MINUTES

MONTANA SENATE 51st LEGISLATURE - SPECIAL SESSION

COMMITTEE ON FINANCE AND CLAIMS

Call to Order: By Chairman Pete Story, on July 11, 1989, at 9:25 a.m., Room 108, Capitol

ROLL CALL

Members Present: Senator Gary Aklestad, Senator Loren Jenkins, Senator Esther Bengtson, Senator Matt Himsl, Senator Paul Boylan, Senator Tom Keating, Senator Judy Jacobson, Senator Swede Hammond, Senator Pat Regan, Senator Larry Tveit, Senator Fred Van Valkenburg, Senator Dennis Nathe, Senator Greg Jergeson, Senator Gerry Devlin, Senator Richard Manning, Senator Sam Hofman, Senator Lawrence Stimatz, Senator Ethel Harding, Senator Pete Story

Members Excused: None

Members Absent: None

Staff Present: Keith Wolcott

Motion: Senator Fred Van Valkenburg offered a motion that the committee concur in HB44.

Senator Van Valkenburg indicated that he thinks there is pretty strong support in this committee for a Communication Sciences and Disorders program in the State of Montana, that he doubts there are very many members of this committee who do not think they should have this kind of program. He stated that it is unduplicated in the university system, it is a high-quality program, one which places over 75% of its students in jobs in Montana, and that it is one which he thinks is really necessary in the public schools in order to meet the mandates of federal law requiring treatment for three year olds and above who have speech or hearing problems, or are handicapped in some fashion and need that kind of help.

Senator Van Valkenburg then indicated that he knows there are a number of members who are concerned about the inter-mingling of the Legislature into the curriculum of the university system, and he knows there are people who are not happy with the Board of Regents or the administration at the University of Montana for eliminating this particular program in the retrenchment process, so he knows it is not going to be an easy vote, even though an awful lot of people support this particular bill. He stated that he is urging the committee to vote for this bill for a number of reasons, number one of which is, if they do not vote for this bill, the program is going to die, and is not going to be reborn. He added that there is not some magic that will happen next week which will bring this back, that this is, really, the last chance to keep this alive.

He indicated that, second, there has been a considerable amount of compromise since this idea was first put forth, that, when he and others put together the bill, they talked about one year of funding, and that was a compromise to begin with, that they were not trying to get long-term funding for this, but only enough to get it through to the next session so that the Legislature could make a decision as to what was in the state's best interest in this area. He reported that, since then, the appropriation has been cut almost in half and some other sources of funding for the program have been identified, noting that, primarily in that regard, the faculty at the University of Montana has indicated a willingness to re-negotiate their contract with the Board of Regents in order to free-up approximately \$150,000, and the administration believes that it can raise another \$45,000 or so, either through super-tuition from the students in the program, or through some private funding sources.

Senator Van Valkenburg again stated that he knows it is not an easy vote for a lot of people, but indicated that he really thinks it is in the best interest of everybody in the State of Montana to keep this program alive because it is a highquality program, it is not duplicated in the university system, and he thinks because, if it is eliminated, they will likely have to re-establish it at much higher cost later on. He indicated that, for all those reasons, he would appreciate a vote for his motion.

Senator Manning indicated that he speaks in strong support of this bill, and reported that he has received numerous, numerous calls, that they were not from educators, they were from people who are concerned about this program because it is a one-time program. He added that they told him, if he does nothing else, he should vote for that, noting that they were not concerned about the education program, or anything else at that time, other than this program.

Senator Stimatz stated that he will also speak in favor of HB44, and indicated that there is an aspect which has,

SENATE COMMITTEE ON FINANCE AND CLAIMS July 11, 1989 Page 3 of 12

apparently, never been mentioned. He indicated that an awful lot of people in Montana have hearing problems, and that the technical basis for helping those people, and to keep the hearing aid sales people from preying on the hard of hearing, is the speech and hearing section in Missoula, which has rendered excellent service to the public at large. He added that what is also an important factor is that hearing loss became a workers comp injury, or whatever you want to call it, that it was covered by workers comp not too long ago, probably within the last 12 years or so, and they also have relied heavily on this program to provide technical assistance. He stated that, if this leaves, they are killing one of the best things they have in the university system, and added that, as Senator Van Valkenburg said, it can not be replaced cheaply, that there will probably be a big demand to do it, if they lose it here, and, if they start to replace it, it will cost three or four times what it is.

Senator Stimatz then reported that their sound rooms are things of art, that they are very specially constructed, and are not a part of the floor, or anything else, noting that it is a little tiny booth which looks like nothing, but has one heck of a price tag on it. He then reported that he knows a little bit about the program because his daughter went through it and got her masters degree and that, for 12 years after she graduated, she worked in Butte doing free work under the then Easter Seal program. He indicated that the number of people who kept coming in was just astounding, that the numbers grew every year and, finally, the local educational system took it into the grade schools, and are testing the hearing of these children. He added that his daughter went to work for them, but she is no longer in the state, that she got married and has been in California the last three or four years. Senator Stimatz noted that he knows something about that program at the university and their technical excellence, and reported that, when he was County Attorney, they had innumerable complaints from people who had been bilked by hearing aid salesmen, that he could pick up the phone and get all the information he wanted out of the hearing section in Missoula, and they were excellent, very cooperative, and very fair. He urged passage of this bill.

Senator Bengtson indicated that, in recalling the hearing, and asking the Board of Regents if they had investigated all sorts of cost savings methods to save this program, including integrating it with the handicapped special education programs at Eastern Montana College, she remembers Dennis Lind saying that it was not a viable option. She then reported that, after the hearing, two speech pathologists said that this was

SENATE COMMITTEE ON FINANCE AND CLAIMS July 11, 1989 Page 4 of 12

not a new idea, at all, that it was viable in their estimation, and was an excellent place to consider moving that CSD program. She indicated that she had considered offering an amendment saying that, after 1991, the Board of Regents thoroughly investigate and consider moving that program to a less expensive setting, but noted that this has been such a controversial issue that she did not want to muddy up the works, and pit one unit of the system against another. She added that she thinks it is important that they look at Eastern Montana College, where they are concentrating on special education and have the handicapped center.

Senator Bengtson stated that she is going to support this particular bill because she does not want to see the program dropped, and there has been so much effort to keep this program intact. She indicated that, unfortunately, it comes to the Legislature kind of through the back door, but that she thinks it is important that the Legislature give this small amount of money, this small appropriation, their approval, even though it sort of circumvents the whole process, noting that they do that all the time, or at least they try to do it in many instances, and so she would urge the members of the body to support this, keeping in mind that, since it has come to the surface in this manner, and they all know what the program is, they are sending a message also to the Board of Regents to look to a different setting for this CSD program. She again urged the committee to vote for this bill.

Senator Jenkins indicated that he has a little problem here, and the problem is that the Board of Regents, the Commissioner of Higher Education and the president met before session, and during the first part of the session, and agreed upon \$13 million to run the university system, increased over what they were funding before, not decreased, and not even maintaining it even, it was an increase, and that, with the raised tuition costs on their students, it came to over \$30 million. He pointed out that this was agreed upon when they went into session, but they did not come in the session and stick with that agreement, they kept coming in and back-dooring them. He added that there was an amendment for \$1.4 million to pick this university up because they had lost the super tuition they were charging on three programs. Senator Jenkins noted that they ended up with disagreement, either \$16 million or \$14.5 million, and pointed out that, whichever they take, it is over the \$13 million which was agreed upon to run these systems. He indicated that they agreed upon it, and did not go in, as a Legislature, and say they had to cut this program or that program, which is not their function, that the constitution sets it up that the Board of Regents have the right

to say what programs are taught in those schools, and what programs are not taught.

Senator Jenkins then pointed out that they do have one very serious problem with the university system, which is the funding mechanism for these universities. He indicated that they fund by the number of students taught in a class, whether it is basket weaving or whether it is a class which educates them so they can go out and make a living from that class and, even though the costs are little higher, the employment of this class is one of the highest in the university system but, yet, that is the one they want to cut. He stated that he does not think there is any disagreement that this is a necessary class, but he thinks, at the same time, there is a definite disagreement over the importance, because the university president says they do not need this class, that it costs a little bit more. He pointed out that the Board of Regents said that class is unnecessary for education in Montana, and indicated he would like to know what in the hell the universities are there for, if they there to give the kids an education which they can go out and make a living off of, or if they are there for a head count to see whether they can make more money from the more kids they get in.

Senator Jenkins stated that he thinks that is wrong. He indicated that he does not disagree that this program is absolutely necessary, that there is high employability out of this program and yet this is the one they pick to cut. He reported that, in 1987, they asked the university system and their presidents to look at unnecessary programs which could be cut, to look at duplication between the universities, and to look at administrative costs which could be cut. He indicated that maybe Senator Van Valkenburg would like to respond on what cuts were made at these universities in those areas, that he would like to hear for his own information, but pointed out that they did not short them in funding on what was agreeable, that they got more funding than what was agreeable and this is a back-door approach to blackmail the Legislature, that it is not right, there are areas which could have been cut, and every other university took their licks, except one.

Senator Himsl indicated that the Senator from Missoula very well expressed the concern he has with this problem, a difficult one because it is his understanding that the faculty retrenchment committee recommended that this program be closed, the administration recommended that it be closed, the Board of Regents recommended that it be closed, and the testimony before the joint committee indicated that they had

SENATE COMMITTEE ON FINANCE AND CLAIMS July 11, 1989 Page 6 of 12

close to nine graduates a year out of that program. He added that, in the administration's priorities, they did not recommend continuation of the program and so he, for one, does not feel qualified to correct their collective judgement, the judgement of the retrenchment committee, the administration and the Board of Regents. He stated that he thinks it is presumptive of them to arbitrarily override the judgement of those people to whom they have delegated the responsibility of running those schools. Senator Himsl indicated that, in the event they change their mind, surely out of the budget they have they can find \$200,000 to re-establish that program, if they really and truly think it is that important. He again indicated that he, for one, does not feel qualified to correct their collective judgement.

Senator Jacobson stated that she thinks Senator Van Valkenburg really hit it on the head when he said this is a very difficult problem, and that she thinks they can sit there and speculate as to why the Board of Regents did what they did, and the decisions they made, that they can sit around and talk about people blaming people. She reported that the interim committee, when they looked at the formula and simplified the formula, probably compounded a problem they already had with low student/faculty ratio type programs, these health programs, that it is something she certainly wants to look at, and knows others want to look at in the next session, but that will be too late for this program.

She stated that Senator Jenkins is right that they did put \$13 million into the university system, and added that he would also be right if he said that some members of the subcommittee feel they were very neglectful in allowing the Commissioners office to negotiate with the Governor's office without having a lot of input on their own. She reported that the money went to faculty salaries and the library, which is what they said was their priority. She then explained that they have to understand they have also been under a real funding crunch, over the three years, so where they were able to make up in some areas, they were not in others.

Senator Jacobson indicated that they might also remember that the 2.5% which was given to some of the support throughout the state was not given in some of the areas at the university system. She reported that her unit is in a position where they are not unionized, and did not have a contract at that time, so they are giving 6% and 6%. She added that they can blame the Regents or whoever they want, because the Regents signed the contract and are the ones who got them locked into 8.5% and 8.5%. She indicated that she was very encouraged when they tried to negotiate this down to \$200,000, that the union which had worked so hard to get those increases to try and maintain their faculty, noting they are probably in the worst shape of any of the units around the state, was willing to give up part of their first year increases in order to hold this program at the university, and that was one of the things which really sold her. She indicated this is a piddley amount of money, but gives them a chance, it gives that interim committee a chance to really take a look at these high-cost programs, find out how important they are in the State of Montana, and gives them a chance to be able to maybe take a look at doing that a little bit differently.

Senator Jacobson pointed out that, if they do not vote for this bill, the program is out of here, that they are not going to get people back here for a long time. She indicated that she thinks it is worth \$200,000, that everybody is pulling a little to help to do this, and have asked the state to do part, that the union is doing part, the faculty, the university will have to, and the students themselves, even though their jobs are much lower paid than some of these other supertuition jobs, have agreed to super-tuition to keep their program in place. She stated that she thinks everybody is really making a good-faith effort, and all they are being asked for is \$200,000.

Senator Keating asked if Mr. Wolcott can tell him the total cost of this program, the annual total cost of this program. Representative Vicki Cocchiarella responded \$390,000. Senator Keating asked if that is per year, and Representative Cocchiarella responded yes. Senator Keating then asked what is the total, 44 students. Senator Van Valkenburg responded that he thinks 76 students was the testimony, that he thinks there are about half and half graduate and undergraduate students.

Chairman Story indicated that Senator Jenkins touched on one item, that they are being mau-maued, and pointed out that the Health Department does it, SRS does it, that, if they do not get more money, they take the most critical program that they can get the most emotional response to. He noted that, in Washington, D.C. they call it the Washington Monument ploy, that, if they ask the Park Service where they can cut costs, they say they can close the Washington Monument, which, of course, gets everyone upset. He indicated that, two sessions ago, he thought the universities took too big a hit, and made sure that they got a subcommittee, at least in the Senate, which would be fair with them and as generous as the finances would permit, and that they did not just get the \$13 extra million Stephens proposed, which was above the previous budget, that they ended up with around \$17 million in additional money all together.

Chairman Story then indicated that, secondly, noting that he knows he sounds like a broken record, the money is not going to be there two years from now, that whoever is dumb enough to be back here is facing a totally hideous situation. He then indicated that it looks like they could very well be at an impasse, and not be able to solve the main thing they were sent here for. He pointed out that, if they go home and say they could not equalize education funding but, by golly, they gave the university some more money, they will be chased down an alley.

Chairman Story indicated out that it is not that he worries about how the public perceives them, that, even coming into this session, they were maybe regarded slightly above massmurderers, not quite as good as used car salesmen and realtors, but, if the public loses all confidence in them, they are risking an initiative passing which will put the state in an impossible situation. He stated that he thinks, when they take all these things into consideration, no matter how worthy this program is, he thinks they are taking a chance with a lot more than this program by leaving the public with the perception that any time they are over here they are going to crack it to the taxpayers, and not solve the problems. He added that he thinks they are leaving the wrong impression with bureaus, that, any time they can figure out new ways to get more money out of them by simply by putting the highest profile, most emotional programs they have on the line, and saying that is where they will cut. He indicated that he thinks they have to stiffen their resolve, and maybe tell them they can not do this.

Senator Jenkins indicated that Senator Jacobson said the faculty did not take the full increase, and asked if that is for one or two years, that it sounds like only one. Senator Jacobson responded that \$157,000 of the share they are not paying amounts to a 1% decrease in their increases in the first year. Senator Jenkins asked if that would be 7.5% instead of 8.5% for one year. Senator Jacobson responded yes. Chairman Story indicated that he does not see that in the minutes, and asked if they said that in the hearing on this bill. Senator Jacobson responded that it was mentioned in the subcommittee when she offered the amendment, originally, adding that she and Representative Bradley worked this out with Mr. Wolcott, and then worked with Bob Ream and the people over there to get that agreement from them. She added that they did not put that in the bill because, at the time they were amending it, it was still being negotiated but with the understanding that, if the union does not come through, this whole agreement falls apart because that is the bulk of the shared money and they can not do it on super tuition and private donations, that they have to have that money from the union, or it is not going to work.

Chairman Story asked if it is not on the record. Senator Jacobson responded no.

Senator Jergeson indicated that he was not going to say anything about this, but was thinking about comments in opposition to this bill which have taken refuge in the process, that there was some agreement made, that this is back-dooring the agreement and, therefore, they ought not do what is a people program, or a very good program which people like. He reminded the committee that they did not take refuge in the process when they, as a committee, approved money for the Museum of the Rockies at MSU, that they did not take refuge in the process when they approved some renewal resource development money for a seed potato program at MSU, and they did not take refuge in the process when they passed an appropriation for a medical research center in Great Falls. He indicated that the judgement by the Legislature and this committee was that those were programs they wanted to fund and did not worry about what agreements had been made by the Governor's office, or previous administrations, that they decided those were programs which were worthy of funding. He stated that he thinks they are faced with the same situation, here, that either they decide that this is a program which is worthwhile, which serves the constituency and is a very important function, or they take refuge in the process, and he would suggest that maybe the committee ought not avoid being consistent enough, that they not take refuge in the process, and do what they ought to do with this particular program.

Senator Harding indicated she would like to comment on something Senator Himsl said, which is a reminder that they remember who turned this down, the Board of Regents, the retrenchment committee and the faculty, that they turned it down and, if they funnel money in there, they are thinking it is not a cost-effective program. She pointed out that they all agree, that she does not think there is anyone here who does not think it is a fabulous program and, in Montana, they would like to see it go, but asked what have they done if they channel money into that program, and the feeling is still there by the faculty, the retrenchment committee and the Board of Regents, that this is the least important program because they only run through a few students a year, that they graduate nine a year. She noted that those nine students are very important, but asked what have they gained if they make a change in what has already been decided.

Senator Van Valkenburg responded that they did not turn this program down because they did not think it was important, that in every instance the retrenchment committee, the administration and the Board of Regents all said this is an important and valuable program. He indicated that they turned it down because they did not have enough money to keep it going when they added up the bottom line of what the costs were for everything. He stated that all that is involved here is that there is not enough money to do it.

Senator Van Valkenburg then responded to Senator Jenkins, and indicated that UM took big cuts, that it took \$1.2 million in hits, in addition to this program, pointing out that nobody is here complaining, whining and crying, or doing anything about that. He indicated that there are a lot of other things being cut on the University of Montana campus and on other campuses, because \$13 million was not enough to meet current levels, given how far they are behind in faculty salaries in comparison to peers. He reported that UM and Bozeman are only at 67% of what their peers are. He then stated that all he is asking for in this bill, that all anybody is asking for is to keep this thing alive long enough so that the Legislature can figure out if the citizens of Montana really can do without this program. He indicated that he does not know whether it can survive, that, if it comes back next session, it will have to be modified and will stand out there like a sore thumb, that it is likely to get moved to another campus and, if that is appropriate, he will support that, adding that he does not want the program in Missoula for Missoula's sake, that he wants the program available in case there is a kid in Billings, Great Falls, Plentywood, Livingston, or wherever, who needs the ability to work with someone, on a one-to-one basis if necessary, so they can talk like he is talking right now, or hear like the committee members are hearing. He stated that is all it is about.

Senator Regan indicated that this is the kind of vote which is so frustrating to her because, having served on the Finance and Claims Committee for as long as she has been here, by the time she finishes 18 years, and knowing how the process works, she feels frustrated because the program is before them because they are in special session, that, if they were not here, this issue would not be before them. She further indicated that she certainly understands the process the university goes through in which they have to judge the recommended programs for cuts, that the programs for cuts are not always the programs which rank always in terms of the highest merit of the program, per se, but sometimes the cut is made on the basis that it does the least damage to the whole. She explained that, in other words, they can cut certain programs out of the university unit without affecting all the rest of the body and so this one, which may have great merit, is sacrificed because it is not intertwined with the rest of the disciplines, adding that she thinks that is why this program is before them.

Senator Regan pointed out that there has been a lot made about it being moved to Eastern, but that it is not going there, and it will not go there, that, by virtue of the faculty making their sacrifice, it further cements it there. She added that she believes it belongs at Eastern, and would love to see it there, but she is a realist about that. She indicated that she is willing to vote for it, reluctantly, that she is just gritting her teeth simply because she thinks the program was plucked like the program in religion, noting that the program in religion does not get the kind of support that this one does, that she thinks it is a program of merit, that at least the kids who graduate from there get hired right away. She then pointed out that they talk about educating kids, and whether this program is subsidized, and indicated that every program at the university is subsidized, that there is not a single program which, on its own, pays its full cost, that they are all subsidized. She stated that, frustrating though it is, again noting that she is gritting her teeth when she does it, she is going to vote for it and, at the same time, sort of kick herself around the block because she, above all, has been critical of the Regents, and others, that they have not been able to bring what she felt were some needed reforms, noting that, yet, when they do it, they step in and say yes, yes, but indicated that they mean no, no. She indicated that she quesses she puts this program in a different category and, for that reason, will support it, reluctantly.

<u>Vote</u>: Chairman Story called for a roll call vote on the motion by Senator Van Valkenburg that the committee concur in HB44. The motion failed with 8 members in favor and 11 opposed.

Senator Van Valkenburg asked Chairman Story if the motion can be reversed. Chairman Story indicated that, without objection, HB44 will be reported out be not concurred in.

Motion: Senator Aklestad offered a substitute motion that HB44 be tabled.

Senator Jergeson stated that he objects to this motion. He indicated that this was tried during the regular session, that it was done, often times, in some other committees, and he thinks it is a way to sweep things under the rug. He further indicated that the committee should either make a motion to pass the bill, or kill the bill, pointing out that the vote on the motion of Senator Van Valkenburg was pretty clear-cut and, if they do not have the strength of their convictions to send it out on the floor and defend the same kind of vote on the floor, it is plum ridiculous.

Chairman Story noted that it will come out on the floor, anyway.

- Vote: Chairman Story called for a roll call vote on the motion by Senator Aklestad that HB44 be tabled. The motion failed with 7 members in favor and 12 opposed.
- <u>Motion</u>: Chairman Story offered a motion that HB44 be reported on an adverse committee report.
- <u>Vote:</u> Motion passed unanimously by the committee that HB44 be reported on an adverse committee report.

ADJOURNMENT

Adjournment At: 10:10 a.m.

PETE STORY, Chairman

PS/mhu HB44EXAC.711

DAILY ROLL CALL

DATE July 11, 1989

NAME	PRESENT	ABSENT	EXCUSED
Senator Gary Aklestad	V		
Senator Loren Jenkins			
Senator Esther Bengtson			
Senator Matt Himsl			
Senator Paul Boylan	V	·	
Senator Tom Keating			
Senator Judy Jacobson			
Senator H.W. "Swede" Hammond			
Senator Pat Regan			
Senator Larry Tveit		 	
Senator Fred Van Valkenburg			
Senator Dennis Nathe			
Senator Greg Jergeson			
Senator Gerry Devlin	V		
Senator Richard Manning			
Senator Sam Hofman			
Senator Lawrence Stimatz		1	
Senator Ethel Harding			
Senator Pete Story			

Form CS-30 Rev. 1985

25

ROLL CALL VOTE

FINANCE AND CLAIMS

COMMITTEE

TIME: 10:05 AM

DATE:

BILL NO.: <u>HB44</u> Auly 11, 19.89

NAME	YES	NO
Senator Gary Aklestad		\checkmark
Senator Loren Jenkins		\checkmark
Senator Esther Bengtson		
Senator Matt Himsl		V
Senator Paul Boylan		
Senator Tom Keating		
Senator Judy Jacobson		
Senator H. W. "Swede" Hammond		~
Senator Pat Regan	\checkmark	
Senator Larry Tveit		V
Senator Fred Van Valkenburg	V	
Senator Dennis Nathe	,	\checkmark
Senator Greg Jergeson	1	
Senator Gerry Devlin		V
Senator Richard Manning	V	
Senator Sam Hofman		
Seantor Lawrence Stimatz	i	
Senator Ethel Harding		V
Senator Pete Story		\checkmark

us ligchurch

ous/mlu

by Senator Van Vallexbrug Hat mittee concur in H344 Motion: notion

ROLL CALL VOTE

FINANCE AND CLAIMS

د_

COMMITTEE

DATE: <u>July 11, 1989</u> BILL NO.: _	<u>HB44</u> time	e: <u>10:08 An</u>
NAME	YES	NO
Senator Gary Aklestad		
Senator Loren Jenkins		
Senator Esther Bengtson		
Senator Matt Himsl	~	
Senator Paul Boylan		~
Senator Tom Keating		-
Senator Judy Jacobson		
Senator H. W. "Swede" Hammond		
Senator Pat Regan		
Senator Larry Tveit	V	1
Senator Fred Van Valkenburg		
Senator Dennis Nathe		
Senator Greg Jergeson		V
Senator Gerry Devlin	i	
Senator Richard Manning		V
Senator Sam Hofman	V	1
Seantor Lawrence Stimatz		
Senator Ethel Harding	V	1
Senator Pete Story		
·		

Tay leschunch Secretar

_____ <u>Lete Story / mbc</u> Chairman Senator Applestad Hart HB44 Motion: