

MINUTES OF THE MEETING
FREE CONFERENCE COMMITTEE
HOUSE BILL 30

June 28, 1986

The Free Conference Committee on House Bill 30 met in room 108 of the State Capitol on the above date to consider the amendments rejected by the House and to try to reach agreement on the bill.

ROLL CALL: All were present. They were Senators Regan, Jacobson and Keating and Representatives Bardanouve, Quillici, Nathe and Moore.

Senator Regan chaired the meeting and said it is my understanding that in order to have any motion pass two members from each House must agree with the amendment. If two members of the House agree and two members of the Senate agree the motion has carried. Without that kind of split in our vote, the motion fails. Those are the ground rules, and they are then established ahead of time.

Senator Regan: We have House Bill 30 before us and the House did not concur in our amendments and so I would like a discussion of the issues that are before us.

Representative Bardanouve: I suppose we should go through the amendments as they are listed in the bill?

Senator Regan: That's fine. The amendments are the amendments of the Committee of the Whole. You have before you and attached to your bill, the committee amendments that were made in the Senate Finance and Claims. So, if you'll turn to the back of your bill--attached to your bill at the very back, starting with General Government and Highways. There are a number of amendments there. The first amendment that the Senate Finance and Claims put on dealt with the \$90,000 that had to be restored. We really don't think that amendment is an issue.

Senator Regan: I thought you wanted to address all amendments so if we start with the amendments that were made in the Finance and Claims, here they are. Are there any questions about amendment 1, or do you just want to offer them?

Representative Moore: I think it is appropriate if anybody has any amendments to offer first in Section A--.

Senator Regan: Fine, Is there anything you want to offer then in Section A?

Representative Bardanouve: The language in the first amendment, if Senate Bill 7 passes item 9 shall be increased, Do we have something for that? Where is Senate Bill 7. You have a stipulation.

Free Conference Committee
House Bill 30
June 28, 1986
Page 2

Senator Regan: That is correct. I passed the Senate, you guys have it. It is the one that Fred had that pays the deputy county salaries.

Representative Bardanouve: We passed it.

Senator Regan: Then this amendment -- you may be able to clean up the language "if" Senate Bill 7 passes and just say item 9 shall be increased by no more, etc. Those are technical amendments, and if there is no question about the substance--I'd rather go for the substance and let the Fiscal Analyst clean up the language and come back to us with it.

Representative Bardanouve: I was going to say, the House accedes to Senate amendment # 1.

Senator Regan: That's fine. We don't need a motion, I don't think, unless you are objecting. In a free conference, only those that are under question.

Senator Regan: You have an amendment that you have offered to Section 1, I think it is yours Representative Bardanouve if you want to explain that.

Representative Bardanouve: In the House there was an amendment offered to cut \$100,000 out of the auditors in the Income Division and the Department of Revenue said they would accept the \$100,000 loss of income but they would like to have permission to make transfers and savings in other areas if they felt they could retain the auditors. They feel the auditors is a high priority and they may be able to cut in other areas to fund some of these auditors. They feel that is more valuable--higher priority in their department.

MOTION by Representative Bardanouve to move the amendment.
(attached as exhibit 3, amendment # 1)

Question was called, voted, passed, Senator Keating voting no.

Representative Quilici: On this boiler plate language on page 25, lines 9 and 10 where it says the Division is directed to implement the recommendations of the Revenue Oversight Committee, dated June 19, 1986 with respect to the Liquor Division recovery. I would suggest that we put an amendment following on line 9 following "directed to" strike "implement" and insert "hold timely public hearings on" and on line 10 following "recovery" you insert "inorder to implement those recommendations in an orderly and timely manner". That just gives, whenever the Department is going to make a major change, at least there will be a time for timely public hearings, and I think it is only right that the public be involved rather than just the department itself in some of these major decisions.

Free Conference Committee
House Bill 30
June 28, 1986
Page 3

MOTION: The above motion moved by Representative Quillici.

Senator Keating: Representative Quillici, would you just read the sentence the way you want it.

Representative Quillici: Okay, I'll read it. On line 9. The Division is directed to (strike implement and insert) hold timely public hearings on the recommendations of the Revenue Oversight Committee dated June 19, 1986 with respect to Liquor Division recovery. (then insert) Inorder to implement those recommendations in an orderly and timely manner.

Representative Bardanouve: What are you going to hold hearings on? On every move they make in that recommendation? There are a lot of recommendations there.

Representative Quillici: There could be a lot of recommendation but if those recommendations have a direct effect I think the public should have a right in those localities to at least have a hearing on that so that they can be heard. All it is saying--a public hearing.

Representative Bardanouve: On what issues?

Representative Quillici: On the issues that will be affected by the boiler plate language in this act.

Senator Regan: Representative Quillici, are you aware of the further amendments that are attached to your bill that are on the second amendment language in regard to the Department of Revenue, Liquor Division and there is a great deal of language here which the Senate put on that simply directs them to not close the store in Kalispell or Billings, not lower the commission rate, to restructure the pricing. They went through a whole list of things--thou shalt and thou shalt not. Do you see those amendments.

Representative Bardanouve: It's not clear how many--I mean you could have a multitude of public hearings if it doesn't define what you have. I would like maybe to ask the Department what this implies--what they feel this means.

John LaFaver: I am not sure what it means. It means whatever the intent of the Legislature is. If it would mean that every time a store would be converted from a state store to an agency store policy now in place--we have converted a number of them--You are talking about an awful lot of hearings and an awful lot of time. I guess I had thought the process we'd gone through with Revenue Oversight Committee and the subcommittee that they had, was in fact public hearings on the proposal. That proposal then was adopted by the Revenue Oversight Committee and you all have had it in front of you now for a few days.

Representative Quilici: There's a feeling around this state that the public hasn't been informed properly as to some of the decisions handed down under this division and it was the intent to try to see that before a major decision--or maybe then you'd have to define major--but anytime a major decision was made affecting that locality, there should be some kind of a public hearing.

Question was called on Representative Quilici's motion. Voted, the motion (Some debate at this point since Senator Keating was temporarily out, and returned, so roll call vote was taken) Motion carried.

Representative Bardanoue: This amendment we just adopted, there is no definition of what these hearings are on or-- I would like to have some clarity on what we hold hearings on.

Representative Quilici: I would like to ask the Director--timely public hearings, now--and I asked the Council to draft this--it is my intent was to see that major decisions are not made in a locality unless the public has some input. Now, do you think that something like that would be so strenuous to the Department that they couldn't handle it?

John LaFaver: I guess that depends on what a major policy decision is. A policy decision has been made, it has been in place for some time, that stores be converted to agency stores in a reasonable way as they expire. That's current policy. Now, certainly if we were to move to shut a store down or the Department had a policy, then that in my mind, would be a major change from where we are now. But, if it is simply to continue the practices that we have in place, I guess I would wonder if in fact, that was a major change.

Representative Quilici: To be fair, do you suppose you could work this out--some language before we are done here that would implement those thoughts like "major" and get it before our committee before we get out of here so we can have some say, or some public input. I don't want you to go on every little issue that comes about. I think the Department has to use some discretion, but if you could do that, I'd even concur with something like that.

John LaFaver: In terms of, for example, the change in the price restructure, that would have to go to public hearing. We would never implement something of that importance.

Representative Quilici: That's one of the things I'm looking at.

John LaFaver: Absolutely, and if that's the type of thing that you're aiming at, if you would give me a few minutes to work with your amendment I think that we could clear that up.

Free Conference Committee

House Bill 30

June 28, 1986

Page 5

Senator Regan: Let's see what you can work out, John, and we may have to come back and further fine-tune this amendment.

Representative Moore: John before you leave, a hypothetical situation. In a city, say in the central part of the state or something where there are three stores, and you determine the best operation there and the money savings etc. that would be to close one of them. That would be a major change.

John LaFaver: Yes. Absolutely.

Representative Moore: You would have a public hearing.

John LaFaver: First, we aren't going to shut a store any place. Under the mandate of the Revenue Oversight committee--that's the way that I understand what they said.

Senator Regan asked if there were any other amendments to be offered in Section A of the bill.

Representative Bardanouve: The last amendment, 3, the language of the Department of Highways. I am not quite clear on that language. Would you clarify that?

Senator Regan: Yes. It was the intent that when the Highways took their 5% cut that they would not take the money out of actually the building of the Highway, but they would take it out of other operational costs. It would not take out directly of the monies that were scheduled for actual building of roads.

Representative Bardanouve: As the bill was written they did not get a 5% cut. They never got over about 2½%.

Senator Regan: I think they got more than that because they got more money than they expected, so, you can argue that.

Representative Quilici: Under that little clarification there. Does that mean that rather than take that out of contractor payments they might take it out of maintenance and that sort of costs?

Senator Regan: Yes, that sort of thing, exactly.

Representative Bardanouve: That's really poor language.

Representative Quilici: That could be a little--maintenance is one of the areas in the Highway Department that with the cuts that are coming about now that could really suffer. I don't have to tell you when they are talking about pot holes and all that on our primary highways and such, and I would hope that--I don't know the right kind of language to put in there

but I wish I did.

Senator Regan: If you look on page 37 lines 10 and 11, I quite frankly don't think that amendment was even necessary. I think it is addressed on page 37 lines 10 and 11 "the department shall not reduce contractor payments due to the 5% cuts in special session III. All reductions as the result of the 5% cuts are made in Special Session III are to be made from non-construction programs. Now, there was--yes, it is the same language--it has been amended in.

Representative Nathe: Are we going to hold H. B. 30, or how is it going to work if there is a limited amount of transfers taken on the gas tax bill and we don't put in enough gas tax. I am just looking at the possibility of us tying them up with something that would have a big impact and I was wondering if we were going to have a chance in case that situation develops to come back and correct this to allow them some leeway. I am not speaking in behalf of the House.

Senator Regan: You might have to make a motion to reconsider the action and come back to it, but I want to clean this up and get it set to go.

Human Services, Section B: Representative Moore: I do have one question. Why was the \$25,000 fund balance moved back in.

Senator Jacobson: This actually was not the amendment I was given by the Department. The Department asked for \$15,000 of that back because they weren't going to--if the user fee program for education and etc, water, waste water--special revenue, they had some excess money, but they don't have \$25,000 in excess money. They brought me an amendment asking me to put \$15,000 of it back. Senator Stimatz took exception to that and said since it was a user fee we shouldn't really be taking any of it away from them and made a substitute motion to restore the whole \$25,000 and that's where it is.

Senator Regan: Anything in Section C.

Representative Moore: There's one that we have to work up some language for as soon as House Bill 45 is clear. Page 55, on the Public Service Commission.

Representative Bardanouve: I have some language for the PSC.

Senator Regan: Greg, my understanding is that the Senate receded from the amendments, is that correct.

Greg Petesch, Legislative Council: That was my understanding. That's what Senator Haffey told me.

Free Conference Committee
House Bill 30
June 28, 1986
Page 7

Representative Quilici: Yes, I'm on the conference committee from the House. Although we haven't met, it is my understanding that the Senate will recede and the bill will remain as it came out of the House.

Senator Regan: Then are any amendments necessary?

Representative Quilici: Yes, to transfer this.

Representative Bardanouve: Yes. The general fund money has to be removed and Special Revenue will be appropriated by the same amount to cover the loss of the general fund money.

MOTION by Representative Bardanouve to move the amendment (it is attached to the minutes as exhibit 6, amendment # 3) It does not change their operation at all.

Question was called. Voted, passed, unanimous.

Senator Regan asked if there was anything else in Section C and since there was not, she asked about the next section.

Section D. Department of Institutions:

Representative Bardanouve asked if there were any changes made in the Senate.

Senator Regan: We did the mental health, in the Department of Institutions. The committee added back \$100,000 in general fund of the \$199,313 reduced in the across the board cuts.

Representative Bardanouve: I have an innocuous little amendment to go on Institutions. It is the Youth Treatment Center amendments. I move the amendment. (this amendment attached as exhibit 7, amendment # 4) He said the language (following 1986. in the first paragraph would be deleted) This amendment would be on page 78 following line 15.

Question was called, voted, passed, unanimous.

Senator Regan: I have an amendment which I would like to offer for the next section in the bill.

Representative Bardanouve: Are you finished with Institutions? I guess there is nothing we can do about it, but of all the budgets if the pay plan has passed, I fear -- I guess we can't do anything about it here, but I fear for the Institutions budget if they have to absorb the pay plan. If the Institutions Department has to eat the pay plan, of all the areas of government this will probably have the most serious impact on. They have many many positions in Institutions cannot be closed out. You do not

lay off a prison guard, send him home and not cover the position. You do not lay off a direct care person at Eastmont, or at Pine Hills or Mountain View or Boulder, Warm Springs, Galen, these positions are 24 hour positions and of all the budgets we passed in '85, Institutions was the most tight. The Governor recognizes that and now it was said of many of these positions--the work will be there when we come back and they can do the work when they come back. The prisoners won't be there if you go away for a week and don't cover the position. I know we probably can't do anything here, but I want the committee to be aware--we may have a serious situation in the Institutions.

Senator Regan: I have shared your concern and I know that Institutions is probably the tightest budget we have. It was somewhat tight before we even started the cuts. You remember even the last session--and I have toyed with the idea of allowing South some leeway in terms of some additional appropriations, quite frankly, to make sure that the Institutions are covered with the necessary personnel. Because, if he is too short with people he will just have to run up the budget with overtime and come in with a supplemental. Maybe that's what we should tell him, that if a supplemental is necessary, we recognize his problem.

Representative Bardanoue: You have brought out a point that I was going to bring out. These positions do not have stand-by people waiting to take over, either. It means that over time will be paid. If it comes on a Sunday it is even worse--or a holiday. There could be a large sum of money involved here.

Representative Nathe: I have a question. I am not familiar with the contracts or how the state employees are handled. What is the problem with us inserting some language to the effect that if the lay-offs have to occur that they do not occur in the Department of Institutions.

Representative Bardanoue: Yes, but they can't transfer. The Department of Institutions-----.

Representative Nathe: No, No, No, No--I'm just saying when if there's 500 people have to be laid off because contracts aren't reopened, why can't we exempt the Department of Institutions from that?

Representative Bardanoue: But that don't transfer any money over to the Department of Institutions. Do you follow me? You say we don't lay off anybody there, but where is the money for it?

Representative Nathe: Well, they've got money now to function haven't they? Why can't you just take the cuts out of the other

departments and leave them alone.

Representative Quilici: Dennis, the problem is there they won't make probably any cuts, especially in direct service people at the Institution, but in the event that this pay freeze goes through, they might have to eat --if some of those under contract-- say that the MPEA wins their court case--they're going to have to pay that some way. How are they going to get the money to pay it either supplemental or something like that, but they've got to--they won't be laying off any--they're right down to nubbins now. But just how are they going to generate funds to pay these employees?

Representative Bardanouve: I worry about this, and you know I'm supposed to be so darn tight, but I'm really worried about this.

Representative Nathe: Institutions is our one Department in state government that has the most union people in, isn't it?

Representative Bardanouve: Highways too.

Representative Nathe: I'm just trying to put some stuff together here.

Senator Regan: I believe so. They received, I believe however, only a 1% cut.

Representative Bardanouve: It depends on where it was. It wasn't the same all over.

Representative Nathe: Boulder was zero.

Senator Regan: The School for the Deaf and Blind was 6 tenths of 1%.

Representative Bardanouve: That isn't in Institutions.

Senator Regan: This obviously is a question that I don't think we're going to be able to solve right here now. I think we are going to get on with as much work as we can in covering this bill. It may be before we are through, we might write to Director South -- not exactly a sympathy letter, but one in which we indicate to him that we recognize there may be special problems there which will result in his either having to pay overtime or whatever and that I guess we know we may be faced with a supplemental there.

Representative Nathe: Now our problem is compounded by the fact that it is not just the basic cuts. If it was only the cuts by themselves -- but the problem of the cuts gets compounded by the

Free Conference Committee
House Bill 30
June 28, 1986
Page 10

fact that if an injunction gets slapped and the wage increase has to go through that is what really compounds our problem.

Senator Regan: The wage increase will go through probably anyhow. It is just simply that once the wage increase goes through and the contracts honored, it means lay offs. I have an amendment which I would like to offer at this time. This is Section E.

Other Education. Section E. Senator Regan: I am a little concerned with what we did here in the school for the Deaf and Blind with the audiological services because we are asking them to contract or employ only temporary personnel and we're going to be monitoring that program. I really have some concerns about it -- whether it really properly belongs there and number 2, whether it can be done for the amount of money in which they were given. There was originally \$163,000 in that program. That amount was reduced to \$500,000 and \$137,000 went to the school for the Deaf and Blind which meant that their cut was practically nil. If there are no other issues in section E, I would like to go to section F. Seeing none, then let's go to the next section.

Higher Education, Section F.

Senator Regan: I would like to address the amendment that you have before you, and I move the amendment. It is an amendment which addresses the WICHE, WAMI language which was inserted in the bill. If you remember, the language was put in the bill I believe on the floor of the House. It went to the Senate and was taken out in Senate Finance and Claims, it was reinserted in the Senate on the floor. The language that is currently in the bill addresses the 1987 students, and there are some problems in the way in which the amendment was drafted, and I asked the Fiscal Analyst to do some research and have had an amendment prepared which provides that those new students or reentering students beginning 1968--now I realize that is a whole year off, I preferred '87, but I have been persuaded that some of those students have already received their appointments and been told what their slots would be, and I think it unfair to change the rules of the game, although I would really like to do it in '87. The amendment calls for 25% of their support fees paid, and I can give you some further information dealing with what this specifically means. I realize that you do not take a general appropriation bill and amend it this way with the idea that I am passing legislation that is binding. That is not my intent. My intent by this amendment is simply to indicate the will of the Legislature to make a program modification which will be taking place. We have tried to get the Regents for 10 years that I know of--at least--to address this issue,

Free Conference Committee
House Bill 30
June 28, 1986
Page 11

they, I think are philosophically have been in the past, opposed to it. I think it is proper that the Legislature at this time address it. I realize that we passed a resolution the other day that asked them to come up with a plan, and I think that this language, while not binding, may give them further direction about the direction in which we hope their plan will go. I think it is a good amendment, and I hope you can support it.

Rep Moore: I'm sorry. I'll have to oppose your amendment as written because the way this amendment is written it says beginning fiscal year 1988 all new and re-entering students in the Rural Dentistry Program SHALL be responsible for repaying the state of Montana, etc. That is language that should be in the statute, and the statute should be changed. The general appropriations bill of 500 as amended by House Bill 30 is viewed as a temporary bill, therefore statutory language--unless it applies to some portion of the amounts of money appropriated out of the general fund or such other funds in there, is really --it can't be in the general appropriation bill, and as a substitute, Madam Chairman, I would move the other amendment which you have before you which reads strike the floor amendments of the Senate and instead insert --under the commissioner of higher education--

Senator Regan's amendment is attached as exhibit 7, amendment # 4--Representative Moore's is attached as exhibit 8, amendment # 5)

Representative Moore: This way we get around the problem of having one of these students suing the state because he entered to the program, got into the program and then found out that he or she is going to have to pay some of it back later. To further this, there is an addition to the Senate Joint Resolution, I believe sponsored by Senator Jacobson, that directs the Board of Regents to prepare a plan for the 1987 Legislature for those students entering in the WICHI program the Rural Dentistry Program, or the WAMI program for a repayment at a certain interest over a period of time part of their support fees that the state has supplied for them. I would move my motion.

Senator Jacobson: Would you clarify what you mean by re-entering students?

Senator Regan: Those students that may have attended this year, dropped out for a year and then decide to persue. They were students that may have started 2 years ago and for some reason --death in the family, hardship, whatever--dropped out of medical school for a year and came back in.

Senator Jacobson: You're not talking about continuing students?

Senator Regan: No, absolutely not.

Representative Nathe: In the medical schools now they have a lot more leeway. They can drop out and come back a year later.

Senator Regan: I would like to make some comments now concerning this issue, and I cannot address your amendment without also addressing mine, although I know your amendment is before us and since I did not really get a chance to quite properly defend my amendment, I will ask the indulgence of the committee to allow me to discuss both amendments at the same time.

Representative Moore agreed.

Senator Regan: I am well aware of the question of whether you can use an appropriation bill with this kind of language in and bind the legislature, obviously you can not. I asked our reseacher, Mr. Petesch about this. He did feel it was proper however, to put some kind of language in--this kind of language--that would notify students of an intention to modify the program. Now your amendment is well meant, Representative Moore, although I fear a very reluctant one and a very--in a sense--weak one, and I'm not being nasty when I say that. It's just not as strong as my amendment and it is so weak that I fear it will be like the resolution we passed. Those resolutions don't have any force in law. They are simply a letter that we send to the Board of Regents and they can file it any place they choose, and often times as we have written to them they have filed it--not always where I wanted them to. The Regents have been asked before--remember we asked them when we were on the interim-finance committee --we asked them how about this. I've forgotten how many years ago they sent back to us--I believe it was in 1984, they sent back to us a memo detailing in full their opposition to charging any kind of pay back, and when we just recently asked for comments, the new commissioner took the old commissioner's memo changed the first two paragraphs, changed the to and from, and sent it back to us--identical. Their position is not changed at all. Because the Regents are really a fourth branch of government, and the constitution has given them absolute and complete control over the University system, I do not see them enacting by rule--in fact they will demand that we legislate. So, I see nothing wrong with indicating what the wishes are--what we perceive may be a fair approach to pay back. This 25% of support fees is the smallest of any of the states, and the surrounding states all have this pay back. Idaho tried to do theirs by rule making authority and could not do it that way. So this is not a new concept. In fact we are among the last ones to be joining in doing this. The 25% of the support fees is indeed a very modest one. Many of them call for 100% pay back. Many of them call for 100% pay back or the indentured servant kind of thing which, if you dare to suggest that

Free Conference Committee
House Bill 30
June 28, 1986
Page 13

we educate doctors so they come back and live in the state--if we try and suggest that perhaps we should require them to do that, we hear the cry of indentured servant on the floor upstairs, so I offer my amendment as an alternative -- a much stronger one, and one that I would hope you would support, but we will have to vote first on Representative Moore's, and I will have to wait until Senator Keating returns because I suspect this might be a controversial amendment.

Representative Moore: I am well aware of what some of the other states have done, especially in the WAMI program. In the state of Idaho, the state of Alaska, and I am well aware that the Legislative Finance Committee in past years--of what we asked the Board of Regents to do. However at our meeting here that we conducted with them, this special session, the chairman and two of the members of that are planning to reprogram within the University system and we're going to compliment their reprogramming, and among them now, which I got out of the commissioner's office, they will undertake to make a plan for pay back of WICHI students, WAMI students and Rural Dentistry students, and present it to the 1987 session. The other thing is in yours--where you say shall be responsible for repaying the state 25% of that support fees paid by the state to the receiving institution in the field of study. Repayment shall commence within one year after graduation, etc. etc. Madam Chairman, to me that belongs in an amendment to the existing statutes regarding the WICHI program and the WAMI program and the Rural Dentistry Program which the Commissioner operates under now. That is a statutory change, and that is the reason I would not like to see it in House Bill 500 because what ever language you put in there regarding that that is statutory language is going to be finished by the first of July next year anyway when this bill expires. The reason I want to put the language in here now is that these students entering in 1988 will be contracted for, applied for, signed up and everything between sometime later this year and next spring for the fall of 1988 season. And that is the reason it says that the commissioner shall notify these students applying to WICHI, WAMI, or the Rural Dentistry programs for that fiscal year of 1988 that the 1987 Legislature that may enact a requirement that will require entering students to pay back a percentage of their support fees to the state. In that way, when these people apply and are signed up in their contract they will be aware then that there is a great possibility that they will have to repay their fees, a portion of their fees, to the state after graduation. That is my amendment.

Senator Jacobson: I really think both of these amendments do exactly the same thing. I think one of them does it correctly and the other is putting the cart before the horse. You can tell the students that this is what the payment plan is going to be, but you can't bind the next Legislature to it. Now that puts the Commissioner's office in a rather strange position

of saying, guess what--we might have a repayment, it might be this, but it requires a bill and I don't know how it's going to come out of the next session. So, all you're doing is confusing the issue. I would certainly suggest that Senator Regan should put that bill in. I suggest from all the interest that there may be several bills in the next Legislative session. Neither one of these is going to do any more than require the commissioner's office to notify the '88 students that there is probably going to be a pay back, and get us off the hook legally. Either one of them--but one of them is really going to muddy the waters. I have no problem with you bringing a bill in in the next session. You put this wording in you are still going to have to bring a bill in. What's the Commissioner going to tell the students of the 1988 class. This is what your pay back will be--maybe.

Senator Regan: I would like to respond to this. I've heard a lot sitting here, heard a lot of discussion about, we can't really start this until 1988 and that we're going to face law suits and all that. You know, if you were really honest about it, when those students are notified, there is language in their notification that talks about subject to the amount of funds available, etc. So, I grant you that it probably would be best to grandfather all students who have started, and I suspect that is what the next legislature will do. I grant you that this is quite specific, but it certainly gives the Regents a strong nudge about what they might be looking at according to their "plan that they come in with" as to what might be acceptable. This is minimal, 25%, and it is simply an expression of the way in which we feel a program should be modified. It is put in here in those terms--in terms of notification of modification of programs.

Representative Bardanoue: I have been disillusioned. For some reason the University system, despite their short-fall of money every session, they are concerned about keeping 6 units open. They have absolutely for 10 years, since we began this proposition that they should pay something back, absolutely opposed in every way shape or form. It amazes me that they should be so anxious when they are so short of money to fight for putting money outside of Montana the way they do. We actually are paying for WICHI, WAMI, Minnesota program about as much as it costs to run the Montana College. We're really running 7 units of Higher Education, and yet the Commissioners have fought in every manner, shape and form--I mean there are good people over there, but they blindly oppose any effort to change it.

Senator Regan: Both Commissioner Krause and Jack Noble are here and perhaps they would like to ---.

Representative Bardanoue: I know. They've heard me lecture them before.

Free Conference Committee
House Bill 30
June 28, 1986
Page 15

Senator Regan: They are still lobbying upstairs, Francis, against this and they are doing a darn good job.

Representative Bardanouve: And they will lobby in the '87 Legislature to kill any bill that comes in the '87 session. I can't see why.

Senator Jacobson: Representative Bardanouve, in the 10 years that you have been speaking of, has any Legislator ever introduced a bill on the WICHI, WAMI pay back?

Representative Bardanouve: We've been threatened on Constitution, on slavery, on everything else.

Senator Jacobson: But, has anybody ever introduced a bill? I know it has come before our subcommittee on Higher Education, but has anyone ever tried to introduce a bill requiring repayment?

Representative Bardanouve: Why can't they cooperate?

Representative Nathe: I would assume Senator that what happens in something like this is that by and large the bulk of the Legislature upstairs outside of those of us on Appropriations and Finance and Claims--these kind of issues they miss because they're not down here. On the introduction of bills, this stuff is overlooked. I would assume that's what's happened all these years, because the bulk of the people upstairs do not even know how many students are in this program. If you run a survey they do not even know what it costs and they were amazed at what it was costing when this discussion took place upstairs. Now that is no defense of why it hasn't been done, but I can see why it slipped past session after session, but I do feel that the Legislature this session made a very strong expression--I don't know about the Senate, but over there in the House, by the vote, that they wanted something addressed, and I think this committee would be remiss if we let that kind of slip away again.

Senator Regan: In 1984 we had quite a lengthy discussion with the Regents concerning this issue and they were unutterably opposed to it, made it very clear that they opposed any kind of a pay back.

Senator Jacobson: The point I am trying to make is that I think we have reached a cross roads where we are at a fiscal crisis, I think the Commissioner's office has been well notified. We've got language in this bill, we've got language in House Joint Resolution, both of them telling them that SHALL, not they may, and Representative Moore's language if you will read it, it says they shall notify the students. Already those students have

Free Conference Committee
House Bill 30
June 28, 1986
Page 16

already been put on notice that there will be a bill in the next Legislative session, but my point was--we have never gone about this in the correct way. Okay, we've got it before us--we've got time to put the notification out, anybody who wants to has time to throw a bill in to say exactly what Senator Regan wants to say.

Representative Bardanouve: That's the trouble, Senator. They MAY have a bill there, but the Commissioner's office if they live up to their track record which is 100% will do everything in their power to kill that same bill. They have done it every session in every way.

Senator Regan: And they will have the Education Committee backing them up every single inch of the way.

Senator Jacobson: There may be some and there may not be others. What I'm saying, let's do this correctly.

Senator Regan: In terms of our resolution that we've sent to Mr. Krause--come on up here and let's get a good look at you, you're so bashful behind the post. One of our problems is that we can send you all the resolutions we want to, Senate, Joint, or Simple, or whatever--you get them and you think they're simple whether they are Senate-Joint or whether they are a simple resolution, but you don't have to do anything about them, because it is a law and because you and the Regents do not want to require the pay back. Am I correct?

Mr. Krause: It is true that the resolution is the advisory document, however I don't really see the board at all ignoring the vote of the Legislature that they've expressed this time. I personally believe we can come to you with a plan which is fair to the state of Montana, a plan that is fair to all of the students, and I don't think that the Board--I feel it is an obligation to bring you that plan. I can't tell you that the Board of Regents will necessarily support it because I certainly don't speak for the Board in that regard, but I think that they will respond with a plan which is the best we can do in terms of making some equity between what the state is providing those students in return -- I can assure you that the Board will respond to that.

Senator Regan: Let me tell you what is in the back of my mind. It is true that we support the WICHI, WAMI program out of dedicated funds--that is coal tax funds--(Mr. Krause said over 1/2, and someone said support Minnesota Dentistry 100% general fund) but those dedicated funds can get undedicated and be used for Education in general, and given what we're going to face next January and what you're going to face, --.

Free Conference Committee
House Bill 30
June 28, 1986
Page 17

Carroll Krause: I think the Board is very serious about looking at the University system. SJR1 which was just passed out of House Committee I think gives the Board a great deal of support in doing that. It is not going to be business as usual after this year, there is going to be some very difficult decisions made, and I think we have difficult decisions to make with WICHI and WAMI as well. I can assure you that I will provide for you a response to whichever motion it is which you finally adopt, I hope that it is one in which we are given time to bring to you in January a plan that is fair, and I assure you that we will develop that plan. I cannot tell you because I do not speak for the Board, that they will come in and support the pay back, simply because they haven't in the past and I would not tell you that they may not do the same in the future, but they are seeing things much differently today than they have in the past.

Representative Moore: Carroll, is it not true and the Chairman of the Board of Regents and Mr. Herwitz on the Board of Regents and Mr. McCarthy on the Board of Regents, that you participated with the Education subcommittee when we prepared that resolution?

Carroll Krause: That is correct.

Senator Regan: Now hold this a minute, I want to persue this because this has been a little sore point and I think has caused some hard feelings unintentionally, and I'm sorry about that, if it has. It is true that you need this kind of message from the Legislature in order to show to the Regents that the Legislature is concerned about a number of issues, and you have sat and worked with some of the Legislators in developing a kind of an issue paper, but you did not work on that last one--the one that dealt with WICHI, WAMI. The only reason it was included in that resolution was because this language came up and it was in a sense partly to defang this language and partially to give you a message that this is a concern, but hopefully I think--the people who were helping draft that--that putting that language in the resolution it would not be necessary to have it in this bill. Indeed I can see some logic in it, but I feel very strongly in both places. It belongs in this bill as a modification program as well as the letter in essence that the Legislature has sent you. But you did not address that last language. That came up later.

Carroll Krause: That is correct. That was not in the original language.

Representative Moore: But, I have worked with the Commissioner's office since last Saturday --I mean a week ago today when the language was put in in the House, and that is the reason I am proposing my language in here which will give the Commissioners something directly to tell those students who want to enter that program.

Free Conference Committee
House Bill 30
June 28, 1986
Page 18

Representative Bardaonouve: A resolution was just heard over here and I couldn't be here, but it called for consolidation, efficiencies, cut backs--sounded like they would really shape up the University system in that resolution, but I found it very peculiar. Only one unit was mentioned by name, and it says you shall ENHANCE this institution. Only one that shall be "enhanced". I found it very strange that one unit shall be enhanced.

Senator Jacobson: No, Representative Bardanouve--that resolution has been amended.

Senator Regan: I amended the resolution. That one unit is no longer scheduled for enhancement, they all are scheduled for examination.

Representative Bardanouve: There was no amendment when it was handed to me.

Senator Regan: There is an amendment that has been attached, that section 2 was amended by me.

Senator Jacobson: I find it rather amusing that I had a comment back from someone in Butte saying that that particular part of the resolution might serve to close Montana Tech, and Senator Regan seemed to think it was going to enhance it, so it's gone. It's generic language, and there is no mention of Montana Tech in the resolution. That's probably the safest way to go, and that was not my language that was language that was written by the LFA and Representative Donaldson, I had nothing to do with it.

Senator Regan: Where did Senator Keating go?

Question was called, and Senator Regan said we should not vote until we get Senator Keating. Someone (not on the committee) went to check on Senator Keating.

Representative Quilici: I have some amendments back from the Department in regard to the amendment that I put in there if you would like to resolve that.

Representative Moore: I would move that we hold my motion in suspension and revert back.

Senator Regan: And mine in suspension right after yours.

Representative Quilici: Reconsider the amendment that was placed on the bill, page 25 by Senator Quilici.

Question was called, voted, passed.

Free Conference Committee
House Bill 30
June 28, 1986
Page 19

Representative Quillici: This language I understand, Representative Bardanouve brought out a very good point that it might open up for public hearings for maybe for many little minor things that shouldn't be in there. As you know, we asked the Department to come up with some language on page 25 line 10, following "recovery" insert Provided that the department shall hold timely public hearings prior to closing any state store or agency and prior to implementing a price restructuring. -- They don't think there will be any price restructuring or any stores closed, but in the event there are, there will be a public hearing. I have no objection to this language, Madam Chairman. I think it is a little more palatable. I move the amendment.

Question was called, voted, motion carried.

Representative Bardanouve: I hate to beat on the same old horse all the time, but I wonder if we could, after the narrow language in the Institutions Department, and this would have to be language pertaining only to direct care or supervisory like prison guards that require 24 hours, or direct care that require 24 hours, positions that require 24 hour coverage. Carroll South is so afraid of ever coming in for a supplemental--he'd almost die before he'd come in, and he may not ask you. Menahan says he'll close down the facility rather than come in--if we couldn't put language in saying that if it's approved that the Department should submit a plan to the Budget Office and the Finance Committee for approval of a supplemental --only for direct care 24 hour positions or something. I don't have the language. This will give him the right to submit for at least a supplemental. Of course, he has that right, anyway.

Senator Regan: Keith, what kind of a cut did the Institution budget take. Was it a 2% cut?

Keith Wolcott: Madam Chairman, over all it was a little over 2%.

Senator Regan: Would a cleaner way to handle this be to amend the bill and cut the percentage that was cut. If it was 2.2 to cut it to 2 or 1.9 or? Does that make any sense?

Keith Wolcott: It is up to you, that would probably be the easier way to do it. You don't want them to have any more cuts than what they have. You want to mitigate the effect of the freeze.

Representative Bardanouve: Maybe Carroll would get by with those cuts. If we do that we are automatically giving it to him up front. This he will have to justify if he comes in for it.

Senator Regan: I understand that.

Free Conference Committee
House Bill 30
June 28, 1986
Page 20

Keith Wolcott: I might just remind the committee that the Department of Institutions does have transfer authority among Divisions. In other words, the Correction Division they can transfer in excess of 5% from one institution to another if need be. Perhaps you might want to expand that language to make it Department wide. That way if they have money left over in the Mental Health side they can transfer.

Representative Bardanouve: I think Representative Menahan would violently oppose that.

Representative Bardanouve: But that doesn't increase the pot any. When the pot is empty in one institution it may be empty in all institutions. But it would give them a little more leeway -- maybe not. We could increase the 5%.

Representative Nathe: At the risk of having something repeated, I would just like to have it clear in my mind, if the cuts have to be made and the reduction made and it gets too severe in the Department of Institutions, the Director still has the option to come in for supplementals before the Legislative Finance Committee. Actually notify them that they are going to come in before the next session, right? Now, what is the problem with that? Is the problem you are foreseeing that things working mechanically because of the reluctance of the Department Director to come in?

Representative Bardanouve: That is one of the main reasons. Some of the Department heads have used the supplementals and will come in anytime, but it is getting tougher all the time, and he's the toughest of all.

Senator Regan: I have been advised that it will be another 15 minutes before Senator Keating will come down. He has a bill that he has his whole heart and soul in and-- it's the one to shut down the coal trust. The constitutional amendment.

It was suggested that someone take the two amendments up and have Senator Keating take them up. One of the Fiscal Analysts took copies of the two amendments up for Senator Keating to vote yes or no on each of them. Peter Blouke took them up.

Representative Moore: I would like to ask Representative Bardanouve if he was going to prepare any language for the Department of Institutions.

Representative Bardanouve: I sort of wanted to get the feel of the committee. I am really getting way out here.

Senator Regan: I will return to the substitute motion of Representative Moore. This is the amendment on the WICHI, WAMI payback.

Free Conference Committee
House Bill 30
June 28, 1986
Page 21

Roll call vote, -- all voted except for Senator Keating and the vote was held open with his vote the deciding factor.

Senator Regan asked while they were waiting if there was anything more, and any technicals we are forgetting.

Representative Bardanouve asked how about the RIT money. RIT is dead in the Senate, isn't it? Where is the budget office--Mr. Crosser?

Tom Crosser, OBPP: Along with the bill that we submitted-- there is no need to go in and amend the language in House Bill 30 right now unless the Senate Bill is taken off the table and we believe the language should be put into House bill 30 or it could be inserted in the RIT where those funds should be, perhaps.

Representative Bardanouve: If the bill remains dead, and it seems to me we don't need any life in it, either in this bill or the other.

Representative Bardanouve: I don't think there is much chance according to what I hear from the Senate.

Representative Moore: If it were to come out of the Senate, and over to the House, then we would have to come back and open this up again.

Representative Bardanouve: Well, he said in the other bill, in the RIT bill.

Tom Crosser: We have prepared two amendments, one for the Senate Bill that redirects the RIT pact or for House Bill 30, whichever one would still be available to put this in.

Representative Moore; So therefore, if we got through with this and closed it this afternoon, and it went on the floor of both Houses you could take care of it if the RIT comes out.

Peter Blouke returned with Senator Keating's vote, Yes on the Substitute motion by Representative Moore , so that vote passed.

Representative Nathe suggested a letter be sent from the Chairmen of the House Appropriations and the Senate Finance and Claims to the Director of the Department of Institutions and copies to the Interim Finance committee, and the budget office that in the event of layoffs that direct care and 24 hour positions should not be laid off. All 24 hour covered positions.

Steve Waldron expressed concern in regard to psychiatrists, and others needed in direct care.

Senator Regan: I would like to explore with your permission--

Free Conference Committee
House Bill 30
June 28, 1986
Page 22


The sense of the motion is simply to have a letter drafted to South with the signatures of the Finance and Claims and the House Appropriations Chairmen indicating their concern and that a supplemental would be in order. Copies to be sent to South, LFA, OBPP, Interim Finance Committee.

Representative Nathe: I so move.

Question was called, voted, and passed.

Representative Moore moved that the Free Conference Committee on House Bill 30 be adjourned.

Voted, passed, the meeting was adjourned.



Senator Regan Chairman

2:42 P.M.

COMMITTEE

Date 6-28-86

Third Special Session

SENATE
SEAT

[illegible]

Each day attach to minutes.

Good #10

June 28, 1986

Amend House Bill 30 - Free Conference Committee

Page 25 - Following Line 23

Insert: "The Department may, through the use of program transfer authority, fund the 7 FTE deleted from the income tax division during House Floor action of Special Session III."

*Passed
Flooring, no*

Free Conference Comm.
~~SENATE FINANCE AND CLAIMS~~
Amendment # 1
EXHIBIT NO. _____
DATE *6-28-86*
BILL NO. *HB-30*
Exh. 4

*Quilici
motion*

House Bill 30
Pink

Alternate Amendment

Page 25, line 10

Following: "Recovery."

Insert: "Provided the department shall hold timely public hearings prior to closing any state store or agency, and prior to implementing a price restructuring."

Passed

Free Conference Comm.
~~SENATE FINANCE AND CLAIMS~~
Amendment #1
EXHIBIT NO. _____
DATE 6-28-86
BILL NO. HB-30
Exhibit 5

ROLL CALL VOTE

SENATE COMMITTEE CONFERENCE

Date 6-28-86 Bill No. 30 Time 2:55

NAME	YES	NO
Representative Bardanouve (Chairman)		✓
Representative Quilici	✓	
Representative ^{Marks} Marks		✓
Representative Moore	✓	
Senator Regan		✓
Senator Jacobson	✓	
Senator Keating	✓	

Sylvia Kinsey
Secretary

Representative Bardanouve
Chairman

Motion: _____

Motion Carried
Quilici pg 25 lines 9 + 10
Public hearings in re: liquor store

*Rec'd
am
7:05 PM*
June 28, 1986

Public Service Commission

Amendment to HB030 (pink copy)

Page 55, following line 21, insert the following language:

If HB045 passes, the fiscal year 1987 general fund appropriation in item 1 is reduced to zero and \$1,637,319 of state special revenue is appropriated.

*Noted
Passed*

Free Conference Comm.
~~SENATE FINANCE AND CLAIMS~~
EXHIBIT NO. 6
DATE 6-28-86
BILL NO. HB-30

Amendment #3

Amendatory Language H.B. 30

If H.B. 36 is approved, the Montana Youth Treatment Center's FY 1987 General Fund appropriation is reduced by \$1,259,537 based on a projected sale of the Center on December 1, 1986. Should the sale not occur, or if the sale is delayed beyond December 1, 1986, the Department is authorized to request a supplemental to continue the Center's operation.

Contained within the reduced appropriation is \$33,000 to cover expenses directly related to the sale of the Center as required by H.B. 36, including employee relocation, advertising and review committee expenses. Any remaining balance not expended on such expenses shall revert.

Free Conference Comm.
~~SENATE FINANCE AND CLAIMS~~
EXHIBIT NO. 7
DATE 6-28-86
BILL NO. HB-30
Amendment #4

Regan

Strike the Senate Committee of the Whole June 25, 1986 Hammond Amendment to House Bill 30, Section F, page 100, beginning on Line 7.

Replace with:

Beginning in fiscal 1987, all new and re-entering students supported by the WICHE, WAMI and Minnesota Rural Dentistry programs shall be responsible for repaying the State of Montana 25% of their support fees paid by the state to the receiving institution for their field of study. Repayment shall commence within one year from graduation, leaving the program, or completion of any minimum residency requirements necessary to begin practice, and shall be fully repaid within ten years after the repayment start date at 5% annual interest. The provisions of this amendment are to be administered by the Commissioner of Higher Education. A proprietary account shall be established for the purpose of collecting the principal and interest payments.

Ray J

Free Conference Comm.

~~SENATE OFFICE AND CLAIMS~~

EXHIBIT NO. 7

DATE 6-28-86

BILL NO. HB-30

Amendment #4

Reagan
Section F
3:20 PM

~~Strike the Senate Committee of the Whole June 25, 1986 Hammond Amendment to House Bill 30, Section F, page 100, beginning on Line 7.~~

~~Replace with:~~

~~Beginning in fiscal 1987, all new and re-entering students supported by the WICHE, WAMI and Minnesota Rural Dentistry programs shall be responsible for repaying the State of Montana 25% of their support fees paid by the state to the receiving institution for their field of study. Repayment shall commence within one year from graduation, leaving the program, or completion of any minimum residency requirements necessary to begin practice, and shall be fully repaid within ten years after the repayment start date at 5% annual interest. The provisions of this amendment are to be administered by the Commissioner of Higher Education. A proprietary account shall be established for the purpose of collecting the principal and interest payments.~~

Rep MOORE

Amendment to HB 30

Page 100, line .

Following: "interest payments"

Insert: "The Commissioner of Higher Education shall notify students applying for WICHE, WAMI, and Minnesota Rural Dentistry programs for fiscal year 1988 that the 1987 Legislature may enact a requirement that will require entering students to pay back a percentage of their support fees to the state."

2/22/86

I think current
students should
be "grandfathered"

6

Free Conference Comm.
~~SENATE FINANCE AND CLAIMS~~
EXHIBIT NO. 8
DATE 6-28-86
BILL NO. HB-30
Amend. #5

Moore

7 days of Regan -

Amendment to HB 30

~~STRIKE~~ Language of Senate Floor action

Page 100, line .

Following: "interest payments"

Insert: "The Commissioner of Higher Education shall notify students applying for WICHE, WAMI, and Minnesota Rural Dentistry programs for fiscal year 1988 that the 1987 Legislature may enact a requirement that will require entering students to pay back a percentage of their support fees to the state."

Rep Moore

Amendment to HB 30

Page 100, line .

Following: "interest payments"

Insert: "The Commissioner of Higher Education shall notify students applying for WICHE, WAMI, and Minnesota Rural Dentistry programs for fiscal year 1988 that the 1987 Legislature may enact a requirement that will require entering students to pay back a percentage of their support fees to the state."

I think current
students should
be "grandfathered"

6

Higher Education Committee
Exhibit 8
Amendment # 5
6-28-86
Dorcas 610-30

ROLL CALL VOTE

SENATE COMMITTEE CONFERENCE

Date 6-28-86 House Bill No. 30 Time 4:02

NAME	YES	NO
Representative Bardanouve (Chairman)		✓
Representative Quilici	✓	
Representative Marks ^{marks}		✓
Representative Moore	✓	
Senator Regan		✓
Senator Jacobson	✓	
Senator Keating	✓	

Sylvia Kinsey
Secretary

Representative Bardanouve
Chairman

Motion: Moore Amendment on Student
Pay Back Wiche, UAMI programs

June 28, 1986

Carroll South, Director
Department of Institutions
1539 11th Avenue
Helena, MT 59601

Dear Mr. South:

We are aware that the Institutions budget is very tight, and wish to assure that the combination of cuts in House Bill 30 and the pay freeze in House Bill 31 do not result in layoffs of direct care staff at any of the institutions. Therefore, to the extent layoffs of direct care staff may be necessary to remain within the appropriations, which includes the transfer authority contained in the general appropriations act, supplemental funding should be sought to avoid laying off direct care staff. However, should a supplemental be necessary for this purpose, we request that Mr. South submit a plan detailing the need for the supplemental funding to the Office of Budget and Program Planning and the Legislative Finance Committee.

Sincerely,

Senator Pat Regan
Chairman
Senate Finance and Claims Committee

Representative Francis Bardanouve
Chairman
House Appropriations Committee

KW1:kj:ib
CC: Governor Ted Schwinden

*Free Conf. Com
9
H/13-30
6-28-86*

Page 1 of 2

CONFERENCE COMMITTEE REPORT

Report No.1.....

June 28, 1986

MR. SPEAKER

We, your _____ FREE _____ Conference Committee on

House Bill 30

met and considered _____ House Bill 30

We recommend as follows:

Amend HB 30, pink copy, as follows:

1. Page 25, line 10.

Following: "RECOVERY."

Insert: "Provided the department shall hold timely public hearings prior to closing any state store or agency and prior to implementing a price restructuring."

2. Page 25.

Following: line 15

Insert: "The Department may, through the use of program transfer authority, fund the 7 FTE deleted from the income tax division by House Committee of the Whole Amendment during Special Session III."

3. Page 55.

Following: line 21

Insert: "If HB 45 of Special Session III passes, the fiscal year 1987 general fund appropriation in item 1 is reduced to zero and \$1,637,319 of State Special Revenue is appropriated."

(continued)

And that this Conference Committee report be adopted.

FOR THE SENATE

FOR THE HOUSE

REGAN, CHAIR

BARDANOUVE, CHAIR

JACOBSON

QUILICI

KEATING

MOORE

June 23, 1986

4. Page 78.

Following: line 15

Insert: "If HB 36 of Special Session III is approved, the Montana Youth Treatment Center's FY 1987 General Fund appropriation is reduced by \$1,259,537 based on a projected sale of the Center on December 1, 1986. Should the sale not occur, or if the sale is delayed beyond December 1, 1986, the Department is authorized to request a supplemental to continue the Center's operation. Contained within the reduced appropriation is \$33,000 to cover expenses directly related to the sale of the Center as required by HB 36, including employee relocation, advertising, and review committee expenses. Any remaining balance not expended on such expenses shall revert to the General Fund."

5. Page 100, line 7.

Following: "PAYMENTS-"

Insert: "The Commissioner of Higher Education shall notify students applying for WICHE, WAMI, and Minnesota Rural Dentistry programs for fiscal year 1988 that the 1987 Legislature may enact a requirement that will require entering students to pay back a percentage of their support fees to the state."

Amend Senate Committee of the Whole Amendment to HB 30 dated 6/25/86, 2:55 P.M., sponsored by Hammond, as follows:

Strike: the amendment in its entirety.

HB30CCR.1