

MINUTES OF THE MEETING
APPROPRIATIONS COMMITTEE
MONTANA STATE
HOUSE OF REPRESENTATIVES
49TH LEGISLATIVE SPECIAL SESSION III

JUNE 19, 1986

The meeting of the Appropriations Committee was called to order by Chairman Bardanoue on June 19, 1986 at 9:05 a.m. in Room 104 of the State Capitol.

ROLL CALL: Fourteen members of the committee were present. Rep. Ernst, Thoft and Schye were excused. Rep. Peck and Spaeth were attending other meetings and came in at 10:05 a.m. and 9:25 a.m.

TAPE 9:A:000

Rep. Manuel presented HB 15 at the request of the DEPARTMENT OF FISH, WILDLIFE AND PARKS. He reminded the committee that on June 18 coal tax money had been switched to replace general fund money.

PROPOSERS:

James Flynn (013) Director of the Department of Fish, Wildlife and Parks, told the committee that this bill would divert coal tax interest from the trust account to the general fund for a period of three years. There would be some impact on the agency's capital programs but it seemed appropriate to aid the state in addressing the present financial crisis. It was anticipated that \$500,000 could be transferred and he urged support of the bill.

OPPOSERS:

There were no opposers.

Rep. Lory (047) asked why funds should be transferred for a three year period when we were handling an emergency. He suggested the transfer be made for one year and the 1987 legislature could handle the whole problem.

Rep. Miller inquired as to the rationale for three years.

Mr. Flynn explained that the projects for revenue he deals with are for a three year period. It would appear this type of action would be needed for three years since the revenue picture is not going to improve very much in six months.

Rep. Manuel made a motion that HB 15 DO PASS. Rep. Moore seconded the motion.

Rep. Lory said it bothered him to tie the hands of the 50th legislature. He moved an amendment to the motion that the closing date would be July 1987. The motion was seconded.

Rep. Winslow supported the motion because he did not think the "band-aid" should go past one year.

Rep. Hand opposed the motion to ensure that Mr. Flynn's department would not count on the money for three years.

A roll call vote was taken on the amendment to the motion and the motion FAILED with Rep. Connelly, Lory, Quilici, Miller and Winslow supporting.

A voice vote was taken on the DO PASS motion for HB 15 and the motion carried unanimously.

Rep. Bardanouve (123) introduced House Speaker Vincent who was present to present HB 1.

Rep. Vincent apologized for bringing HB 1 in later than usual, explaining that he was trying to spend as little as possible. They were waiting to look at the vouchers so the money appropriated would be as close as possible for those who had attended hearings. He was asking for a bill for 19 days because that would provide a cushion in case the session lasted longer than the governor's call. He advised the committee that the House had already received 33 bills. The workload is growing and the possibility of a longer session is increasing. He stated he would rather have more money, and if a lesser session should come about the money could revert. This is preferable to a new bill.

Rep. Vincent further explained that Rep. Thoft had asked to include a general fund appropriation of \$4,000 to continue the law enforcement site study. There will be three sites and in order to make a final decision the committee wants to visit the sites, and it will take that amount to finish the job.

PROPOSERS:

There were no proposers.

OPPOSERS:

There were no opposers.

Rep. Winslow asked if the funding for the Law Enforcement Academy would be a separate bill.

Rep. Vincent advised that the Legislative Oversight Committee had decided to submit a bill to fund the study but had put no appropriation in that bill. When the motion was made to the members of the Legislative Oversight Committee it had their unanimous support.

Rep. Moore advised that the final selections would be made on June 26. The \$4,000 would be needed to make the final site inspections of the three finalists.

Rep. Quilici made a motion that HB 1 DO PASS. The motion was seconded by Rep. Menahan. A voice vote was taken and the motion CARRIED, with Rep. Bardanoue opposing.

CONSIDERATION OF HB 19: AN ACT TO PROVIDE THAT VOCATIONAL-TECHNICAL CENTER FY 1987 GENERAL FUND BUDGET CUTS BY THE JUNE 1986 SPECIAL SESSION BE OFFSET BY COAL SEVERANCE TAX BOND FUND MONEY APPROPRIATED FOR VOCATIONAL-TECHNICAL CENTERS.

Rep. Bob Pavlovich, (325) House District 70, sponsor of HB 19 advised the committee that the bill asked for coal trust fund money to supplement the Vo-Tech Centers. The bill would put back, dollar-for-dollar, the money that was cut from the centers. If there is anything left, it would revert to the trust. These funds represent revenue coming in; it is not in the trust fund at this time.

PROPONENTS: Gene Christiaansen, (346) representing the Office of Public Instruction, testified in support of the bill. He said there are statistics showing that in the near future, 80% of all jobs will require less than a B.A. degree. This is a good bill in terms of the future development of Montana.

OPPONENTS: Terry Cohea, representing the Governor's Office, appeared in opposition to the bill. She said that when the executive proposal was released, it was felt there would be no need to raid the coal tax trust fund. This will 1) keep expenditures at the current level, and 2) take away revenue-producing ability.

In 1975 the people were told the proposal to create this trust was one of the most forward-looking ever presented to the people of Montana. Sixty-three percent of the voters agreed; therefore, the trust should remain inviolate. It has taken ten years to generate the \$250 million now in the trust. If we begin to spend it now, it will be gone in two or three years.

Rep. Pavlovich responded by saying that the money was set aside for education, and that is the purpose of the bill. He further said that in 1975, it was anticipated that if the coal tax trust fund reached \$100 million, we would be satisfied. HB 19 asks that the money be used for education, and he feels those same 63% of the people would vote to spend the money at this time.

The hearing was closed on HB 19. (414)

CONSIDERATION OF HB 20: Rep. Pavlovich, sponsor of HB 20, stated that this bill is essentially the same as HB 19, but the funding would be used for Higher Education. He testified that these two bills were proposed to save the education system in FY 87.

PROPOSERS:

Carrol Krause, the Commissioner of Higher Education, testified that although the resources available are very limited, education is one of the best investments we can make for the future of the state. The support of education was the purpose of the coal trust fund and he urged passage of the bill.

OPPOSERS:

Terry Cohea, representing the Governor's Office, opposed the bill for the same reasons she opposed HB 19. She further stated that the \$100 million mentioned by Rep. Pavlovich was for the R.I.T. not the coal tax trust. There are two education trusts, 1) the common school trust and 2) the education trust. The measure that went to the people did not deal with education.

Rep. Pavlovich responded by saying he was only asking for a little under \$4 million for the University System and not quite \$225,000 for the Vo-Tech Centers. He did not feel this was a lot to ask for, particularly since there are people in the state going to the Vo-Tech Centers and the University System.

Rep. Bardanouve (475) said the committee would postpone action on these bills until the absent members of the committee could be present. He said he felt an urgency, a feeling that the committee should find out how the House feels about using any of the coal trust money. The leadership felt there should be at least one vote on the floor of the House to find out how the members feel about using coal trust funds.

Rep. Lory said he felt the full committee should be there to discuss such a serious matter.

Rep. Quilici suggested the committee recess until all of the members could be present.

Rep. Rehberg suggested the committee do something with HB 8 so Rep. Wallin could get it on the floor of the House.

Rep. Hand made a motion that HB 8 DO PASS.

A roll call vote was taken and the motion CARRIED with Reps. Bardanouve, Bradley, Connelly, Lory, Swift and Winslow opposing.

Rep. Bradley (593) said she thought the committee had acted in haste on June 18, and she was under stress wondering how the problem could be dealt with. She said the committee had made a hasty decision and gone against the Higher Education subcommittee in reverting the 6-mill levy overage into

the general fund. She asked the committee to reconsider since they had not done what the subcommittee thought they should do.

Judy Rippingale said she thought Rep. Bradley was asking about the language prepared where a specific amount was in the language. There is a question on some of the language, and it will be checked out and made right today.

TAPE 9:B:000

Rep. Bardanouve asked Rep. Bradley if she were satisfied.

Rep. Bradley said she was not. She said this was an important policy issue because the committee went too fast. She asked if the committee was closed to further discussion regarding the 6-mill levy. She felt that in the hasty action taken last night there was no discussion on either the policy or the technical side of the problem.

Rep. Bardanouve answered that the committee had simply followed the law the previous evening. A 6-mill levy was to be used for the University System, but HB 500 stated that any money over and above the FY 85 appropriation would revert to the general fund. The subcommittee did not take any action and had no power to override HB 500.

Rep. Bardanouve advised Rep. Bradley that if she wanted to do something with the \$3 million overage in the 6-mill levy she should draw up a bill to appropriate whatever she wished, but that the law was clear. The overage goes into the general fund.

Rep. Moore said he thought the education subcommittee could have gone ahead and done what was done the previous night.

Rep. Bardanouve asked what justification the University System would have for using the money. It is not their money according to the law. It was not appropriated to them.

Rep. Bradley said she was not sure about that; that what had happened was that the committee had taken away about 8.8% of the University System general fund.

Rep. Schye confessed that he was totally confused. He said all of the 6-mill levy goes into the University System. No money from that levy goes into the general fund.

Rep. Bardanouve agreed that the 6-mill levy does not go into the general fund. That is against the constitution.

Rep. Moore explained that a cap is set on the dollars that can be used out of the 6-mill levy each year. If any money is collected over that cap it remains unappropriated and cannot be spent. That is what the \$3 million is. It is an

unappropriated excess in the 6-mill levy account.

Rep. Quilici said he thought the technicalities could be resolved easily. The 6-mill levy is levied for Higher Education. They feel that money should be used entirely by the University System with none of it going into the general fund. The legislature says we will appropriate so much and if the millage exceeds that figure the excess reverts out of the general fund appropriation.

Rep. Nathe said a determination is made regarding what the University System should spend. If the 6-mill levy does not raise enough we make up the shortage out of general fund money; if the 6 mill brings in more than the appropriation the excess reverts to the general fund. The appropriation itself does not change.

Adjourn: The meeting was adjourned at 10:20 a.m.


FRANCIS BARDANOUVE, Chairman

DAILY ROLL CALL

APPROPRIATIONS

COMMITTEE

49th Legislature Special Session III

Date June 19, 1986

NAME	PRESENT	ABSENT	EXCUSED
BARDANOUE, Francis (Chairman)	✓		
DONALDSON, Gene (Vice Chairman)			
BRADLEY, Dorothy	✓		
CONNELLY, Mary Ellen	✓		
ERNST, Gene			✓
FRITZ, Harry			
HAND, Bill	✓		
LORY, Earl	✓		
MANUEL, Rex	✓		
MENAHAN, William	✓		
MILLER, Ron	✓		
MOORE, Jack	✓		
NATHE, Dennis	✓		
PECK, Ray	✓ 10:05		
QUILICI, Joe	✓		
REHBERG, Dennis	✓		
SPAETH, Gary	✓ (9:25)		
SWIFT, Bernie	✓		
THOFT, Bob			✓
WINSLOW, Cal	✓		
SCHYE, Ted			✓

STANDING COMMITTEE REPORT

June 19

19 36

Mr. Speaker: We, the committee on APPROPRIATIONS

report HB 1

☒ do pass
☐ do not pass

☐ be concurred in
☐ be not concurred in

☐ as amended
☐ statement of intent attached

REP. FRANCIS BARDANOUVE

Chairman

FEED BILL

FIRST

reading copy (WHITE)
color

STANDING COMMITTEE REPORT

June 19

1936

Mr. Speaker: We, the committee on APPROPRIATIONS

report EB 8

☒ do pass
☐ do not pass

☐ be concurred in
☐ be not concurred in

☐ as amended
☐ statement of intent attached

REP. FRANCIS BARDANOUVE

Chairman

APPROPRIATE \$24,000,000 FROM COAL TAX TRUST FUND
TO GENERAL FUND

FIRST reading copy (WHITE)
color

STANDING COMMITTEE REPORT

June 19

19 36

Mr. Speaker: We, the committee on APPROPRIATIONS

report HB 15

☒ do pass
☐ do not pass

☐ be concurred in
☐ be not concurred in

☐ as amended
☐ statement of intent attached

REP. FRANCIS BARDANOUVE

Chairman

COAL MONEY FOR PARKS TO GENERAL FUND

FIRST

WHITE

reading copy (_____)
color

ROLL CALL VOTE

APPROPRIATIONS

COMMITTEE

DATE 6-19-86

BILL NO. HB 15

NUMBER

9:10 a.m.

NAME	AYE	NAY
BARDANOUVE, Francis (Chairman)		✓
DONALDSON, Gene (Vice Chairman)		
BRADLEY, Dorothy	✓	
CONNELLY, Mary Ellen		
ERNST, Gene		
FRITZ, Harry SCHYE, Ted		
HAND, Bill		✓
LORY, Earl	✓	
MANUEL, Rex		✓
MENAHAN, William		✓
MILLER, Ron	✓	
MOORE, Jack		✓
NATHE, Dennis		✓
PECK, Ray		
QUILICI, Joe	✓	
REHBERG, Dennis		✓
SPAETH, Gary		
SWIFT, Bernie		✓
THOFT, Bob		
WINSLOW, Cal	✓	

TALLY

5

8

Marcene Lynn

Secretary

Rep. Francis Bardonoue

Chairman

MOTION: Rep. Lory moved to amend the title, line 6 by striking

"JUNE 30, 1989" and inserting in lieu thereof "JULY 1, 1987".

The motion was seconded by Rep. Winslow and FAILED.

ROLL CALL VOTE

APPROPRIATIONS

COMMITTEE

DATE 6/19/86

BILL NO. HB 8

NUMBER

9:45

NAME	AYE	NAY
BARDANOUVE, Francis (Chairman)		✓
DONALDSON, Gene (Vice Chairman)		
BRADLEY, Dorothy		✓
CONNELLY, Mary Ellen		✓
ERNST, Gene		
FOITZ, Harry SCHYE, Ted		
HAND, Bill	✓	
LORY, Earl		✓
MANUEL, Rex		
MENAHAN, William	✓	
MILLER, Ron	✓	
MOORE, Jack	✓	
NATHE, Dennis	✓	
PECK, Ray		
QUILICI, Joe	✓	
REHBERG, Dennis	✓	
SPAETH, Gary		
SWIFT, Bernie		✓
THOFT, Bob		
WINSLOW, Cal		✓

TALLY

7

6

Marcene Lynn

Secretary

Rep. Francis Bardanouve

Chairman

MOTION: Rep. Hand moved that HB 8 DO PASS. The motion was
seconded by Rep. Miller and CARRIED.

Exhibit 1

6/19/86

H.B 15

HB 15

Testimony presented by Jim Flynn, Department of Fish, Wildlife
and Parks

June 19, 1986

House Bill 15 will divert coal severance taxes from the Parks
Coal Tax Trust Account to the General Fund for a period of three
years.

This reversion will have some impact upon our parks capital
program, but will not impact our parks operations program.

We feel the bill is appropriate and will aid the state in
addressing its present financial circumstances.

We support the bill and urge your concurrence.

VISITORS' REGISTER

APPROPRIATIONS

COMMITTEE

BILL NO. HB 15DATE June 19, 1986SPONSOR Rep. Manuel

NAME (please print)	RESIDENCE REPRESENTING	SUPPORT	OPPOSE
BRENDA SCHYE	MONTANA Cultural Advocacy	X	

IF YOU CARE TO WRITE COMMENTS, ASK SECRETARY FOR WITNESS STATEMENT FORM

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

VISITORS' REGISTER

APPROPRIATIONS

COMMITTEE

BILL NO. HB 19 & 20

DATE June 19, 1986

SPONSOR Rep. Pavlovich

[illegible]

IF YOU CARE TO WRITE COMMENTS, ASK SECRETARY FOR WITNESS STATEMENT FORM.

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.