

MINUTES OF THE MEETING
FINANCE AND CLAIMS COMMITTEE
MONTANA STATE SENATE

February 13, 1987

The eighth meeting of the Senate Finance and Claims Committee met in room 108 of the State Capitol on the above date. Senator Regan called the meeting to order to hear Senate Bill 227.

ROLL CALL: All members present except Senator Jacobson who was excused.

CONSIDERATION OF SENATE BILL 227: Senator Haffey, Senate District 33, chief sponsor of Senate Bill 227, said there is a person from the Architectural Engineering Division here to testify and another person from the Department who can answer your questions if necessary. This bill asks for the ability at the end of a biennium, or the end of an odd number fiscal year to encumber funds that had been appropriated for repairing or construction projects. To be able to encumber funds as we get toward the end of the fiscal year even though the work may be done and the funds not expended until the next fiscal year.

Senator Haffey said many of these projects came in toward the end of the biennium and could not be completed before the end of the biennium and 2 years ago they had put into place the ability for funds to be encumbered for the even numbered years for this type of work, now they were asking for the odd number of years.

Clarence Hester, Assistant administrator of the Architect and Engineering Division, said it is his office that provides the architectural and contract services for the various agencies for these repair and maintenance type projects. He handed in testimony attached as exhibit 1.

There were no further proponents, no opponents, and Senator Regan asked if there were questions from the committee.

QUESTIONS FROM THE COMMITTEE: Senator Regan asked, these projects are very small in nature, right? We're not talking about a commitment for a building of \$8 million, we are talking about a \$19,000 roof repair or--what's the largest project you would have? Mr. Hester answered, I believe that roof project would be the largest one we've had.

Senator Regan said, that was \$19,000? Mr. Hester answered that was \$19,400. Senator Regan said, even assuming that you have a 4 month bid time from the plans and specifications and the bids, acceptance of bids and letting the contract -- if you got it in the spring you still have a roofing project of that size is not going to take more than a couple of weeks. Mr. Hester answered that the best time to do a roofing project is in July and August. In June it is too rainy, sometimes it is rainy at the end of May, in May, April and March the weather is too cold and may be wet.

Senator Regan asked, how many projects have you had where you cannot complete them within the biennium because that is what you are asking for. You are asking to carry over an appropriation from one biennium to the next, is that correct? She was answered, yes. She asked, what projects did you have that you could not complete in the biennium? Mr. Hester answered in the even numbered fiscal year, that would be fiscal year '86, we carried over 3 projects. Senator Regan asked what do you anticipate this time? Mr. Hester answered this year, we don't have the authority. Senator Regan asked is there any projects on tap that would be a carry over? Mr. Hester answered that they never really find out about these projects until April or May. We don't even know they exist, and then June 30 comes up awfully fast.

Senator Regan asked why not just go into the next session and just ask for the appropriation? Mr. Hester said the session has probably gone home by that time. They would go home in April.

There were no further questions and Senator Haffey closed by saying that carrying over until the next biennium just puts the roof project off for a long time. Judy (Rippingale, LFA) checked this and I checked with Judy on this. At the end of the last biennium there were some projects. It is not so much that it would have any significant effect on the ending fund balance.

DISPOSITION OF SENATE BILL 227: Motion by Senator Manning that Senate Bill 227 do pass.

Senator Himsl asked if anybody had a figure on how much money we are talking about? You said \$19,400? Mr. Hester answered that that was for one project. In 1986 fiscal year we had 3 projects that came under that category. There was a roofing project for \$19,400; there was about a \$10,000 project and then about \$13,000 for the three projects. Senator Haffey said to answer that, some of it is stuff that if we don't do it we can't get some federal money, but also it is mandatory, but it is not a significant amount on balancing the budget. Senator Himsl \$43,000 is sort of significant.

Question was called, the motion was voted, passed, Senator Regan voting no.

DISPOSITION OF SENATE BILL 128: Senator Regan said you have before you amendments prepared by Senator Gage and asked the Senator to explain the amendments.

Motion by Senator Gage to adopt the amendments. He said, if you look at page 1, line 18 you strike law enforcement and insert criminal investigation and you also strike "or other government entity because these are only going to go local or state law enforcement agencies as opposed to any other governmental entity. He said this was done throughout and on page 3, line 2 you inserted "criminal" Amendments attached as exhibit 1, SB 128. In essence all they do is replace law enforcement with criminal investigation purposes so these funds can only be used for criminal investigations rather than any law enforcement purposes.

Question was called on the amendments, voted, passed, unanimous vote of those present.

Motion by Senator Gage that Senate Bill 128 do pass as amended. Voted, passed, unanimous of those present

CONSIDERATION OF SENATE BILL 178: Senator Greg Jergeson offered the amendments from the subcommittee and moved their adoption. These amendments were offered by the Department of Social and Rehabilitation Services (SRS) because they were afraid this bill would get into their pockets and to effectively do that Montana Association of Counties (MACO) have accepted the amendments offered by SRS. Senator Keating and I had agreed on this program. These amendments provide that each county, whether state assumed or not, shall establish a prisoner medical care fund and the sheriff's department will not be responsible for any costs for any prisoners that they are responsible for. In the case of indigent costs of prisoners they are responsible for that in the case of indigent prisoners that special prisoner medical fund will be used to pay for those medical costs. The real important part to the counties is that in the case of prisoners who are financially able to meet their own medical expenses when they are under the authority of the county in the jail. The counties were willing to give up the effort to have, in the case of the assumed counties SRS paid for the costs of those who were indigent as long as in the case of those who were not indigent they are able to get at their resources to pay those medical costs.

Senator Keating said in looking at the new sections that are added telling the counties to set up a prisoner medical care fund, it just occurred to me if there isn't a prisoner medical care fund in the statutes, are we establishing something statutorily in the wrong way. Just from a

technical standpoint--I agree with the concept, I am just asking. I was thinking of the 55 mill-----.

Senator Regan asked is it were necessary to establish a fund or could we simply say the counties shall be responsible. Isn't that possible? Aren't they now responsible? Why do we mandate that they do this? Senator Jergeson answered, currently apparently the sheriff is responsible for the costs of the prisoners. The effort here is to provide his department will not have to absorb the cost of the care of these prisoners. Senator Keating said it was okay with him.

Senator Harding said, I think we should not establish any new fund because the sheriff is required to take care of his prisoners. He wouldn't have to start a new fund, the county would just have to provide the money.

Senator Bengtson said, it is pretty loose, it says each county shall levy as many mills as is necessary.

Senator Haffey said if section 3 was left as it were, medical care exists and if section 4 were changed to read county budget amendment expenditures, for county prisoner medical care, which meets levied taxes, and then the next full sentence were deleted, would that do what SRS wanted and what you want to do.

Senator Keating answered that SRS just wants to strike the section mandating that they pay for certain things.

Senator Regan said, Senator Haffey, I think you would have to go up to page 6, line 1 and insert (this is amendment 6) new section. County Prison Medical Care. The governing body of each county shall be responsible for a prisoner medical care to county prisoners who are unable to pay. We'll have to amend that and then amend the section you were addressing, section 4.

Senator Keating said, I believe that the requirements that the sheriff with the county budget is the one that has to pay the medical fees for the prisoners, and the new section is establishing a fund for that purpose, but as far as for you to scratch fund in the new section, would then make it redundant because the sheriff already has to pay for it unless the prisoner is financially able to pay for it himself.

Senator Regan said, right, but this would be saying that the sheriff's budget isn't paying for it, the county budget pays for it, and that, I think, is the bone of contention.

Senator Haffey asked if anyone from the county had looked at it.

Senator Jergeson said, I have to apologize for not getting this down to the council in order to make sure it was entirely properly drafted. The problem is that I have had a couple of busy days and I am sure Senator Keating has. What we got established is the principle of what we are trying to do with these amendments. The exact language is the problem.

Judy Rippingale, LFA, said she had heard the concerns here and she would be glad to go work on it and bring it back to Senators Keating and Jergeson and see if it meets with their approval.

Senator Regan asked if we could meet very briefly upon adjournment tomorrow and take up this one and see if we can take care of it tomorrow.

Senator Keating said, I would just like to make one comment. If you take a look at amendment # 3. That's what we are inserting into the bill and it says specifically, in all other cases the county is responsible for the payment of the prisoner medical care through the county medical care fund as provided in section 3, so the amendment in 3 is saying you have to take care of them and the new sections 3 and 4, establish the funds so you have the vehicle to take care of it.

Senator Himsl said he felt there was some mischief in the bill since what was being set up here is an unlimited requirement on the county.

Senator Regan said we would pass consideration of this now and meet very briefly on adjournment to take care of it. Senator Himsl would present his bill tomorrow also. She asked that they leave their votes as to how they feel about the bill.

Senator Regan said Senate Bill 216 which was sponsored by Senator Jacobson had been heard, was in committee, and she would consider a motion on the bill provided the committee would accept a do pass vote from Senator Jacobson who was unable to be present.

DISPOSITION OF SENATE BILL 216: Motion by Senator Manning that Senate Bill 216 do pass and the committee accept Senator Jacobson as voting yes.

Senator Keating said, I am for the bill but against the funding. I would recommend to the committee that it go back to the subcommittee.

The question was asked if we vote yes on SB 216 will we have to go back to the finance committee and ask for it to be put back in? Judy Rippingale answered, if you pass this and you

start the program and say you are now eligible for medicaid they are then eligible for medicaid and the cost comes in.

Senator Regan said, then if you pass this it is an entitlement program then you really appropriate money because by virtue of it being an entitlement we have an obligation to fund it.

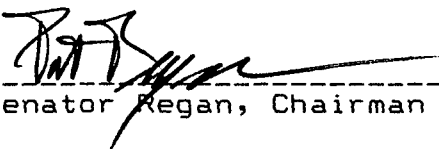
Senator Hims1 said, you have no choice. It is an entitlement program and they will be on board the train and this program is 80% and we will have to put up 20% and we cannot limit the passengers on the train.

Senator Gage commented, this is another one of those, and as I recall there is something like 32 of these medicaid options. Senator Regan answered 19. Senator Gage said, is there some that we have in place right now that we could discontinue that do not have near the impact that this one has as far as cost effectiveness.

Senator Regan said, I am really upset. When you have a real need for this, and it is a real need, it should be funded. I would suggest there are other places where we can save money.

Question was called, vote was questionable and Senator Regan called for a roll call vote. The motion failed with 7 for, 9 against the do pass motion.

The meeting was adjourned.



Senator Regan, Chairman

DATE

2-13-87

COMMITTEE ON

Finance & Claims

BILL NO.

VISITOR'S REGISTER

NAME

REPRESENTING

Check One
Support Oppose

Clarence Hester
Kathy Fabiano

Architecture & Engineering Div.
Accounting Division

X
X

(Please leave prepared statement with Secretary)

Science House

12/86 DOA

epb 1

Senate HB 227
TESTIMONY

TITLE:

"AN ACT TO CLARIFY UNDER WHICH CONDITIONS AN APPROPRIATION MAY BE ENCUMBERED FOR THE REPAIR, MAINTENANCE OR RENOVATION OF A BUILDING PURSUANT TO THE PROVISIONS OF TITLE 18, CHAPTER 2; AMENDING SECTION 17-7-302, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE".

PURPOSE:

This bill is proposed to you for the purpose of allowing repair and maintenance funds appropriated in operating budgets to be encumbered at the end of an odd numbered fiscal year whenever a valid obligation exists.

DESCRIPTION OF BILL:

Section 17-7-302, Subsection (2), is amended to delete the words "For the purposes of encumbering appropriations under subsection (1), a valid obligation includes" and substitutes in its place "Appropriations may be encumbered with". Also a second sentence is added to Subsection (2) as follows; "If the appropriation remains unobligated at the end of the following fiscal year, it shall revert to the fund from which it was originally appropriated". Subsection (3) is deleted in its entirety.

A new section provides an immediate effective date.

EFFECT OF THE BILL:

This bill will allow repair and maintenance funds appropriated in operating budgets to be encumbered at the end of any fiscal year. The Architecture and Engineering Division has difficulty in handling the influx of projects during the late spring and summer months. This bill will allow adequate time for the Architecture and Engineering Division to provide the plans and specifications necessary to bid and contract those repair and maintenance projects. Funds may presently be encumbered at the end of even numbered fiscal years only. Some examples of repair and maintenance projects encumbered at the end of Fiscal Year 86 are:

1. Re-Roof Old Portion of Job Service Building
Kalispell, Montana
Department of Labor and Industry
Project No. Mont A/E 86-42-03
Contract Amount - \$19,400.00
Bid Date - July 31, 1986
Completion Date - May 31, 1987

SENATE FINANCE AND CLAIMS
 EXHIBIT NO. 1
 DATE 2-13-87
 BILL NO. SB 227

2. State Veteran's Cemetery, Entrance Layout (Phase I)
Fort Harrison, Montana
Department of Military Affairs
Project No. Mont A/E 86-33-04
Contract Amount - \$10,888.00
Bid Date - June 24, 1986
Completion Date - September 11, 1986

3. Building Improvements, Job Service Building
Missoula, Montana
Department of Labor and Industry
Project No. Mont A/E 86-42-02
Contract Amount - \$13,400.82
Bid Date - June 24, 1986
Completion Date - September 3, 1986

The above examples could not presently have been accomplished at the end of an odd numbered fiscal year. Failure to accomplish a project such as the first example could have caused considerable damage to the interior of the building. The second example was delayed due to waiting for federal concurrence. If the monies could not have been encumbered the project would have been lost. The third example was less critical. However, that facility was becoming quite shabby and was presenting a poor image to the using public. Failure to refurbish the interior of the facility would have resulted in the shabby condition persisting for another two or three years.

SUMMARY:

Repair and maintenance funds appropriated in state agency operating budgets may be encumbered at the end of each fiscal year rather than at the end of even numbered fiscal years only.

See page
4/13/87
SB 128

AMENDMENTS TO SB 128, INTRODUCED COPY, PROPOSED BY SEN. GAGE.

- 1. Page 1, line 17.
Strike: "or other government entity"

- 2. Page 1, line 18.
Strike: "law enforcement"
Insert: "criminal investigation"

- 3. Page 2, line 16.
Strike: "law enforcement"
Insert: "criminal investigation"

- 4. Page 3, line 2.
Following: line 1
Insert: "criminal"

- 5. Page 3, line 5.
Strike: "law enforcement"
Insert: "criminal investigation"

ASB128a/JM/JM2

SENATE FINANCE AND CLAIMS
EXH. NO. 1
DATE 4/13/87
BILL NO. SB 128

AMENDMENTS TO SENATE BILL 178

*edit
SB 178*

1. Title, line 6
Following: "JAIL;"
Insert: "ESTABLISHING THE COUNTY PRISONER MEDICAL CARE FUND;"

2. Page 2, line 15
Following: "pay."
Strike: "If the prisoner is determined eligible for general relief medical assistance pursuant to 53-3-206, then payment must be made from funds available for such assistance."

3. Page 2, line ~~21~~ ²¹
Following: ~~"costs."~~ ^{"costs."}
Insert: "In ~~all~~ ^{all} other cases, the county is responsible for payment of prisoner medical care through the county prisoner medical care fund as provided in [section 3]."

4. Page 5, lines 9 and 10
Following: "facility"
Strike: "operated by the state"

5. Page 5, line 11
Following line 10
Strike: "operated by the state"

6. Page 6
Following line 1
Insert: "NEW SECTION. Section 3. County prisoner medical care fund. The governing body of each county shall establish a prisoner medical care fund for the provision of medical care to county prisoners who are unable to pay the cost of medical care provided during their detention in a secure facility operated by the county.

NEW SECTION. Section 4. County to levy taxes, budget and make expenditures for county prisoner medical care. The governing body of each county shall levy as many mills for the county prisoner medical care fund as may be necessary. The governing body of each county shall budget and expend so much of the funds in the county prisoner medical fund as necessary for those county prisoners who are financially unable to pay for medical care.

Renumber: subsequent section.

SENATE FINANCE AND CLAIMS
BILL NO. 1
2-13-87
BILL NO. SB 178

Submitted by
Department of Social &
Rehabilitation Services

ROLL CALL VOTE

SENATE COMMITTEE

FINANCE AND CLAIMS

DATE _____

SB

Bill No. *216*

Time *5:05*

NAME	YES	NO
SENATOR HIMSL		<i>i</i>
SENATOR JACOBSON	<i>✓</i>	
SENATOR BENGTON		<i>✓</i>
SENATOR STIMATZ	<i>✓</i>	
SENATOR HARDING		<i>✓</i>
SENATOR HAFPEY	<i>✓</i>	
SENATOR SMITH		<i>✓</i>
SENATOR KEATING	<i>✓</i>	
SENATOR STORY		<i>✓</i>
SENATOR BOYLAN		<i>✓</i>
SENATOR JERGESON	<i>✓</i>	
SENATOR TVEIT		<i>✓</i>
SENATOR MANNING	<i>✓</i>	
SENATOR HAMMOND		<i>✓</i>
SENATOR GAGE		<i>✓</i>
SENATOR REGAN	<i>✓</i>	

7 *9*

Sylvia Kinsey
Secretary

Senator Regan
Chairman

MOTION: *Jacobson 216*
16

STANDING COMMITTEE REPORT

February 13, 1987

MR. PRESIDENT

We, your committee on FINANCE AND CLAIMS

having had under consideration SENATE No. 128

first reading copy (white)
color

CHANGE USES OF LAW ENFORCEMENT ASSISTANCE ACCOUNT MONEY AND PROPERTY

Respectfully report as follows: That SENATE No. 128,
be amended as follows:

1. Page 1, line 17.
Strike: "or other government entity"
2. Page 1, line 13.
Strike: "law enforcement"
Insert: "criminal investigation"
3. Page 2, line 16.
Strike: "law enforcement"
Insert: "criminal investigation"
4. Page 3, line 2.
Following: line 1
Insert: "criminal"
5. Page 3, line 5.
Strike: "law enforcement"
Insert: "criminal investigation"

AND AS AMENDED

DO PASS

XXXXXXXXXXXXXX
DO PASS

XXXXXXXXXX
DO NOT PASS

Senator Pat Regan

Chairman.

STANDING COMMITTEE REPORT

February 13

1987

MR. PRESIDENT

We, your committee on **FINANCE AND CLAIMS**

having had under consideration **SENATE BILL** No. **227**

first reading copy (**white**)
color

CLARIFY ENCUMBRANCE ON APPROPRIATION BY INTERAGENCY AGREEMENT

Respectfully report as follows: That **SENATE BILL** No. **227**

DO PASS

~~DO NOT PASS~~

Senator Pat Regan

Chairman.

CONFIDENTIAL - SECURITY INFORMATION

1. Page 1, lines 1 through 3.

2. Page 1, lines 4 and 5. **CONFIDENTIAL - SECURITY INFORMATION**

3. Page 1, line 6.

4. Page 1, lines 14 and 15. **CONFIDENTIAL - SECURITY INFORMATION**

5. Page 1, lines 16, 17 and 18. **CONFIDENTIAL - SECURITY INFORMATION**

6. Page 1, lines 19 through 21. **CONFIDENTIAL - SECURITY INFORMATION**

7. Page 2, lines 1 and 2.

8. Page 2, line 3. **CONFIDENTIAL - SECURITY INFORMATION**

9. Page 2, lines 11 through 14. **CONFIDENTIAL - SECURITY INFORMATION**

END OF MESSAGE

BT

CONFIDENTIAL