. Page 15, lines 10 and 11.  
Strike: "Lines 10 and 11 in their entirety."

Comment

The preceding amendments places the funding for the investment division and the insurance department in the state special revenue fund as House Bills 634 and 759 have passed both houses and have been signed by the governor.

2K 37  
#

Proposed Amendment to HB 500, third reading (blue):

1. Page 7, following line 21.  
Insert: "17. Montana-Western Canadian provinces boundary  
advisory committee -- (HB 488)"

Under Fiscal 1986 General Fund "\$4,200"

2. Page 8, line 5.  
Strike: "16"  
Insert: "17"

DSD85/ee/HB 500

~~Page~~  
passed  
HB

# 38  
Quality  
Review

Amend House Bill 500, third reading copy, as follows:

1. Page 22, line 16.  
Strike: "12,378,052 12,442,304"  
Insert: " 248,097 251,700"

LFA will amend totals.

Comment

This amendment removes the debt service funding of \$12,129,955 in fiscal 1986 and \$12,190,604 in fiscal 1987. This funding will be statutorily appropriated by House Bill 12.

Reagan # 39

Amend House Bill 500, third reading copy, as follows:

1. Page 13, line 22.  
Strike: "233,617 234,272"  
Insert: "233,617 state special revenue fiscal 1986  
234,272 state special revenue fiscal 1987"
2. Page 13, line ~~15~~<sup>24</sup>.  
Strike: "3,696"  
Insert: "3,696 state special revenue fiscal 1986"
3. Page 14, line 24.  
Strike: "639,238 641,531"  
Insert: "639,238 state special revenue fiscal 1986  
641,531 state special revenue fiscal 1987"
4. Page 15, line 5.  
Strike: "9,240"  
Insert: "9,240 state special revenue fiscal 1986"
5. Page 15, lines 10 and 11.  
Strike: "Lines 10 and 11 in their entirety."

Comment

The preceding amendments places the funding for the investment division and the insurance department in the state special revenue fund as House Bills 634 and 759 have passed both houses and have been signed by the governor.

Reagan #40 2/6

Amend House Bill 500, third reading copy, as follows:

1. Page 14, line 11.

Strike: "412,072 413,893"

Insert: "362,072 363,893"

LFA will amend totals.

Comment

This amendment reduces contract services for modifications to the payroll, personnel, position control (PPP) by \$50,000 each year. The \$50,000 was put in by the subcommittee in case there would be any changes mandated to the PPP by the federal government system for EEO requirements.

Regan W E  
# 4/1

Amend House Bill 500, third reading copy, as follows:

1. Page 15, following line 9.  
Insert: "There may be no program transfers out of item 3a.

#41 Regan

SENATE COMMITTEE

FINANCE AND CLAIMS

VOTING RECORD

Date \_\_\_\_\_

Bill No. \_\_\_\_\_

Time \_\_\_\_\_

Name	YES	NO	ABSENT	EXCUSED
Senator Haffey	✓			
Senator Jacobson	✓			
Senator Aklestad		✓		
Senator Hammond		✓		
Senator Lane	✓			
Senator Christiaens	✓			
Senator Gage		✓		
Senator Himsel		✓		
Senator Stimatz		✓		
Senator Boylan		✓		
Senator Story	✓			
Senator Smith				
Senator Manning (Dick)	✓	✓		
Senator Bengtson	<del>✓</del>	✓		
Senator Keating	✓			
Senator Regan	✓			

8 - 8  
8 - 8

Sylvia Kinsey  
Secretary

Senator Regan  
Chairman

Motion:

Regan 8-15-89

PH

2



*Jackson*  
*# 42*

HOUSE BILL 500

Third Reading Copy

Page 34, line 13  
Strike: 368, 121      365, 311  
Insert: 403, 121      380, 311

Amend totals accordingly

The purpose of this amendment is to add \$35,000 in FY 86  
and \$15,000 in FY 87 for the purposes of health information  
service.

SENATE COMMITTEE

FINANCE AND CLAIMS

VOTING RECORD

Date \_\_\_\_\_

Bill No. \_\_\_\_\_

Time 6:10

Name	YES	NO	ABSENT	EXCUSED
Senator Haffey	✓			
Senator Jacobson	✓			
Senator Aklestad		✓		
Senator Hammond		✓		
Senator Lane	✓			
Senator Christiaens	✓			
Senator Gage		✓		
Senator Himsl		✓		
Senator Stimatz		✓		
Senator Boylan		✓		
Senator Story		✓		
Senator Smith		✓		
Senator Manning (Dick)	✓			
Senator Bengtson		✓		
Senator Keating		✓		
Senator Regan	✓			

6 - 10

Sylvia Kinsey  
Secretary

Senator Regan  
Chairman

Motion: Jacobson

#42

# 43  
Chris Passed

Amend House Bill 500, third reading copy, as follows:  
Senator Christiaens

1. Page 35, following line 23.

Insert: "h. LUST"

Insert: in state special revenue fund fiscal 1986 "53,063"

Insert: in federal special revenue fund fiscal 1986 "159,188"

LFA will amend totals.

#  
2. Page 38, line 7.

Strike: "is"

Insert: "and 3h are"

Comment:

This amendment will give the department of health spending authority in the 1987 biennium for the LUST Program under HB 676.

Date \_\_\_\_\_

Bill No. \_\_\_\_\_

Time 6:00

Name	YES	NO	ABSENT	EXCUSED
Senator Haffey	✓			
Senator Jacobson	✓			
Senator Aklestad		✓		
Senator Hammond		✓		
Senator Lane	✓			
Senator Christiaens	✓			
Senator Gage	✓			
Senator Himsl		✓		
Senator Stimatz	✓			
Senator Boylan		✓		
Senator Story	✓			
Senator Smith		✓		
Senator Manning (Dick)	✓			
Senator Bengtson	✓			
Senator Keating		✓		
Senator Regan	✓			

10 6

Sylvia Kinsey  
Secretary

Senator Regan  
Chairman

Motion:

# 43  
Chris

# 44  
Manning

filed

Amend House Bill 500, third reading copy, as follows:

1. Page 35, line 16.

Strike:	"172,842	41,072	172,041	34,084"
Insert:	"213,914		205,125	

LFA will amend totals.

Comment:

This amendment will fund the additional x-ray inspector allocated to the department of health with general fund, rather than fee funds charged to users of the service.

Date \_\_\_\_\_

Bill No. \_\_\_\_\_

Time 4:12

Name	YES	NO	ABSENT	EXCUSED
Senator Haffey	✓			
Senator Jacobson		✓		
Senator Aklestad		✓		
Senator Hammond		✓		
Senator Lane		✓		
Senator Christiaens		✓		
Senator Gage		✓		
Senator Himsel		✓		
Senator Stimatz	✓			
Senator Boylan		✓		
Senator Story		✓		
Senator Smith		✓		
Senator Manning (Dick)	✓			
Senator Bengtson		✓		
Senator Keating	✓			
Senator Regan		✓		

4 - 12

Sylvia Kinsey  
Secretary

Senator Regan  
Chairman

Motion:

# 44 Manning

#45  
Chris

Amend House Bill 500, third reading copy, as follows:  
Senator Christiaens

1. Page 35, following line 23.  
Insert: "Environmental Quality Protection Fund, EIS, Variance"  
Insert: in state special revenue fund fiscal 1986 "1,000,000"

LFA will amend totals.

2. Page 38, line 7.  
Strike: "is"  
Insert: "and 3i are"

3. Page 38, following line 16.  
Insert: "no authority may be transferred into or out of item 3i."

Comment:

This amendment will give the department of health spending authority in the 1987 biennium for the Environmental Quality Protection Fund, Environmental Impact Statements and Variance Reviews.

SENATE COMMITTEE

FINANCE AND CLAIMS

VOTING RECORD

Date \_\_\_\_\_

Bill No. \_\_\_\_\_

Time 10:15

Name	YES	NO	ABSENT	EXCUSED
Senator Haffey	✓			
Senator Jacobson	✓			
Senator Aklestad		✓		
Senator Hammond		✓		
Senator Lane	✓			
Senator Christiaens	✓			
Senator Gage		✓		
Senator Himsl		✓		
Senator Stimatz			✓	
Senator Boylan		✓		
Senator Story	✓			
Senator Smith		✓		
Senator Manning (Dick)	✓			
Senator Bengtson	✓			
Senator Keating	✓			
Senator Regan	✓			

9 - 6

Sylvia Kinsey  
Secretary

Senator Regan  
Chairman

Motion:

# 45 Chris



*Chris*  
*H 46*

Amend House Bill 500, third reading copy, as follows:

1. Page 38, line 8.  
Strike: "Line in its entirety"
  
2. Page 38, line 9.  
Strike: "Line in its entirety"

Comment

This amendment would remove any restrictions on the physical location of family planning clinics.

#46  
Chil

SENATE COMMITTEE

FINANCE AND CLAIMS

VOTING RECORD

Date \_\_\_\_\_

Bill No. \_\_\_\_\_

Time 6:55

Name	YES	NO	ABSENT	EXCUSED
Senator Haffey	✓			
Senator Jacobson	✓			
Senator Aklestad		✓		
Senator Hammond		✓		
Senator Lane	✓			
Senator Christiaens	✓			
Senator Gage		✓		
Senator Himsl		✓		
Senator Stimatz			✓	
Senator Boylan		✓		
Senator Story		✓		
Senator Smith		✓		
Senator Manning (Dick)	✓			
Senator Bengtson	✓			
Senator Keating			✓	
Senator Regan	✓			

7 8

Sylvia Kinsey  
Secretary

Senator Regan  
Chairman

Motion:

# 46 Pg 38 608

SENATE MEMBERS  
ALLEN C. KOLSTAD  
CHAIRMAN  
M. K. DANIELS  
VICE CHAIRMAN  
JACK E. GALT  
J. D. LYNCH

HOUSE MEMBERS  
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## Montana Legislative Council

State Capitol  
Helena, MT. 59620

(406) 444-3064

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*Regan*  
*one #46*  
*submit law am #46-Regan*

TO: Senator Regan  
FROM: Lee Heiman, Staff Attorney *Lee Heiman*  
DATE: April 12, 1985  
RE: Restrictions on Uses of Family Planning Funds in House Bill 500

The third reading copy of House Bill 500, at page 38, lines 8 and 9 provides, "Funds appropriated for family planning services are contingent upon the recipient providing such services in a physical plant that does not contain an abortion clinic or facility that performs abortions." The funds in question involve federal funds granted to the state for pass-through under 42 USCA sec. 300 et seq. (commonly referred to as Title X of the Public Health Service Act).

1. The restriction on who may receive the federal funds constitutes a state imposition on a federally-funded program inconsistent with federal law and is thus subject to federal withholding of such funds to the state or to a lawsuit in federal court by a potential recipient to enjoin the enforcement of the provision.

The federal law on eligible recipients provides that, subject to broad policy guidelines in the law, the Secretary of Health and Human Services shall make grants in accordance with regulations promulgated by the Secretary. Both the law and the regulations promulgated under it (42 CFR Part 59) deal with a prohibition on the direct use funds where abortion is a method of family planning, but comprehensive

health care may be provided by a grantee, including referrals to other services when medically indicated. The federal law and rules having addressed the parameters in which abortion services are related to Title X family planning funds, the state, under the supremacy clause of the U.S. Constitution, may neither expand or contract those parameters. It is my opinion that the provision in H.B. 500 is a limitation greater than that allowed by federal law and thus invalid. The possible remedies if the provision remains in H.B. 500 are that the Secretary of Health and Human Services could withhold all of the funds due the state for family planning under Title X, or, if such withholding is not made, that the family planning service denied funds by the state may bring suit in federal court to have the state enjoined from enforcing the provision.

2. The provision may violate the equal protection provisions of the U.S. Constitution.

The state in enacting laws must of necessity classify persons and entities for certain provisions. If this classification impinges upon certain fundamental rights, the courts in dealing with the classification will require that there be a very good governmental reason for the classification and will examine the legislature's reasons for the classification with "strict scrutiny". Although a woman's right to procreation is a fundamental right, I don't believe that the provision in H.B. 500 relates to such a right, even though the provision mentions "abortion".

Where fundamental rights are not involved, courts will look at the classification in the law to determine if it furthers some legitimate government interest related to the purpose of the law involved. This is the "rational basis" test, and courts will uphold the classification if, giving the legislature the benefit of the doubt, it furthers the purpose of the law. Because the law involved here is the federal Title X act, the rational basis of denying funds to

family planning organizations located in the same building as an abortion clinic must further that federal law. As mentioned earlier relating to Title X, the federal government has not made such a determination. Title X has been in operation since 1970 and the lack of such federal determination would be a factor that goes against any argument the state may have that it is required. But more basically it would be my opinion that there is no permissible rational basis to the classification. The primary reason I have heard stated for the classification is that it would further family planning because participation would increase if people wanting such services were not subjected to harassment from people demonstrating against abortion at the same location in which family planning services were offered. The concern for people's participation in family planning is a legitimate aim and geographical requirements for eligibility would be a valid concern, but in this circumstance the factor presumably limiting participation is the result of persons exercising their first amendment rights to freedom of speech. The U.S. Supreme Court has ruled that limitations on what are otherwise lawful activities because of the threat of harassment by people exercising their freedom to protest amounts to a "heckler veto". The situation often arises that a group disagrees with another group, and if protestors disagree with a lawful activity, they cannot be used as justification to halt the lawful activity even if there is a chance of physical violence.

Read  
on # 46  
-24# #2 on 46

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

AMENDMENT	SPONSOR	Inf. or PAGE & LINE	ACTION
# 1	Jacobson	page 5, line 6	Failed
#2	Lane	page 6, line 25	Passed, unan.
#3	Christiaens	Consumer Council	Passed
#4	Regan	Montclirc	
#5	Gage	Law Library	Passed, unan.
#6	Himsl	N. E. Planning Econ.	Passed
#7	Christiaens	Coal Tx Lobby	Passed
#8	Christiaens	Money to lobbyist	Passed
#9	Christiaens	P. 12, line 15	Passed
#10	Keating	Page 13, line 22	Passed
#11	Keating	Page 14, line 18	Passed
#12	Gage	Page 17, line 7	Failed
#13	Keating	Truck safety Insp	Passed
#14	Keating	Page 16, line 10	Failed
#15	(typo--no number 15)		
#16	Keating	Modified request	Failed
#17	Keating	Page 16, line 22	Passed
#18	Gage	Undercover drug agent	Passed
#19	Himsl	Montclirc	Failed
#20	Keating	Juvenile training	Passed
#21	Gage	Forensic Sc.	Passed
#22	Gage	Page 20, line 23	Passed, unan
#23	Gage	Page 19, line 25	Failed
#24	Smith	Page 20, line 23	Failed
#25	Regan	Page 22, line 7-9	Passed, unan
#26	Christiaens	Page 23, line 8	Passed, unan
# 27	Keating	Page 22, line 16	Passed
#28	Keating	Page 28, line 21	Failed, tie vote

#29	Keating	Bldg Codes Div.	Failed
#30	Gage	Page 28, line 18	Failed
#31	Gage	Page 23, line 20	Passed, unan
#32	Keating	Page 24, line 16	Passed, unan
#33	Gage	Page 24, line 10	Failed
# 34	Gage	Page 24, line 9 & 10	Passed, unan
#35	Keating	Page 26, line 15	Failed, tie vote
#36	Gage	Copy Mach. Costs	Filed
#37	Aklestad	Page 7, line 21	Passed
#38	Regan	Page 22, line 16	Passed, Unan
#39	Regan	Page 13, line 22	Passed, unan
#40	Regan	Page 14, line 11	Passed, unan
#41	Regan	Page 15, line 9	Failed, tie vote
#42	Jacobson	Page 34, line 13	Failed
#43	Christiaens	LUST	Passed
#44	Manning	Page 35, line 16	Failed
#45	Christiaens	Page 35, line 23	Passed
#46	Christiaens	Page 38, line 8	Failed
#47	Manning	Page 38, line 21	Failed
#48	Manning	Page 38, line 21	Failed
#49	Manning	Page 38, line 25	Failed, tie vote
#50	Christiaens	Page 39, line 25	Failed, tie vote
#51	Manning	Page 39, line 25	Passed, unan
* #50		reconsidered	Passed
#52	Manning	Page 40, line 8	Passed, unan
#53	Manning	Page 41, line 23	Passed
#54	Christiaens	Page 43, line 8	Passed
#55	Christiaens	Page 43, line 15	Passed
#56	Manning	Page 43, line 17	Passed



#57	Manning	Page 43, line 19	Passed, Amended
#58	Manning	Page 42, line 20	Failed
#59	Christiaens	Page 44, line 6	Passed
#60	Manning	Page 44, line 8	Passed
#61	Christiaens	Page 45, line 24	Passed
#62	Story	Page 45, line 12	Passed
#63	Christiaens	Page 45, line 9	Passed
#64	Christiaens	Page 46, line 10	Passed
#65	Lane	Page 47, line 10	Failed
#66	Smith	Page 48, line 17	Passed
#67	Boylan	Page 48, line 21	Passed
#68	Lane	Page 48, line 25	Passed
#69	Lane	Page 49, line 12	Passed, unan
#70	Lane	Page 49, line 12	Passed
#71	Lane	Page 49, line 14	Passed
#72	Lane	Page 49, line 15	Failed
#73	Lane	Page 49, line 16	Passed
#74	Lane	Page 50, line 25	Passed
#75	Smith	Page 52, line 18	Passed
#76	Smith	Page 53, line 11	Passed
#76	Smith	Page 53, line 23	Passed
#77	Boylan	Page 55, line 13	HOLD
#78	Boylan	Page 55, line 9	Passed
#79	Haffey	Page 56, line 14	Passed
#80	Boylan	Page 56, line 21	Passed
#81	Haffey	Page 57, line 6	Passed
#82	Haffey	Page 57, line 9	Passed
#83	Haffey	Page 57, line 10	Passed

#84	Smith	Page 57, line 7	Failed
#85	Smith	Page 57, line 9	Passed
#86	Haffey	Page 57, line 22	Failed
#87	Jacobson	Page 57, line 18	Passed
#88	Boylan	Page 58, line 21	Failed
#89	Jacobson	Page 59, line 16	Passed
#90	Haffey	Page 61, line 8	Passed
#91	Bengtson	Page 62, line 17	Passed
#92	Haffey	Page 62, line 11	Passed
#93	Bengtson	Page 75, line 19	passed
#94	Manning	Page 67, line 8	Passed
#95	Jacobson	Page 67, line 19	Passed
#96	Himsl	Page 67, line 24	HOLD
#97	Jacobson	Page 68, line 20	Failed
#98	Bengtson	Page 69, line 12	Passed, amend
#99	Jacobson	Page 70, line 22	Passed
#100	Jacobson	Page 69, line 6	Passed
#101	Jacobson	Page 83, line 15	Passed
#102	Jacobson	Page 79, line 24	Passed
#103	Smith	Page 81, line 7	Passed
#104	Bengtson	Page 82, line 19	Passed
#105	Himsl	Page 8 <del>5</del> , line 24	Passed
#106	Jacobson	Page 84, line 6	Failed
#107	Jacobson	Page 84, line 22	Passed
#108	Christiaens	Page 88, line 11	Failed
** # 97	Jacobson	Reconsider	Failed
#109	Manning	Page 79, line 8	Passed
#110	Himsl	Page 55, line 1e	Failed
#111	Regan	Page 43, line 8	Passed

#112	Regan	Page 25, line 16	Passed
#113	Regan	Page 23, line 20	Passed
#114	Regan	Page 20, line 16	Passed
#115	Regan	Page 4, line 7	Passed
#116	Regan	Page 55, line 13	failed
#117	Christiaens	Page 4, line 9	WITHDRAWN
#118	Christiaens	Page 4, line 14	Sub-Haffey-Passed
#119	Christiaens	Page 3, line 9	Passed
#120	Jacobson	Timber Amendment (Lane amendment)	Reconsider-Passed
#121	Jacobson	Page 50, line 25	Passed
#122		RIT funds	Passed
#123		Reconsider SRS	
#124	Story	Page 46, line 6	Passed
#125	Bengtson	Spending authority	Passed