

MINUTES OF THE MEETING
HOUSE APPROPRIATIONS COMMITTEE
50TH LEGISLATIVE SESSION

The meeting of the House Appropriations Committee was called to order by Vice Chairman Rep. Bob Thoft on March 24, 1987 at 8:00 a.m. in Room 104 of the State Capitol.

ROLL CALL: All members were present at the meeting. Also in attendance was Judy Ripplingale, LFA and Denise Thompson, Secretary.

HB 865 and HB 893:

Rep. Gene Donaldson provided the two bills to the committee stating they both deal with the funding for the foundation program. He also stated that there was, at this time, no bill which deals with the schedules.

HB 865: He stated that the Senate may have to address the monies for education at zero and zero. The House, after action taken on the floor yesterday, clearly is in favor of zero and zero funding. The schedules could be amended into this bill. If they are not added, we would be sending the Senate an appropriations bill without the schedules. At zero and zero, they could continue on.

The reason he wanted to use 893 (102:A:2.53) Rep. Donaldson said that HB 893 was a bill containing issues to see if there is a philosophy to use the educational trust fund monies for a balancing factor need to have alternative to using the trust to balance the budget. HB 893 would do the following: Fund WICHE/WAMI Program for two years; Adult Education Fund; Votechs at 4.7 which would be the transition from OPI to higher education; it would provide a science and technology lab in Bozeman; and to provide some \$20 to \$25 million in school equalization to take some pressures off the underfunded suit.

(102:A:8.30) This is just another attempt to save some money for the state in the form of another approach. Part of the bill would insist that some of the non-tax revenues be utilized in the permissive area before we fill up the remainder with the state monies. He also quoted some of the federal regulations on how other funds could be used. There was also a possibility of a \$30 million savings over the biennium. He stated on page 8 of the bill it would cap districts on the top of the scale but would not cap districts on the lower end.

Currently in the state is a method of affect determining wealth used in the distribution of Chapter II monies. There are two components that measure the tax effort on the part of the school districts. One is the property tax mill rate and the voted amount by dollars by student. If this formula is used and you save some money in the educational trust you could do a lot to help the school districts that are in a lot of trouble.

Rep. Donaldson stated that a program for the funding of the foundation program had to be passed out of the House by next week and it looked as though it would be at zero and zero. The program is \$70 million in the red right now.

Mr. Dave Hunter, Director, Office of Budget and Program Planning spoke as a proponent to HB bill saying that this was at the request of the governor. The reason for the \$77 million appropriation rather than \$96 million, they agree that the correct number should be about \$96 million. The governor has proposed to provide an additional \$18.9 million of earmarked revenues to the school foundation in Senate Bill 228. This legislation has passed the Senate and is currently in the House. It is in conflict with some legislation which is currently in the Appropriations Committee but the state has a \$96 million responsibility to the school foundation program, whether we provide that through general fund or through additional earmarked revenues as the governor or other legislators propose. That is a responsibility we have.

The other thing that must be done is regarding the use of the educational trust fund money to balance the fiscal 1987 supplemental bill HB 434, we will need to make up some lost interest earnings to the foundation program, to WICHE/WAMI and to the Adult Basic Education Program. The appropriate way to do that is in this bill and amendments to HB 2. He recommended that the committee do not put the schedules into the bill. If the intent is to fund zero and zero, the existing statutes already provide the entitlement in the foundation program.

(102:A:21.05) Mr. Jeff Morrison, Board of Regents spoke in favor of two parts of the bill. On the vocational educational funding portion and also the building at MSU. This building has been a number one priority for assistance in the past two bienniums and it remains the number one priority. It is essential in order for them to participate in some economic development in the state and to retain the quality of science technology we have in the state.

Dr. Bill Tietz, President, MSU, agreed with Mr. Morrison on the building and was in support of HB 893.

Mr. Carroll Krause, Commissioner of Higher Education was concerned about the continued funding for the WICHI/WAMI program which is in this bill. One-half of that money is coming from the educational trust fund, and if that trust fund does not exist, they need a mechanism for that program.

Mr. Bruce Moerer, Montana School Board Association, spoke as a proponent to HB 865 as it is the only legislation to fund the foundation program at zero and zero. He felt the schedules were not needed in the bill. With SB 228 the money should be there to fund zero and zero. The committee should look at making up some of the lost interest if we are going to use the education trust for other purposes.

Mr. Jess Long, School Administrator in Montana spoke in support of HB 865. He stated although they have ever felt zero and zero was adequate funding but they are in support of the bill as it is one of the legs in supporting the zero and zero foundation program.

OPPONENTS:

(102:A:25.49) Mr. Eric Feaver, Montana Education Association, reported he opposed both HB 865 and HB 893. He stated there is no way in good support zero and zero on the foundation program in order to deal responsibility with the public school system that we have in this state. We would be underfunding our system in an unprecedented fashion is remarkable. If it should be used, they requested an amendment to reflect exactly what it is the legislature must appropriate in order to get zero and zero.

(102:A:28.50) Regarding HB 893, Mr. Feaver stated it was difficult for the association to support the elimination of the education trust. Statute is never forever as the constitution protects this money currently for educational purpose. A trust established by the legislature which is not protected by the constitution, can in fact be utilized to balance the budget in difficult times.

He referred to several amendments in the bill would delete: 1) All language in title of the bill, lines 8-13, language that pertains to modifying the method of funding the permissive amount of schools funding and capping the general fund budgets; (2) delete lines 23-24 as they are opposed to appropriating education trust to pay for a science and technology building at MSU; and use that money on page 2, line two the equalization aid; (3) they are in support of the WICHI/WAMI appropriation and the adult basic education appropriation, and support of that which references HB 39, voted levy replacement; (4) on page 3 and 4 the proposed language be added and deleted be reversed, retain

the current language; (5) page 5 propose that all that language in lines 16-20 be deleted; (6) on page 8, they propose all language on lines 4-9 be deleted; (6) page 9, referencing a trust that was to remain for ever, to eliminate the trust forever, pass this legislation. He encouraged the committee not to eliminate the education trust completely.

There are two elements that they are quite concerned about in the deleted language: (1) capping the local effort that school districts provide for their schools; and (2) the notion to cap non-tax revenue and divert it to the general fund without a vote is alien to the way to fund schools in the state. He also said it could be illegal to use 874 monies to equalize education funding in the state.

Mr. Bruce Moerer, MSBA spoke again saying that HB 893 there were two parts they wished to address independently. The first part is the education trust. Reluctantly would rather see what is left of the educational trust go to education at least rather than see it be spent next year for another supplemental for SRS. They are concerned about the \$12 million to the MSU science and technology building. He felt it should be appropriated out to the public schools. He felt the proposed changes in the equalization funding mechanism. This is a raid on local monies to help balance the state general fund. Capping the budgets of local schools takes the discretion away from the local schools. The voted levies are currently frozen and there will be no raise in the voted levy. They also concur with the amendments offered by the Montana Education Association.

(102:B:3:19) Terry Minnow, Montana Federation of Teachers opposed the bill but said there were some positive portions of the bill. They have no quarrel with funding WICHI/WAMI, Adult Basic Ed, Vo-techs or the foundation program out of the education trust fund, if the education trust fund is going to be depleted this legislative session. However, this disagreed with the technology building. A suggestion would be to address the inadequate faculty salaries at all units of the system. They also have real problems with the equalization concept.

Dick Sirokman, Superintendent of Valier Schools opposed HB 893, page 5, line 16 the non-tax revenues. This would force the local governments to take these small savings they have and they would expend them until there would be nothing left by the middle of the second year.

Dale Zorn, Superintendent of Schools in Shelby stated that they would not be able to use some of the reserve fund without a large penalty. It basically takes out a lot of

local incentive to save money. They are currently using these monies now to honor I105, to reduce their levy. If this bill passes, it would escalate the property taxes.

Mr. Jess Long also concurred with Mr. Feaver and Mr. Moerer regarding the educational trust fund. He did not approve of the monies being spent on the Science and Technology building.

Mr. Larry Lacount of Lodge Grass Schools spoke against HB 893 and the use of the 874 monies.

(102:B:14.02) Mr. John Forbenbrok also stated that the law is clear in regard to the 874 monies be used for this purpose.

Mr. Ivan Small, Superintendent of Pryor Public Schools, and President of the Indian Impact Students in Montana spoke in opposition to HB 863, specifically the portion dealing with the 874 funds.

(102:B:19.57) Mr. Ron Allen, Superintendent of Brockton Schools spoke saying they have no tax base in their district. The mill would raise \$696. If the bill is approved, they would have to levy 400 mills to recoup this money. When they have five or six taxpayers in that district, the levy would not pass. They could not operate without the 874 monies.

Mr. Pat O'Leary, Supervisor of the Adult Learning Center opposed only the possible loss of funding for Adult basic education. He supports any alternative measure that would provide for funding for adult basic education because they depend on this funding to provide serve to undereducated adults in the state and to get their federal money, as a maintenance of effort.

Mr. Todd Hudak, Associated Students at MSU spoke in support of the WICHE/WAMI program.

EXECUTIVE ACTION HB 879:

HB 879: Rep. Devlin moved to TABLE HB 879 on the request of the sponsor, Rep. John Cobb. Rep. Bardanouve called the question. The motion CARRIED unanimously.

HB 849:

Rep. Joe Quilici of HD #71, presented HB 849 to authorize the Centennial Office the authority to borrow and repay loans for the Centennial Office activity. It would extend repayment of this money from July 1987 to January 1988.

PROPOSERS:

Mr. Ron Duda, Acting Coordinator of the Montana Statehood Centennial Office provided written testimony on the bill (Exhibit 1).

(103:A:9.48) Rep. Bardanoue moved to DO PASS HB 849. Rep. Peck called the question. The motion CARRIED unanimously.

HB 888:

Rep. Winslow presented the bill regarding the New Horizons Act Program stating this would be a pilot program for the AFDC placements to help with day care for AFDC and an incentive pool to work for long term recipients of AFDC. Recipients would have to be on AFDC for at least 9 months in order to qualify. This money would be given to the displaced homemakers program and would be at no cost if it is administered in that manner.

(102:B:15.11) Cindy Stergar, Butte spoke in favor of the bill saying it helps get rid of a major barrier for these clients. Babysitting costs are \$400 per month for two children. She felt this was a real incentive and it should be able to serve approximately 700 AFDC recipients.

Barbara Archer of the Montana Women's Lobbyist Fund also supported the bill. Child care costs and the ability to pay for child care are the biggest problems that women in the work force face.

(103:A:19.08) Jean Rasognee with the Montana League of Women Voters, stated they support HB 888 and the provisions providing assistance for child care for AFDC recipients.

Mr. Bob Fraser stated this was an excellent opportunity for AFDC recipients and he presented an exhibit which showed where the fees came from in HB 460 which apply to this (Exhibit 2).

SB 279: (103:A:29.13)

Sen. Tom Keating spoke to the bill which he sponsored saying it was not an appropriations bill and the fiscal note is useless and meaningless. The bill addresses the security on the mainframe which is no good. The audit committee felt they should tighten up this information on the mainframe.

(103:A:35.01) This bill would provide for establishing an ideal goal in the normal course of business in tightening up access to the computer system. The bill as amended should not cost anything.

Mr. Mike Trevor, Administrator of the Information Services Division, Department of Administration, said they are neutral on the bill, however they are advocates on improving security throughout state government. The bill, as amended has no cost concerns and the agencies feel the same way.

EXECUTIVE ACTION:

SB 279: Rep. Donaldson moved that SB 279 BE CONCURRED IN. Rep. Peck called the question. The motion CARRIED unanimously.

HB 865: Rep. Donaldson moved to amend HB 865, line 15, page 1 to strike \$70 million and insert \$96 million (Exhibit 3). Rep. Devlin called the question. The motion CARRIED unanimously.

Rep. Donaldson moved to Do PASS HB 865 AS AMENDED. Rep. Winslow called the question. The motion CARRIED unanimously.

HB 888: Rep. Winslow moved to amend HB 888, page 2, line 20, to make sure that only eligible AFDC clients may use the service (Exhibit 4). Rep. Bradley called the question. The motion CARRIED unanimously.


Rep. Winslow moved to DO PASS HB 888 AS AMENDED. The motion CARRIED unanimously.

HB 893: Rep. Donaldson suggested an amendment and retain the last portion of the bill on page 9 of the bill. There was NO ACTION on the bill.

HB 627: Rep. Miller asked about HB 627 of Rep. Strizich's bill regarding the drug monies for evaluation detention centers. There was NO ACTION on the bill.

ADJOURNMENT:

There being no further business, the meeting was adjourned.



Rep. Bob Thoft, Vice Chairman

DAILY ROLL CALL

APPROPRIATIONS

COMMITTEE

50th LEGISLATIVE SESSION -- 1987

Date 3/24/87

NAME	PRESENT	ABSENT	EXCUSED
DONALDSON, GENE Chairman	✓		
THOFT, REP. BOB Vice Chair	✓		
WINSLOW, REP. CAL	✓		
BARDANOUE, FRANCIS	✓		
BRADLEY, DOROTHY	✓		
CONNELLY, MARY ELLEN	✓		
DEVLIN, GERRY	✓		
IVERSON, DENNIS	✓		
MANUEL, REX	✓		
MENAHAN, RED	✓		
MENKE, LARRY	✓		
MILLER, RON	✓		
NATHE, DENNIS	✓		
PECK, RAY	✓		
POULSEN, HAROLD	✓		
QUILICI, JOE	✓		
REHBERG, DENNIS	✓		
SPAETH, GARY	✓		
SWIFT, BERNIE	✓		
SWITZER, DEAN	✓		

**Testimony of Ron Duda, Acting Coordinator
of the Montana Statehood Centennial Office
Before the House Appropriations Committee
concerning H.B. 849
Tuesday, March 24, 1987**

For the record my name is Ron Duda, Acting Coordinator for the Montana Statehood Centennial Office.

I am here today to enlist your support of H.B. 849 which amends how and when we may borrow and repay loans for Centennial Office activity.

Let me place the importance of your granting us loan authority in perspective.

The Montana Centennial Office receives no state funds.

Instead you have authorized the office to borrow from the Junk Vehicle account and the Victims of Crime account until June 30th of this year.

To date we've borrowed \$38,000 from the Victims of Crime account and \$25,000 from the Junk Vehicle account.

This money currently must be repaid specifically from two sources of fundraising:

the Centennial Acre program,
the Centennial License Plates program.

What we're asking with H.B. 849 is to:

- 1) Authorize us to use all Centennial revenue sources to repay our loans. This would include private donations and any of our other fundraising activities.

- 2) Reauthorize us to borrow through the 1989 biennium from the same accounts (Junk Vehicle and Victims of Crime) at the current level--\$119,110 from each account. The reauthorization will allow the Office to meet fiscal commitments during periods when cash flow is low.

- 3) Extend the repayment deadline 6 months (from June 30, 1987 to January 1, 1988.) Because the beginning of the license plate program was delayed, money from county treasurers will be late entering our office account.

The Montana Centennial Office has been frugal. In fact, we've received help and private donations of all kinds: office equipment, public service air time, and in-kind support from many sources including the Lt. Governor's Office.

Unlike our five neighboring states, who are also celebrating centennials in 1989 and 1990, we are not appropriated state funds. As a result, the importance of our borrowing authority is magnified--it's our life blood.

I'm sure you agree with us that all Montanans deserve a birthday party to remember--a commemoration of which we can all be proud.

Please help us accomplish this by supporting H.B. 849.

DISSOLUTION OF MARRIAGE FEES
AS PER HOUSE BILL 460 FISCAL NOTE

\$ 5,419.00	dissolutions per year
x 75.00	dissolution fee
<u>\$ 406,425.00</u>	total per year

DISTRIBUTION:

\$ 406,425	Total per year
-200,000	Displaced Homemakers Program
<u>\$ 206,425</u>	Big Brothers and Sisters
-150,000	Left for Distribution
<u>\$ 56,425</u>	

PROPOSAL:

\$ 25,000	Per year to be available for an incentive pool to encourage long term placement of AFDC recipients.
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DATE 3/24/87
RE 865

Amendment to House Bill 865

1. **Page 1, Line 15**
Strike: "\$77,101,000"
Insert: "\$96,000,000"

3/24/87
888

Amendment to House Bill 888

1. Page 2, Line 20

Following: "currently"

Insert: "are not eligible for AFDC but"

Following: "be eligible"

Strike: "for AFDC"

VISITOR'S REGISTER

Appropriations

COMMITTEE

BILL(S) _____

DATE 3/24

SPONSOR(S) _____

NAME	REPRESENTING	BILL NO.	SUP-PORT	OP-POSE
Dennis Vient	Drug Fair			X
Gunnery Perry	Drug Fair			X
Imogene Olson	Drug Fair			X
John Schunk Ph	Drug Fair			Y
Leslie Ludwig	Drug Fair			X
Tim Schmitt	DRUG FAIR			X
Eric Feaver	MSA	805 893		✓
Howard Perry	MUS	893	✓	
Mike Trevor	DofA	SB 279		
Ron Allen	Brookton Public Schools			
Dick Sirokman	Valien Schools	893		✓
Grace M. Moore	MSBA	865 893	✓	✓
B L Davahé	Superior Schools			
John Schmitt	S. A. M	805 893		✓
Janis Marie Soudry	MT Regional Women's Club	892	X	
Janet Ellis	MT Audubon	879	X	
Tom Francis	MENT BOARD OF NORMALS	882		X
Paul J.	Shelby Schools	863 893	X	X
Ron Dill	Central Office	849	X	
Mark Eukler	Reg Pharmacist	882		X

IF YOU CARE TO WRITE COMMENTS, ASK SECRETARY FOR VISITOR'S STATEMENT
 IF YOU HAVE WRITTEN COMMENTS, PLEASE GIVE A COPY TO THE SECRETARY.

VISITOR'S REGISTER

Hosp.

COMMITTEE

BILL(S) _____

DATE 3/24

SPONSOR(S) _____

NAME	REPRESENTING	BILL NO.	SUP-PORT	OP-POSE
Dan Drysdale	Drysdale's Pharmacy	882		X
William J. Fitzgerald	Registered Pharmacist	882		X
Robert R. Plummer	Pharm. S.A.	882		X
John J. Carroll	Reg. Pharmacist	882		X
Larry L. Counts	L. L. Counts Sch. 15	893		-
Ivan S. Man	Pryor Public Schools	893		X
Conrad Brown	M. U. System	893	X	
Bill T. [unclear]	[unclear]	893	X	
Bill [unclear]	West Hosp. Assoc.	882		X

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