

MINUTES

MONTANA HOUSE OF REPRESENTATIVES 52nd LEGISLATURE - REGULAR SESSION

COMMITTEE ON APPROPRIATIONS

Call to Order: By Chairman Bardanouve, on March 18, 1991, at 8 a.m.

ROLL CALL

Members Present:

Francis Bardanouve, Chairman (D)
Ray Peck, Vice-Chairman (D)
Dorothy Bradley (D)
John Cobb (R)
Dorothy Cody (D)
Mary Ellen Connelly (D)
Ed Grady (R)
Larry Grinde (R)
John Johnson (D)
Mike Kadas (D)
Berv Kimberley (D)
Wm. "Red" Menahan (D)
Jerry Nisbet (D)
Mary Lou Peterson (R)
Joe Quilici (D)
Chuck Swysgood (R)
Bob Thoft (R)
Tom Zook (R)

Staff Present: Terry Cohea, Legislative Fiscal Analyst
Jim Haubein, LFA Staff
Sylvia Kinsey, Committee Secretary

Please Note: These are summary minutes. Testimony and discussion are paraphrased and condensed.

Note: The Chair and the Vice Chair alternated during the meeting and no note is made of the change in these minutes.

Announcements/Discussion: **CHAIRMAN BARDANOUE** said the committee had to finish by 5 p.m. for the printing to be ready for floor action. He said the bills that were scheduled to be heard today will have to be heard tomorrow since this bill is not finished and must be completed today.

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INSTITUTIONS

REP. MENAHAN said the Institutions Subcommittee was composed of himself as Chair, Reps. Cody and Swysgood; Senators Vaughn, Aklestad and Beck. The LFA Analysts were Sandra Whitney and Skip Culver. Mary LaFond, OBPP Analyst, and Secretary Mary Lou Schmitz. He gave an overview of each section prior to making an amendment to accept it as well as pointing out the language.

Central Operations:

MOTION: REP. MENAHAN moved mod 1, Special Services, D-6 be adopted. Second by Rep. Cody.

REP. BARDANOUVE asked whose mod this was and REP. MENAHAN said the Governor's. REP. PETERSON asked who the two FTE in Special Services are going to be and Ms. Whitney said they were two administrative staff people. The committee left in a consultant but not the two staff people.

Vote: Motion passed unanimously.

Motion/Vote: REP. MENAHAN moved mod 2, Board of Pardons Staff be adopted. Second by Rep. Bardanouve. Motion passed with Reps. Cobb, Swysgood and Peterson voting no. Some members were not present.

Motion/Vote: REP. MENAHAN moved mod 3, Information System Enhancement. Second by Rep. Bardanouve. Motion passed unanimously.

Corrections Systems:

Language on D-9 was discussed. REP. BARDANOUVE said they were planning for a renovation of small buses and vans and asked if that would be accommodated by this language if they get in the program. REP. MENAHAN said as he understood it, they will be.

Motion/Vote: REP. MENAHAN moved mod 1, Jail Parole Violators, D-11 be adopted. Second by Rep. Bardanouve. Motion passed unanimously.

Motion/Vote: REP. MENAHAN moved mod 2, Jail Graduated Sanctions be adopted. Second by Rep. Quilici. Motion passed 14 to 3 with Rep. Swysgood, Peterson and Cobb voting no, Rep. Grady absent.

MOTION: REP. MENAHAN moved mod 3, D-12, Staffing for Additional

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REP. PECK said there is a slight difference between the Executive and the committee but the FTE are the same. He asked what the difference was. **Ms. Whitney** said the FTE is one lower, since in FY '93 the committee took out one FTE.

Vote: Motion passed unanimously.

Motion/Vote: **REP. MENAHAN** moved mod 4, Operating Cost Increases be adopted. Second by Rep. Bardanouve. Motion passed unanimously.

MOTION: **REP. MENAHAN** moved mod 5, Targeted Case Management be adopted. Second by Rep. Bardanouve.

REP. PECK said there is about \$11,000 difference and no FTE difference. He asked why and **Ms. Whitney** said the committee took out appropriation authority for one vehicle.

Vote: Motion passed 16 to 2 with Reps. Swysgood and Peterson voting no.

Motion/Vote: **REP. MENAHAN** moved mod 6, SRFC CD Program be adopted. Second by Rep. Nisbet. Motion passed unanimously.

Motion/Vote: **REP. MENAHAN** moved mod 7, Female Correction Population Increase be adopted. Second by Rep. Nisbet. Motion passed unanimously.

MOTION: **REP. MENAHAN** moved mod 8, WCC Additional Staff be adopted. Second by Rep. Bardanouve.

REP. ZOOK said that is a little over \$40,000 per FTE and wondered why that was so high. **REP. PECK** said that was a biennial appropriation and would be about \$20,000 per year.

Vote: Motion passed 15 to 2 with Reps. Grinde and Peterson voting no and one absent.

Motion/Vote: **REP. MENAHAN** moved mod 9, BLSC Increase be adopted. Second by Rep. Bardanouve. Motion passed unanimously.

MOTION: **REP. MENAHAN** moved mod 10, Women's Pre-Release Center be adopted. Second by Rep. Bardanouve.

REP. THOFT asked when this could be in operation. **Mr. Dan Russell, Administrator, Division of Corrections**, said they hoped by late summer. **REP. MENAHAN** asked where this new one will be and **Mr. Russell** said they have not identified the site yet. Several

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by late summer. REP. MENAHAN asked where this new one will be and Mr. Russell said they have not identified the site yet. Several communities have expressed interest but they did not know yet.

REP. MENAHAN asked if it was possible to start up two. Mr. Russell said he did not think so. The money was allocated for a 16 bed facility and the start-up costs for that along with the staffing. He thought there would be a duplication of staffing if there were two centers with 8 each. REP. MENAHAN asked about 30 with 15 each and Mr. Russell said he believed they had been through that with the number of females they have that could be placed in another pre-release center right now. He did not think there was that number of people they could bring out of the existing women's prison at this time.

REP. QUILICI asked, in the event this new pre-release center is implemented, can you populate it with the 16 people right now? Mr. Russell said between now and the time that opens and through the next year we have projected it will be filled by then. There are some women in the prison right now that could go, but not enough to fill it at this point.

Vote: Motion passed unanimously.

Motion/Vote: REP. MENAHAN moved mod 11, Local Jurisdiction Sentencing Options be adopted. Second by Rep. Bardanouve. Motion passed unanimously.

Motion/Vote: REP. MENAHAN moved mod 12, D-13, Pre-Release Expansion be adopted. Motion passed unanimously.

Motion/Vote: REP. MENAHAN moved mod 13, House Arrest be adopted. Second by Rep. Bardanouve. Motion passed unanimously.

MOTION: REP. MENAHAN moved mod 14, Great Falls ISP Program be adopted. Second by Rep. Bardanouve.

REP. QUILICI asked how the Intensive Supervision Program worked? Mr. Russell said when an individual goes to district court and is about to be sentenced, they have an officer in Missoula and Billings that goes to court and listens to the testimony and informs the court that this individual might be a person who could function under intensive supervision with electronic monitoring. At that point the court suspends making any determination until they can interview the person and run them through screening to determine if they are a viable candidate. If they then inform the court the person can be on intensive supervision, the court will modify their court order rather than

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that supervise 25 people. They have different shifts and check on them 24 hours a day and have intensive programming they do with them to meet the kinds of needs that seem to cause their felony behavior.

Vote: Motion passed unanimously.

Motion/Vote: REP. MENAHAN moved mod 15, Probation/Parole officers be adopted. Second by Rep. Nisbet. Motion passed unanimously.

Mental Health System:

Language, D-15. REP. PECK said he wondered about the rationale in dealing with transfers. REP. MENAHAN said he thought it was in the present statute, Section 53-6-303, MCA. REP. PECK asked why it is being repeated if it is already in statute. Ms. Whitney said when the Dept. reorganized, they split the operating at Montana State Hospital at Galen between Mental Health and the Chemically Dependent. The chemical dependent are all in the Chemical Dependency Division now, and because there is shared support between CD and Mental Health at that facility, all of the operating for CD is in the Mental Health budget and they need to transfer from the Mental Health budget to the CD budget to allocate those funds.

REP. MENAHAN said the budgets are set up in systems now rather than the individuals we had before.

MOTION: REP. CODY moved to strike the language in the third paragraph on D-15. Second by Rep. Johnson.

REP. CODY said in committee the Mental health part under Community Services was line automat and every other budget, particularly in Human Services, when you gave them an increase you put it in the rebase. We ended up where she thought they were giving these people a 4% increase and we gave them nothing, it was exactly what they had in the last session. Her motion would put that money into the base.

Ms. Whitney said last session the Legislature gave the Mental Health Providers a 2% annual increase, but they said those annual increases could not be included in the base this time. As a result they had to go on a modified request to come into the base at current level. This committee this time made the same motion to keep it out of the current level base. This motion would make this appropriation a continuation of what they got last time, current level as it has been done everywhere else.

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REP. KADAS asked if anyone knew why it was done last time and **REP. MENAHAN** said Mental Health didn't want it to go into the base, they wanted it to be reviewed. That is what we did, we looked it over and it didn't get into the base.

REP. PECK asked if the effect of this motion would be to put it into the base. He was told yes. **REP. QUILICI** asked when you put this money in in '89, what percentage was it? He was told 2%. He then asked if this would put it into the base, and **REP. CODY** said it doesn't give them any increase over last year, it just puts the actual amount they received last year into the base and does not line item it.

Vote: Motion on striking language passed 10 to 8 with Reps. Swysgood, Thoft, Bardanouve, Grady, Cobb, Grinde, Peterson and Zook voting no.

REP. THOFT said he had a problem with the legislative intent because it appears to strictly limit any improvement that may be made in those programs, and there certainly could be some in them.

MOTION: **REP. THOFT** moved to strike the language under Legislative Intent on D-15. Second by Rep. Grinde.

REP. MENAHAN said he would resist the motion because we gave them a systems and this would give them the right to do anything they want and he was not convinced it would be the right thing. They will eliminate an entire program the Legislature did not intend to have cut out and with 1600 people admitted to the alcoholic program alone, if we had followed along with the Dept.'s decision there would have been a lot of people not being treated. The survey taken out of Eastern Montana College said 70% of those surveyed opposed this and he would oppose the motion.

REP. QUILICI said he opposed removing the language because this language is in there to make sure the Department and the Administration do not continue to let this facility deteriorate the way it has been doing until after the bill gets through with the study to determine the course of action to be taken.

REP. PECK said if the bill goes through and there is language in there that would violate this, it would be superior to the boiler plate language in the bill? Where would we stand in terms of equality of authority? **REP. MENAHAN** said in Section 56-6-303, MCA, they have that authority. **Mrs. Cohea** said she understood the resolution that passed was for study over the biennium so it wouldn't conflict over this biennium if both existed.

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MCA, they have that authority. Mrs. Cohea said she understood the resolution that passed was for study over the biennium so it wouldn't conflict over this biennium if both existed.

REP. BARDANOUE said later he will offer some amendments on Galen which may change this policy somewhat. REP. KADAS asked if the amendments would change the legislative intent on this page?

REP. BARDANOUE said it might unless you don't adopt the amendments. REP. KADAS said if we don't change the amendments here we will get to discuss that whole issue on the amendments and there is no sense in discussing it twice. REP. THOFT withdrew his motion.

MOTION: REP. CODY moved to amend on D-14 and D-15 to add FY '92 a 2% provider increase over the biennium the same as they had last year. That would add \$95,577 the first year and \$204,085 the second year. Second by Rep. Menahan.

REP. CODY said she would like to give them a 2% increase because we just kept them at current level and these are the folks out in the communities that are trying to keep it all together. If the study on Galen ends up closing down some units we will have to have the people out in the communities. The effect of the motion would be an addition of \$299,662 over the biennium.

REP. QUILICI asked who the providers are and REP. CODY said all the region and all the community service providers through the state. They are non profit corporations.

REP. BARDANOUE asked if they received anything in '89 and REP. CODY said 2%. This would give them 2% for the next biennium.

REP. THOFT asked if there was a chance it would be a line item mod. and REP. CODY said it should not be line itemed since it should be the same as the others. REP. KADAS said all the other mods for the provider increases are standing out in the budget as a specific line, but they will be included in the base next time, is that correct. REP. PECK said yes, unless otherwise specified.

Vote: Motion was passed 11 to 7 with Reps. Thoft, Swysgood, Grady, Peterson, Zook, Grinde Cobb voting no.

MOTION: REP. MENAHAN moved mod 1, Homeless Block Grants, D-16 be adopted. Second by Rep. Bardanoue.

Vote: Motion passed 16 to 1 with Rep. Peterson voting no and Rep. Grady absent.

MOTION: REP. MENAHAN moved mod 2, Service Provider Increases, D-17 be adopted. Second by Rep. Bardanouve.

REP. MENAHAN explained the mod and REP. PECK asked if this was not already taken care of. REP. KADAS asked what the \$10,804 was and REP. MENAHAN said it was 1/2 of a percent. REP. MENAHAN said by REP. CODY's previous motion those figures will be adjusted.

Ms. Whitney said this service provider increase is the increase that was referred to by the language you struck. She said she will take this out of the mod and put it in current level but you still need to approve the amount of dollars to get it there. In addition to that, the dollar amount that will go into current level will be approximately \$206,000, the other \$10,000 has been applied to REP. CODY's motion on the 2% increases that go into the new biennium. She said it doubled up a little and her motion to move the \$206,000 into current level will result in elimination of this \$10,000 and that will be shown with the provider rate increase for '92.

REP. PECK asked since the figures are not quite accurate, the committee can adopt item 2 and you will adjust? MS. Whitney said yes. The motion was adjusted to reflect the above.

Vote: Motion passed 13 to 4 with Rep. Peterson, Zook, Grinde and Swysgood voting no, Rep. Grady absent.

Motion/Vote: REP. MENAHAN moved mod 3, Center for the Aged, Additional Staff be adopted. Second by Rep. Johnson. Motion passed unanimously.

Motion/Vote: REP. MENAHAN moved mod 4, Federal Data Grant be adopted. Second by Rep. Peterson. Motion passed unanimously.

Motion/Vote: REP. MENAHAN moved mod 5, Child and Adolescent Services be adopted. Second by Rep. Bradley. Motion passed unanimously.

MOTION: REP. MENAHAN moved mod 6, Community Services General Fund be adopted. Second by Rep. Quillici.

REP. PECK asked if that is the direct general fund replacement for federal funds that is terminated? REP. MENAHAN said no, it isn't and asked the LFA to explain it. Ms. Whitney said this is another mod that resulted from action last session. Last session some chemical dependency block grant money was moved into mental health and the general fund was reduced. Now that money has been moved back to chemical dependency and the general fund replaced.

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Vote: Motion failed 9 to 9 with Reps. Bardanouve, Peck, Thoft, Swysgood, Grady, Zook, Peterson, Grinde and Cobb voting no.

Motion/Vote: REP. MENAHAN moved mod 7, MSH CD Counselors be adopted. Second by Rep. Kadas. Motion passed 11 to 7 with Rep. Thoft, Swysgood, Grady, Zook, Peterson, Grinde and Cobb voting no.

Chemical Dependency System:

REP. BARDANOUVE passed out EXHIBIT 1, a report from Carroll South, LFA staff, on the Montana State Hospital, Galen Campus; and EXHIBIT 2, summary of Galen language, and explained the summary to the committee. He said the administration proposed to close Galen and he had felt this was a radical approach to close it by the end of June. He felt there were some serious short comings at Galen that needed to be addressed by the Legislature. There are problems, the facility is getting old, and it was grandfathered in to get under medicaid certification. When the feds ask for a review we will undoubtedly lose the certifications. The present law permits the transfer of the hospital residents to private nursing facilities in "the least restrictive atmosphere". There have been transfers made but not many in the past few years. He felt to have closed Galen by July 1 would have been a very serious move, a blow to the employees there, and he was not sure if it should ever be completely closed or if there should be further consolidation of the Warm Springs Campus. It would have been a serious move on the patients themselves. He said he had reviewed this with the Governor's office.

MOTION: REP. BARDANOUVE moved the amendment to the language, there is no change in the law, EXHIBIT 2. Second by Rep. Thoft.

Curt Chisholm, Director, Dept of Institutions, said the proposal you have here is at least consistent with a concern he has relative to the whole issue of the closure of Galen. The biggest concern that had focused in on closing Galen so far as he was concerned, was the under utilization of nursing care beds at that facility. He has 60 nursing care beds on the campus of the Montana State Hospital, and 191 at the Center for the Aged, which is a facility that is also a part of the Mental Health system. Because of the low utilization and because of 2 nursing care assessments performed on all of the patients at Galen and MSH and the Center for the Aged, the information would indicate there are nursing care patients within their specialized nursing care service beds at those 3 institutions that actually could be served in ordinary nursing home environments. In addition the

the Center for the Aged, the information would indicate there are nursing care patients within their specialized nursing care service beds at those 3 institutions that actually could be served in ordinary nursing home environments. In addition the information pointed out there were substantially high numbers of patients that in their judgement were in the wrong place. He said he had judged the Legislature would want to close Galen, and if the intent is to keep Galen at status quo for the next 2 years while it is being studied, it bothers him relative to the nursing home patients that have been identified as being appropriately served elsewhere. He gave an example of 31 patients of the 66 reviewed at Galen by the nursing care assessment, indicates these people do not need the specialized care of an institutionalized nursing care bed within the Dept. of Institutions. He felt a study was important and more people were needed to get involved than the Department. He did not feel what REP. BARDANOUVE was proposing was inconsistent or incompatible with the study and it would help to determine whether this can or cannot be done successfully.

REP. PECK asked, given all your concerns, you find this a positive bit of language in the bill? Mr. Chisholm said he finds it positive and that it does not leave him in a vacuum or in a situation of being in a real troubled spot. It improves the present situation.

REP. CODY said she sat on the Institutions Subcommittee and tried to be objective about any decision she made. It was her conclusion that we were not quite ready to make a decision to close the campus and if there was a dilemma, the Dept. found itself in, it was probably created by themselves. She felt the proper procedure has been put in place through the study and it is up to the Legislative body to make the decision and to have hearings from the public as to what should be done. She said services were not ready in local areas that are qualified to handle transfers from Galen to local areas. There is a large waiting list for treatment at the present time.

Tape 1, side 2

REP. QUILICI said he appreciated REP. BARDANOUVE handing out this overview he spoke to in Feb, 1991. He reviewed the amendment and said this is doing exactly what the Administration and the Dept. has always wanted to do. It gives them the authority to close down Galen. This study won't even be needed because by 1993 there won't even be a Galen. He said he would oppose the amendment.

REP. THOFT said he thought this was an area everybody was concerned about. Everyone knows people who have had chemical

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dependency problems and are familiar with people that require nursing home care. He felt this amendment gives the Dept. the opportunity to improve the care for the people that are there. He did not think it would close Galen. He felt the issue should not be closing Galen, but better care for the people that are there. He felt there are much better chemical dependency programs than there is at Galen.

REP. MENAHAN said if he had known there would be a hearing on this bill today he would have brought the County Attorney's Association, Dr. Lord and the people who are experts in this area. Missoula County is the biggest contributor to the alcoholic program. They have in-patient and intensive out-patient treatments, and had over 200 people admitted to this program. The AA throughout the state support this program as a very successful program. The cost is \$65 a day in this facility and the cheapest other is \$200 plus and he was concerned that people could not afford the treatment. He felt this was a poorly conceived plan by the Dept. and the ones hurt will be the ones admitted to Galen. There were 1600 alcoholics, 800 of them possibly had no means of support, there were 400 court orders. The County Attorney's Assoc. at their convention passed a resolution in support of keeping Galen open.

REP. PECK said he was concerned about the cost. He didn't know how accurate the figures are, but as a psychologist who has dealt with many people who have addictive problems, he was concerned about the practice of shipping people from great distances in Montana to Galen. It takes them out of the local situation, it takes them out of the family situation and out of their support structure, then takes them back and drops them into the community, often with very little support or follow up. He said he did not know about the quality of local programs and could only speak of his immediate area. The Northern Montana Hospital in Havre just built a fine facility and have lots of qualified personnel there. It may be more of a medical model because of the association with the hospital and some people would question quality on that basis, but he felt the primary counseling staff was a very qualified staff. He said he did not like institutions or institutionalizing people, and thinks it is a more positive approach to have them closer to home.

REP. BARDANOUVE closed on his motion by saying he felt there were concerns on both sides and **Mrs. Cohea** had some concerns also. This is the only way the Administration cannot dump people out if there are not cost effective programs. If it is \$200 a day the Administration cannot put people out there because they won't have the money and they will have to prove to the Legislature and

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Warm Springs has been down sized from 1900 people to just a few by comparison. They have downsized Boulder from about 900, Galen was full and the philosophy is that people are better off in their local home areas if they can get good treatment.

Vote: Motion on Rep. Bardanouve's amendment failed on a tie vote, roll call vote # 1.

MOTION: REP. MENAHAN moved mod 1, Alternative Chemical Dependency Services, D-19 be adopted. Second by Rep. Nisbet.

REP. COBB asked what the big difference was between the mod and the Executive version. Ms. Whitney said the major difference is the mod was designed to close Galen and move that money into alcohol community services.

Vote: Motion passed unanimously.

Motion/Vote: REP. MENAHAN moved mod 2, Community Youth Activity Demonstration Grant, D-20 be adopted. Second by Rep. Peterson. Motion passed unanimously.

Motion/Vote: REP. MENAHAN moved mod 3, Chemical Dependency Data Grant be adopted. Second by Rep. Peterson. Motion passed unanimously.

Developmentally Disability System:

Motion/Vote: REP. MENAHAN moved mod 1, ICF/MR Certification at MDC, D-23 be adopted. Second by Rep. Nisbet. Motion passed unanimously.

Motion/Vote: REP. MENAHAN moved mod 2, ICF/MR Certification at Eastmont be adopted. Second by Rep. Swysgood. Motion passed unanimously.

Motion/Vote: REP. MENAHAN moved mod 3, EHSC Additional Staff be adopted. Second by Rep. Cody. Motion failed 8 to 10 with Rep. Thoft, Grady, Grinde, Swysgood, Kadas, Zook, Peterson, Cobb, Bardanouve and Peck voting no.

MOTION: REP. COBB moved on D-1 to remove 2% from Personal Services.

Mrs. Cohea said this would be a total of \$1,091,533 of which \$1,000,043 would be general fund.

REP. MENAHAN said he thought this was a lot of direct care people

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Mrs. Cohea said this would be a total of \$1,091,533 of which \$1,000,043 would be general fund.

REP. MENAHAN said he thought this was a lot of direct care people and with the prison guards, etc. it is pretty hard to cut.

Vote: Motion passed 9 to 8, roll call vote # 2.

Montana Arts Council:

MOTION: **REP. MENAHAN** moved mod 1, Cultural and Aesthetic Grants, D-28 be adopted. Second by Rep. Nisbet.

REP. BARDANOUVE asked how come this was not approved by either the Executive or the Legislature? **REP. MENAHAN** said it must be a typo, since the committee approved it at half of what they asked for. **REP. PECK** said it is federal money and asked **Mr. Culver** if there is an adjustment. **Mr. Culver** said the original mod had \$35,000 from the Cultural and Aesthetic Arts that did not belong in here, they corrected it by taking it out. It was in the LRP program and they removed the duplication.

Vote: Motion passed unanimously.

Motion/Vote: **REP. MENAHAN** moved mod 2, Increased Federal Authority, D-29, be adopted. Second by Rep. Nisbet. Motion passed 17 to 1 with Rep. Cobb voting no.

REP. MENAHAN said there was an amendment from the Budget office. **Mary LaFond, Budget Analyst, OBPP**, said the Arts Council was notified of an increase in their Arts and Education grant by \$8,300 each year.

Motion/Vote: **REP. BARDANOUVE** moved to amend D-27 Grants and Federal Revenue Fund lines in Table, **EXHIBIT 3**. Second by Rep. Kimberley. Motion passed unanimously.

State Library Operations:

Motion/Vote: **REP. MENAHAN** moved mod 1, Library for Blind & Physically Handicapped be adopted. Second by Rep. Nisbet. Motion passed unanimously.

MOTION: **REP. MENAHAN** moved mod 2, Library of Congress Dues be adopted. Second by Rep. Kimberley.

REP. PECK asked if this originated with the committee and **REP. MENAHAN** said from the committee on the recommendation of **REP.**

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MOTION: **REP. MENAHAN** moved mod 3, State Aid to libraries be adopted. Second by Rep. Thoft.

REP. BARDANOUVE said this surprised him. In this time of short fall how do we get so generous as to put in that much money and not cooperate with state government? He said this is nearly \$3/4 million for local libraries.

REP. PECK asked about the basis of the grants and how will they be distributed. **Mr. Culver** said they would be primarily distributed to the Federation which will then give assistance to the local libraries for multi library cards. **REP. PECK** said this is the grants and the multi library cards are in a different appropriation. **Richard Miller, State Librarian**, said the grants to the local libraries would be on the basis of per capita and per square mile. It was done that way because there was a recognition that if it were straight per capita the larger more populous areas would receive money that would help serve the population, but there are so many counties with low population they felt it should be both per capita and per square mile.

REP. PECK said every county that has a library will receive funds out of the grant? **Mr. Miller** said yes. **REP. GRINDE** asked if the Legislature hadn't given a pretty good chunk of money to the local libraries in this same area? **Mrs. Cohea** said on D-36 that amount continues forward to '93 biennium is shown at current level adjustment. This amount of money that was approved for the current biennium is in the base and would continue under the subcommittee's recommendation into the '93 biennium and in addition to that would be modification no. 3.

REP. KADAS said he was having difficulty on D-33 looking at how the grants are going out. Both of them seem to be loaded into FY '92, and he asked what that rationale was. **REP. PECK** said it just shows that way, it is a biennial appropriation and they can spend it both years. **REP. KADAS** said the LFA fiscal language for '92 and '93 current level is \$1/2 million less than the Executive proposal. **Mr. Culver** said the Executive had a larger federal grant than the LFA. The LFA recommended level of federal grants was based on actual expenditure. **REP. KADAS** asked if those federal grants are available in the coming biennium and **Mr. Culver** said a large portion of the federal grants are for Library Construction and the agency has requested a significant federal appropriation in case these Library Construction grants are awarded. **REP. KADAS** asked if this mod would affect in any way the ability to get the federal grant and **Mr. Culver** said no.

REP. PECK said if a member of the committee wants to support some

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part of # 3 but has concern about the grants, we may end up voting for # 3 and then voting against the current level adjustment. He told REP. MENAHAN he was not sure that was what the subcommittee wanted to do.

REP. BARDANOUVE asked where the current level is and was told on the next page which is the continuation of the \$556,000 grant made last session and mod 3 would add \$466,000 to that. He said we are increasing this far more than we ever have. He said he would like to give them some money but not this big chunk.

Substitute Motion: REP. COBB moved to strike the \$466,000 in mod # 3. Second by Rep. Bardanouve.

REP. PECK said by taking the \$466,000 out of that grant, it would reduce the \$670,621 by \$466,000 and it would leave in the money for the multi-library card system and the \$25,000 for library administration.

REP. KADAS said if this passes, then on mod 1 on the next page, is that all grants? He asked if the \$466,000 in addition to the \$566,000 but the same kind of program? Mr. Miller explained about the difference. He said last year the Legislature passed out the \$1.7 million. The reason it was passed at that level was because there are certain aspects of this bill that went through and were not line item vetoed by the Governor. The pieces that were not line item vetoed by the Governor were \$200,000 per year of the biennium for inter-library loan reimbursement. That tends to go to the larger libraries because they tend to loan more materials to other libraries and is a good resource sharing process.

REP. PECK asked if Mr. Miller was saying the adjustment on D-36 would tend to go more to the larger libraries. Mr. Miller said the \$566,000 that is continued in the base would tend to be that way because of the resource sharing aspect of it. REP. PECK said a broader distribution would take place under mod 3? REP. KADAS said while the dollars go to the bigger libraries, the books go to the smaller libraries. Mr. Miller said that was correct. REP. KADAS said the smaller libraries are really helped more because they get the books.

REP. JOHNSON asked under which one is the construction, and Mr. Miller said Construction grants are not under the topic being discussed, they are federal dollars only. Mr. Culver said in addition to the Construction grants the LFA did not include the \$566,000 in current level, the Executive budget did include it.

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Miller said Construction grants are not under the topic being discussed, they are federal dollars only. Mr. Culver said in addition to the Construction grants the LFA did not include the \$566,000 in current level, the Executive budget did include it.

REP. THOFT said he would like to deal with the base at current level and if necessary take a vote on the \$566,000, and would make a substitute motion on it.

SUBSTITUTE MOTION FOR ALL MOTIONS PENDING: REP. THOFT moved that mod 3 be approved before we deal with the adjustment.

There was some discussion as to whether this motion would be necessary since it was in the LFA. REP. MENAHAN said the committee adopted the Executive, so it is in the budget.

Mrs. Cohea said the LFA current level budget did not include this because it was a "cat and dog" bill, it was not in the general appropriation act. The subcommittee approved it in the current level base, so it is not a modification, however in 3 agencies things that were in the current level but were sizable increases were presented in this way so the committee could look at them. She said in SRS they were presented and voted on as mods and also some of the Dept. of Institutions. It is up to the committee as to whether you vote on it, it is in the current level as presented.

REP. PECK asked if these were treated as mods previously in this committee? Mrs. Cohea said in SRS REP. BRADLEY pulled several things that were actually in the current level out for committee consideration. REP. BARDANOUVE asked how much money will they have if we adopt the motion by Rep. Thoft and the one by Rep. Cobb.

REP. PECK asked Mr. Culver to respond to the question. If you adopt both, leave the current level adjustment on D-36 in and adopt # 3 in its entirety, what would be the effect of the grant dollars available. Mr. Culver said \$1,236,000. REP. BARDANOUVE said the "cat and dog" bill last time was a one time appropriation. Now it has become part of the base.

REP. PECK said the motions needed clarification and thought the committee should go back and start over. REP. COBB withdrew his motion. REP. MENAHAN withdrew his motion and REP. THOFT withdrew his motion.

MOTION: REP. THOFT moved the mod on D-36 be adopted.

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MOTION: REP. BARDANOUVE moved to remove the \$566,000 contained in the current level adjustment on D-36. Second by Rep. Peterson.

REP. PETERSON asked if the Bardanouve motion removes the money completely or just removes it from the base. REP. BARDANOUVE said his motion is to remove it from the base and make it a modification and then we can vote on the mod.

REP. KADAS said he would speak against the motion. He thought this part of the budget should be in the base so we don't have to argue over it every session. There is another issue, and that is on the mod.

Vote: Motion failed 4 to 14 with Reps. Bradley, Cody, Connelly, Grinde, Johnson, Kadas, Kimberley, Menahan, Nisbet, Quilici, Swysgood, Thoft, Peck and Zook voting no.

MOTION: REP. MENAHAN moved mod 3, State Aid to Libraries, D-35 be adopted. Second by Rep. Nisbet.

SUBSTITUTE MOTION: REP. COBB moved to take \$466,000 from the Local Libraries as grants. Second by Rep. Bardanouve.

Vote: Motion failed 8 to 10, roll call vote # 3.

SUBSTITUTE MOTION: REP. BARDANOUVE moved the amendment do not pass. Second by Rep. Peterson.

SUBSTITUTE MOTION FOR ALL MOTIONS PENDING: REP. KADAS moved to cut the \$466,000 in half. This would make it \$233,000 and it would leave in the other parts that the Cobb motion left in. Second by Rep. Bardanouve.

REP. KADAS said when we look at all the other budgets, and we are not putting much money in. He has supported libraries and is still supporting them, but cannot see giving them a big jump while we are holding other budgets down.

REP. QUILICI said they left the \$566,000 in the current level in the base. This \$233,000 plus the \$179,000 is then included over the base. He was told this is correct.

REP. CODY asked what percent increase would this be over the base. REP. SWYSGOOD said about 45%.

REP. NISBET asked what the figure will be if the Kadas amendment passes and Mrs. Cohea said \$437,621.

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REP. CODY asked what percent increase would this be over the base. REP. SWYSGOOD said about 45%.

REP. NISBET asked what the figure will be if the Kadas amendment passes and Mrs. Cohea said \$437,621.

Vote: Motion passed 15 to 3 with Rep. Zook, Peterson and Grinde voting no.

Motion/Vote: REP. MENAHAN moved mod 4, Western Library Network Terminals be adopted. Second by Rep. Quilici. Motion passed 17 to 1 with Rep. Swysgood voting no.

Natural Resource Information Services:

Motion/Vote: REP. MENAHAN moved 1, NRIS Contract Authority be adopted. Second by Rep. Peterson. Motion passed 17 to 1 with Rep. Cobb voting no.

Historical Society:

Administration Program: Brian Cockhill, Montana Historical Society, said he would like an amendment added to the bill which would protect the Capitol Tours Program EXHIBIT 4. They have ran the program with a portion of the Accommodation Tax funding since 1987 and the same source of funding has been concurred in by Gov. Stephens. They have been called to question in a Legislative Audit as to being outside statute language in running those Capitol Tours with the Accommodations Tax money. To solve the problem they asked SEN. FRITZ to sponsor Senate Bill 411, which was heard on Friday by Senate Taxation. That would expand the language of the Accommodations Tax statutory appropriation sufficiently to give them authority to run Capitol Tours. They are being opposed in this matter by the Tourism Industry and there is a good chance that bill will not pass. It is the desire of the Historical Society and the Governor's office that the tours continue.

REP. BARDANOUVE said something might happen and he felt it was more proper to take this to the Senate when this bill gets there and by that time you will know what is happening.

REP. SWYSGOOD asked Mr. Cockhill if they are increasing the percentage in SB 411 from what the Historical Society now receives of the bed tax to take care of this, or just taking it out of your current distribution. Mr. Cockhill said it is the same amount of money. REP. GRINDE said this would pull the Bed Tax and using other funds? Mr. Cockhill said they are using the

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them to run the Tours legally with Accommodation Tax money. **REP. PECK** said you would actually add 1.5 FTE. **Mr. Cockhill** said they would have to add it because it is not in the subcommittee budget because they did not accept statutory appropriation as a part of the base. We have the 1.5 FTE now, it is not in there because of subcommittee action. He said they have the money, but it is a question of the Legislative Auditor saying we cannot use the Accommodation Bed Tax unless we change the language in statute.

REP. SWYSGOOD clarified the problem by saying according to statute the Historical Society can only use that percentage that is given to them to install and maintain road side historical sites. The tours are considered outside that scope and they are asking for a language change to include what they are doing.

REP. BARDANOUVE asked if this wasn't a budget modification which is over and above the Governor's budget and was told it isn't really since they are just changing the law to make it legal. **REP. PECK** said the amendment says you will add 1.5 FTE each year. **Mr. Cockhill** said they are not really adding personnel. **REP. PECK** questioned if the amendment was drafted incorrectly. **Mrs. Cohea** said because it is a statutory approach, HB 2 does not authorize the FTE. If the source of funding changes to general fund and is appropriated in HB 2, the FTE would need to be authorized in HB 2.

REP. GRINDE asked what part of the tax the Historical Society received legally and **Mr. Cockhill** said they have a separate statutory appropriation within the statute that gives 1% of the total collection to the Historical Society and it is for the installation and maintenance of historical signs and those historical sites.

REP. CODY asked if the Governor's office is aware of this problem and how do you feel about it. **Mr. Sundsted** said they are aware of the problem and have worked with **Mr. Cockhill** on this. Currently it has been appropriated out of the Accommodations Tax since '87 and we continued that. When this Audit report came to light we couldn't continue that, we do support the continuation of the Capitol Tours, and if SB 411 does not pass so we can't continue using that money, they would support putting general fund in to continue the program.

REP. QUILICI said he would agree with **REP. BARDANOUVE** that the committee wait and see what happens to SB 411. If that bill passes it would supersede anything this committee did and it would be the proper time to take action on it.

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Motion/Vote: REP. CODY moved that this not be submitted in HB 2 until the action on SB 411 is final. Second by Rep. Kadas. Motion passed with Reps. Nisbet and Connelly voting no.

Administration Program:

Motion/Vote: REP. MENAHAN moved mod 1, Board Member Travel, D-44 be adopted. Second by Rep. Kimberley. Motion passed with Reps. Swysgood, Cobb and Thoft voting no.

Museum Program:

MOTION: REP. MENAHAN moved mod 1, Museum Security, D-48 be adopted. Second by Rep. Nisbet.

REP. KADAS asked what the problem was with the existing security and REP. MENAHAN said they don't have much in that area and were robbed of a gold display there a couple years ago during daylight hours. Mr. Cockhill said they have insurance problems. The carrier has recommended various modifications to their security arrangements in the building. They recommended 4 more FTE and that was one option. They are trying to avoid the FTE and install a lot more security cameras in more locations with the current staff so they can monitor the difficult areas.

REP. COBB said this is one time money and asked if the Department had any place they could get some money to pay for part of this or was their fund balance too low. Mr. Cockhill said they don't have any fund balances to mention.

Vote: Motion passed with Rep. Cobb voting no.

Magazine Program:

Tape 2, Side 1

Motion/Vote: REP. MENAHAN moved mod 1, Proprietary Fund Increase, D-50 be adopted. Second by Rep. Bardanoue. Motion passed unanimously.

Motion/Vote: REP. MENAHAN moved mod 2, Milwaukee Mitigation, D-50 be adopted. Motion passed unanimously.

Historical Sites Preservation:

Motion/Vote: REP. MENAHAN moved mod 1, Computer Purchase, D-53 be adopted. Second by Rep. Nisbet. Motion passed unanimously.

Ms. Whitney answered the question on D-17 as to removal of the money in mod 6 as to whether it reduced Mental Health by

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\$296,000. She said when the money was taken out, it reduced Mental Health by that amount. She said there is a federal block grant that can be used for both Mental Health and Chemical Dependency. Mental Health was reduced by moving that block grant that had been used previously in Mental Health, back to Chemical Dependency. In place of that, to keep Mental Health at current level, the committee approved \$296,000 each year of general fund to maintain that level. REP. PECK said if that money is removed there is a resulting loss in federal funds? Ms. Whitney said no, the federal funds are all in Chemical Dependency.

Motion/Vote: REP. MENAHAN moved to accept Section D in its entirety. Second by Rep. Bardanouve. Motion passed unanimously.

EDUCATION

REP. KIMBERLEY chaired part of this session.

REP. PECK, Chairman of the Education Subcommittee said the members of the Subcommittee were himself, Reps. Grinde and Kadas, Sen. Greg Jergeson, Vice Chair, Sens. Bianchi and Hammond. Staff was Pam Joehler, and Skip Culver, LFA. Doug Schmitz and Mary Ann Wellbank, OBPP, and Secretary Melissa Boyles.

REP. PECK reviewed Section E of the budget, language, legislative intent and explained the modifications prior to each vote.

Board of Education/Administration:

Motion/Vote: REP. PECK moved mod 1, Additional Board Hearings, E-4 be adopted. Second by Rep. Kadas. Motion passed with Rep. Cobb voting no.

REP. PECK in discussing the Certification Standards and Practices Advisory Council, said there is a bill in the Legislature dealing with some of this on funding and the statutory appropriation was taken out on the House floor and put back in the Senate, and did not know what would happen to it. REP. KADAS said he would propose a motion here. This was REP. SCHYE's bill that increases \$2 or \$3 per teacher certification fee and that money goes into this council and funds it. They were trying to expand the scope of services and were trying to do it through a statutory appropriation. REP. BARDANOUVE took the statutory appropriation out on the floor. This amendment anticipates the money will be statutorily appropriated, there will be more money going in because this is contingent on passage of the bill, and that this would pass through the general fund and increase their services. They will not increase the fee unless they get the increased

services. He felt this should be put in and the statutory appropriation should be taken out of the bill.

Motion to Amend/Vote: REP. KADAS moved to amend HB 2, E-5, Board of Education, Advisory Council, EXHIBIT 5. Second by Rep. Bardanouve. Motion passed unanimously.

Education:

Motion/Vote: REP. PECK moved mod 1, Supervising Teacher, E-15 be adopted. Second by Rep. Nisbet. Motion passed unanimously.

Montana Council on Vocational Education:

Motion/Vote: REP. PECK moved mod 1, Increased federal funds, E-17 be adopted. Second by Rep. Swysgood. Motion passed unanimously.

Office of Public Instruction, Administration:

Under Language on E-26 REP. PECK said the Curriculum Specialist is contingent upon approval and passage of HB 940. HB 940 is the arbitrage bill, and as carried by REP. WANZENRIED, came out of committee with a do pass, but is still in committee, and will be a relatively major consideration when it comes to the floor, and that is why it is contingent on 940 passing. It was introduced at the request of OPI and it speeds up the distribution of money to local school districts, but there is some concern that it may not generate the money that it was thought it would generate. The Legislative Auditor indicates that it will, but he understood there is further consideration taking place now, and he was not sure the LFA and the Legislative Auditor are in agreement as to what the bill will actually do in terms of generating money. The first year there is apparently a state loss and after that there is some discussion and disagreement about what it does.

REP. QUILICI said in the Program Description that the Agency requests the Legislature combine the Administration Program into three programs, State Superintendents office, Central Services and Educational Services. When they combined these programs, they took the FTE with them? REP. PECK said yes, it is a combination of the budget and the dollars. REP. QUILICI asked if that is the reason for 18.33 FTE in the Administration Program? REP. PECK said no, he thought those were mods, and we will be doing those on E-28-31.

REP. CODY said under the Motorcycle Safety program, where is the

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Motorcycle Safety Training Program and the Traffic Education Program? She commented that these aren't new programs. Are they under OPI now? **REP. PECK** said they are under OPI and **REP. CODY** asked what HB 763 does. **Mr. Groepper**, OPI said there are three bills that deal with Motorcycle and Traffic Education that are still around. The MSP was authorized in the last session of the Legislature and there was a big "flap" over mandatory helmets and the motorcycle riders came in and said "give us a chance to train people and not have mandatory helmets" and that is how this program came about, and it is a statutory appropriation. Traffic Education is a State Special Revenue Account that is funded out of fines, forfeitures, etc., and they have to account for these two programs separately. If the MSP rolls into Traffic Education, then we would not have to account for the money separately. That is the reason for the language.

MOTION: **REP. PECK** moved mod 1, Fees and Assessments, E-28 be adopted. Second by Rep. Quilici.

REP. QUILICI said for the biennium they appropriate \$122,000, \$61,000 general fund each year. He asked if this was fees and was told no, that is the total for both years. That would all be general fund but it would be collected by fees.

REP. PECK said he thought it was the Commission of the '90s that brought this on, the question was asked as to how to handle those funds and the response created the means for accounting to handle it.

Vote: Motion passed unanimously.

MOTION: **REP. PECK** moved mod 2, Audiology, E-29 be adopted. Second by Rep. Bardanouve.

REP. BARDANOUVE asked if all the schools didn't do this anyway and **REP. PECK** said they are doing it now through the program that U S West has been supporting. **SEN. SWYSGOOD** said the difference between the Executive and the subcommittee is the \$82,000 you anticipate from other funding sources? **REP. PECK** said that was correct.

Vote: Motion passed 15 to 3 with Reps. Swysgood, Cobb and Grinde voting no.

MOTION: **REP. PECK** moved mod 3, Expanded Food Co-op, E-29 be adopted. Second by Rep. Nisbet.

REP. BARDANOUVE asked where does this money come from? **REP. PECK**

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said it is the 2% surcharge that is charged to the schools. This is appropriating the surcharge.

Vote: Motion passed unanimously.

Motion/Vote: REP. PECK moved mod 4, Bicentennial Grant be adopted. Second by Rep. Bardanouve. Motion passed unanimously.

Motion/Vote: REP. PECK moved mod 5, Chapter I be adopted. Second by Rep. Bardanouve. Motion passed unanimously.

Motion/Vote: REP. PECK moved mod 6, Education of Handicapped be adopted. Second by Rep. Nisbet. Motion passed unanimously.

Motion/Vote: REP. PECK moved mod 7, Race Equity be adopted. Second by Rep. Quilici. Motion passed 17 to 1 with Rep. Cobb voting no.

REP. BARDANOUE referred back to mod 6, Education of Handicapped and asked if this can be used for Special Education or is it beyond special ed and just for handicapped. REP. PECK said the two were synonymous in his mind. He said he did not believe you could substitute funds here.

MOTION: REP. PECK moved mod 8, Drug free be adopted. Second by Rep. Bardanouve.

REP. PETERSON asked if the 2 FTE are tied directly to the federal funds? REP. PECK said yes, the analyst says they are.

Vote: Motion passed 17 to 1 with Rep. Cobb voting no.

Motion/Vote: REP. PECK moved mod 9, AIDS Education be adopted. Second by Rep. Bardanouve. Motion passed unanimously.

Motion/Vote: REP. PECK moved mod 10, Nutritional grant be adopted. Second by Rep. Bardanouve. Motion passed unanimously.

Motion/Vote: REP. PECK moved adoption of mod 11, Chapter 2, D-30 be adopted. Second by Rep. Bardanouve. Motion passed unanimously.

Motion/Vote: REP. PECK moved mod 12, Migrant grants be adopted. Second by Rep. Bardanouve. Motion passed unanimously.

MOTION: REP. PECK moved mod 13, Bilingual be adopted. Second by Rep. Bardanouve.

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REP. BARDANOUVE asked if they are adding 1/2 FTE for \$25,000 for each fiscal year? **REP. PECK** said that was correct. **REP. BARDANOUVE** said it would cost half of the money or more for the FTE. **REP. PECK** said they need people to handle the grant awards. When you increase the number of grant awards you get more entries, more applications and more processing to do. **Mr. Groepper** said they are trying to add a half time clerical person. The going rate for salary for a grade 9 person is about \$17,000 a year. That would be about \$8500 a year for a half time person. it is not appropriate to have these clerical people who are supporting another grant be charged out to a grant without having FTE there. **REP. PECK** said the alternative is to take a state staff person who is paid by state money and have them do the job to process federal money.

Vote: Motion passed 11 to 7 with Rep. Bardanouve, Swysgood, Peterson, Grinde, Cobb, Thoft and Grady voting no.

MOTION: **REP. PECK** moved mod 14, National Origins be adopted. Second by Rep. Kadas.

REP. SWYSGOOD said there is a half FTE here and no money. **Mr. Groepper** said currently the agency is contracting for this work to be done. We are shifting it to an FTE instead of a contract service for easier compliance of the Wage and Hour laws. He said they have to provide space in the office, etc., and that is the test on whether this person is an FTE or a contracted person. It will not cost any more money because we will no longer have a contracted person. **REP. SWYSGOOD** said it might not cost any more money, but it costs some money out of the grant. **Mr. Groepper** said they are getting this service done now under a contract for services, but when you look at the contract, as we understand the law, it is illegal to be contracting the way we are handling this for the service, so we are asking for an FTE at no increase in cost so we can comply with the Wage and Hour law and not have a contracted individual that is really an FTE. There are only certain circumstances under which you can contract for service and you can't provide a lot of things for that individual.

REP. COBB said won't it cost more when you have to pay work comp and the other benefits. Don't you have to pay more with WC and the benefits than you are paying now? **Mr. Groepper** said it is his understanding that it will not cost any more money to have this person on board taking those things into consideration, but it could cost us more money to try to go on with this as a contract and then get fined for doing it.

REP. ZOOK asked what is the National Origins program. **Nancy**

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Keenan, Superintendent of Public Instruction, said National Origins are a couple things, one is the federal level where they look at race and ethnic values. Here in Montana, particularly in the Indian Education Specialists, National Origin, a whole issue under the constitution programs for Indian American students, and minorities. We have a great number of migrant children in the state we service during the summer, especially along the highline and in some of our fields, and that is also part of the National Origins program.

REP. BARDANOUVE asked how much money is in this program and **Ms. Keenan** said it is Title IV, about \$204,000 and national Origins would be a part of that. **REP. BARDANOUVE** said this half FTE will administer that portion of the program. **Ms. Keenan** answered yes.

REP. CODY said when looking at the modification types, it seems there are several that are inter-related. This half FTE, although contracted and at the present time has no money in it, we have always looked at money even in contracted services, so that seems to be the confusion. She asked if this is all a part of one grant and then it is dealt out accordingly, or what. **Mr. Groepper** said the problem is that each of these programs comes down as a separate federal program. Generally they are over a 3 year authorization period and it takes a fair amount of coordination at their end when a grant comes up for renewal to look at exactly what things you are talking about in that grant. They are operating under different grants that don't come up for expiration at the same time and it is hard to get them coordinated.

REP. CODY asked how much the contract is that is being replaced and **Mr. Groepper** said he didn't have the contract amount, but could get it over the lunch hour. He said as he understood it the grant with the Dept. of Education specified we would have a half time person working on this. We contracted it out because we didn't have the FTE and the Dept. of Education came back and said you need to have a half time person because that is the way they honored the grant.

REP. PECK said the committee will see increased FTE in the budget and it was a conscious decision made by the subcommittee. There used to be about 180 employed in OPI 10 years ago. **Mr. Argenbright's** administration brought that down significantly. New programs in the last couple years and increased funding from the federal sector have created additional responsibilities, plus HB 28 etc., and the subcommittee made a conscious determination there was a need for additional FTE in this Department.

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REP. QUILICI asked how the migrant worker program integrates with # 12, the Migrant grants? Mr. Groepper said, if he understood the question, how does National Origins work with Migrants. REP. QUILICI said this was mentioned earlier and there is \$320,000 in federal funds that is contracted out to local school districts. Does mod 12 and 14 blend together in any way? Mr. Groepper said they blend in to the degree that National Origins Program can serve those kinds of people that are also migrants. Some are involved in the Migrants that might not qualify for the National Origins program. He said as an example, we don't have a large stream of Native Americans in the Migrant work force, but have a number of Hispanics and Spanish Americans.

Vote: Motion passed 12 to 6 with Reps. Swysgood, Thoft, Zook, Grady, Cobb and Grinde voting no.

The meeting recessed at 12 noon and reconvened at 2 P.M.

Tape 2, side 2.

Motion/Vote: REP. PECK moved mod 15, School Foods be adopted. Second by Rep. Nisbet. Motion passed 10 to 8 with Rep. Grinde, Bardanouve, Peterson, Thoft, Swysgood, Cobb, Grady and Zook voting no.

MOTION: REP. PECK moved mod 16, Gender Equity be adopted. Second by Rep. Nisbet.

REP. BARDANOUE asked why so many FTE. This is another half FTE and he could not see why they had to add a half FTE to every program. REP. PECK said this is a new court order they are required to do.

REP. QUILICI asked if they haven't done this before and REP. PECK said they have been involved with some of the gender equity, but not the specific program that the Federal Court ordered.

Vote: Motion failed on a tie vote. Rep. Bardanouve, Thoft, Swysgood, Grady, Cody, Zook, Peterson, Grinde and Cobb voting no.

MOTION: REP. PECK moved mod 17, Financial Management be adopted. Second by Rep. Nisbet.

Mr. Groepper said they have from the preliminary audit response at the time they were putting this together, the current law they work under for getting money to the schools and holding back a certain amount they will raise from the 55 mill levy, requires an adjustment at the end of the year. it requires an adjustment because you never know what the property taxes are you will get, and there is a protest and delinquent process we have to involve

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ourselves in. The Legislative Auditor said they weren't directing the right kind of effort at the end of the year investment process in that they were costing the state lost money on interest by not going in there and making those year end adjustments. He said they had two people that moved the money out to the schools. Now they put \$100 million in because of HB 28, a guaranteed tax base for retirement, a guaranteed tax base for the permissive levy and are still sitting there with 2 people trying to manage the whole thing. They asked the committee for sufficient staff to enable them to address the audit problem and also in the mod there is 1 FTE for doing the programming to make the computer changes necessary for transportation accreditation and to get them up to speed for telecommunications. They do not have any money for additional staff, but they still have to rewrite the accreditation standards. He went on to tell more duties they have to perform and the need for additional help to get them done.

REP. QUILICI said, you are talking about budget analysts or data processing positions? Mr. Groepper said when you talk about financial management it is really 2 parts. How much we can pay schools is driven by how we count the number of kids going to school and how they report their budget for special education. One part has 4 FTE which consists of 2 budget analysts to manage these 1600 responsibility centers and make sure everything is reported appropriately and don't over spend federal or state money, 2 people to assist getting the money out to the schools through guaranteed tax base. They have to look at how much they are contributing to the retirement, etc., they also have to watch the school year budget and make sure they stay within their caps. There are 4 people on the financial side and 2 people on the data processing side. On the data processing side there is one programmer analyst to do the programming for transportation, accreditation standards and to set themselves up for telecommunications.

REP. QUILICI said the proprietary costs for \$72,000 and \$60,000 are indirect costs? Mr. Groepper said yes, they are coming off the federal indirects, and that is what they plan to use to pay for the budget analyst because they have a lot of financial reporting responsibilities with those federal programs.

REP. COBB asked who is the administrative assistant and where does he fit in? Mr. Groepper said the administrative assistant is one of the 4 financial positions. REP. COBB asked how they are doing it now? Mr. Groepper said some of it is just not getting done right now and that is why they have the Audit exception. They are not doing the year end adjustments, they are

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getting behind with only the two people they have.

REP. ZOOK asked how many additional FTE were in HB 28 for implementation? **Mr. Groepper** said when HB 28 finished in the special session they had an appropriation with FTE's as needed but could not go over the dollar amount they had. They started out with 2 accounting and 2 auditing people on board in the first year and in the second they brought on 2 more people. An additional audit person and one to do programming.

SUBSTITUTE MOTION: **REP. CODY** moved to cut this from 6 FTE to 3 FTE, leave in the proprietary funds and cut the general fund accordingly. Second by Rep. Grinde.

REP. KADAS said he was concerned about paying for the two with the proprietary and eliminating all the general fund money and asked **Mr. Groepper** to respond. He asked if they would still be able to get that much proprietary. **Mr. Groepper** said if dealing with reductions he would feel more comfortable if they kept the financial people in and let the programming people out. Their budget is between 55% and 58% federal and 40 some percent state. The way they were doing this original proposal he would feel more comfortable if they went with 4 and took out the other 2 than in cutting one of those fiscal people out.

SUBSTITUTE MOTION TO THE SUBSTITUTE MOTION: **REP. BARDANOUVE** said he would increase the FTE to 4 and only reduce 2 FTE. Second by Rep. Thoft.

REP. BARDANOUVE said if we give you 4 and let the management use their best judgement as to where they should be, wouldn't that be better? **Mr. Groepper** said that would be their preference. To make it easier for **Mr. Culver** to figure out which dollars to come out, if you say keep the 4 financial positions, it would help us to sit down and pull out the operating expenses for those other two positions.

REP. KADAS asked if the funding sources for your motion is 2 would be funded from proprietary and 2 from general fund? **REP. BARDANOUVE** said the LFA could work out the best way.

REP. THOFT said if he understood it correct one would be general fund and 3 would be proprietary. **Mr. Groepper** said in working off **REP. BARDANOUVE's** motion and keep the 4 financial people, they would have 2 from each and would get rid of 2 general fund positions in data processing and the associated equipment and operating equipment for those 2 people.

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Vote: Motion passed 14 to 4, roll call vote # 4.

Motion/Vote: REP. PECK moved mod 18, Resource Center Funds be adopted. Second by Rep. Nisbet. Motion passed 14 to 4 with Rep. Swysgood, Thoft, Grady and Grinde voting no.

MOTION: REP. PECK moved mod 19, Curriculum Specialists be adopted. Second by Rep. Nisbet.

Mr. Groepper said there are 2 sets of explanations the committee might like. One is the merit of why we need to do this, and the other is how are we going to pay for it. When we went through it in the subcommittee, the idea had merit but the question was how to pay for it. If the committee would like to go through the concept of arbitrage and is the money there or not and where it stands as of today, etc. he would do so, and perhaps Gail Gray could explain why we need the positions.

Mr. Groepper said the issue of arbitrage, HB 940, has a couple concepts that they feel make money for the schools, makes money for the general fund, and part of the money coming out of the subcommittee that is coming out of general fund would be used to fund this modification. There is a difference of opinion with the budget office on whether or not this makes money. The concept is to give the districts the full amount of the 55 mills up front. At the present time they get 20% of their money in July, 7% each month and a catch up payment at the end of the year. Before they pay this, they withhold what they think will be received from the 55 mills. In November the district is supposed to get its half of the 55 mills coming in from property taxes, but because of protests etc., the district doesn't get all of that money and in HB 28 there is another adjustment that has to happen in March where the district is paid money they didn't get back in November and as that money comes in they do a continual adjustment process. HB 940 intends to avoid all that work. He said they agree with the budget office there is money made for the schools under this bill, between \$2.8 million and \$3.4 million dollars. The difference of opinion is whether it makes money for the state of Montana or not. When submitted to the subcommittee the DOA in their financial analyst group said it would, the Board of Investments said it would make money for the state of Montana. Terry Johnson, LFA did a spread sheet and it looked like it would make money. Mr. Johnson did another spread sheet as of last Friday and it looked like it might lose some money for the state, but he had not taken into consideration the savings and guaranteed tax base, (estimated at \$760,000 a year) and there was a difference of opinion on the size of the Tax and Revenue Anticipated Notes (TRANS) issue. His were generated by a

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\$40 million TRANS issue and they thought \$53 million. He said they have a difference of opinion with the OBPP on how much the state could make on issuing a TRANS this year. That was not taken into consideration in the analysis for the next 2 years because they are trying to hold this separate from whether the state should issue TRANS anyway. If the state issues TRANS this year, and could issue TRANS the next 2 years regardless of this bill, the state could potentially make \$900,000 in issuing a TRANS just because of the way the money comes in for HB 28. He said they did a survey of all the counties to see how much money was out there in protest taxes the school districts weren't getting. 38 counties had replied as of Friday and there is over \$10 million in protest and delinquent taxes we have to pay the school districts in March once the Treasurers send in the paper work. Neither the additional interest to the school districts which hasn't been considered nor the state's inability to finance that, was considered, which would be a positive for this proposal. We have asked that HB 940 be put in a committee so we could get the answers. Since this mod is tied to that bill they would like to have the committee adopt the mod and if HB 940 fails, so does the mod.

REP. BARDANOUE said it isn't in the House yet and has to go through the Senate. He would prefer this wait until the bill at least gets in the Senate. **REP. PECK** said **Mr. Gillette** testified in committee from the Auditor's office and said it would make money.

REP. KADAS asked if Ms. Gray could tell the committee what the bill would do. **Gail Gray, OPI**, said the curriculum specialists they refer to are specialists for math, science, etc. and do 4 things. 1. On site accreditation visitations, to work with schools to make sure they comply with accreditation that is required by the Board of Public Education. 2. They do extensive in-service training, 3. Work on curriculum models and 4. Work with the local district so they can have in place by the year required the new accreditation standards. They are on call by phone and on site in most school districts.

REP. KADAS said the fundamental issue is that there is a fair amount of federal money we are presently capturing and using to hire the curriculum specialists, that is something that has to be done and that money should be passed through and go to local districts, and over the year we have taken more and more of that money to fund the curriculum specialists and sending less and less of it out to the districts.

SUBSTITUTE MOTION: **REP. BARDANOUE** moved this mod be delayed

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until there is some resolution on the House bill and it should properly be done in the Senate. Second by Rep. Cody.

REP. BRADLEY said in the Human Services budget, particularly in the Dept. of Health, they tied a number of things to the passage of bills making them contingent upon passage and approval of the bill. She said this just ties the mod to the passage, and would speak against the motion.

REP. CODY said she thought this morning they had taken a position on the Historical Society money that was tied to a Senate Bill.

REP. PECK said that was an amendment that had never been approved by the subcommittee, this is a modification approved and recommended by the subcommittee.

There was discussion on tying the amendment to HB 940 so if that bill failed this amendment was dead and **REP. BARDANOUVE** withdrew his motion.

Vote: Original motion to adopt mod 19 passed 11 to 7 with Rep. Thoft, Swysgood, Zook, Grinde, Peterson, Cobb and Grady voting no. Second by Rep. Nisbet.

Motion/Vote:: **REP. PECK** moved mod 20, Indian Education be adopted. Motion passed 11 to 7 with Reps. Swysgood, Thoft, Grady, Zook, Peterson, Grinde and Cobb voting no.

MOTION: **REP. PECK** moved mod 21, Other Federal, D-31 be adopted. Second by Rep. Nisbet.

REP. PETERSON asked if the FTE are tied directly to federal funds? **REP. PECK** said yes, they are. **REP. COBB** asked about the Chief State School Officer, is that Ms. Keenan? **REP. PECK** answered yes.

Vote: Motion passed 15 to 3 with Reps. Swysgood, Thoft and Grinde voting no.

MOTION: **REP. COBB** moved on E-18 to remove 2% from the Personal Services for '93. Second by Rep. Bardanouve.

Mrs. Cohea said that would be \$42,250 general fund and \$91,000 total funds.

Vote: Motion failed 9 to 9, roll call vote # 5.

Motion/Vote: **REP. PECK** moved to close Section E, Education. Second by Rep. Kadas. Motion passed 17 to 1 with Rep. Cobb

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voting no.

HIGHER EDUCATION

REP. PECK reviewed Section F, Higher Education, and went over the language and legislative intent for committee approval. He explained each modification prior to making a motion on it.

Administration Program:

Motion/Vote: **REP. PECK** moved mod 1, Regents' Employee Reporting System, F-5 be adopted. Second by Rep. Nisbet. Motion passed unanimously.

Student Assistance Program:

Vote: **REP. PECK** moved mod 1, Increased State Educational Opportunity Grant (SEOG), E-9 be adopted. Second by Rep. Kadas.

REP. KADAS said this match was originally 5%, was increased to 10% last biennium and 15% this biennium. Theoretically it will stop at 15%, it is still a good match, generating about \$850,000 of federal aid in these student aid programs.

Vote: Motion passed 11 to 7 with Rep. Thoft, Swysgood, Grady, Zook, Peterson, Cobb and Grinde voting no.

MOTION: **REP. PECK** moved mod 2, Increased Perkins Loan Match be adopted. Second by Rep. Kadas.

REP. KADAS said this is a 9 to 1 match. **REP. BARDANOUE** said we can no longer use this money as we did in the past and **REP. PECK** said the way we used it was legally questionable but we got by. It is very definite now, because of the rewriting of the Perkins Act that we cannot use it the way we used it in the past. **REP. BARDANOUE** asked how it would be used now and **REP. PECK** said the distribution of that will come later in the mods.

Vote: Motion passed 17 to 1 with Rep. Peterson voting no.

MOTION: **REP. PECK** moved mod 3, State Work Study-Minimum Wage Increase be adopted. Second by Rep. Kadas.

REP. COBB asked about the State Work Study, every year there is a minimum wage increase, is there an overall budget we pay ourselves or do the Universities pay anything separately? **REP. PECK** said they are appropriated the total amount and this is the amount that is necessary for the minimum wage increase.

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REP. KADAS said there are two work study programs, a federal and a state and this is the state work study program. This mod allows, because of the increase in minimum wage, the same number of students be served.

Vote: Motion passed 10 to 8 with Rep. Thoft, Swysgood, Grinde, Zook, Peterson, Cobb, Grady and Bardanouve voting no.

REP. CONNELLY asked why they cut the WICHE program and **REP. PECK** said that was the recommended level the Executive gave the subcommittee that they adopted. **REP. CONNELLY** asked what their rationale was and **REP. PECK** said it was money. It was his motion to accept the Executive proposal, and it was a question of priorities. They did not cut WAMI and put all the cuts into WICHE, and the justification was they felt WAMI focuses more on the general practioner where WICHE goes more to specialization. **REP. PECK** said he was having an amendment proposed on the floor dealing with WICHE which would restore at least some of the funding.

Community Colleges:

In referring to Table 4, F-15, **REP. BARDANOUE** asked how much each percent cost, and referred to a jump from 47% to 49%. **REP. PECK** said they jumped 2 points the first year and another the second year of the biennium. The analyst did not have a ready answer on the question and **REP. BARDANOUE** said the unrestricted budget jumped 14 points and 19% and asked how that big jump happened. **REP. PECK** said the school budgets are increasing with the inflation and other factors that go into the operation. He said the money is broken out the way the formula sets it up. **REP. BARDANOUE** asked where the source of the funding increase is coming from and **REP. PECK** said on the revenue side you can see it and the general fund is the increased amount that is taking place there.

REP. KADAS said on F-15 there are two important factors in this budget. The first is the cost factor per student FTE \$3,907 and \$4,031, and every time we increase that number that increases the state share and we have to pay 50% of that increase and the local district pays the rest of it. The percent of state support, every time we increase that percentage that is state dollars displacing local levy and tuition dollars. He said on the cost factor per student, that number was not increased last biennium. Prior to the last two bienniums that number was increased in accordance with the increases in the pay plan. The subcommittee put increases in which are essentially equal to pay plan increases.

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REP. PECK said Flathead Community College is up against the I-105 cut off and is unable to raise the amount locally because of the mill levy limitation. They have put in a special tuition and the other colleges are also increasing tuition although they are not under the I-105 at Miles City or Glendive. **REP. BARDANOUVE** asked if there is any tuition increase this time and **Dr. Flower, President, Miles City Community College**, said they increased their tuition both for last time and for the coming biennium also. He said the net tuition and fees was \$202 to \$252 per quarter. **REP. KADAS** said what will cause the tuition to go up is the cost per student FTE has been increased, they still have to fund their portion locally.

Montana University System Group Insurance Program:

MOTION: **REP. PECK** moved mod 1, Group Insurance Add'l Costs, F-17 be adopted. Second by Rep. Kadas.

REP. BARDANOUVE said after reading the Financial Report by the LFA, it looks like the insurance program is in serious trouble. It looks like they are running in the hole by a large amount and looks like it could be financial bankruptcy before long. **Mr. Noble** said he thought all health insurance plans in this state and the country are facing serious consequences. He said he did not see their plan going bankrupt. Obviously if the state does not increase its' contribution we face some serious reduction in the type of coverage we will provide our employees, and that is the choice all health care plans face. Health care is moving along at an 18 to 20% inflation rate and they are all in serious trouble.

REP. BARDANOUVE said before the Legislative session is over and if there is time after the bills are out, he would call them in and have a little review of the insurance issue. According to the LFA report, it looks like you are almost bankrupt now.

Vote: Motion passed 12 to 4 with Reps. Thoft, Swysgood, Grady and Grinde voting no.

Talent Search:

Motion/Vote: **REP. PECK** moved mod 1, Talent Search Additional Federal Funds, F-19 be adopted. Second by Rep. Kadas. Motion passed unanimously.

REP. PECK explained the Carl Perkins Administration on F-20-23. He said the Board of Regents is designated as the sole state agency to handle the Carl Perkins Vocational Educational Act

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funds.

REP. CODY asked if there wasn't a lawsuit over this and REP. PECK said there was a suit filed in State District Court and the judge said the State District Court had no authority over it since it was a federal program and if they wanted to contest it they would have to go to Federal District Court and the schools decided that was too expensive so there was never any important clarification of it. REP. CODY asked if the subcommittee adjusted the money to reflect the concerns of the school districts versus the Vo-Tech. REP. PECK said in a sense they did, but it wasn't really the lawsuits that scared them into doing it, it was the rewrite of the Carl Perkins Act themselves. It is more specific and allocates the money in a much more specific way.

REP. BARDANOUVE said in the rewrite of how this money is appropriated, how much more general fund has this cost since we were using some of this in lieu of general fund. Pam Joehler said \$1.4 million had to be replaced plus about \$180,000, making it a little over \$1.5 million. REP. BARDANOUVE asked the budget office how they handled this. He asked if they agree with the change in the way the budget office and the committee handled this? Mr. Sundsted said they agreed with the \$180,000 for the Vo-Tech Administration that is in this budget. The area it was handled differently is they recommended if they replace the Carl Perkins money with general fund they do so out of the \$8 million discretionary money set aside for the University System. The subcommittee put in additional money to cover that replacement, and it is not part of that \$8 million.

Guaranteed Student Loan Program:

MOTION: REP. PECK moved mod 1, Guaranteed Student Loan Additional Workload, F-25 be adopted. Second by Rep. Bardanouve.

REP. BARDANOUVE said moving this program to Montana from Indianapolis meant about 35 new jobs. REP. PECK affirmed.

Vote: Motion passed unanimously.

Motion/Vote: REP. PECK moved mod 2, Supplemental Pre-Claim Unit be adopted. Second by Rep. Bardanouve. Motion passed 15 to 3 with Rep. Swysgood, Thoft and Zook voting no.

REP. CODY said she had a question on the total cost of the program. The Executive is \$1.705 million and the Legislature put \$1.669,000 in it. She asked if that was correct. She referred to the table at the top of page F-24. REP. PECK said when we

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operate off a different base that is going to show up. They take the actual '90 expenditures and the Executive came off the appropriated level.

Vocational-Tech Center Administration:

MOTION: REP. PECK moved mod 1, Vo-Tech Center Contingency be adopted. Second by Rep. Kadas.

REP. BARDANOUVE asked if these could not come in for supplementals if they run out of money. REP. KADAS said he thought the subcommittees reason was they felt they were not confident they had put enough money in the budget. This is the second biennium for these institutions under state control. They came from a high school environment and each one was different. Some had significant help from their local districts in terms of their accounting and maintenance, and others, like Missoula, were almost a stand alone facility. This is bringing them to a unified system, but in doing that there has been budgetary confusion as they try to figure what are legitimate costs that should be in their budget that never were because they were being picked up by the school district. We are also trying to unify the pay system. That is the big move for this session, and it is what this mod is tied into. Their plan was too expensive and was turned down for pay, but it was agreed to put them all on a formula funding and have them go back and work on it. Part of this money is giving them the flexibility to try to work out among the 5 different bargaining units, some agreements on pay. The Carl Perkins money had a big impact on Vo-Techs. They had to pull out \$800,000 a year of Carl Perkins money that was in the budget last biennium and did not replace it all.

Vote: Motion passed 13 to 5 with Reps. Cobb, Grinde, Peterson, Swysgood and Grady voting no.

Vocational Technical System:

REP. CODY asked, on F-32, total revenue received from the 1.5 mill levy, is that a local mill levy or the one the Legislature has? REP. PECK said this is a local levy. There is a bill in the legislature to put on a 2 mill statewide levy, but these are local levies on counties in which there is a center.

REP. PECK said on F-16, Table 1, the formula factors that were adopted by the subcommittee and the formula is given there. It shows the enrollment of the various centers and the total from year to year, the student faculty ratios. It also shows an average faculty salary for each of the centers, benefits, etc. He

said that is the basis for the figures that were appropriated. See F-36 also.

Agricultural Experiment Station:

Tape 3, side 1

REP. KADAS talked about the arbitrated salaries, F-42. He said last session they had the UTU at U of M, the Faculty at Western, Eastern and Northern all signed contracts very similar, essentially saying 6 and 6 peer catch up for faculty plus whatever the average pay plan for the state was. The Legislature funded the 6 and 6 but did not fund the 2 1/2% average (actually 3 1/2% because there is one % in it for merit pay). The Regents have signed that contract and if the Legislature didn't fund it, the Regents were not going to pay it. The faculty at U of M took the case to arbitration and won. The faculty was asking for the 2 1/2 and the 3 1/2%. The pay plan last year was 2 1/2% or \$560, whichever was greater. If averaged over the system it comes to about 3% and that is what the arbitrator ruled was the correct number. The faculty got more than they were asking for through the arbitration, they backed off and agreed to a lesser number, the Regents decided it was not worth taking to court because of the finality of the arbitration decision. At that point, knowing they would lose the same arbitration on the other 3 campuses and agreed to make a uniform allowance on all the campuses they would pay the 2 1/2, 2 1/2. In subcommittee they put in about \$7.8 million to pay for those costs. Because it has been arbitrated and settled it is a matter of law at this point, and there is no way out of it.

REP. BARDANOUVE said that is the first time he ever heard an arbitration where the people doing the arbitrating got more than they asked for. REP. KADAS said he felt it was to the credit of the faculty of the U of M that they only took what they asked for and not what was really in the language of the agreement. You see this in the Agricultural Experiment Station because there are a number of faculty that are at the Ag Exp. Station. You will see this at all the other experiment stations and all the campuses.

Organized Research:

Motion/Vote: REP. PECK moved mod 1, Biological Weed Control, F-42 be adopted. Second by Rep. Kadas. Motion passed 9 to 8. Roll call vote # 6.

REP. COBB said it was his understanding there is no reversion of general fund each fiscal year in any of these programs. Why are there no reversions when the law says you spend non-general fund

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money first before general fund and you can't spend every dime. Why aren't there any reversions from the University System on anything. Mr. Noble said they do have reversions in the University System. He said he did not see a reversion here for the Ag. Experiment Station. In the University System they reverted \$660,013 and they do not have the segment of that which would belong to the Agricultural Experiment Station. REP. COBB on being assured the reversion came to the state asked if they could have a copy of the information.

Livestock and Ranch Research Station:

REP. BARDANOUVE said (F-43) he wished they would abolish the Livestock and Ranch Research Station and create a new one called Livestock and Range Research Station. REP. ZOOK agreed that is the way it really is. It is Range, not Ranch.

MOTION: REP. CONNELLY moved to amend HB 2, F-44, EXHIBIT 6. Second by Rep. Nisbet.

REP. CONNELLY said she has HB 906 which will be heard in this committee, dealing with the Forestry Extension program. They want to add one more Extension Forester. Presently they have one which is funded with federal money. She said the industry asked her to bring this to the Legislature because they need another one to handle the work in the education programs and the extension programs with forestry. They have workshops around the state, send out information to the 11,000 private landowners around the state and there are about 4 million acres they manage through the private industry. This would ask that if 906 passes and gets a portion of the general fund which is presently funded in thirds. One third industry, one third federal and one third from general fund. The industry has put in their money based on the fact that they need this and think it would be a good idea to have some help from the state.

REP. BARDANOUVE asked if there is general fund in HB 906, and was told yes. He asked if REP. CONNELLY would take this amendment to the Senate since the bill had not been passed out of this committee yet. REP. CONNELLY said there is special money there, and she talked to Mr. Casey who told her they were certain it would be continued and there was a possibility of some other federal money.

REP. PECK said the language is actually saying if the federal money is not there, then the Cooperative Extension Division would have to allocate \$118,500 in '92 and \$110,500 in '93. He asked her if that was correct and REP. CONNELLY answered yes.

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Max Anderson, MSU, said currently they have a fund that comes to them from the federal that is undesignated and they have been using it for the Forestry position which is \$55,000 annually. They never know from year to year if those funds will be forth coming, and the industry suggested they add an additional person to extension, which works off the Missoula campus, but has its relationship with the extension station at Bozeman. He said he thought it was this bill that has the \$.15/M board feet of timber cut that assesses a fund and the estimate would raise around \$80,000 for an additional position and they were supportive of that. He said he was unaware that if that fund was not passed in 906 we would have to add the additional position from existing positions in extension. He was not sure where it would come from because he is unaware of vacancies at the present time or of funds for the position.

REP. CONNELLY said it was her understanding that the Governor had intended to put it into the budget and it was missed but they did want to add one more Extension Forester. There is one there now and they wanted 2. **Mr. Casey** said the money was certain to be there, this would be in the event it wasn't and it would come from the Agricultural fund. **Mr. Anderson** said it is nice to have the FTE and if the money wasn't there the FTE would be when the money was available.

Vote: Motion (EXHIBIT 6) failed 8 to 8, roll call vote # 7.

Fire Services Training School:

REP. COBB referred to F-49 under budget and asked if they will now transfer from their accounting system from the state over to the University system. **REP. PECK** answered yes.

Montana University System:

REP. PECK said at some time the Commissioner wants to address the committee on the unfunded needs. He said he wanted the committee to be aware of the language on F-52, 53 and 54. He said this has language in it which would be the Legislative intent if the University system were down sized. **REP. KADAS** said he wanted to be sure the committee understood this was the legislative endorsement of limiting enrollments. It is our encouragement to the Board of Regents that if they limit enrollments we will not penalize them through the formula. This is a policy statement we are making in adopting this language and he wanted to be sure everybody understands it.

Mr. Hutchenson said he had sent out a copy of what they consider

to be critical unfunded needs. There are other unfunded needs, but the list sent out in the mail are those we have identified that are absolutely critical. We still have some critical accreditation needs, concern about the funding for the Experimental program to stimulate competitive research and the engineering research center where they have matching obligations with the federal government. There are other bills designed in part, to take care of those, but in the event they do not pass they will have difficulties there. They have a disability services need and the WICHE slots which they are concerned about. There is some need for additional funding for Gt. Falls for the NMC expansion program there and they need some additional funds for instructional equipment of about \$1 million. You have heard some about MUSNET which ties into Regents employee reporting system. MUSNET is a computer net working among the campuses and with the office of the Commissioner of Higher Education. We need some additional support to make sure it is fully operational. There is an important modification for the Nursing Program at MSU to accommodate the onrush in students and feels it is important to train them because there is a nursing need statewide. He said they also have some critical deferred maintenance needs that are currently not being taken care of in the amount of about \$7 million.

Motion/Vote: REP. PECK moved mod 1, Regents Employee Reporting System, F-62 be adopted. Second by Rep. Kadas. Motion passed unanimously.

MOTION: REP. PECK moved mod 2, Minimum Wage Increase be adopted. Second by Rep. Bardanoue.

REP. PECK asked if this was part of the pay plan or totally different or are these people included in the pay plan, too?
REP. KADAS said they did not take the pay plan into consideration with this mod.

REP. asked said if this was not approved, would they have to cut back on the number of student placements? REP. PECK said it would have to be a reduction, yes. If this is not approved there is that much loss per hour per student that would have to be made up by reduction.

Vote: Motion passed 11 to 7 with Rep. Thoft, Swysgood, Grady, Zook, Peterson, Grinde and Cobb voting no.

Motion/Vote: REP. PECK moved mod 3, Library Book Acquisitions be adopted. Second by Rep. Menahan. Motion passed 12 to 6 with Rep. Thoft, Grady, Zook, Peterson, Grinde and Cobb voting no.

MOTION: REP. KIMBERLEY moved to amend HB 2, F-63, Table 4, EXHIBIT 7. Second by Rep Kadas.

REP. KIMBERLEY said this was the Museum of the Rockies and was intended to be part of the base budget for MSU. He pointed out

the qualities of the museum and the need for funding.

REP. PECK said this was dealt with in the subcommittee and failed to make the budget. REP. BRADLEY passed out a cartoon on looking for dinosaurs, EXHIBIT 8. REP. KADAS said judging from the number of amendments, he would be voting against many of them. One of the reasons he will vote against it is because he will be introducing a bill that will fund some of these but it will be tied to a revenue source. In trying to balance this whole budget he did not see how they could put any more money into it unless it is attached to some revenue sources.

REP. BRADLEY said she would like to hear his philosophy on this because she feels right now Higher Education has to justify itself before the citizens of the state every 10 years in a way no other program does. REP. KADAS said his revenue source was not something that had to be voted on. His philosophy was to try to address the system's wide needs and try to do it using the formula and try to help all the campuses on as equal a basis as he could. A lot of these mods are coming in for individual campuses, he was sympathetic to this as well as her budget, he knew there must be additional revenue to balance the budget if they were going to put in these things.

REP. GRINDE said, you are putting this in the base for here and ever after? He was told yes, and said from a program that started with a one-time funding, now we are going to put it in the base.

Vote: Motion failed 6 to 12, roll call vote # 8.

REP. QUILICI said he would like to support a substitute motion for the motion that just failed. He said he had not been too supportive of the Museum of the Rockies in the past, but there are a lot of school children in Montana that utilize this facility.

MOTION: REP. QUILICI moved to revise these numbers and take out not quite half, it would be \$280,963 and \$297,821. Second by Rep. Menahan.

Mrs. Cohea asked for clarification. Are the figures what they would be or what you are reducing and REP. QUILICI said this is what it would be.

Vote: Motion failed 7 to 11, roll call vote # 9.

REP. QUILICI said his amendment would adjust the formula factors at Montana Tech, 1/5 toward the estimated inflation adjusted peer average. He read the explanation of the amendment and passed out EXHIBITS 9 AND 10.

MOTION: REP. QUILICI moved to amend HB 2, F-63, Table 4 (EXHIBIT 10). Second by Rep. Nisbet.

REP. KADAS said he appreciated the sincerity of the amendment, but after subcommittee action and adding the Governor's pay plan to that, 5 of the 6 units are very close to meeting the 1/5 step in the first year of the biennium. They all fall off in the second. The one that isn't close is Tech, and that is because Tech has the farthest to go and because Tech has a declining enrollment. REP. QUILICI closed on his motion.

Vote: Motion failed 8 to 10, roll call vote # 10.

MOTION: REP. QUILICI moved to amend HB 2 be amended on page F-63, Table 4 (EXHIBIT 9). Second by Rep. Nisbet.

REP. QUILICI said this amendment would increase the general fund appropriation for Montana Tech by \$239,000 in '92 and \$239,000 in '93. This is money that absolutely is needed at a minimum for Montana Tech to even keep accredited. Montana Tech is one of the finest small colleges in the country, is an engineering college and this amendment would take the additional amount of the funding formula that would be generated if the budget enrollment was increased from 1,523 to 1,570. It would just keep Montana Tech accredited.

REP. PECK said he would support the motion and felt REP. QUILICI is at the bottom line, and thought this committee should recognize Tech is a different institution. It is a high cost institution and we put it under the same formula conditions the other 5 units are and this one is a very specialized institution. He felt this motion is justified on that basis.

REP. BRADLEY said she would like to offer an amendment to REP. QUILICI's amendment. There are four programs that are in jeopardy on accreditation and felt they should all go together. REP. QUILICI asked to have the amendments submitted separately.

Vote: Motion failed 9 to 9, roll call vote # 11.

MOTION: REP. JOHNSON moved to amend F-63, table 4 EXHIBIT 11. Second by Rep. Menahan.

Vote: Motion failed 9 to 9, roll call vote # 12.

MOTION: REP. NISBET moved to amend F-63, Table 4 EXHIBIT 12. Second by Rep. Menahan.

REP. NISBET explained the need for the amendment. REP. KADAS said it is an interesting situation around NMC to expand into Great Falls. This is one of the issues that will be in the bill he would introduce. He said he was concerned about building a whole new campus. REP. PECK said he felt this was a management decision by the Board of Regents that allowed the expansion into Great Falls and requested and kind of required, Northern to go down there and do this. The enrollment is there and it is not something extra, it is students getting instruction and providing

access to one of the major cities in the state of Montana. He said he did not feel they had to expand the curriculum, this is access to receive the education. **REP. GRINDE** said this access issue would create UNM, University of Northern Malstrom. He felt that was what it was all about.

REP. BARDANOUVE said he could not support this, he felt it was an unwise move, and had been told by officials of the University System itself it was not a wise move. It was set up basically to educate people at Malstrom Air Force Base.

Vote: Motion failed 7 to 11, roll call vote # 13.

REP. BRADLEY said she felt the minimum this committee should come out with on the budget would at least assure the four programs whose accreditation are hanging in the balance get funded at the minimum, but give them that safety. This amendment includes Pharmacy at U of M, Engineering at Tech, Engineering at MSU and Education at Eastern. She said every one of those are in jeopardy.

MOTION: **REP. BRADLEY** moved to amend F-63, Table 4 **EXHIBIT 13**. Second by Rep. Nisbet.

REP. PECK said he thought some of the statements are open to interpretation. Eastern Montana College has been accredited and will get another visit next fall and, at this point in time, they are accredited. There is some concern about it. He said he did like the argument of accreditation because you end up saying that the accreditation association can dictate to the Legislature and the government of the state of Montana how much they are going to spend on programs. Accreditation associations are created by professionals in that field who set the standards. He said he would like to support this amendment, but did not feel it was really that vital.

REP. KADAS said he disagreed with **REP. PECK** on accreditation. He said he did not feel we can escape accreditation issues. Currently he felt there were two programs that are facing imminent loss; the Engineering program at Mont. Tech. and they are under a "show cause" and unless they meet the new standards in the next year they will lose their accreditation. U of M Pharmacy School is under "published probation", and that is the same kind of a situation. Unless they meet the standards they will lose accreditation. He said they have made some progress in the budget, and the other two are significant issues that aren't as critical as those two.

Vote: Motion failed 7 to 11, roll call vote # 14.

REP. KADAS said he had a conceptual one first, it deals with the Pharmacy License Fee bill. He said he would have to leave it to **Mrs. Cohea** to draft it. He wants to make it contingent on the passage of HB 692, to allow for increase in spending authority

for the Pharmacy School, in addition to appropriated funds. He said his purpose was to make sure they were not displacing any general fund with the additional pharmacy fees.

REP. BARDANOUVE asked which amendment this was and was told there was not a copy of it.

MOTION: **REP. KADAS** moved the above suggested amendment. Second by Rep. Bardanouve.

REP. BARDANOUVE asked what this amendment does and **REP. KADAS** said if 692 passes, the funds from 692 will be in addition to whatever general fund we have put there. The funds from 692 will not displace general fund.

Vote: Motion passed unanimously.

MOTION: **REP. KADAS** moved to amend F-63, Table 4, **EXHIBIT 14**. Second by Rep. Nisbet.

REP. KADAS said this deals with Apsaruke Hall. He said **Ken Heikes** had asked him to put in this amendment and he would ask him to explain it. **Mr. Hutchinson** said he would like to preface the remarks. He said he neglected to present this when he read the unfunded needs, but the Commissioner's office does stand behind it. **Ken Heikes, Administrative Vice President, EMC** said the Board of Regents approved the closing of Apsaruke Hall, which was a dormitory. They submitted a program mod to pick up new space because they did not want to completely close this particular building. They wanted to keep it heated minimally and needed money for gas and electricity. They also presented this building to the LRP committee and it received a ceremonious death so in order to take care of this building they need some help in utilities.

REP. PETERSON asked if we are voting to keep it heated indefinitely or what? She was told at least 2 years and it would come around again.

AMENDMENT TO AMENDMENT: **REP. THOFT** said he would like to have added to the amendment that if there is any excess funds they will revert back to the general fund. **REP. KADAS** agreed.

Vote: Motion passed unanimously.

REP. GRINDE said he had a conceptual motion on F-54 and did not have it in written form. If it went through, the LFA could write it up. He said this pertained to arbitrated salary and the catch up for the '91 biennium. In the Governor's budget, there was \$8 million discretionary money. He wanted the University System to have some flexibility in how they spent their money. This is the same programs we have been talking about, Engineering, Pharmacy, Architecture, Accreditation, whatever, and this money would have been available to the Regents to spend on these programs. In

committee, REP. KADAS felt this amount of money should be taken for arbitrated salaries, and it was taken for that purpose. He had no problem if the Board of Regents wanted to use it for that purpose, but they should have the choice.

MOTION: REP. GRINDE moved the second to last paragraph on F-54, item 5. Take the \$7.8 million from item 5 and make it discretionary money the Board of Regents and the University systems could spend whichever way they wanted to. Second by Rep. Cobb.

REP. KADAS opposed the motion. He feels it is odd to suggest discretionary money when you know there is no discretion in being able to spend it. He said he was not opposed to discretionary money, but felt in doing it then it should be allowed for situations where there is some discretion. Those contracts are legally binding and that is where they will have to spend it.

REP. PECK said he would agree with REP. KADAS. You talk about \$8 million, but we have an obligation for \$7.8 million that we allocated appropriately and properly and did not feel it would make any sense to put this language in the bill. REP. BARDANOUVE said he would agree with REP. PECK. REP. QUILICI asked if these arbitrated salary agreements--are they the salary agreements arbitrated for all six units of the university system? REP. KADAS said the only arbitration was for the U of M contract. The language is almost exactly the same in the EMC contract, the NMC and the Western contract. Because of that the Regents gave on all of them, and because they want to treat the entire system the same way, they said they gave Tech and MSU the authority to increase their salaries by the same amount. Tech and MSU did not do that. MSU did to a certain extent, but did it based on merit. Tech did not feel they could take money out of operating, or retrench in order to provide additional salary increases, so they did not do it.

REP. PECK said that has been a long standing policy with the Board of Regents. If a union group on a campus gets something, it has been extended to the other non-organized campuses.

REP. GRINDE said he felt as we are debating what is right and wrong, there is a bill on lump sum in, he felt this would be a good chance for the University System to spend this money however they felt appropriate and the motion does not take away the ability to spend it on the arbitrated salaries.

Vote: Motion failed 7 to 11, roll call vote # 15.

MOTION: REP. BRADLEY moved to amend F-63, Table 4, EXHIBIT 15. Second by Rep. Quilici.

REP. BRADLEY said this amendment is the result of a lot of letters from students that are in nursing programs in other units of the state and are now ready for the upper level clinical

nursing programs. There will be 100 of them put on a waiting list if these slots are not provided. She said this puts 6 positions in Billings and 12 in Missoula in programs that already exist, but with that expansion. No positions with clinical training are in Bozeman, they are in Billings, Missoula and Great Falls because that is where the big hospitals are where they can do the clinical training. If these students do not have these positions they have several options. They can put themselves on hold, to drop out, to take some other courses until the position opens up, or to leave the state and try to get in a program somewhere else. She said over 90% of these graduates stay and work in the state, many in the rural areas, and the jobs are there.

REP. JOHNSON said one of the desirable options might be to enroll at Dawson Community College or Miles City Community College where they have recently started a program to train nurses. REP. BARDANOUVE said this is a most wise use of our money. There is a shortage of nurses in Montana, most of the ones who graduate remain in the state, but more important, we have an aging population with many who require nursing care. REP. KADAS said these students can't transfer to a community college--they are stuck. He said this is one of those he intends to fund with the bill he is introducing.

REP. ZOOK said he has had to vote against a lot of very worthy programs and he doesn't question them, but how do we do this without raising taxes? REP. PECK said this was a good amendment, but does not like to pull one out and say it is better than the others. We turned down a lot of amendments, and felt REP. KADAS had the right idea, he is going to put them together and let the votes decide the outcome of the programs as a package.

Vote: Motion failed 7 to 11, roll call vote # 16.

Motion/Vote: REP. PECK moved Section F be closed. Second by Rep. Swysgood. Motion passed unanimously.

BOILERPLATE

Mrs. Cohea said the committee heard HB 454 which would put in statute much of the boilerplate. If the committee should go with that approach, then much of this would not be needed. She said she could highlight the differences, but felt it might help to decide whether or not to go with HB 454 or do it the traditional way.

REP. BARDANOUVE said HB 454 puts into law most of this. Agencies sometimes tend to ignore the boilerplate, but once it is in law it is much firmer.

Motion/Vote: REP. KADAS moved the committee endorse HB 454 in concept and the language is written with that intent. Second by Rep. Nisbet. Motion passed unanimously.

REP. BARDANOUVE said **Mrs. Cohea's** proposed would result in a much shorter boiler plate.

Mrs. Cohea said she would go through several sections of the boilerplate that would not be covered under 454 and has written up language the committee talked about as they went through the bill. She handed out **EXHIBITS 16, 17 and 18** and said Section 1, G-1, would need to be adopted, the title. The next thing not covered in HB 454 is the language at the top of G-3, lines 2 and 3 that deals with the line iteming of Personal Services, and if the committee to choose to do that she would work up the language to be in the boilerplate.

Motion/Vote: **REP. QUILICI** moved the above suggestions. Second by Rep. Nisbet. Motion passed unanimously.

Mrs. Cohea said the language capped on G-3 which was added last time and deals with documented cost savings on privatization. If the committee wished to continue this language in the boilerplate she would prepare the language.

MOTION: **REP. BARDANOUVE** moved to accept the language capped on G-3. Second by Rep. Peck.

REP. CODY asked, if this was in the boiler plate language of the last budget bill, how was it affected? Was there a cost savings, and did they have to come in and show the Finance Committee a cost savings. **Mrs. Cohea** said the Legislative Auditor was the staff and the committee that worked on it, they issued a report on the privatization that has occurred to date.

Vote: Motion passed unanimously.

Mrs. Cohea said the next one is at the bottom of G-3 and goes on to G-4, it is the capped language and provided an exception to the Personal Services line item if they were unable to hire staff, you could transfer down according to the conditions shown at the top of G-4.

MOTION: **REP. BARDANOUVE** moved the above amendment. Second by Rep. Quilici.

REP. KADAS said he was not convinced of the need for this one. He said he had not been convinced throughout the budget hearings that the contracted service money is being spent appropriately. He felt if the Pay Plan was dealt with appropriately there would not be the need to do so much contracted services. He did not believe contracted services was the most cost effective way to go in most cases. In most of the budgets there is an allowance for contracted services and this would essentially make all of Personal Services available for contracted services. He would oppose this motion.

REP. QUILICI said he was not sure that was correct. If an agency

is unable to recruit and hire professionals and see the problems they have had to hire and recruit professionals, and until we get the pay plan up to where we can adequately hire people, you have to have this ability to hire contracted services. He would support the motion.

Vote: Motion passed 15 to 3 with Reps. Connelly, Nisbet and Kadas voting no.

Mrs. Cohea said the next item is on G-4, section 9, the capped language which dealt with reorganization and the information an agency must provide if it plans to reorganize.

Motion/Vote: REP. QUILICI moved the above motion on G-4, Section 9. Second by Rep. Kadas. Motion passed unanimously.

Mrs. Cohea said the remaining sections are Section 13, G-5, the severability section, Section 14, 15 and 16.

Motion/Vote: REP. QUILICI moved the above amendment on Sections 13, 14, 15 and 16. Second by Rep. Swysgood. Motion passed unanimously.

Mrs. Cohea referred to EXHIBIT 17 and said it would not actually be in the boilerplate, it would be in each agency in which you took a Personal Services reduction. She said, as she understood it, was the committee's intent. It will show at the bottom of any agency in which you took a Personal Services reduction, and there would be a line item showing as a positive amount how much you cut. It will then be deducted from the total and this language would be in, saying the agency would have the authority to work with their approving agency to allocate that reduction among their programs, but when it is allocated it must reduce the Personal Services amount so the Legislative Auditor will have an audit trail to audit the line item in Personal Services.

MOTION: REP. BARDANOUVE moved the above motion. Second by Rep. Quilici.

REP. QUILICI said this is just following the intent of REP. COBB's motion and the numbers you give are at 4%, which coincides with this language.

Vote: Motion passed unanimously.

REP. KADAS said in line with that, does the committee need to do something to designate the reversion number? REP. BARDANOUVE said there is a concern REP. COBB expressed in that he had a concept of how it could be regulated. The budget office said it won't save any money, but REP. COBB showed how it could save money. He asked what the language would be to carry out this concept. REP. COBB said in the revenue estimating or wherever, there is supposed to be \$11 million if that is already estimated

or should we say we expect \$11 million to be reverted? Mrs. Cohea said the Executive budget anticipates \$10 million a year reversion, the LFA estimates \$11 million. She said she did not believe in HJR 24 revenue estimate assumptions, a reversion figure is noted. She said she believed the only action the committee could take in this bill would be to request all agencies to revert. The 11% is based on historical 2% reversion, so the committee could request all agencies revert 2%, they could further direct or request the executive branch and all approving authorities to set reversion targets. Unless the Legislature went in and reduced the appropriations, they cannot direct reversions.

Mrs. Cohea said she would like to draw to the attention the amendment which was requested by Rep. Kadas as proposed language for HB 2 boilerplate EXHIBIT 18. She said they were requested to prepare language for the boilerplate that would speak to receiving reimbursement for all costs associated in whatever agency. There is specific language at this point in Fish and Game and in Health, this would deal with any agency expenditures.

Motion/Vote: REP. KADAS moved to amend the boilerplate (EXHIBIT 15). Second by Rep. Bardanouve. Motion passed unanimously.

REP. COBB said he had one last amendment. In Personal Services, the line iteming, his motion would be wherever 4% was taken in FY '93, in FY '92 we take 2% and wherever we took 2% in '93, in FY '92 we take 1%. It would be a further savings.

MOTION: REP. COBB moved the above.

REP. KADAS said since most of the budgets are already in printing you can't put it in each section. Even in the boilerplate it changes all the numbers. He said he would prefer to wait until it gets to the floor. Mrs. Cohea said in the boilerplate a language "de-appropriation" in Personal Services. She said A and B are actually at the printers.

REP. COBB withdrew his motion.

Motion/Vote: REP. BARDANOUVE moved HB 2, as amended, do pass. Second by Rep. Cody. Motion passed 11 to 7 with Reps. Thoft, Swysgood, Grady, Zook, Peterson, Grinde and Cobb voting no.

HOUSE APPROPRIATIONS COMMITTEE

March 18, 1991

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ADJOURNMENT

Adjournment: 12:30 p.m.


FRANCIS BARDANOUE, Chair


Sylvia Kinsey, Secretary

FB/sk

HOUSE OF REPRESENTATIVES
APPROPRIATIONS COMMITTEE

ROLL CALL

DATE

3-18-91

NAME	PRESENT	ABSENT	EXCUSED
REP. FRANCIS BARDANOUVE, CHAIRMAN	✓		
REP. RAY PECK, VICE-CHAIRMAN	✓		
REP. DOROTHY BRADLEY	✓		
REP. JOHN COBB	✓		
REP. DOROTHY CODY	✓		
REP. MARY ELLEN CONNELLY	✓		
REP. ED GRADY	✓		
REP. LARRY GRINDE	✓		
REP. JOHN JOHNSON	✓		
REP. MIKE KADAS	✓		
REP. BERV KIMBERLEY	✓		
REP. WM. "RED" MENAHAN	✓		
REP. JERRY NISBET	✓		
REP. MARY LOU PETERSON	✓		
REP. JOE QUILICI	✓		
REP. CHUCK SWYSGOOD	✓		
REP. BOB THOFT	✓		
REP. TOM ZOOK	✓		

HOUSE STANDING COMMITTEE REPORT

March ²⁵~~28~~, 1991

Page 1 of 1

Mr. Speaker: We, the committee on Appropriations report that
House Bill 2 (first reading copy -- white) do pass as amended.

Signed: Bardanoue

Francis Bardanoue, Chairman



TERESA OLCOTT COHEA
LEGISLATIVE FISCAL ANALYST

STATE OF MONTANA
Office of the Legislative Fiscal Analyst

STATE CAPITOL
HELENA, MONTANA 59620
406/444-2986

February 19, 1991

EXHIBIT 1
DATE 3-18-91
HB 2

TO: Representative Francis Bardanouve
Seat #6

FROM: Carroll South
Senior Fiscal Analyst

RE: Montana State Hospital, Galen Campus

As you requested, I have reviewed the status of the Galen campus of the Montana State Hospital and the executive's plan to close the facility. This memorandum outlines a procedure the 1991 legislature could authorize to partially implement the executive proposal while reserving a final decision on closure for the 1993 legislature when more information is available.

Galen's Present Status

Until the early 1980's, the Galen campus was a separate, autonomous institution complete with a superintendent, food service operations, and other necessary administrative and operational functions. The 1981 legislature approved the administrative and functional consolidation of the Galen facility with the Warm Springs Hospital, resulting in some operational and administrative efficiencies. However, the administrative consolidation did little to improve efficiencies of the Galen physical plant operations.

The Galen facility is under-utilized and inefficient due to its large size and isolated location which requires it to provide and maintain many of the services provided by cities. It must provide security and maintain water and sewage systems and streets. Employee housing is also provided and

maintained. Further, in the long-term the state may be required to invest in the physical plant to maintain the facility's licensure and medicaid certification. The loss of medicaid certification would increase the general fund cost of operating the facility, while at the same time reducing outside, independent review of the treatment received by nursing and hospital patients.

Galen's value to the state's service delivery system depends upon long-term plans for its use, how that use fits into the context of other state facilities providing similar services, and whether the state is willing to fund the necessary capital improvements which may be required for continued licensure and medicaid certification of the facility. The facility's mission has changed significantly over the years, depending upon what the immediate needs of the state were at the time. Efforts have been made in recent years to expand its current mission to include nursing care for veterans. As long as the facility remains in operation and has available space, efforts to use the facility for additional services will likely continue.

Can Galen be Closed?

Any consideration of the closure of the Galen facility is complicated due to the diversity of the treatment programs housed at the facility, at least two of which are not provided elsewhere in the state's service delivery system. If Galen were simply a nursing facility, closure would be simpler. Similar nursing services are provided at the geriatric unit at Warm Springs and the Center for The Aged at Lewistown. These facilities could be perhaps be enlarged if necessary to accommodate the nursing residents at Galen. Or when appropriate, Galen nursing residents could be placed in private nursing facilities.

However, the fact that Galen provides the only state-operated hospital and chemical dependency program requires careful consideration before a decision is made to close the facility. The hospital is used for detoxification of chemical dependency admissions and for nursing patients at both Warm Springs and Galen when close medical observation and medical treatment is required. The chemical dependency program provides inpatient services to many court-ordered admissions who will still be a responsibility of the state even if the facility is closed. Detailed planning will be required to assure that these services provided by the state exclusively at Galen will be met by the private sector if the facility is closed.

If the legislature decides to close Galen, the most appropriate method would be an orderly phase-out of the services provided at the facility over a period of time, rather than the July 1, 1991 deadline proposed by the executive. It is doubtful that the facility could be closed by that date without causing serious dislocation of Galen residents and employees. It may be possible to close the facility while avoiding serious problems if: 1) a facility down-sizing is approved by the 1991 legislature; 2) the orderly closure occurs over two biennia; and 3) the 1993 legislature is willing to expand, construct or purchase facilities elsewhere if the state's long-term responsibilities to the Galen residents cannot be met with existing state and private resources.

Possible Plan of Action

The narrative below lists actions the state could take to begin an orderly down-sizing of the Galen facility during the 1993 biennium which would permit the 1993 legislature to make a final decision on the feasibility of closing the facility. The actions are listed by the major treatment components at the facility.

Nursing Care

1) Authorize the executive to begin the transfer of appropriate Galen nursing patients to the geriatric unit at Warm Springs and the Center for the Aged. The Department of Institutions would need legislative authority to transfer appropriate funding and FTE authority from the Galen budget to these facilities as Galen residents are transferred.

2) Authorize the executive to transfer appropriate Galen nursing residents to private nursing facilities. It is likely that only medicaid eligible residents would be moved to private nursing facilities so private facilities would be guaranteed payment at least at the medicaid rate. No funding or FTE transfer authority is necessary for residents transferred in this manner. Medicaid is an entitlement program and funding for medicaid-eligible Galen nursing residents transferred to private facilities would come from medicaid funds appropriated to the Department of Social and Rehabilitation Services. (The state general fund would lose the federal medicaid match it now receives for residents transferred to private facilities.)

3) Require that the executive, prior to the 1993 legislative session, make a final determination as to whether all Galen nursing home residents could be transferred to other state and/or private facilities. If all residents cannot be transferred, require that a recommendation be made to the 1993 legislature on the disposition of the remaining residents.

The above processes would ensure a carefully planned, realistic procedure for determining whether state and private resources are adequate to accommodate the Galen nursing patients and would allow the 1993 legislature to evaluate the effort and decide what steps to take next. If nursing residents still remain at the Galen facility after all state and private resources are exhausted, the legislature could either continue operations of

the Galen nursing facility or expand other state facilities to accommodate them based on executive recommendations. The processes suggested above would also permit a full public review of the resident transfer procedure and provide ample opportunity for input by family, friends, and relatives of the Galen nursing residents.

Hospital Services

1) Authorize, during the 1993 biennium, an objective, independent assessment of the hospital unit to: a) determine the medical necessity of activities carried on in the unit, including the use of the unit for detoxification of chemical dependency admissions; and b) determine how and at what cost, the basic medical needs of the people for whom the state is responsible would be met if the hospital is closed.

The above assessment would be available to the 1993 legislature to facilitate deliberations on the necessity of the hospital as part of the state's service system.

Chemical Dependency Treatment

The chemical dependency treatment program may be the most difficult Galen program to eliminate. Under current law, the district courts can involuntarily commit persons directly to the department for chemical dependency treatment. If the Galen program is closed, the department will be totally dependent upon local programs which may not always be able or willing to accept all persons involuntarily committed to the department. Even if local programs do not accept them, the department will still be responsible under the law to provide treatment. Under these circumstances, the state may be forced to provide treatment in one of its own facilities even if the Galen chemical dependency program is closed.

Before the legislature makes the critical decision of closing a program which is unduplicated anywhere else in the state service system, it may wish

to require documentation from the executive that all state obligations under current law can be met by local programs. Such proof will be difficult to obtain unless the 1991 legislature authorizes the executive during the 1993 biennium to begin transferring Galen patients and diverting new admissions to local programs. The process to begin down-sizing the Galen chemical dependency program would require that the 1991 legislature:

- 1) Authorize the department to begin transferring Galen chemical dependency patients to local programs under contractual agreements which include specific cost and treatment language.

- 2) Authorize the department to divert new admissions, including court ordered admissions to local programs under the same contractual provisions.

- 3) Allow the transfer of alcohol earmarked funds from the Galen program to contracted services to fund the treatment provided to Galen patients by local programs.

- 4) Require the department to keep accurate records of each patient transferred or diverted to local programs. The records would include both treatment and cost data to be used by the 1993 legislature in making a final determination on the disposition of the Galen chemical dependency program.

This process would permit the 1993 legislature an opportunity to review the down-sizing activity occurring during the 1993 biennium and determine the feasibility of eliminating the state-operated program. If it is not feasible to completely eliminate the program, enough data would be available to assist the legislature in determining the appropriate size required for a state-operated program and the optimal location for the program. If the Galen nursing and hospital programs are phased out, it would be very costly to maintain a chemical dependency program at Galen, but perhaps the program could be located at another state facility or elsewhere in the state.

Facility Disposition

The Department of Institutions' plan to close the Galen facility includes the transfer of the physical plant to the Department of State Lands. It is not clear what the lands department would do with the facility. The state's experience with the disposition of the Twin Bridges facility clearly demonstrated the difficulty involved in disposing of vacated state facilities. Until such time as a final disposition of the facility is made, the lands department will incur maintenance and security expenditures.

Summary

The executive plan to close the Galen facility estimates that approximately \$6.0 million would be saved during the 1993 biennium. This estimate assumes that the facility would be completely closed between the time that the legislature authorized the closure (March or April) and July 1, the beginning of the 1993 biennium. It is doubtful that a facility of this size (given the number of employees and residents) could be completely closed in that time-frame. Further, under the executive proposal, the legislature is being asked to make a major decision based on the assumption that all treatment provided at Galen could be provided elsewhere at a much reduced cost and that patients for whom the state would still be responsible will continue to receive appropriate services.

A legislatively authorized phased-in reduction of the Galen facility during the coming biennium would provide the executive an opportunity to document to the 1993 legislature that the Galen facility is not needed. If it is determined that all Galen services cannot be provided elsewhere, data obtained from this down-sizing process would assist the 1993 legislature in determining the numbers of persons now served at Galen who must continue to be cared for in state-operated facilities. The legislature could then

decide whether to serve these individuals at Galen or expand another state facility to accommodate them.

*Review
Motions
Second
Page
Jared*

Summary of Galen Language

INFILE 2
DATE 3-18-91
HB 2

Nursing

- 1) Permits transfer of State Hospital nursing residents to private nursing facilities.
 - a) Refers to sections of state law authorizing these transfers.
- 2) Permits transfer of State Hospital nursing residents to Center for the Aged.
 - a) Refers to sections of state law authorizing these transfers.
 - b) Permits transfer of funds and FTE from State Hospital to the Center.
- 3) Requires the department to meet all applicable laws in carrying out these activities.
 - a) Must meet due process of law required by Section 53-21, Part 1.
 - b) All transfers must be in best interest of resident.

Chemical Dependency

- 1) Permits diversion of Chemical Dependency voluntary admissions to local programs.
 - a) Permits use of funds appropriated to State Hospital to contract for services.
- 2) Permits diversion of Chemical Dependency involuntary admission to local programs.
 - a) Refers to section of state law authorizing this activity.
 - b) Permits use of funds appropriated to State Hospital to contract for services.
- 3) Permits department to limit State Hospital chemical dependency resident population.
 - a) Total limited to Average Daily Population (ADP) budgeted by legislature.
 - b) ADP limit will be hospital population plus diverted admissions in local programs.

Documentation Required

- 1) Requires accurate records of all residents transferred and admissions diverted.
 - a) Must document compliance with all pertinent state law.
 - b) Must document the number of all successful transfers and diversions.

Report to Legislature

- 1) Must report to Legislative Finance Committee on activities during 1993 biennium.
- 2) Must submit full report to 1993 legislature on all transfers and diverted admissions.
 - a) Estimate Galen ADP who must continue to be treated in state-operated facilities.

Language

Montana State Hospital Nursing Care - The department is authorized during the 1993 biennium to fully implement Section 53-21-401, MCA which states that "It is the intent of the legislature that geriatric patients at the Montana state hospital and geriatric residents of the state who may in the future be placed at the Montana state hospital and who do not need intensive psychiatric care receive care and treatment in nursing homes located in community settings." The department is authorized to transfer Montana state hospital nursing residents and/or divert new admissions to local nursing homes that agree to accept such admissions.

The department is also authorized during the 1993 biennium to transfer geriatric patients from the Montana state hospital to the Montana center for the aged in conformance with Section 53-6-303, MCA and Section 53-21-411 (2), MCA which states that "Appropriate admissions to the Montana center for the aged are persons unable to maintain themselves in their homes or communities due to a mental disorder, as defined in 53-21-102, associated with the aging process, but who do not require the intensity of treatment available at the Montana state hospital."

The department shall ensure that all Montana state hospital residents transferred to local nursing homes or the Montana center for the aged under these provisions be provided due process of law as required by Section 53-21, Part 1, MCA and that the transfers be in the best interests of the residents as required by Section 53-6-303, MCA. In carrying out these provisions, the department is authorized to transfer funds, including personal service funds, and authorized FTE from Montana state hospital to the Montana center for the aged but shall not incur a supplemental as a result of any resident transfers. The legislature authorizes these resident transfers during the 1993 biennium in accordance with Section 53-21-101, MCA, which requires that the state's treatment of persons who are seriously mentally ill or suffering from a mental disorder be: 1) accomplished whenever possible in a community-based setting; and 2) be provided in an institutionalized setting only when less restrictive alternatives are unavailable or inadequate and only when a person is so mentally ill as to require institutionalized care.

Montana State Hospital Chemical Dependency Treatment - The department is authorized to divert voluntary admissions from the chemical dependency treatment program at Montana state hospital to approved public or private chemical treatment programs that agree to accept such admissions. The department is also authorized to divert involuntary admissions to these facilities following the provisions of Section 53-24-302 (10), which states that "If a private treatment facility agrees with the request of a competent patient or his parent, sibling, adult child, or guardian to accept the patient for treatment, the department may transfer him to the private treatment facility." In carrying out this provision, the department is authorized to use funds, including personal services funds, appropriated to Montana state hospital to contract with local programs for such services. The department shall not incur a supplemental as a result of diverting admissions. The department may limit the chemical dependency programs' resident population to the average daily population (ADP) approved by the legislature less the number of those persons undergoing treatment in local chemical dependency programs who have been diverted pursuant to this provision.

Report to 1993 Legislature - The department shall keep accurate records of all nursing residents transferred from the Montana state hospital and all admissions diverted from the Montana state hospital chemical dependency program, including the cost of any medical detoxification required for diverted chemical dependency admissions. Records shall be maintained which: 1) document that the department has complied with all pertinent sections of state law regarding transfers of residents or diversion of admissions; and 2) document the number of successful resident transfers or diversion of admissions from the Montana state hospital. The department shall: 1) at the request of the chairman, report to the Legislative Finance Committee on implementation of this language; 2) submit a full report to the 1993 legislature on the transfer of residents and diversion of admissions; and 3) provide an estimate to the 1993 legislature of the number of persons residing at Galen who must continue to be served in a state-operated facility.

HOUSE OF REPRESENTATIVES

APPROPRIATIONS

ROLL CALL VOTE

TIME

9:45 AM

DATE 3-18-91

BILL NO. _____

NUMBER 1

MOTION: _____

Bord. Motion EXH 2

NAME	AYE	NO	ABSENT
REP. RAY PECK, VICE-CHAIRMAN	✓		
REP. DOROTHY BRADLEY		✓	
REP. JOHN COBB	✓		
REP. DOROTHY CODY		✓	
REP. MARY ELLEN CONNELLY		✓	
REP. ED GRADY	✓		
REP. LARRY GRINDE	✓		
REP. JOHN JOHNSON	✓		
REP. MIKE KADAS		✓	
REP. BERV KIMBERLEY		✓	
REP. WM. "RED" MENAHAN		✓	
REP. JERRY NISBET		✓	
REP. MARY LOU PETERSON	✓		
REP. JOE QUILICI		✓	
REP. CHUCK SWYSGOOD		✓	
REP. BOB THOFT	✓		
REP. TOM ZOOK	✓		
REP. FRANCIS BARDANOUVE, CHAIRMAN	✓		
TOTAL	9	9	

Fuller

APPROPRIATIONS

2% Dec 4

NAME	AYE	NO	ABSENT
REP. RAY PECK, VICE-CHAIRMAN	✓		
REP. DOROTHY BRADLEY		✓	
REP. JOHN COBB	✓		
REP. DOROTHY CODY		✓	
REP. MARY ELLEN CONNELLY			✓
REP. ED GRADY	✓		
REP. LARRY GRINDE	✓		
REP. JOHN JOHNSON		✓	
REP. MIKE KADAS		✓	
REP. BERV KIMBERLEY		✓	
REP. WM."RED" MENAHAN		✓	
REP. JERRY NISBET		✓	
REP. MARY LOU PETERSON	✓		
REP. JOE QUILICI		✓	
REP. CHUCK SWYSGOOD	✓		
REP. BOB THOFT	✓		
REP. TOM ZOOK	✓		
REP. FRANCIS BARDANOUVE, CHAIRMAN	✓		
TOTAL	9	8	1

OFFICE OF THE GOVERNOR
BUDGET AND PROGRAM PLANNING

EXHIBIT 3
DATE 3-18-91
HB 2



STAN STEPHENS, GOVERNOR

STATE OF MONTANA

STATE CAPITOL

(406) 444-3616

HELENA, MONTANA 59620

M E M O R A N D U M

TO: Representative Red Menahan
Institutions and Cultural Education Chairman

FROM: Mary LaFond, Budget Analyst
Office of Budget and Program Planning *Mary LaFond*

RE: AMENDMENT TO HB0002 - HOUSE APPROPRIATIONS

DATE: March 15, 1991

Page D-27 Grants and Federal Revenue Fund lines in Table.

The Montana Arts Council is requesting additional authority for the Arts in Education grant. Notification was received from the National Endowment for the Arts of an increase of \$8,300 each year of the 1993 biennium.

Operating Expenses - Legislature

	<u>FY92</u>		<u>FY93</u>
Strike:	210,071	1,031,403	194,602
Insert:	218,371	1,039,703	202,902
			440,180
			448,480

Federal Revenue - Legislature

	<u>FY92</u>		<u>FY93</u>
Strike:	775,112	1,031,403	201,488
Insert:	783,412	1,039,703	209,788
			440,180
			448,480

HOUSE OF REPRESENTATIVES

APPROPRIATIONS

ROLL CALL VOTE

TIME

10:38-8

DATE

3-18

BILL NO.

NUMBER

3

MOTION:

*Cobb Sub
on 3)*

NAME	AYE	NO	ABSENT
REP. RAY PECK, VICE-CHAIRMAN	✓		
REP. DOROTHY BRADLEY		✓	
REP. JOHN COBB	✓		
REP. DOROTHY CODY		✓	
REP. MARY ELLEN CONNELLY		✓	
REP. ED GRADY	✓		
REP. LARRY GRINDE	✓		
REP. JOHN JOHNSON		✓	
REP. MIKE KADAS	✓		
REP. BERV KIMBERLEY		✓	
REP. WM. "RED" MENAHAN		✓	
REP. JERRY NISBET		✓	
REP. MARY LOU PETERSON	✓		
REP. JOE QUILICI		✓	
REP. CHUCK SWYSGOOD		✓	
REP. BOB THOFT		✓	
REP. TOM ZOOK	✓		
REP. FRANCIS BARDANOUVE, CHAIRMAN	✓		
TOTAL	8	10	

AMENDMENT
Montana Historical Society

EXHIBIT 4
DATE 3-18-91
BE 2

Add as language in Program 01, Administration Program (D-43)

"Should Senate Bill 411 fail during this session, \$28,356 in FY92 and \$26,365 in FY93 and 1.5 FTE each year would be added using general fund as a substitute for current level expenditures of state special revenue."

Wait for SB 411

Amendment to Education Section
House Bill 2 Narrative

Requested by Representative Kadas
House Appropriations Committee

Prepared by Robert Culver
Office of the Legislative Fiscal Analyst
March 14, 1991

EXHIBIT 2
DATE 3-18-91
HB 2

Page E-5, Board of Education, Advisory Council

Fiscal 1992

Operating expenses

Strike: "\$ 25,590"
Insert: "\$ 55,030"

State Revenue Fund

Strike: "\$ 72,927"
Insert: "\$102,367"

Fiscal 1993

Operating expenses

Strike: "\$ 24,344"
Insert: "\$ 53,784"

State Revenue Fund

Strike: "\$ 71,527"
Insert: "\$100,967"

Item___ (advisory council appropriation) is contingent upon the passage and approval of HB 431. Should HB 431 not become law the appropriation for the Advisory Council should read:

Operating Expenses:

Fiscal 1992: "\$25,590"
Fiscal 1993: "\$24,344"

State revenue fund:

Fiscal 1992: "\$72,927"
Fiscal 1993: "\$71,527"

*Ag 5
Am - Kadas
Passed*

HOUSE OF REPRESENTATIVES

APPROPRIATIONS

ROLL CALL VOTE

TIME

2:19 PM

DATE 3-18-91

BILL NO. 2

NUMBER 4

MOTION:

Pass 2 + 2 17) 30
 8 17

NAME	AYE	NO	ABSENT
REP. RAY PECK, VICE-CHAIRMAN	✓		
REP. DOROTHY BRADLEY	✓		
REP. JOHN COBB	✓		
REP. DOROTHY CODY	✓		
REP. MARY ELLEN CONNELLY	✓		
REP. ED GRADY	✓		
REP. LARRY GRINDE	✓		
REP. JOHN JOHNSON	✓		
REP. MIKE KADAS		✓	
REP. BERV KIMBERLEY		✓	
REP. WM. "RED" MENAHAN		✓	
REP. JERRY NISBET		✓	
REP. MARY LOU PETERSON	✓		
REP. JOE QUILICI	✓		
REP. CHUCK SWYSGOOD	✓		
REP. BOB THOFT	✓		
REP. TOM ZOOK	✓		
REP. FRANCIS BARDANOUVE, CHAIRMAN	✓		
TOTAL	14	4	

HOUSE OF REPRESENTATIVES

APPROPRIATIONS

ROLL CALL VOTE

TIME

2:38

DATE

3-18-91

BILL NO.

2

NUMBER

5

MOTION:

27 out of 54

NAME	AYE	NO	ABSENT
REP. RAY PECK, VICE-CHAIRMAN		✓	
REP. DOROTHY BRADLEY		✓	
REP. JOHN COBB	✓		
REP. DOROTHY CODY	✓		
REP. MARY ELLEN CONNELLY		✓	
REP. ED GRADY	✓		
REP. LARRY GRINDE	✓		
REP. JOHN JOHNSON		✓	
REP. MIKE KADAS		✓	
REP. BERV KIMBERLEY		✓	
REP. WM."RED" MENAHAN		✓	
REP. JERRY NISBET		✓	
REP. MARY LOU PETERSON	✓		
REP. JOE QUILICI		✓	
REP. CHUCK SWYSGOOD	✓		
REP. BOB THOFT	✓		
REP. TOM ZOOK	✓		
REP. FRANCIS BARDANOUVE, CHAIRMAN	✓		
TOTAL	9	9	

HOUSE OF REPRESENTATIVES

APPROPRIATIONS

ROLL CALL VOTE

TIME

3:39 PM

DATE 3-18-91

BILL NO. 2

NUMBER 6

MOTION:

Addpt 1 F 42 -

Bial West Cont

NAME	AYE	NO	ABSENT
REP. RAY PECK, VICE-CHAIRMAN		✓	
REP. DOROTHY BRADLEY	✓		
REP. JOHN COBB		✓	
REP. DOROTHY CODY		✓	
REP. MARY ELLEN CONNELLY			
REP. ED GRADY	✓		
REP. LARRY GRINDE		✓	
REP. JOHN JOHNSON	✓		
REP. MIKE KADAS	✓		
REP. BERV KIMBERLEY	✓		
REP. WM. "RED" MENAHAN	✓		
REP. JERRY NISBET	✓		
REP. MARY LOU PETERSON		✓	
REP. JOE QUILICI	✓		
REP. CHUCK SWYSGOOD		✓	
REP. BOB THOFT	✓		
REP. TOM ZOOK		✓	
REP. FRANCIS BARDANOUVE, CHAIRMAN		✓	
TOTAL	9	8	

*Am Con
Com Am
4/15*

Roll Call Vote #7

Amendments to House Bill No. 2
First Reading Copy

Requested by Representative Connelly
For the Committee on House Appropriations

Prepared by Pamela D. Joehler
March 15, 1991

EXHIBIT 6
DATE 3-18-91
HB 2

1. Page F-44

Insert the following language:

"It is the intent of the legislature to expand the forestry extension program at the Cooperative Extension Service and provide the resources necessary for the expansion through House Bill 906 and this act. This language is applicable contingent upon passage of House Bill 906. The legislature intends that the Cooperative Extension Service will expend a minimum of \$204,000 in fiscal 1992 and \$196,000 in fiscal 1993 for this program; of this total amount, the legislature intends that \$118,500 in fiscal 1992 and \$110,500 in fiscal 1993 will be expended from any available revenue source except revenues that become available from House Bill 906 for the forestry extension program.

It is understood by the legislature that the Cooperative Extension Service uses federal renewable resource extension act funds for the forestry extension program and accounts for these funds in the current restricted subfund. It is the intent of the legislature that if the federal renewable resource extension act funds remain available for the forestry extension program in the 1993 biennium, the Cooperative Extension Service will maximize its use of those federal funds to meet the annual minimum non-House Bill 906 expenditure requirements identified in this language. The difference between the annual minimum non-House Bill 906 expenditure requirements and federal renewable resource extension act funds available for the forestry extension program will be funded by the current unrestricted operating budget provided for in this act.

It is further the intent of the legislature that if the federal renewable resource extension act funds become unavailable for the forestry extension program in the 1993 biennium, the Cooperative Extension Service will allocate a minimum of \$118,500 in fiscal 1992 and \$110,500 in fiscal 1993 to the forestry extension program from its current unrestricted budget provided for in this act."

HOUSE OF REPRESENTATIVES

APPROPRIATIONS

ROLL CALL VOTE

TIME

3:50 P

DATE

3-18-91

BILL NO.

2

NUMBER

7

MOTION:

M. E. Con - 24h 5

NAME	AYE	NO	ABSENT
REP. RAY PECK, VICE-CHAIRMAN		✓	
REP. DOROTHY BRADLEY			✓
REP. JOHN COBB	✓		
REP. DOROTHY CODY	abstained		
REP. MARY ELLEN CONNELLY	✓		
REP. ED GRADY		✓	
REP. LARRY GRINDE		✓	
REP. JOHN JOHNSON	✓		
REP. MIKE KADAS	✓		
REP. BERV KIMBERLEY	✓		
REP. WM. "RED" MENAHAN	✓		
REP. JERRY NISBET	✓		
REP. MARY LOU PETERSON		✓	
REP. JOE QUILICI	✓		
REP. CHUCK SWYSGOOD		✓	
REP. BOB THOFT		✓	
REP. TOM ZOOK		✓	
REP. FRANCIS BARDANOUVE, CHAIRMAN		✓	
TOTAL	8	8	

46 & 7
am -

final

Amendments to House Bill No. 2
First Reading Copy

Requested by Representative Kimberley
For the Committee on House Appropriations

Prepared by Pamela D. Joehler
March 18, 1991

EXHIBIT 7
DATE 3-18-91
HB 2

1. Page F-63, Table 4

Fiscal 1992

Strike: "\$ 10,752 MSU Public Service Program"

"\$35,075,642 MSU General Fund"

Insert: "\$ 450,458 MSU Public Service Program"

"\$35,515,348 MSU General Fund"

Fiscal 1993

Strike: "\$ 10,752 MSU Public Service Program"

"\$34,684,764 MSU General Fund"

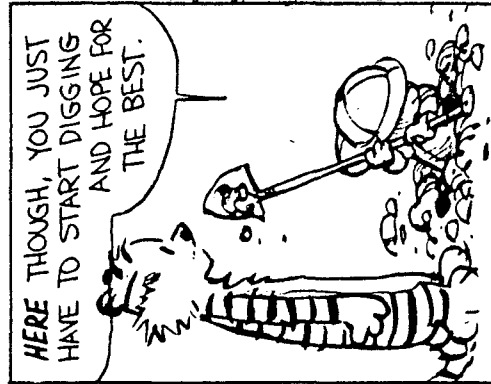
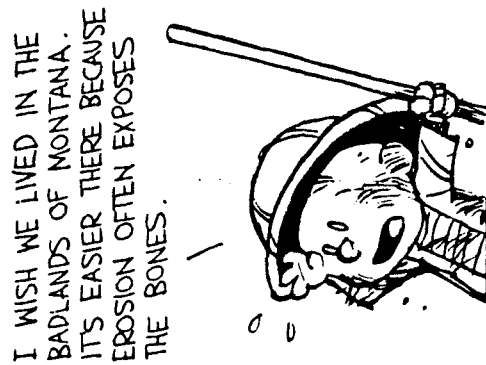
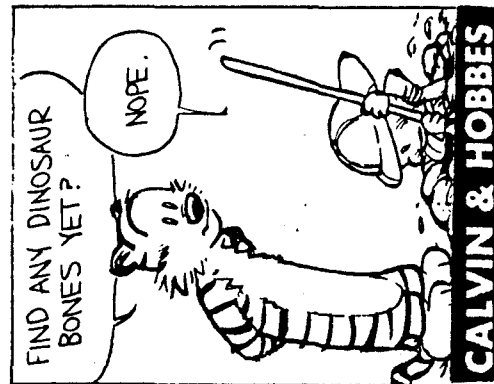
Insert: "\$ 473,807 MSU Public Service Program"

"\$35,147,819 MSU General Fund"

This amendment adds \$439,706 general fund in fiscal 1992 and \$463,055 general fund in fiscal 1993 to the Public Service program at Montana State University for the Museum of the Rockies. This amendment is intended to be part of the base budget for Montana State University presented to the 1993 legislature.

Brooklyn
uh
✓

EXHIBIT 8
DATE 3-18-91
HB 2



HOUSE OF REPRESENTATIVES

APPROPRIATIONS

ROLL CALL VOTE

TIME

DATE 3-18-91

BILL NO. 2

NUMBER 8

MOTION:

*up B Amend - Kimberly
Museum & Rocks*

NAME	AYE	NO	ABSENT
REP. RAY PECK, VICE-CHAIRMAN		✓	
REP. DOROTHY BRADLEY	✓		
REP. JOHN COBB		✓	
REP. DOROTHY CODY		✓	
REP. MARY ELLEN CONNELLY	✓		
REP. ED GRADY		✓	
REP. LARRY GRINDE		✓	
REP. JOHN JOHNSON	✓		
REP. MIKE KADAS		✓	
REP. BERV KIMBERLEY	✓		
REP. WM. "RED" MENAHAN	✓		
REP. JERRY NISBET	✓		
REP. MARY LOU PETERSON		✓	
REP. JOE QUILICI		✓	
REP. CHUCK SWYSGOOD	✓	✓	
REP. BOB THOFT		✓	
REP. TOM ZOOK		✓	
REP. FRANCIS BARDANOUVE, CHAIRMAN		✓	
TOTAL	6	12	

for

HOUSE OF REPRESENTATIVES

APPROPRIATIONS

ROLL CALL VOTE

TIME

4:18 PM

DATE 3-18-91 BILL NO. 2 NUMBER 9

MOTION: _____

*Just put it in
Mr. R. Kimb*

NAME	AYE	NO	ABSENT
REP. RAY PECK, VICE-CHAIRMAN		✓	
REP. DOROTHY BRADLEY	✓		
REP. JOHN COBB		✓	
REP. DOROTHY CODY		✓	
REP. MARY ELLEN CONNELLY	✓		
REP. ED GRADY		✓	
REP. LARRY GRINDE		✓	
REP. JOHN JOHNSON	✓		
REP. MIKE KADAS		✓	
REP. BERV KIMBERLEY	✓		
REP. WM. "RED" MENAHAN	✓		
REP. JERRY NISBET	✓		
REP. MARY LOU PETERSON		✓	
REP. JOE QUILICI	✓		
REP. CHUCK SWYSGOOD		✓	
REP. BOB THOFT		✓	
REP. TOM ZOOK		✓	
REP. FRANCIS BARDANOUVE, CHAIRMAN		✓	
TOTAL	7	11	

James

Copy 8/18

failed

11 roll call

Amendments to House Bill No. 2
First Reading Copy

Requested by Representative Quilici
For the Committee on House Appropriations

Prepared by Pamela D. Joehler
March 16, 1991

EXHIBIT 9
DATE 3-18-91
HB 2

1. Page F-63, Table 4

Fiscal 1992

Strike: "\$5,012,823 MCMST Instruction Program
2,941,994 MCMST Support Program
\$7,075,306 MCMST General Fund"

Insert: "\$5,166,552 MCMST Instruction Program
3,027,863 MCMST Support Program
\$7,314,904 MCMST General Fund"

Fiscal 1993

Strike: "\$5,014,346 MCMST Instruction Program
2,841,107 MCMST Support Program
\$6,973,221 MCMST General Fund"

Insert: "\$5,168,122 MCMST Instruction Program
2,927,258 MCMST Support Program
\$7,213,148 MCMST General Fund"

This amendment increases the general fund appropriation at the Montana College of Mineral Science and Technology \$239,598 in fiscal 1992 and \$239,927 in fiscal 1993 and is allocated to the instruction and support program. This is the additional amount that the funding formula would generate if the budgeted enrollment was increased from 1523 to 1570 annually.

REQUEST SHOWING LEGISLATIVE ACTION (\$/S-FTE) TO ESTIMATED PEER AVERAGE
 S=VbacVnform(peomp)

	FY 89 PEER AVG (\$/S-FTE)	EST FY 92 (4% Inflation/yr)	EST FY 93 (4% Inflation/yr)	SUBCMTB BUDGET (\$/S-FTE)		COMPARISON TO EST PEER AVG	
				FY 92	FY 93	FY 92	FY 93
U	5,854	6,585	6,848	5,473	5,441	83.1%	79.5%
C	5,854	6,585	6,848	5,400	5,368	82.0%	78.4%
C	4,780	5,377	5,592	4,835	4,790	89.9%	85.7%
CUM	5,532	6,223	6,472	5,356	5,301	86.1%	81.9%
MST	4,987	5,610	5,834	5,502	5,424	98.1%	93.0%
	8,939	10,055	10,457	6,382	6,327	63.5%	60.5%

	SUBCMTB BUDGET W/ GOV PAY PLAN PROPOSAL		COMPARISON TO EST PEER AVG	
	FY 92	FY 93	FY 92	FY 93
U	5,620	5,734	85.3%	83.7%
C	5,551	5,669	84.3%	82.8%
C	4,961	5,042	92.3%	90.2%
CUM	5,505	5,598	88.5%	86.5%
MST	5,661	5,741	100.9%	98.4%
	6,551	6,663	65.2%	63.7%

Roll Call vote
#11

EXHIBIT 9
 DATE 3-18-91
 HB 2

Roll call vote #10

EXHIBIT 10
DATE 3-18-91
HB 2

Amendments to House Bill No. 2
First Reading Copy

Requested by Representative Quilici
For the Committee on House Appropriations

Prepared by Pamela D. Joehler
March 16, 1991

#10 roll call

1. Page F-63, Table 4
Fiscal 1992

Strike: "\$5,012,823 MCMST Instruction Program
2,941,994 MCMST Support Program
\$7,075,306 MCMST General Fund"

Insert: "\$5,531,310 MCMST Instruction Program
3,190,456 MCMST Support Program
\$7,842,255 MCMST General Fund"

Fiscal 1993

Strike: "\$5,014,346 MCMST Instruction Program
2,841,107 MCMST Support Program
\$6,973,221 MCMST General Fund"

Insert: "\$6,146,932 MCMST Instruction Program
3,708,310 MCMST Support Program
\$9,739,959 MCMST General Fund"

This amendment would adjust formula factors at the Montana College of Mineral Science and Technology one-fifth towards its estimated, inflation-adjusted peer average each year of the 1993 biennium and add \$250,000 per year for instructional equipment. The amendment is net of the estimated pay plan allocation that Montana Tech would receive for its instruction and support programs under the Governor's pay plan proposal. The amendment also assumes that the budget modifications (\$108,848 in fiscal 1992/\$47,928 in fiscal 1993) and the liability insurance premium current level adjustment (\$904 in fiscal 1992/\$1,520 in fiscal 1993) would be absorbed in this amendment. The tables below summarize the expenditure impact by program by year and the changes in the formula factors. This is general fund impact.

<u>Program</u>	<u>Fiscal 1992</u>	<u>Fiscal 1993</u>	<u>1993 Biennium</u>
Instruction	\$518,487	\$1,132,586	\$1,651,073
Support	\$248,462	\$867,203	\$1,115,665
Total Amendment	\$766,949	\$1,999,789	\$2,766,738

The funding formula factors would be revised as follows:

<u>Formula Factor</u>	<u>Subcommittee</u>		<u>Amendment</u>	
	<u>FY 92</u>	<u>FY 93</u>	<u>FY 92</u>	<u>FY 93</u>
Student Faculty Ratio	16.61	16.61	15.73	14.85
Avg. Faculty Salary	\$37,441	\$37,441	\$38,751	\$42,064
Instructional Support Rate	\$562	\$563	\$597	\$666
Support Rate	\$1,827	\$1,833	\$2,108	\$2,526

HOUSE OF REPRESENTATIVES

APPROPRIATIONS

ROLL CALL VOTE

TIME

DATE

3-18-91

BILL NO.

2

NUMBER

10

MOTION:

Quilici rep 10

*Lead at
EXH. 10*

Ment Tech.

NAME	AYE	NO	ABSENT
REP. RAY PECK, VICE-CHAIRMAN		✓	
REP. DOROTHY BRADLEY	✓		
REP. JOHN COBB	✓		
REP. DOROTHY CODY		✓	
REP. MARY ELLEN CONNELLY	✓		
REP. ED GRADY		✓	
REP. LARRY GRINDE		✓	
REP. JOHN JOHNSON	✓		
REP. MIKE KADAS		✓	
REP. BERV KIMBERLEY	✓		
REP. WM. "RED" MENAHAN	✓		
REP. JERRY NISBET	✓		
REP. MARY LOU PETERSON		✓	
REP. JOE QUILICI	✓		
REP. CHUCK SWYSGOOD		✓	
REP. BOB THOFT		✓	
REP. TOM ZOOK		✓	
REP. FRANCIS BARDANOUVE, CHAIRMAN		✓	
TOTAL	8	10	

HOUSE OF REPRESENTATIVES

APPROPRIATIONS

ROLL CALL VOTE

TIME

4:31 t

DATE

BILL NO.

NUMBER

11

MOTION:

Quil F-6324 8A exp (EXH. 9)

NAME	AYE	NO	ABSENT
REP. RAY PECK, VICE-CHAIRMAN	✓		
REP. DOROTHY BRADLEY	✓		
REP. JOHN COBB		✓	
REP. DOROTHY CODY		✓	
REP. MARY ELLEN CONNELLY	✓		
REP. ED GRADY		✓	
REP. LARRY GRINDE		✓	
REP. JOHN JOHNSON	✓		
REP. MIKE KADAS		✓	
REP. BERV KIMBERLEY	✓		
REP. WM. "RED" MENAHAN	✓		
REP. JERRY NISBET	✓		
REP. MARY LOU PETERSON		✓	
REP. JOE QUILICI	✓		
REP. CHUCK SWYSGOOD	✓		
REP. BOB THOFT		✓	
REP. TOM ZOOK		✓	
REP. FRANCIS BARDANOUVE, CHAIRMAN		✓	
TOTAL	9	9	

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Roll Call vote # 12

Amendments to House Bill No. 2
First Reading Copy

Requested by Representative Johnson
For the Committee on House Appropriations

Prepared by Pamela D. Joehler
March 14, 1991

EXHIBIT 11
DATE 3-18-91
HB 2

1. Page F-63, table 4.

Fiscal 1993 Only

Strike: "192,930 University of Montana Public Service Program"

Insert: "283,518 University of Montana Public Service Program"

Strike: "\$28,698,199 General Fund"

Insert: "\$28,788,787 General Fund"

This amendment would add 3.3 FTE and \$90,588 in fiscal 1993 to the University of Montana's Public Service program for the Montana Repertory Theatre. This amendment is intended to be part of the base budget for the University of Montana presented to the 1993 legislature.

HOUSE OF REPRESENTATIVES

APPROPRIATIONS

ROLL CALL VOTE

TIME

DATE

3-18-91

BILL NO.

2

NUMBER

1012

MOTION:

Johnson
Roll call
Exp 11:30
Mar Rep Theatre

NAME	AYE	NO	ABSENT
REP. RAY PECK, VICE-CHAIRMAN		✓	
REP. DOROTHY BRADLEY	✓		
REP. JOHN COBB		✓	
REP. DOROTHY CODY	✓		
REP. MARY ELLEN CONNELLY	✓		
REP. ED GRADY		✓	
REP. LARRY GRINDE		✓	
REP. JOHN JOHNSON	✓		
REP. MIKE KADAS	✓		
REP. BERV KIMBERLEY	✓		
REP. WM. "RED" MENAHAN	✓		
REP. JERRY NISBET	✓		
REP. MARY LOU PETERSON		✓	
REP. JOE QUILICI	✓		
REP. CHUCK SWYSGOOD		✓	
REP. BOB THOFT		✓	
REP. TOM ZOOK		✓	
REP. FRANCIS BARDANOUVE, CHAIRMAN		✓	
TOTAL	9	9	

Roll call vote
#13

Amendments to House Bill No. 2
First Reading Copy

Requested by Representative Nisbet
For the Committee on House Appropriations

Prepared by Pamela D. Joeehler
March 18, 1991

EXHIBIT 12
DATE 3-18-91
HB 2

1. Page F-63, Table 4

Fiscal 1992

Strike: "\$4,321,228 NMC Instruction Program
\$2,588,630 NMC Support Program
\$5,890,647 NMC General Fund"
Insert: "\$4,520,032 NMC Instruction Program
\$2,696,558 NMC Support Program
\$6,197,379 NMC General Fund"

Fiscal 1993

Strike: "\$4,321,228 NMC Instruction Program
\$2,490,692 NMC Support Program
\$5,788,411 NMC General Fund"
Insert: "\$4,520,032 NMC Instruction Program
\$2,598,692 NMC Support Program
\$6,095,215 NMC General Fund"

This amendment adds \$306,732 general fund in fiscal 1992 and \$306,804 general fund in fiscal 1993 to Northern Montana College for 72 additional full-time equivalent students. This is to give more weight to the fiscal 1990 Great Falls campus enrollment in the 2-year average student enrollment calculation. The table below shows the impact by program by year.

<u>Program</u>	<u>Fiscal 1992</u>	<u>Fiscal 1993</u>	<u>1993 Biennium</u>
Instruction	\$198,804	\$198,804	\$397,608
Support	\$107,928	\$108,000	\$215,928
Total Amendment	\$306,732	\$306,804	\$613,536

HOUSE OF REPRESENTATIVES

APPROPRIATIONS

ROLL CALL VOTE

TIME

4:37

DATE

3-18-91

BILL NO.

2

NUMBER

13

MOTION:

(EXH. 12)

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Mistake

F6 3 Table 4

NMC

NAME	AYE	NO	ABSENT
REP. RAY PECK, VICE-CHAIRMAN	✓		
REP. DOROTHY BRADLEY	✓		
REP. JOHN COBB		✓	
REP. DOROTHY CODY		✓	
REP. MARY ELLEN CONNELLY	✓		
REP. ED GRADY		✓	
REP. LARRY GRINDE		✓	
REP. JOHN JOHNSON		✓	
REP. MIKE KADAS		✓	
REP. BERV KIMBERLEY	✓		
REP. WM. "RED" MENAHAN	✓		
REP. JERRY NISBET	✓		
REP. MARY LOU PETERSON		✓	
REP. JOE QUILICI	✓		
REP. CHUCK SWYSGOOD		✓	
REP. BOB THOFT		✓	
REP. TOM ZOOK		✓	
REP. FRANCIS BARDANOUVE, CHAIRMAN		✓	
TOTAL	7	11	

Bradley
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Rue date 14

Roll call vote
#14

EXHIBIT 13
DATE 3-18-91
HB 2

Amendments to House Bill No. 2
First Reading Copy

Requested by Representative Bradley
For the Committee on House Appropriations

Prepared by Pamela D. Joehler
March 18, 1991

1. Page F-63, Table 4
Fiscal 1992

Strike: "\$29,312,235 MSU Instruction Program
\$24,479,815 UM Instruction Program
\$ 7,874,279 EMC Instruction Program
\$ 5,325,610 EMC Support Program
\$35,075,642 MSU General Fund
\$29,045,700 UM General Fund
\$10,575,975 EMC General Fund"
Insert: "\$29,816,890 MSU Instruction Program
\$24,684,057 UM Instruction Program
\$ 8,227,526 EMC Instruction Program
\$ 5,385,388 EMC Support Program
\$35,579,997 MSU General Fund
\$29,250,041 UM General Fund
\$10,989,000 EMC General Fund"

Fiscal 1993

Strike: "\$29,321,692 MSU Instruction Program
\$24,496,379 UM Instruction Program
\$ 7,877,600 EMC Instruction Program
\$ 5,152,572 EMC Support Program
\$34,684,764 MSU General Fund
\$28,698,199 UM General Fund
\$10,394,690 EMC General Fund"
Insert: "\$30,386,203 MSU Instruction Program
\$24,700,621 UM Instruction Program
\$ 8,111,291 EMC Instruction Program
\$ 5,205,708 EMC Support Program
\$35,749,275 MSU General Fund
\$28,902,441 UM General Fund
\$10,681,517 EMC General Fund"

This amendment adds \$1,569,166 general fund to MSU in the 1993 biennium for its engineering accreditation needs, \$408,484 general fund to UM in the 1993 biennium for its pharmacy accreditation needs, and \$699,852 general fund to EMC in the 1993 biennium for its education accreditation needs. The tables below summarize the expenditure impact by program by year and the changes in the formula factors.

<u>Unit/Program</u>	<u>Fiscal 1992</u>	<u>Fiscal 1993</u>	<u>1993 Biennium</u>
MSU/Instruction	\$504,655	\$1,064,511	1,569,166
UM/Instruction	\$204,242	\$204,242	\$408,484
EMC/Instruction	\$353,247	\$233,691	586,938
EMC/Support	\$59,778	\$53,136	\$112,914
Total Amendment	\$1,121,922	\$1,555,580	\$2,677,502

The funding formula factors would be revised as follows:

<u>Formula Factor</u>	<u>Subcommittee</u>		<u>Amendment</u>	
	<u>FY 92</u>	<u>FY 93</u>	<u>FY 92</u>	<u>FY 93</u>
MONTANA STATE UNIVERSITY				
Student Faculty Ratio	17.63	17.63	17.56	17.46
Avg. Faculty Salary	\$37,441	\$37,441	\$37,680	\$37,800
Instructional Support Rate	\$519	\$520	\$546	\$583
UNIVERSITY OF MONTANA				
Student Faculty Ratio	18.38	18.38	18.22	18.22
Instructional Support Rate	\$441	\$443	\$444	\$446
EASTERN MONTANA COLLEGE				
Student Faculty Ratio	19.00	19.00	18.47	18.47
Instructional Support Rate	\$337	\$338	\$385	\$350
Support Rate	\$1,511	\$1,513	\$1,529	\$1,529

HOUSE OF REPRESENTATIVES

APPROPRIATIONS

ROLL CALL VOTE

TIME

4:47 E

DATE

BILL NO.

NUMBER

MOTION:

Bradley exp 13
Reg. F-63 Table 4

NAME	AYE	NO	ABSENT
REP. RAY PECK, VICE-CHAIRMAN		✓	
REP. DOROTHY BRADLEY	✓		
REP. JOHN COBB		✓	
REP. DOROTHY CODY		✓	
REP. MARY ELLEN CONNELLY	✓		
REP. ED GRADY		✓	
REP. LARRY GRINDE		✓	
REP. JOHN JOHNSON	✓		
REP. MIKE KADAS		✓	
REP. BERV KIMBERLEY	✓		
REP. WM."RED" MENAHAN	✓		
REP. JERRY NISBET	✓		
REP. MARY LOU PETERSON		✓	
REP. JOE QUILICI	✓		
REP. CHUCK SWYSGOOD		✓	
REP. BOB THOFT		✓	
REP. TOM ZOOK		✓	
REP. FRANCIS BARDANOUVE, CHAIRMAN		✓	
TOTAL	9	11	

Kadas
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Amendments to House Bill No. 2
First Reading Copy

Requested by Representative Kadas
For the Committee on House Appropriations

Prepared by Pamela D. Joehler
March 18, 1991

EXHIBIT 14
DATE 3-18-91
HB 2

1. Page F-63, Table 4

Fiscal 1992

Strike: "\$ 2,211,829 EMC Physical Plant
\$10,575,975 EMC General Fund"

Insert: "\$ 2,221,829 EMC Physical Plant
\$10,585,975 EMC General Fund"

Fiscal 1993

Strike: "\$ 2,231,678 EMC Physical Plant
\$10,394,690 EMC General Fund"

Insert: "\$ 2,241,678 EMC Physical Plant
\$10,404,690 EMC General Fund"

This amendment adds \$10,000 general fund each year of the 1993 biennium to the Physical Plant program at Eastern Montana College to provide minimal heat to Apsaruke Hall. This building is a dormitory that is no longer in service and is being planned for administrative or academic use.

any other funds
Li &

Passed

HOUSE OF REPRESENTATIVES

APPROPRIATIONS

ROLL CALL VOTE

TIME

4:49

DATE

3-18-91

BILL NO.

2

NUMBER

15

MOTION:

~~Kadas~~ ~~reps~~ F 6 2 5 2
 Guide → F-54 → Item 5

NAME	AYE	NO	ABSENT
REP. RAY PECK, VICE-CHAIRMAN		✓	
REP. DOROTHY BRADLEY		✓	
REP. JOHN COBB	✓		
REP. DOROTHY CODY		✓	
REP. MARY ELLEN CONNELLY		✓	
REP. ED GRADY	✓		
REP. LARRY GRINDE	✓		
REP. JOHN JOHNSON		✓	
REP. MIKE KADAS		✓	
REP. BERV KIMBERLEY		✓	
REP. WM. "RED" MENAHAN		✓	
REP. JERRY NISBET		✓	
REP. MARY LOU PETERSON	✓		
REP. JOE QUILICI		✓	
REP. CHUCK SWYSGOOD	✓		
REP. BOB THOFT	✓		
REP. TOM ZOOK	✓		
REP. FRANCIS BARDANOUVE, CHAIRMAN		✓	
TOTAL	7	11	

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13

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Roll call vote
#16

Amendments to House Bill No. 2
First Reading Copy

Requested by Representative Bradley
For the Committee on House Appropriations

Prepared by Pamela D. Joehler
March 16, 1991

EXHIBIT 15
DATE 2-18-91
HB 2

1. Page F-63, Table 4
Fiscal 1992

Strike: "\$29,312,235 MSU Instruction Program
\$35,075,642 MSU General Fund"

Insert: "\$29,786,457 MSU Instruction Program
\$35,549,864 MSU General Fund"

Fiscal 1993

Strike: "\$29,321,692 MSU Instruction Program
\$34,684,764 MSU General Fund"

Insert: "\$30,192,687 MSU Instruction Program
\$35,555,759 MSU General Fund"

This amendment adds 9 FTE faculty and support in fiscal 1992 and 18 FTE faculty and support in fiscal 1993 to expand the MSU Nursing campuses at Missoula and Billings to accommodate current and anticipated student demand. The additional faculty positions would restore the number of faculty in the College of Nursing to approximately the levels it had in fiscal 1987. Total general fund cost of the amendment is \$474,222 in fiscal 1992 and \$870,995 in fiscal 1993.

The funding formula factors would be revised as follows:

<u>Formula Factor</u>	<u>Subcommittee</u>		<u>Amendment</u>	
	<u>FY 92</u>	<u>FY 93</u>	<u>FY 92</u>	<u>FY 93</u>
Student Faculty Ratio	17.63	17.63	17.33	17.05
Avg. Faculty Salary	\$37,441	\$37,441	\$37,441	\$37,441
Instructional Support Rate	\$519	\$520	\$525	\$525

HOUSE OF REPRESENTATIVES

APPROPRIATIONS

ROLL CALL VOTE

TIME

4:49 E

DATE

3-18-91

BILL NO.

2

NUMBER

16

MOTION:

Bradley wh. 15

Expand NSU Nursing Campus

NAME	AYE	NO	ABSENT
REP. RAY PECK, VICE-CHAIRMAN		✓	
REP. DOROTHY BRADLEY	✓		
REP. JOHN COBB		✓	
REP. DOROTHY CODY		✓	
REP. MARY ELLEN CONNELLY		✓	
REP. ED GRADY		✓	
REP. LARRY GRINDE		✓	
REP. JOHN JOHNSON	✓		
REP. MIKE KADAS		✓	
REP. BERV KIMBERLEY	✓		
REP. WM. "RED" MENAHAN	✓		
REP. JERRY NISBET	✓		
REP. MARY LOU PETERSON		✓	
REP. JOE QUILICI	✓		
REP. CHUCK SWYSGOOD		✓	
REP. BOB THOFT		✓	
REP. TOM ZOOK		✓	
REP. FRANCIS BARDANOUVE, CHAIRMAN	✓		
TOTAL	9	11	

J. L. ...

EXHIBIT 16
DATE 3-18-91
HB 2

HOUSE BILL NO. 100

INTRODUCED BY BARDANOUVE

BY REQUEST OF THE OFFICE OF BUDGET AND PROGRAM PLANNING

A BILL FOR AN ACT ENTITLED: "THE GENERAL APPROPRIATIONS ACT OF 1989 FOR THE APPROPRIATION OF MONEY TO VARIOUS STATE AGENCIES FOR THE BIENNIUM ENDING JUNE 30, 1991."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

(Refer to Introduced Bill)

Strike everything after the enacting clause and insert:

Section 1. Title. This act may be cited as "The General Appropriations Act of 1989".

Section 2. Definitions. For the purposes of this act, unless otherwise stated, the following definitions apply:

(1) "Agency" means each state office, department, division, board, commission, council, committee, institution, university unit, or other entity or instrumentality of the executive branch, office of the judicial branch, or office of the legislative branch of state government.

(2) "Approving authority" means the governor or his designated representative for executive branch agencies; the chief justice of the supreme court for judicial branch agencies; appropriate legislative committees for legislative branch agencies; or the board of regents or its designated representative for the university system.

(3) "University system unit" means the office of the commissioner of higher education, university of Montana at Missoula, Montana state university at Bozeman, Montana college of mineral science and technology at Butte, eastern Montana college at Billings, northern Montana college at Havre, western Montana college of the university of Montana at Dillon, the agricultural experiment station with central offices at Bozeman, the cooperative extension service with central offices at Bozeman, the forestry and conservation experiment station with central offices at Missoula, the bureau of mines and geology with central offices at Butte, the vocational-technical centers at Billings, Butte, Great Falls, Helena, and Missoula, or the fire services training school at Great Falls.

1 Section 3. Other funds to offset general fund. The approving authority shall decrease the general fund
2 appropriation of the agency by the amount of funds received from other sources in excess of the appropriation provided
3 in this act unless such action is expressly contrary to state or federal law, rule, or contract or unless the approving
4 authority certifies that the services to be funded by the additional funds are significantly different from those for
5 which the agency has received a general fund appropriation. If the general fund appropriation of an agency is decreased
6 pursuant to this section, the appropriation for the fund in which excess funds are received is increased in the same
7 amount as the general fund is decreased.

8 Section 4. Expenditure limit. Expenditures may not exceed appropriations.

9 Section 5. Budget requests. (1) Sufficient funds are appropriated in this act to enable each agency to submit its
10 1993 biennial budget request to the budget director and the legislative fiscal analyst pursuant to the time schedule
11 established in 17-7-112(1). If any agency fails to submit its final, complete budget proposal by the deadlines
12 established in 17-7-112(1), the expenditure authority granted in this act must be reduced or rescinded by the budget
13 director unless the agency director certifies that an emergency situation has precluded a timely budget presentation and
14 the budget director approves an extension of the deadlines, not to exceed 30 days.

15 (2) Employees added through the appropriation of federal or state special revenues or proprietary, funds in this
16 act may not be included in the current level budget presented to the 1991 legislature if their continued employment
17 requires general fund support.

18 Section 6. Detailed budget information. Within 2 days after submission of the preliminary executive budget to the
19 legislative fiscal analyst, the budget director shall give the legislative fiscal analyst the preliminary expenditure
20 recommendations by object of expenditure to the second level of detail and by funding source detailed by accounting
21 entity. Within 1 day after the legislative finance committee presents the budget analysis to the 52nd legislature, the
22 budget director and the legislative fiscal analyst shall mutually exchange expenditure recommendations by object of
23 expenditure to the second level of detail and by funding sources detailed by accounting entity. This final information
24 must be filed in the respective offices and available to members of the legislature and the general public.

25 Section 7. Operating budget. (1) Expenditures by a state agency must be made in substantial compliance with an

Exhibit # 16
3/18/91 HB 2

operating budget approved by an approving authority as defined in 17-7-401. Substantial compliance means that no category in the approved operating budget may be exceeded by more than 5%, provided that no funds appropriated for personal services or indicated in legislative intent as having been appropriated for personal services may be expended under any other category EXCEPT IF THE APPROVING AUTHORITY APPROVES A SPECIFIC AGENCY REQUEST JUSTIFIED ON THE BASIS OF DOCUMENTED COST SAVINGS OR EXCEPT AS SPECIFIED IN SUBSECTION (3). THE APPROVING AUTHORITY SHALL SUBMIT ITS ANALYSIS OF THE DOCUMENTED COST SAVINGS TO THE LEGISLATIVE AUDITOR. WAGES AND FRINGE BENEFITS MUST BE SEPARATELY DOCUMENTED FROM OTHER COST SAVINGS. THE LEGISLATIVE AUDIT COMMITTEE SHALL REVIEW THE APPROVING AUTHORITY'S ANALYSIS AND REPORT TO THE SENATE LEGISLATURE ON POTENTIAL LONG-TERM BUDGET IMPACTS. The expenditure of money appropriated by this act is contingent upon approval of the operating budget by August 1 of each fiscal year. An approved original operating budget must comply with legislative intent as expressed in state law and legislative statements of intent. The personal-services-category as specified in subsection (2) may in no approved operating budget include an amount less than the amount included in the personal-services-detail included in the narrative that accompanies this act plus money appropriated to fund the state employee state-employee-pay-plan; Legislative intent for the general appropriations act includes the narrative that accompanies this act.

(2) The operating budget for money appropriated by this act must be separate from the operating budget for money appropriated by any other act except any act appropriating money specifically to fund the state pay plan or any portion thereof. Each operating budget must include expenditures for each agency program, detailed at least by the categories of personal services, operating expenses, equipment, benefits and claims, grants, transfers, and local assistance. In no case may the personal services category detail include an amount less than the amount indicated in the personal services detail included in the narrative that accompanies this act plus money appropriated to fund the state employee pay plan, EXCEPT AS SPECIFIED IN SUBSECTION (3). Each agency shall record its operating budgets and any approved changes on the statewide budget and accounting system. Forms used for changing an operating budget must reference the current fully completed and approved operating budget, show the proposed changes to the operating budget, and reference any other pending documents to change the operating budget.

(3) IF AN AGENCY IS UNABLE TO RECRUIT AND HIRE PROFESSIONAL POSITIONS FUNDED IN THE APPROPRIATION FUNDS

1 APPROPRIATED FOR PERSONAL SERVICES MAY BE USED TO FUND AN AGREEMENT OR CONTRACT TO PROVIDE SERVICES THAT ARE IDENTICAL
2 TO THOSE SERVICES PERFORMED BY AN AUTHORIZED POSITION. THE AMOUNT USED FOR THE AGREEMENT OR CONTRACT MAY NOT BE MORE
3 THAN THE AMOUNT AUTHORIZED FOR THE POSITION LESS ANY VACANCY SAVINGS REQUIREMENT. THE AGENCY DIRECTOR SHALL CERTIFY TO
4 THE APPROVING AUTHORITY OR HIS DESIGNATED REPRESENTATIVE THAT THE AGENCY IS UNABLE TO FILL THE POSITION AND THAT THE
5 SERVICES PERFORMED BY THAT POSITION ARE NECESSARY.

6 Section 8. Program transfers. Unless prohibited by this act or by statute, the approving authority may approve
7 agency requests to transfer appropriations between programs within each fund type within each fiscal year. The transfer
8 amount may not exceed 5% of the total agency appropriation. The transfer may not include money appropriated for
9 personal services. All program transfers must be completed within the same fund from where the transfer originated. A
10 request for a transfer accompanied by a justification explaining the reason for the transfer must be submitted by the
11 requesting agency to the approving authority and the legislative fiscal analyst. Upon approval of the transfer, the
12 approving authority shall inform the fiscal analyst of the approved transfer and the justification for the transfer.

13 SECTION 9. REORGANIZATION. IF ANY AGENCY REORGANIZES DURING THE 1991 BIENNIUM, THE AGENCY SHALL PRESENT FOR FISCAL
14 1990 AND 1991 BY PROGRAM:

15 (1) A RESTATEMENT OF FISCAL--1988--1989--AND--ANY--1991-BIENNIUM--DATA--56--THAT THE FTE RECORDS AND FINANCIAL RECORDS
16 BY-PROGRAM-ARE CONSISTENT WITH THE REORGANIZED STRUCTURE; AND

17 (2) A COMPARISON OF THE ORIGINAL OPERATING BUDGET TO THE REVISED OPERATING BUDGET WHICH REFLECTS THE
18 REORGANIZATION. REORGANIZATION MEANS TRANSFERS OF FUNCTIONS OR FIVE OR MORE FTE FROM ONE PROGRAM TO ANOTHER.

19 Section 10. Reduction of appropriation. In the event of a shortfall in revenue, the governor may reduce any or all
20 appropriations. No appropriation may be reduced by more than 15%. The following appropriations may not be reduced:

21 (1) payment of interest and retirement of state debt;

22 (2) the legislative branch;

23 (3) the judicial branch;

24 (4) school foundation program, including special education; or

25 (5) salaries of elected officials during their terms of office.

Exhibit # 16
3/18/91 HB 2

1 Section 11. Access to records of contracting entities. (1) Unless a contract made with a nonstate entity complies
 2 with subsection (2), no money appropriated by this act may be expended for such contract. Such contract to provide a
 3 service to members of the public on behalf of the state may be either written or oral.

4 (2) A contract described in subsection (1) must contain a provision to allow access, for legislative audit and
 5 fiscal analysis, to the records of the contracting nonstate entity sufficient to determine whether the parties to the
 6 contract have complied with the terms of the contract. Such an audit and fiscal analysis require access to records
 7 necessary to carry out the legislative audit and analysis functions set out in Title 5, chapters 12 and 13.

8 (3) The state may unilaterally terminate any contract upon refusal by the contracting nonstate entity to allow
 9 access to its records necessary to carry out such a legislative audit or analysis.

10 SECTION 12. COAL SEVERANCE TAX INCOME FUND. THE COAL SEVERANCE TAX INCOME FUND, UNLESS APPROPRIATED BY ANOTHER ACT
 11 OF THE 51ST LEGISLATURE, IS APPROPRIATED TO THE GENERAL FUND FOR USE DURING THE BIENNIUM ENDING JUNE 30, 1991.

12 Section 13. Severability. If any section, subsection, sentence, clause, or phrase of this act is for any reason
 13 held unconstitutional, such decision does not affect the validity of the remaining portions of this act.

14 SECTION 13.---INSTRUCTION--TO--LEGISLATIVE--FISCAL-ANALYST-5-OFFICE-OF-THE-LEGISLATIVE-FISCAL-ANALYST-15
 15 INSTRUCTED-TO-REDUCE-ALL-GENERAL-FUND-APPROPRIATIONS-IN-SECTION-A--GENERAL-GOVERNMENT-AND-HIGHWAYS-OF-THIS-ACT--BY--5-
 16 IN-FISCAL-YEAR-1998-AND-5%-IN-FISCAL-YEAR-1999.

17 Section 14. Audit costs. Amounts appropriated for audits may be transferred between fiscal years. Agencies shall
 18 reserve enough cash in each fund to pay for audit costs and shall to the maximum extent allowable under federal
 19 regulations charge audit costs to federal funds.

20 Section 15. Totals not appropriations. The totals shown in this act are for informational purposes only, and are
 21 not appropriations.

22 Section 16. Appropriations. The following money is appropriated for the respective fiscal years:

exh

Passed

H.B. 2 Language

"Item ____ reduces the department's total personal services appropriations for anticipated vacancy savings. The department, with approval of the budget approving authority, shall determine the proportionate share of this amount to be applied to each program and reduce that program's fiscal 1993 appropriation accordingly. Program operational plans approved by the budget approving authority shall reflect this reduction in the personal services expenditure category."

EXHIBIT 17
DATE 3-18-92
HB 2

eff

Proposed language for HB2 "boilerplate"--Representative Kadas

"In the natural resource damage assessment and litigation against the Atlantic Richfield Company, the state shall seek repayment of any funds appropriated in this act that are expended by a state agency for the purpose of conducting the assessment and/or litigation. This repayment shall include interest on the amount loaned at a rate commensurate with rates earned in the short-term investment pool."

Passed

EXHIBIT 18
DATE 3-18-91
HB 2