

MINUTES

**MONTANA SENATE
52nd LEGISLATURE - REGULAR SESSION**

COMMITTEE ON FINANCE & CLAIMS

Call to Order: By Chairman Judy Jacobson, on April 3, 1991, at 7:00 a.m.

ROLL CALL

Members Present:

Judy Jacobson, Chairman (D)
Greg Jergeson, Vice Chairman (D)
Gary Aklestad (R)
Thomas Beck (R)
Esther Bengtson (D)
Don Bianchi (D)
Gerry Devlin (R)
Eve Franklin (D)
Harry Fritz (D)
H.W. Hammond (R)
Ethel Harding (R)
Bob Hockett (D)
Thomas Keating (R)
Dennis Nathe (R)
Lawrence Stimatz (D)
Larry Tveit (R)
Eleanor Vaughn (D)
Mignon Waterman (D)
Cecil Weeding (D)

Members Excused: Richard Manning (D)

Staff Present: Teresa Olcott Cohea(LFA).

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

Announcements/Discussion: None

HEARING ON HOUSE BILL 125

Presentation and Opening Statement by Sponsor:

Representative Bob Gervais, sponsor of the bill, stated that HB 125 is an act to appropriate the money to the commissioner of higher education for American Indian minority achievement purposes. The goal of the bill is to increase the number of American Indian students graduating. This is an on going project.

Proponents' Testimony:

John Hutchinson, Commissioner of Higher Education, stated that HB 125 is a continuation of a project that is already underway supported by two grants. The money from the Ford foundation grant is gone, and the money from the northwest area foundation grant is due to dry up rather shortly. If additional support is not given for this particular project, it will discontinue. This project supplies money for the director of American Indian and minority achievement in the commissioner's office. This position will accomplish a number of things, and has accomplished a number of things today. It is very heavily involved in data collection and analysis, and the tracking of American Indian students from kindergarten through the twelfth grade. There will be significant efforts made in the intervention and prevention of American Indian dropouts, and there will be an establishment of a variety of networks. This project one of the most significant points of cooperation that the commissioner's office now has with the office of public instruction. The funding for HB 125 will amount to eighty seven thousand, eight hundred and twenty four dollars. That money is to fundamentally continue the position of the director, as well as to increase the current half time secretary to a full time position. There are many benefits of this bill including economic development, and increased employment. In the kindergarten through the twelve grades American Indians now count for ten percent of the enrollment in Montana. American Indians count for seven percent of the enrollment in high school, and down to two percent of the enrollment in college. One point six percent of graduates in the Montana university system currently are American Indians. This project is designed to address the dropout problem, not only through intervention but through the design of prevention programs.

Opponents' Testimony:

None

Questions From Committee Members:

Senator Devlin asked if there was any reasoning behind the dropping of the grants from the Ford foundation and the northwest area foundation.

John Hutchinson replied that the Ford foundation grant for forty six thousand dollars did dry out, that was a one time specified amount from the Ford foundation, and that money is no longer available. They sold the project in part on the fact that the northwest area grant would be an interim grant that would get them to the point of legislature, so they could go and ask for state support. He stated that he felt this is the responsibility of the state.

Senator Hockett asked how long the program has been going on.

John Hutchinson stated that they are just concluding the second year of the program now.

Closing by Sponsor:

Representative Gervais closed by saying that the bottom line on this bill is each Indian that we keep in school will be one less family that will be on welfare. Senator Gage will carry this bill on the floor if it passes the committee.

HEARING ON HOUSE BILL 692

Presentation and Opening Statement by Sponsor:

Representative R. Budd Gould, sponsor of the bill, stated that this bill is very important for the citizens of the state of Montana and for the students going to school. If a student goes to a pharmacy school and graduates from that school and the classes turn out to be nonaccredited, that student cannot take the pharmacy boards in any state. He stated that he would like to see the funding come out of the general fund and added that there is a tremendous call for pharmacy graduates in the United States today.

Proponents' Testimony:

Ann Gidel, a registered pharmacist in the state of Montana, spoke in favor of the bill (See Exhibit 1).

John Hutchinson, Commissioner of Higher Education, stated that the revenue generated by this bill would largely cure the accreditation problem, though not entirely. It would fall short of the four hundred thousand dollars that is needed over the course of the biennium to repair the pharmacy accreditation problems. This bill goes most of the way in taking care of that particular problem. The presence of this bill brings in a problem that is faced throughout the university system, not just with pharmacy but engineering at Montana Tech, engineering at Montana State University, Eastern, and so on. There are a number of areas in the university system that are published probation dangers. This legislature is on the threshold of a rather important policy decision if it decides to move in this direction for the repair of the pharmacy school at the University of Montana. On the bottom of page four of the bill it states, "the education of pharmacists is an essential function of government in Montana". He stated that their position is if it is an essential function of government, then it should be paid for by the citizens of the state through the legislature.

Dave Runkel, a pharmacist in Great Falls and a member of the Montana State Pharmacist's Association board of directors, stated that seventy to eighty percent of all pharmacists practicing in Montana are University of Montana graduates. The University of Montana helps provide continued education to pharmacists so that

they can keep current on all of the new developments in the healthcare area. This bill provides for the initiation of the direct information center, which will be important in helping pharmacists in all grounds. In many instances, the pharmacists will bring business to the local communities.

Sarah Green, a University of Montana graduate, stated that the pharmacy program at the university has been in distress since 1977. In 1989 they received fifty thousand dollars from the legislature, but the accrediting council said that twenty five thousand dollars a year was insufficient and they did not feel that this was a substantial commitment for a long period of time.

Bonnie Tippy, executive director for the Montana State Pharmaceutical Association, spoke in favor of the bill (See Exhibit 4).

Roger Tippy, representing the Montana Pharmaceutical Association, spoke in favor of the bill (See Exhibit 5). He submitted some proposed amendments (See Exhibit 6).

Sheila Stearns, representing the University of Montana, stated that she also represents the president of the University of Montana who couldn't attend the hearing. She thanked Bud Gould and the association for their efforts.

Opponents' Testimony:

Gary Spaeth, representing the Pharmaceutical Manufacturer's Association, stated that as an opponent, he agrees with everything that the proponents have said. The association that he represents is not opposed to the amount of money spent. The Pharmaceutical Manufacturer's Association does not want to be in a position of funding the school of pharmacies; however, they want to be supportive. He stated that he believes that the school of pharmacy should be kept open, but he doesn't believe that this is the way to go about doing it. Other concerns that he has are of a fiscal point of view. The money should go through the board of pharmacy. He stated that he didn't think that the bill was that workable for the amount of money that they are trying to raise. He supports the effort, but HB 692 is not the answer.

Questions From Committee Members:

Senator Waterman stated that her concern that this would affect the consumer.

Representative Gould stated that he feels that this is so small that it will not really make a difference. He stated that if we don't save the pharmacy school, then ten to fifteen thousand dollars will have to be paid at the very minimum to each additional pharmacist in the state of Montana. This is going to cause a larger increase over a longer period of time, and this is a by far more inexpensive way to go.

Senator Waterman stated that there is a proposal in the House for a two percent surcharge for the university system. She asked if it would provide funding, or if it is an alternative to this.

John Hutchinson replied that the two percent surtax bill will provide to the University of Montana in excess of three million dollars. He stated that the money in that particular loan could be used, and it probably would be used in view of the priority of the pharmacy school for the repair of this credit issue problem should this bill not pass.

Senator Hockett stated that as he looks at the testimony submitted by Bonnie Tippy, looking at the sequence of events of the school of pharmacy it would seem that the board of regents has taken a position that they will let this slowly die by not supporting the funding for the university system. He asked if there was a plan to do away with the school.

John Hutchinson replied that there is absolutely no plan to do away with the school of pharmacy at the University of Montana. The board of regents has continuously affirmed the importance of the school of pharmacy at the University of Montana. There just simply hasn't been enough money available.

Senator Hockett stated that Bonnie Tippy's testimony states that in 1988 "the University submits Program Modification request to Regents for \$513,342 which was reduced to \$181,343 by the Regents and then dropped altogether. He stated that either that statement is wrong, or the board of Regents is wrong.

John Hutchinson replied that he can understand why the \$513,342 amount was reduced down to \$181,343. He stated that he does not know who caused that amount to go to zero.

Ms. Sheila Stearns replied to Senator Hockett's statement by saying that in the last session there was a great competitive effort to squeeze the seven program modifications into the thirteen million dollars that the state had to work with. When Representative Gould came forward with another bill in the last session to fund pharmacy, the Regents dropped their second modification request thinking that would take care of it.

Senator Aklestad asked John Hutchinson, on a scale of one to ten, where would he and the Board of Regents rate this program in regards to priority and importance.

John Hutchinson replied that this program is the number one priority as far as the accreditation needs are in the university system.

Closing by Sponsor:

Representative Gould closed by saying that he feels that this is vitally important because seventy four to seventy seven percent of the graduates of the school of pharmacy start paying the Montana taxpayers back for their education the day that they graduate. They will go to work in the state which real important.

HEARING ON HOUSE BILL 365

Presentation and Opening Statement by Sponsor:

Representative Chuck Swysgood, sponsor of the bill, stated

that HB 365 appropriates sixty million dollars to the Montana State University (MSU) to continue the genetic research for the potato project. This is not the first time that this project is in place; the legislature funded this last session. The most important part of this sixty million dollars is that it allows them to buy one further piece of equipment that is needed.

Proponents' Testimony:

Max Anderson, representing the college of agriculture at the Montana State University, stated that he would like to mention a few things about the program. He stated that there are no specific funds in the experiment station or the extension service that work with the potato industry. The potato industry is an eight thousand acre crop in Montana, generating about twenty five million dollars. Montana is the seed capitol of the nation. The sixty million dollars that is being asked for is to support a growth chamber, in which the single cell potatoes are created. This is to make sure that the potatoes are absolutely disease free, so that Montana's twenty five million dollar industry can be protected well into the future.

Opponents' Testimony:

None

Questions From Committee Members:

Senator Weeding asked Mr. Anderson if there was research going on in other areas, such as alfalfa, and if so is there contributions in those product areas.

Mr. Anderson responded by saying that the technology that is called genetic bioengineering is what they are doing with the potato industry. That research does have some application to alfalfa that they are pursuing with the limited funds that they have.

Senator Weeding asked Mr. Anderson if they get any funding from the wheat marketing research.

Mr. Anderson stated that in terms of the research for the state of Montana, the budget for equipment is only one hundred and twenty six thousand for six million dollars worth of replacement of the equipment that they have in inventory. Last year, the wheat marketing committee contributed about five hundred and fifty thousand dollars to Montana State University for continuing research in grain crop work.

Closing by Sponsor:

Representative Swysgood closed by saying that over the years, the industry itself has taken an initiative to upgrade the crop that they produce. Montana's seed potato industry is noted for the quality of the seed potato and the disease free aspect of the seed potato. He stated that he was very impressed with the

research he saw at Montana State University. He stated that they need to continue this work so the technology of the highly developed seed potato continues to be the forefront and the leader of the nation.

HEARING ON HOUSE BILL 645

Presentation and Opening Statement by Sponsor:

Representative Linda Nelson, sponsor of the bill, stated that HB 645 is a very simple bill that started out as an appropriations bill for the Plentywood school district who lost their high school totally to fire shortly before Christmas. They redrafted the bill to make it a long term loan to be obtained by the board of investments. This bill simply provides the manner that the school could borrow the money. The district would have to assure their accountability and their ability to repay this loan. She stated that the bill would require a vote of the people, and it does not involve any general fund money. As far as the funding for the school, the replacement cost for the school would be approximately four point two million dollars, and they have about three million dollars in insurance coverage. The schools feel like this is the best way that they can get some money at reasonable interest rates. The legislative intent of this bill is very clear in that it simply says that school districts that experience a disaster that destroys school property that is unfit for school use may apply for long term loans for use in replacing school property under the provisions of the law.

Proponents' Testimony:

Senator Nathe stated that he is in full support of the bill. He stated that we need to help the schools who have restructuring to do that are in need of a long term loan.

Opponents' Testimony:

None

Questions From Committee Members:

None

Closing by Sponsor:

Representative Nelson closed by saying that she wasn't sure if the committee needed to amend this bill to make it effective upon passage of approval.

HEARING ON HOUSE BILL 906

Presentation and Opening Statement by Sponsor:

Representative Mary Ellen Connelly, sponsor of the bill, stated that currently there is some federal money which funds one forestry extension for the university system. She stated that because of the problems that the forest product industry is having right now, they thought it was necessary to have enough money to get information out to the eleven thousand small nonindustrial landowners. Some of the things that would be involved would be pesticides and water management with workshops and information put out to these people. Since the wood products industry is the second largest industry in the state, she believes that they should have a little more than fifty five thousand that currently goes to extension forestry. She submitted a list of additional cosponsors for HB 906 (See Exhibit 7).

Proponents' Testimony:

Keith Olson, the executive director of the Montana Logging Association, stated that for the past several years, the Montana legislature has been debating the need for more restrictive forest rights legislation. To date, this has not included the most important citizens of all; those being the un-industrial private land owners who will have to comply with the legislature. The timber industry has been involved in those debates, conservationists groups, environmental groups, but there is no formal organization which represents the small timber land owner which there are eleven thousand in the state. HB 906 proposes to reach out to those timberland owners. It is designed to fund extension forestry from federal, state, and private sources.

Max Anderson, representing the college of agriculture at Montana State University, stated that in terms of supporting the additional extension forestry, there are continuous federal funds that are coming into Montana that now support the position of Bob Logan who was placed at the University of Montana so that he can work of the research base at the Missoula campus. He stated that he hopes to accelerate discussions and the relationships with the timber industry as they strive to better serve the educational needs of the timber industry. This is a nice way to cooperate with the University of Montana on this program.

Don Allen, representing Montana Wood Products Association, stated that their members are going to be the ones who pay a big share of this cost, and they will also have to pay on their own lands as well. The educational approach is the right way to go, in the long run ensuring supply timber that is necessary for the industry to buy. To have this program in place is in the best interest of the state, of the economy, and the industry itself. This is a huge step in the right direction.

Sheila Stearns, representing the University of Montana, stated that they concur with the previous testimony. This bill represents another excellent example of cooperation of a private sector, Montana State University, and the University of Montana in an effort to extend an educational benefit to improve state

resources.

Opponents' Testimony:

None

Questions From Committee Members:

Senator Bengtson asked if someone from State Lands would respond to her question of what is master fire hazard attachment. She also asked why they were talking about fire hazard when this is a forestry extension agent.

Don Artley, the administrator of the Department of State Lands, stated the collection method of this is to take advantage of the existing system under the fire hazard reduction law.

Senator Bengtson stated that Don Allen testified that the eleven thousand members of small timber owners are in support of this. She asked why they would be in favor of an additional fee.

Don Allen stated that the industry is in favor of the fee. He stated that the small timber owners actually only pay about fifteen cents.

Senator Bengtson asked if anybody has computed what the additional fees will be that the timberland owners will be paying.

Keith Olson replied that this emphasizes the problem that they have with everything that is going on relative to legislation. He stated that the timberland owners do not know about the additional fees because there is no organized group, and no way of reaching out to these people to tell them what is going on in environmental quality. The need for extension forestry is so that we will have a body in place to reach out to those people and keep them informed.

Senator Keating stated that there was a phrase in the bill in existing law that a portion of the contractors have a limit on five hundred thousand board feet on which they pay a hazard reduction payment. The fiscal note says that there may be a limitation of five hundred thousand board feet per contractor on this fifteen cent fee. He asked if Don Allen was aware of this.

Don Allen stated that his understanding is that only applies to the basic agreement that is in place now. The additional fifteen cents on the statute of limitation is on the original bill with the original language that is in existing law.

Senator Keating stated that there is no limit to the number of board feet that a contractor will pay this fifteen cents. He asked Don Allen to comment.

Don Allen commented that the department submitted that potential technical flaw in the bill, and it's simply from the difficulty of amending the bill. It is designed for one purpose to accommodate another purpose.

Senator Keating asked if Don Allen is anticipating potential for a technical flaw, why not insert some language to avoid that.

Don Allen replied by agreeing that some language be inserted to avoid the technical flaws.

Closing by Sponsor:

Representative Connelly closed. She stated that she had a meeting before session with about thirty of the small landowners. They are in support of this, and they said the most important thing that they needed was education to help them to manage their property and their products better. She asked for the committee to consider adding some general fund money back into the bill.

HEARING ON HOUSE BILL 560Presentation and Opening Statement by Sponsor:

Representative Barry Stang, sponsor of the bill, stated that this bill is an act to appropriate revenue from driver's license motorcycle endorsement fee from the direct motorcycle safety training account. The motorcycle safety program has turned out to be a worthwhile program, the only problem was that it was under funded. The people who pay the motorcycle endorsement fee came in and asked to be assessed by the state. This is a rather expensive program, because it takes a lot of equipment, but it is also a program that is shared with a private sector.

Proponents' Testimony:

Dal Smilie, chairman of the Motorcycle Safety Advisory Committee, spoke in favor of the bill (See Exhibit 8).

Opponents' Testimony:

None

Questions From Committee Members:

Senator Weeding stated that they have a bill in the Highways committee that would combine the motorcycle industry with the driver's program. He asked if this is the account that the other bill is speaking to.

Representative Stang replied by saying that this is the account that the other bill is speaking to. That bill is passed over with amendments to the house.

Senator Waterman asked if there was a test that a person has to take to get a motorcycle license.

Dal Smilie replied that the Department of Justice has a simple test that teaches a person how to really handle the machine. It is a very complete test. There is also a written test that a person has to take to operate a motorcycle.

Senator Nathe asked how they get the program out to the kids. This is not a driver's education program and he questioned if we are in the process of creating a separate bike education program similar to driver education in the schools.

Dal Smilie stated that there is one hired person at OPI who is contracted out with people that have a large number of volunteers who have taken a home national certification course.

Closing by Sponsor:

Representative Stang closed by saying that HB 763 addresses Senator Nathe's question. He stated that when we combine these accounts they both become essentially one account. This is a worthwhile twenty thousand dollars spent for this program.

EXECUTIVE ACTION ON HOUSE BILL 560

Motion:

Senator Weeding moved to concur in HB 560.

Discussion:

None

Amendments, Discussion, and Votes:

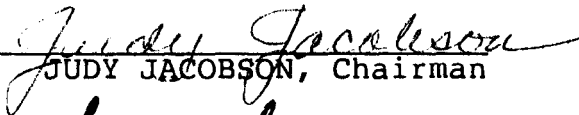
None


Recommendation and Vote:

The motion made by Senator Weeding that House Bill 560 BE CONCURRED IN passed unanimously.

ADJOURNMENT

Adjournment At: 9:00 a.m.


JUDY JACOBSON, Chairman


LYNN STALEY, Secretary

ROLL CALL

FINANCE & CLAIMS COMMITTEE

DATE 4/3

LEGISLATIVE SESSION

NAME	PRESENT	ABSENT	EXCUSED
SENATOR JACOBSON CHAIRMAN	✓		
SENATOR JERGESON, VICE CHAIRMAN	✓		
SENATOR AKLESTAD	✓		
SENATOR BECK	✓		
SENATOR BENGTSON	✓		
SENATOR BIANCHI	✓		
SENATOR DEVLIN	✓		
SENATOR FRITZ	✓		
SENATOR HAMMOND	✓		
SENATOR HARDING	✓		
SENATOR HOCKETT	✓		
SENATOR KEATING	✓		
SENATOR MANNING			
SENATOR NATHE	✓		
SENATOR STIMATZ	✓		

Each day attach to minutes.

ROLL CALL

FINANCE & CLAIMS COMMITTEE, CONTINUED

DATE _____

LEGISLATIVE SESSION

NAME	PRESENT	ABSENT	EXCUSED
SENATOR TVEIT			✓
SENATOR VAUGHN	✓		
SENATOR WATERMAN	✓		
SENATOR WEEDING	✓		
<i>Senator Franklin</i>	✓		

Each day attach to minutes.

SENATE STANDING COMMITTEE REPORT

Page 1 of 1
April 3, 1991

MR. PRESIDENT:

We, your committee on Finance and Claims having had under consideration House Bill No. 560 (third reading copy -- blue), respectfully report that House Bill No. 560 be concurred in.

Signed: _____

Judy H. Jacobson
Judy H. Jacobson, Chairman

LB 4/3/91
Amd. Cobrd.

SB 4/3 10:45
Sec. of Senate

P.O. Box 683
Helena, Montana 59624
April 2, 1991

Senate Finance and Claims Committee
Judy Jacobson, Chairperson
Capitol Station
Helena, Montana 59601

Chairperson Jacobson and Members of the Committee:

My name is Ann Gidel. I am a registered pharmacist in the State of Montana, graduating from the University of Montana School of Pharmacy. I have spent my career working for the Department of Veterans Affairs and am currently employed at the Fort Harrison VA Medical Center as the Pharmacy Supervisor and Clinical Pharmacy Coordinator. I am also here today representing the Montana Society of Hospital Pharmacists. I have served on the Board of Directors of that organization since 1985 and am currently the Immediate Past-President.

House Bill 692 contains some novel approaches to supply the needed additional funding required by the University of Montana's School of Pharmacy, to remain an accredited school by the American Council on Pharmaceutical Education. The Montana Society of Hospital Pharmacists supports these measures, as it is felt that the School of Pharmacy must be preserved to protect the safety of the provision of medications to patients. I also personally agree with this assessment through my experience as a supervisor at the Fort Harrison VA Medical Center.

Of major concern to the Montana Society of Hospital Pharmacists, is the the current shortage of pharmacists in the State. This shortage is worsening as the salary disparity between Montana pharmacists and pharmacists in other states becomes more significant. Closure of the school of pharmacy would significantly impact this current shortage, considering the fact that most pharmacists currently practicing in the State of Montana are University of Montana graduates.

Shortages are currently being felt by the major hospital pharmacies who have had vacancies for long periods of time. This will be even a greater problem as it begins to affect rural areas where the availability of health care professionals is limited. In such areas the pharmacist is a key provider of medical information to the community. The unavailability of pharmacists in these areas will promote mail-order prescription services, which will severely compromise the safety of the provision of medications to the consumer. Pharmacists are the key individuals that provide patient counseling to ensure medications are taken at the proper times to avoid food and drug interactions, to identify potential adverse drug reactions, and to stress the importance of medication compliance for effective treatment. The pharmacist also often provides patients with education on their particular disease state. Without an adequate number of pharmacists in the state, such important services will become compromised.

SENATE FINANCE AND CLAIMS

EXHIBIT NO. 1

DATE 4-3-91

BILL NO. HB 692

EXHIBIT NO. 2DATE 4-3-91BILL NO. HB 692WITNESS STATEMENT

To be completed by a person testifying or a person who wants their testimony entered into the record.

Dated this 3 day of 4, 1991.

Name: Dave Runkel

Address: 125 Woodland Est. Rd

Great Falls mt. 59404

Telephone Number: 453-9147

Representing whom?

Montana State Pharmaceutical Assoc. & ~~State of~~

Appearing on which proposal?

HB 692

Do you: Support? X Amend? X Oppose?

Comments:

as presented -

School of Pharmacy ensures a quality health
Care System for Montana & enrich's both social &
financial fabric's of local & state communities.

WITNESS STATEMENT

To be completed by a person testifying or a person who wants
their testimony entered into the record.

Dated this 3 day of 4, 1991.

Name: SARAH GREEN

Address: 204 22nd Ave N.

Great Falls

Telephone Number: 406 761 4563

Representing whom?

mt Rx Assn

Appearing on which proposal?

HB 692

Do you: Support? ☒ Amend? ☐ Oppose? ☐

Comments:

SENATE FINANCE AND CLAIMS

EXHIBIT NO. 3

EXHIBIT NO. _____
DATE 4-3-91

BILL NO. 413 692

PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY

**Testimony: House Bill 692
Save Our School of Pharmacy (SOSOP)
House Appropriations Committee
March 5, 1991**

Presented by: The Montana State Pharmaceutical Association

**Contact: Bonnie Tippy, Executive Director, 449-3843
Mark Eichler, Vice President, 449-2555**

The Montana State Pharmaceutical Association represents well over two thirds of the practicing pharmacists in the state of Montana. The organization is, first and foremost, committed to the administration of quality health care to Montanans. Part of an overall quality health care package includes well-educated, competent pharmacy professionals. The best care includes not only the dispensing of drugs, but also patient education.

It is the strong belief of the pharmacy professionals in Montana that the only way to maintain the excellent standards of care that pharmacists have set in our state, the School of Pharmacy at the University of Montana must be maintained. Should the School cease to exist, it will become more and more difficult to fill critical pharmacy positions throughout Montana, and in particular more rural areas. There is a shortage of pharmacists nationwide, and in spite of the fact that we do have our own school, there is also one here in Montana. That shortage would reach critical levels should the school be closed. The salary levels in our state are much lower than many surrounding areas, and if we do not have our own school educating Montanans, then the consequences could be severe.

In addition to the critical need for Pharmacy health care services, the profession offers to young people excellent, well paid, career track positions right here in their own state. In fact, over 75% of the practicing pharmacists in Montana are graduates of the School. There has been much discussion in the Montana Legislature and other arenas about the misery of having to educate our young people and then export them to other states because there are no jobs for them here. That simply is not the case with pharmacy. We educate them here, we keep them here, it's as simple as that.

Yet, in spite of the true value of the Pharmacy program at the University of Montana, the school has been under great distress for well over ten years. The following is a synopsis of the accrediting woes:

- | | |
|------|---|
| 1977 | Program placed on unpublished probation, removed in 1978. |
| 1980 | Program warned that ACPE was "disappointed" by continuing financial problems. |

SENATE FINANCE AND CLAIMS
EXHIBIT NO. 4
DATE 4-3-91
BILL NO. NB 692

- 1981 Program obtained part of a new building
- 1982 Program submitted a report to ACPE which was characterized as "neither the precision or definition" requested.
- 1983 Program warned to make progress in critical areas and would be site visited (evaluated) in 1986
- 1986 Program site visited by ACPE
- 1987 Program placed on University termination list
Program placed on probationary status by ACPE because of lack of funding, less faculty positions than needed and unfilled faculty positions.
- 1988 Program placed on published probation by ACPE, the final warning before a program loses accreditation. Faculty positions remain unfilled.
- University submits Program Modification request to Regents for \$513,342 which was reduced to \$181,343 by the Regents and then dropped altogether
- 1989 A bill was submitted to the Montana Legislature for \$200,000 for pharmacy and eventually \$50,000 was awarded to pharmacy by the Legislature.
- A report was prepared for ACPE documenting progress but ACPE "determined that progress over the past year was insufficient and that plans for sustenance and improvement were inadequate." Further, ACPE "expects the University to provide adequate financial resources so that continuing operation of the program is insured at an acceptable level. An adequate base budget is essential to meet program goals and needs including faculty and staff salaries, materials and supplies, faculty development, and curricular study and improvement. The improvements in the financial base of the school since the last on-site evaluation have been meager. The Council acknowledges the efforts made by the University to secure substantial funding increases for the program from both the Board of Regents and the Montana Legislature. The product of these efforts (\$25,000 a year for two years) is insufficient in amount, and its one-time funding does not represent a commitment for adequate financial support." In summary, the Council requested the University add \$400,000 to the base of Pharmacy's budget which was the Council's estimate of resources needed for the pharmacy program to employ twenty faculty. However, with faculty turnover and retirements, this figure probably was an under estimate of the resources needed to hire additional new and replacement faculty members.

In October, ACPE Executive Director Dan Nona and Council Member Jack Coffey visited Missoula and met with University president James V. Koch and other administrators, faculty, and students; area legislators, Board of Regent's Chairman William Mathers and Board staff; and area pharmacists. At that meeting President Koch, because of a record university enrollment, was able to pledge to the pharmacy program a \$125,000 base budget increase effective July 1, 1990.

1990 In January the Council informed the University that the Council "has postponed consideration of withdrawal of accreditation until its June 1991 meeting. . . if accreditation is withdrawn in June 1991, the program may no longer be accredited for the acceptance of new students."

With the further existence of the School of Pharmacy hanging by the proverbial thread, the Montana State Pharmaceutical Association finds itself in a difficult position. Our membership has as its number one goal an end to the problems with accreditation that the school has experienced for well over ten years. Yet, the traditional paths of help for the school have proven either fruitless or, frankly, too little too late. It is out of both frustration and commitment that we propose to the Montana State Legislature a new and truly unique funding mechanism for the school. House Bill 692 has not come easily, but, rather, after much deliberation and debate on the part of our membership. There is opposition from within the profession as well as from manufacturers. However, the school is very near to actual closure, and desperate times call for desperate measures.

We propose to raise the majority of the additional needed funds from every sector of the profession. Pharmacists, pharmacies, over-the-counter retail stores, wholesalers and manufacturers would all be required to either pay additional licensure fees or new licensure fees which would then be earmarked for the School of Pharmacy. The attached graph very simply demonstrates how the proposal would work and just how many dollars it would raise.

Is it entirely fair that the profession have to do this? We believe not. We believe that adequate health care is in the best interests of all of the citizens of our state, and that, as such, general tax dollars should be prioritized to not only bring the School of Pharmacy up to accreditation standards, but to maintain that accreditation status permanently. It is for this reason that we ask the committee to sunset this bill in two years. While we are willing to take the drastic measures that this bill provides for in order to save the school from the immediate ax, we are not willing to do so permanently. We ask this committee and the 1991 Montana Legislature to make an incredibly important public policy decision during this legislative session. That decision is to do whatever is necessary to maintain the school for future generations of Montana youth and, indeed, all of the citizens of our state. Without that commitment, the School will surely close, if not this year, then at a date in the near future.

Tippy & McCue

ATTORNEYS AT LAW

1215 Seventh Avenue

P.O. Box 543

Helena, Montana 59624

6442-4448 FAX 406-442-8018

Roger Tippy,
Mary Kelly McCue

March 21, 1991

Representative Dorothy Bradley
Committee on Appropriations
Montana House of Representatives
Helena, MT 59620

Re: House Bill 692 (School of Pharmacy)

Dear Dorothy:

I heard your comments about what a terrible precedent HB692 would set in terms of private sector funding of professional schools. The pharmacists do not disagree with your philosophy. That is why the amendments we offered included a two-year sunset--which Rep. Kadas tells me he is willing to support.

I would hope you would support HB692 with that amendment in light of these considerations:


(1) A major thrust of HB692 is to set up a Drug Information Center at the School of Pharmacy. The Drug Information Center will operate somewhat like an extension service for the pharmaceutical community.

(2) In two years it would be our hope to set up a funding mechanism for the Drug Information Center based upon the value of services provided. We would hope that this worked something like the commercial fertilizer assessment which supports Extension Service and Ag. Experiment Station activities.

(3) As a point of information, the 35 cents/ton assessment on commercial fertilizer raises about \$100,000 per year. Three-quarters of this is estimated to come from the half-dozen manufacturers, such as Chevron, Cominco, and Simplot. If some of these companies are putting in upwards of \$10,000 or \$15,000 a year, we don't think the \$1,000 per year from pharmaceutical manufacturers in HB692 is excessive.

(4) The pharmacists do not want to privatize the accreditation process, in Commissioner Hutchinson's words. We want to avert an imminent crisis and then find appropriate ways to fund the off-campus services this particular professional school is providing and would provide under HB692.

Sincerely,


ROGER TIPPY

cc: Rep. Mike Kadas
Rep. R. Budd Gould
Tony Yost, P.M.A.

SENATE FINANCE AND CLAIMS

EXHIBIT NO. 5

DATE 4-3-91

BILL NO. HB 692

House Bill 692
Amendments proposed by Pharmaceutical Association
Senate Finance & Claims Committee
April 3, 1991

1. Page 5, line 21
Following: **revenue**
Strike: RESTRICTED SUBFUND OF THE CURRENT FUND
Insert: special revenue
2. Page 5, line 25
Following: "licensure,"
Insert: "disciplinary actions,"
3. Page 6, line 1
Following: "37-7-303"
Insert: "(3)"
Following: "37-7-321"
Insert: "(4)"
4. Page 6, line 2
Following: "account"
Insert: "after which all remaining funds must be paid into restricted subfund of the current fund each June 30"
5. Page 10, line 13
Following: line 12
Insert: "(4) A license under this section must be initially acquired on or before March 31, 1992 and renewed by the following March 31."
6. Page 11, line 15
Following: "preceding"
Strike: "year"
Insert: "twelve months"
7. Page 11, line 19
Following: line 18
Insert: "(5) A license under this section must be initially acquired on or before December 31, 1991, and renewed by the following December 31."
8. Page 11, line 22
Following: "board"
Insert: "at the time such fees are due"

SENATE FINANCE AND CLAIMS
EXHIBIT NO. 6
DATE 4-3-91
BILL NO. HB 692

9. Page 13, line 11

Following: line 10

Insert: NEW SECTION Section 13. Rulemaking authority. In addition to other rulemaking authority granted under this chapter, the board may adopt rules which:

- (1) prescribe forms for the registration of wholesalers, manufacturers, and over-the-counter stores, with self-reporting by wholesalers of the number of pharmacies served;
- (2) define the acts of a manufacturer which constitute active promotion within Montana of the sale or use of its products; and
- (3) provide for documentation of grants and donations made to the school for which a credit is claimed under section [10(4)].

Renumber: following sections

COSPONSOR FORM

Additional cosponsors may be added to or removed from a bill until the time the first Standing Committee Report is filed.

The cosponsors should sign this sheet. The chief sponsor should check the appropriate box, sign and date at the bottom, and return it to the Chief Clerk's Office.

The additions or removals will be noted on Order of Business #11.

☒ The following additional cosponsors are requested for HB 906 or HJR _____.

☐ The following cosponsors wish to be removed from HB _____ or HJR _____.

Hagen	Foster
Willert	Grasfield
Driscoll	Peterson
John Johnson	Larson
Keddas	Weeding
Dundy	Knox
T. Buck	Dawell
Stopple	Karvy
Halligan	Kennedy
Benedict	Meenan
UNANIMOUS	Ream
Williams	Swift

M. E. Connelly

(Chief Sponsor)

2-16-91

SENATE FINANCE AND CLAIMS
(Date)

EXHIBIT NO. 7

DATE 4-3-91

BILL NO. HB 906

HB 560

TO: Senate Finance and Claims Committee
FROM: Dal Smilie, Chairman Montana Motorcycle Safety Advisory Committee
DATE: April 3, 1991
RE: HB 560

The Montana Motorcycle Safety Advisory Committee was created in 1989 with the passage of 61-2-402, MCA. The advisory committee is charged with advising the Superintendent of Public Instruction on motorcycle safety training. The same 1989 legislation that created the advisory committee required OPI to create a Montana Motorcycle Safety Education Program.

Currently 38 states have some sort of rider (user) funded motorcycle safety training program. Responsible organized motorcycle groups in Montana successfully lobbied through such a progressive safety program in 1989.

The 1989 legislation provided funding to OPI for the Montana Motorcycle Safety Education Program by tacking a \$2.50 per registration additional fee on Montana's motorcycle riders. The Registrars Bureau in Deer Lodge reports that there were 21,094 registered motorcycles in Montana during 1990 so the user fee should have raised \$52,735. Motorcycle registrations in Montana have been declining in recent years;

1986	27,493
1987	25,503
1988	24,710
1989	(no figures available due to computer installation problems)
1990	21,094

It would appear that the user fees available for the Montana Motorcycle Safety Education Program will continue to decrease in the near future.

The Motorcycle Safety Program has a second source of income. It has the ability to charge an additional fee for those who take the safety course. Since the program is just starting relatively few riders have taken it. Optimistically we may see 200 students in 1991 at about \$20 for tuition each, \$4,000 might be raised here.

The third source of funds are state allocated federal 402 A funds. The Department of Justice's Highway Traffic Safety Division has allocated federal 402 A funds of about \$35,000 this year to assist in the start up of this important safety program. Administrator Albert E. Goke has stated that he does not intend to allocate further federal 402 A funding past this fiscal year. The safety program cannot be effective without replacing this \$35,000 loss of state controlled federal funds.

The Motorcycle Safety Program has a 1990 budget of \$87,000. It cannot count on more than \$54,000 in user fees for 1991. The 1990 budget breaks down like this;

SENATE FINANCE AND CLAIMS

EXHIBIT NO. 8

DATE 4-3-91

BILL NO. HB 560

TO: Senate Finance and Claims Committee
FROM: Dal Smilie, Chairman Montana Motorcycle Safety Advisory
Committee
DATE: April 3, 1991
RE: HB 560

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DATE 4-3-91

COMMITTEE ON Finance & Currency

UB 125, 365, 560,
UB 645, 692, 906

VISITORS' REGISTER

[illegible]

(Please leave prepared statement with Secretary)