

MINUTES

51st LEGISLATURE - REGULAR SESSION

CONFERENCE COMMITTEE HOUSE BILL 100

Call to Order: By CHAIRMAN PETE STORY, on APRIL 17, 1989,
at 8:00 A.M.

ROLL CALL

Members Present: Senator Pete Story, Senator Judy Jacobson,
Senator Gerry Devlin, Representative Gary Spaeth,
Representative Dorothy Bradley, Representative Bob
Thoft

Staff Present: Legislative Fiscal Analyst Staff

Announcements/Discussion: Chairman Story explained that
there were several classes of amendments. Some were
corrective and technical. There are budget director
amendments and House amendments that will be proposed.

(Tape 1-A)

HB 583

Senator Devlin asks what was objected to in the bill.

Judy Rippingale replied that HB 583 went through the Session
and it took statutory appropriations for administrative and
operating expenses and they revert back to coming under the
review of the Legislature. This is to give them
appropriation authority in HB 100 because they will not have
statutory appropriation authority.

Representative Spaeth moved to do pass #1, #2, and #3. The
question was called. The motion passed unanimously.

Senator Jacobson presented an amendment on HB 583. She
explained that this concerned the vo-tech centers when
personal services were line itemed they were too high in
Billings, Butte, and Helena. She said they are still
implementing HB 39 and still doing some bargaining. They
are asking that they move some of these funds. (Exhibit #4)

Judy Rippingale explained that because the vo-tech centers
are brand new and there is no historical data base.

Senator Jacobson moved the amendment.

Discussion:

Representative Thoft asked if this indicated a reduction.

Senator Story said it gives them more leeway by reducing the item for personal services, they have more money that they can shift into personal services, but they can't shift money out of personal services.

Senator Jacobson confirmed that it was no extra money but just moving it out of personal services into other areas. They can move money in there but can't move it out of there, she said.

Senator Story explained that the action between the House and the Senate regarding personal services was to line item them rather than taking vacancy savings. He pointed out that since personal services were reduced and money put in operating it reduced the chance of reversion. (200)

The question was called (#4). The motion passed unanimously.

Judy Rippingale said that amendments were prepared regarding the interest from the educational trust fund balance going into adult basic education, WICHE and WAMI and those programs. She asked if these amendments should be held while waiting for the outcome of the conference committee on HB 618. If they take the educational trust fund balance and move it to the school foundation program account then money would be short because there will not be interest earnings.

Representative Spaeth suggested the committee wait until the outcome of the conference committee on HB 618.

Representative Bradley presented an amendment to HB 100. (Exhibit #5) She explained that this was a technical amendment. She moved the amendment.

The question was called. The motion passed unanimously.

Representative Bradley presented an amendment to HB 100 regarding judicial salary increases in accordance with SB 196 (Exhibit #6). She said this language was in accordance with legislation that had already passed. She moved the amendment.

Senator Story asked how much money did this amendment inject.

Representative Bradley replied that they were in with the 2 1/2%. It only adds the additional to raise it up to \$3,000 a year.

Clayton Schenck clarified that it was on the bottom of the amendment. He noted that this was to make the total increase between the pay raise bill and this bill would equal the \$3,000 increase that is in SB 196. That has passed and been signed by the Governor.

The question was called. The motion passed unanimously.

Senator Jacobson presented an amendment to HB 100. (Exhibit #7) She explained that the amendment was the implementation costs of HB 203 which has not passed. She said if it passed in some form it would need to be implemented.

Representative Thoft asked if this was premature or was there another option.

Senator Story asked what the implementation costs were.

Greg Groepper, Office of Public Instruction, explained that this was merely money to implement SB 203. There were some costs for changing out computer programs and SB 203 envisions going to 12 monthly payments instead of the current 5 monthly payments. SB 203, as was originally proposed, had some costs for the school districts that were amended out and now are back in so there are some costs associated with that (Exhibit #7a).

Senator Devlin asked if any FTE were added.

Greg Groepper replied that there was one FTE position that would last about 12 months. It is not an FTE that is expected to carry on into the next biennium. He explained the problem is that the Office of Public Instruction runs most of its information on a Honeywell computer. It does not talk to the state mainframe so it is difficult to get information. Representative Marks had expressed interest that this system be put up on the mainframe, he explained. OPI intends to convert them to the state mainframe and be available to the LFA, Auditor and whoever else wanted to use it. This cannot be done now without a big conversion.

Representative Thoft noted that 2.5 FTE had already been added to OPI.

Greg Groepper replied that the 2.5 FTE were added under the modification process in the budget for additional modified

programs. It had nothing to do with SB 203. One is dealing with some new federal programs, one for adult education.

Senator Story suggested that this amendment be held until later so the committee could think about it.

Representative Spaeth asked for the LFA to present amendments for the various sections.

Judy Rippingale (658) said she would present each sections amendments.

Peter Blouke discussed a technical amendment concerning child support (Exhibit #8).

Representative Spaeth asked about the study on the transfer that Representative Bardanouve had requested. He asked if someone could discuss how this fit in with the transfer.

Julia Robinson (740) explained that Representative Bardanouve thought there would be an impact on general fund. She said this was true, that the Legislative Service Office did review this in terms of the first year. New staff would be added as dollars become available. The Senate put in an exact standard that would have to be met. There would be a guarantee of a certain return on the dollar, however there would be some loss of income because of the learning process in putting new people on and costs are expanded. She said that they felt the program would be cost effective. There are federal sanctions, she said. There is an audit on the child support program that substantial amount of compliance on the state of Montana is required. She pointed out that the staff could not come into compliance without additional staff. The minimum of the sanction could be \$250,000 and can reach to \$1.2 million. She noted that the reason she was involved in the program was because those sanctions would hit the AFDC program. An enterprise account was suggested and that is what the Senate placed in the bill. It also has the transfer of the program from Revenue to SRS and that is what the amendment is about. The money can be transferred, but SRS would still not have the legal authority to run the child support program because of other statutes.

Representative Bradley moved the amendment (#8). The question was called. The motion passed unanimously.

Representative Spaeth asked why the federal sanctions would require taking on that many more people.

Julia Robinson (920) replied that the 70 figure comes from the child support staff in Revenue in their analysis as the bills are moving through. She said they would have the authorization up to 70 but that she would have to look very hard before adding more. The way the enterprise account works is it is put at up to 70 but they don't get to add 70 unless the money is made. She said she did not want to be held accountable for those figures and felt that was a lot of new staff to add. Her suggestion was to look at privatization. She said that the enterprise account should be tried with 10 staff and then add staff as needed. She explained the options. The bill can be left as it is. With nothing done, sanctions will be paid. It could be left in Revenue and funded with general fund and have a certain number of positions approved. This would not be taking advantage of the way child support works when it is handled in a business incentive account. SRS offered to run the program because the sanctions hit that budget. She pointed out there was no clear administration when the program was not a priority, as in Revenue. The other option is to move the program to SRS with an enterprise account. A new approach to funding and new staff is needed before the program can work.

Taryn Purdy discussed an amendment to HB 100 for the Department of Family Services concerning the Title IV-E Independent Living program. The amendment provides additional federal spending authority (Exhibit #9).

Senator Jacobson moved to do pass the amendment. The question was called. The motion passed unanimously.

Peter Blouke discussed an amendment that would increase federal authority for SRS to fund medicaid placements in Yellowstone Treatment Center (Exhibit #10). He noted that HB 304 is on third reading in the Senate.

Representative Thoft commented that the amendment was premature and he asked that it be held until later.

(Tape 1-B)

HB 553

Peter Blouke explained that the bill added professional counseling as a new medicaid service. The amendment would add authority for this purpose (Exhibit #11). He said that HB 453 had been returned to the House where Senate amendments were rejected. The costs are associated with the addition to a new classification of providers under the medicaid program. The department estimated there would be

additional costs to the medicaid program and these are the funds associated with that. He explained that the professional counselors would provide a variety of services and was not restricted to alcohol and drug counseling. The rationale for adding these counselors, particularly in the eastern part of the state, was there were very few licensed psychologists and social workers able to provide services. The professional counselors could provide services that are currently being provided by the more expensive social workers and psychologists.

Senator Story pointed out that the argument had been made in testimony that there should be no increase in costs.

Julia Robinson responded by saying it was a judgement call. At the present time medicaid pays for psychiatrists and licenced psychologists. All this would do is transfer funds from psychologists to counselors. (100)

Representative Thoft moved that the amendment not be adopted. The question was called. The motion passed unanimously.

Judy Rippingale discussed an amendment that would reduce the additional appropriation in personal services for Pine Hills and Mountain View schools for institutional teacher holiday and sick leave benefits (Exhibit #12).

Dave Lewis explained that after some collective bargaining and through HB 786, he did not think this was needed in HB 100.

Representative Thoft moved the amendment. The question was called. The motion passed unanimously.

Representative Spaeth asked Dave Lewis for a list of funds available (Exhibit #13). He said there were two perspective. One was what had to be done to balance the budget to provide current level essential services. The second part deals with school equalization and tax reform.

Representative Spaeth asked if there was an updated list of specific changes.

Dave Lewis noted that the major change by the Governor was additional funds for higher education. He distributed a preliminary list of potential HB 100 cuts that had been compiled before Senate Finance and Claims meetings (498). The increases above current level had been taken out of the bill (Exhibit #14). He pointed out that final decisions had

not been made but these were the areas identified as increases. He said that he had a list of 23 amendments that would coincide with this.

A break was taken at 9:50 a.m. until 10:30 a.m.

HB 679

Judy Rippingale discussed an amendment for the Department of Labor and Industry that would add federal special revenue to the Employment Relations Program if HB 28 is passed (Exhibit #15).

John Huth, from the budget office, explained that HB 28 was in conference committee. This deals with the state minimum wage laws. If the bill passed this would set it in accordance with federal law but not to exceed \$4.00 an hour.

Senator Story asked if this would require another FTE.

Bob Jensen, Administrator of Employment Relations Department of Labor, replied that HB 28 was in conference committee. As it was initially introduced in the House it would have provided for a minimum wage higher than the federal wage. If the bill passed according to the House version, the state would receive many more complaints because the complaints would be filed on the higher minimum wage. When the bill went into the Senate it was amended and it lowered the amount in minimum wage but applied a training wage. The training wage would also require one additional FTE which is funded out of the administrative employer tax, not a general fund position. (785)

Representative Spaeth suggested the amendment be held until the next day so the issues could be resolved.

Dave Lewis explained an amendment that was the result of a veto that the Governor did concerning the income tax checkoff for the Legacy Legislature. His position was that if it were a worthy cause then it should be dealt with as a direct appropriation rather than as an income tax check off. (Exhibit #16)

Senator Devlin asked how much money were they given last time.

Peter Blouke replied it was \$5,000 as a one time appropriation.

Senator Devlin asked what was estimated to be raised in the check off.

Mr. Lewis noted that was the estimated based of what the check off might have raised.

Representative Spaeth asked how much did it cost to have the check off.

Mr. Lewis replied that the last fiscal note indicated a 15% administrative cost to the Department of Revenue to administer the check off.

Mr. Jensen said this would be \$1,500 is assumed that \$10,000 was collected.

Mr. Lewis pointed out the reason for the amendment was the veto of a bill implementing an income tax check off. The Governors position was that it was more properly dealt with as an appropriation issue.

Senator Devlin moved do not concur in this amendment.

Senator Jacobson asked how much the Legacy Legislature cost in the past.

Mr. Lewis replied that he did not have that information. He remembered in the past the appropriations were in the 20-25 thousand dollar range back when it started and it has been phasing down as far as state appropriation.

Senator Jacobson asked what did they use for funds.

Mr. Lewis replied that the people were volunteering their time and it was based on contributions and they wanted the income tax check off for additional contributions.

Representative Spaeth said it was his understanding last session that they were not going to use any more general fund.

Peter Blouke noted that the 1987 Legislature appropriated \$5,000 as a biennial appropriation for this. In 1985, he remembered, in addition to a general fund appropriation there may have been a block grant discretionary fund that may have been used for that.

Representative Spaeth asked if there were a way to find out the history of this issue.

Senator Devlin withdrew the motion.

Representative Spaeth moved the amendment that would add 1.0

FTE reclamation specialist to oversee the reclamation bonding program. (Exhibit #17)

The question was called. The motion passed unanimously. (200)

Senator Jacobson asked about the position of the budget office regarding the 2 1/2 percent increases that this could be accommodated. (Exhibit #18)

Dave Lewis replied that it was the position of the budget office that there was money in HB 100 and they would not need the additional appropriation in personal services for the School for the Deaf and Blind. The increases could still be implemented but an additional appropriation is not required (240).

Representative Bradley requested that this amendment be postponed until later.

(Tape 2-A)

Representative Bradley presented an amendment that would restore funding for 4.00 FTE in the Licensing and Certification Bureau (Exhibit #19). She felt that they could not absorb that kind of loss because of the increase in the number of facilities and the demands for more inspections because of OBRA. She moved the amendment.

Dale Taliaferro, from the department, noted that the 4 FTE were in the original budget. He pointed out that they were approximately two thirds federal funds medicaid medicare.

Representative Bradley pointed out that there was a demand for certification.

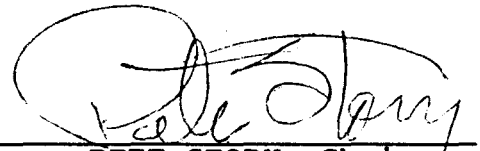
The question was called. The motion failed 3-3 with Senators Devlin and Story, and Representative Thoft voting no.

Claudette Morton discussed the School for the Deaf and Blind regarding the requirement of the school to pay annual leave and holidays. She distributed copies from Attorney General Racicot (Exhibit #20). She pointed out that the school did not have that many substitutes. The school pays about \$40 a day for substitutes and the budget was only figured on \$30 a day. To have two weeks of leave taken it was difficult for the school to absorb. A bill was killed in House Business and Labor that would have exempted the employees from this. The only option was to include this money in the budget.

She felt that a lawsuit would be threatened if the money was not there. (300) She pointed out that the School for the Deaf and Blind had no additional money and the teachers were behind by about \$6,000 a year as compared to other teachers. She noted that the school was not accredited and would not meet even state accreditation because there was not adequate staff at the school in the specialized areas.

ADJOURNMENT

Adjournment At: 12:00 Noon



PETE STORY, Chairman

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