

MINUTES

MONTANA SENATE 52nd LEGISLATURE - REGULAR SESSION

COMMITTEE ON FINANCE & CLAIMS

Call to Order: By Senator Judy Jacobson, Chairman, on April 12, 1991, at 8:30 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: Sen. Richard Manning

Staff Present: Teresa Olcott Cohea(LFA).

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

Announcements/Discussion: None.

EXECUTIVE ACTION ON HOUSE BILL 764

Discussion:

Senator Jacobson said HB 764 is a bill by Rep. Hayne that would reserve the 2 cents of the 18 cent cigarette tax deposited in the Long Range Building program for the construction, operation and maintenance of state veteran's nursing homes. This bill, as it is presently written, would also require going back into HB 5 and reduce the approximately \$8 million worth of

maintenance money in here by \$2 million. Senator Jacobson said they have heard there is about \$242 million worth of deferred maintenance problems. She said there is a case to be made for the fact that the 2 cent additional increase on cigarettes was originally put on for veterans and veterans homes. The other way it could be handled would be to put a delayed effective date of two years on the bill, so it wouldn't affect this year, but it would reduce that additional money for deferred maintenance in future years.

Senator Aklestad questioned the original intent and if the monies were still there and guaranteed for that purpose.

Senator Jacobson said what Rep. Hayne's bill said was that that additional two cents forever would be dedicated for operation and maintenance of veterans homes. The other choice is to use it for deferred maintenance as additional money in that pot. Or, we could put a delayed effective date on the bill if that is our choice to use it for operation and maintenance, but not to affect HB 5. You could delay it for two years and then it would be forever dedicated for operation and maintenance of veterans nursing homes.

Senator Fritz said he is not in favor of the bill. In testimony they heard the veterans homes occupy about one percent of the public space in the state of Montana, and we are going to devote 33 percent of the cigarette tax money. As we know from HB 5, in the government and the university system there is 99 percent of the public space in the state of Montana that is only getting two-thirds of the money, and he doesn't think that is proper. He thinks it was a good idea 2 years ago to set aside the money to build the home. Let's leave it at that and go back to the old way.

Senator Devlin said the only reason the two cents went on at all is because it was backed by the veterans, not only to build this home, but to maintain what they had at Columbia Falls. Had they not backed that, the two cents would never have passed. Time after time we have seen the cigarette tax first put on for veteran's bonuses and then it is shifted off to do everything else. This was put on for a specific reason and we should not change it.

Senator Bianchi asked regarding the operation and maintenance of Columbia Falls, and by not doing this, are we cutting out their operation.

Senator Keating said in the last session when we passed the bill for the home, we pledged to continue operation and maintenance pursuant to rules, "the state shall appropriate from the general fund to the Department of Institutions financial support necessary to provide and continue operation and maintenance of the project upon completion", and that is the same thing they do at Columbia Falls. It is handled through the Dept. of

Institutions. There is federal money and medicaid money.

Senator Bengtson said when we talked about veterans homes and the two cent cigarette tax, it wasn't her understanding that we would dedicate forever the two cents for running the veterans homes, it was for the building of it. She doesn't think we can designate two cents of cigarette tax just for veterans nursing homes. There is a disparity of monies being earmarked for operation and maintenance.

Recommendation and Vote:

Senator Hockett moved that HB 764 Be Not Concurred In. Roll Call Vote was taken with 11 voting yes, and 8 voting no.

The motion that House Bill 764 Be Not Concurred In passed. Senator Fritz will carry the adverse committee report.

EXECUTIVE ACTION ON HOUSE BILL 5

Motion:

Senator Keating moved HB 5 Be Concurred In.

Amendments, Discussion, and Votes:

Senator Waterman moved to include \$8 million in HB 5 for current maintenance projects that involve life and safety issues at the university system. There is supposed to be \$20 million worth of maintenance that needs to be done to repair dangerous situations. She thinks it is an appropriate use of one time monies. (Exhibit 1)

Senator Aklestad said he is against the motion as he thinks this type of money that is available should have been in Long Range Building program and made monies available so all buildings for which the state has responsibility over could be dealt with and evaluated and put on a priority list like all other maintenance projects.

Senator Bianchi said he supports the motion and said he has checked with the universities and they do have a priority list.

Senator Devlin asked how much Long Range Building would allocate for this same purpose.

Senator Jacobson said approximately \$8 million in the bill as it presently stands. This would be an additional \$8 million. She said yesterday when we talked about Rep. Hayne's bill it was testified there was about \$242 million worth of needs, some of which are fairly critical.

Senator Devlin said by not passing the cigarette proposal, we have put some money into that same program. There is \$8 million in here for all state buildings and this would be another \$8 million for just the university system.

Senator Keating said this is \$8 million of general fund that would actually be coming into the general fund eventually as income tax. All SB 461 does is accelerate the deposit and it is a one time hit and we are going to blow it on a project without establishing a priority, without any concern for an ending fund balance for next time. He thinks it is irresponsible to do it this way. That is why we have Long Range Building committees, to establish priorities and set the pace within our budget.

Senator Beck said he wished Senator Waterman would have come in with an amendment rather than the blanket \$8 million, identifying some of the things the university system wants. He is against a blanket \$8 million.

Senator Harding said she agrees that saying \$8 million to the university system is not very responsible.

Senator Hockett said he asked for a total of deferred maintenance and must do maintenance, etc., and the figures are \$19 million of deferred maintenance in the university system and there is a 7.7 must do. He doesn't know what "must do" means.

Jim Waley, Architecture and Engineering Division, said the university system submitted to them \$9 million of what they classified as high priority projects. They have gone through the list and already appropriated a number of projects. As an example, the university system has requested \$1.5 million worth of handicapped accessibility projects system-wide. The A & E Division appropriated around \$350,000, a small portion recognizing they need to keep addressing the handicapped accessibility. There are not enough funds within the state to take care of all the handicapped projects. We addressed the projects they felt were severe life safety issues. They also have an additional \$16 million worth of "must do" projects. Some of these projects include repairing of stucco, exhaust systems, etc. We evaluated many of the projects. Some were sprinkler systems and they did not think they were critical issues. Other departments have needs that aren't being met. This would focus on the university system and perhaps similar to what the previous bill did, address the needs of the veterans home at the expense of the rest of the state. This addresses some of the critical needs of the university system at the expense of some of the other state needs. He would like to have specific projects identified if they were going to have this \$8 million.

John Hutchinson said they have in excess of \$20 million in deferred maintenance needs in the university system. They had originally submitted to A & E \$9 million in absolutely must do projects. Those included things like installing proper fire

alarms in dormitories, critical health and safety concerns, repair of sidewalks of the handicapped so people would be able to use their wheelchairs. It included renovation of restrooms for handicapped access, etc. The cash program will take care of a portion of that, but this \$8 million, plus whatever is available in the cash program, will not take care of all the deferred maintenance in the university system. Each day we wait means more and more deferred maintenance needs. Be assured the university system does have a prioritized list of needs and they know which projects they would address. All the campus buildings comprise in excess of 60 percent of the square footage of all state buildings in the state of Montana.

Senator Waterman asked if the money does go through the Department of Administration. She agrees with Senator Aklestad regarding other buildings having needs. SB 461 is one time money and she thinks it is important that we use it for one time expenditures and feels this is an appropriate use of this money. She said she disagrees with Senator Keating about using one time money for ending fund balance because she thinks it allows us to spend more money in the budget. She thinks this is an important use of one time money.

Senator Devlin made a substitute motion that those monies would be used for all state buildings rather than just the university buildings, and he would move that amendment.

Senator Waterman sees no problem if we were to increase the figure.

Senator Devlin's Substitute Motion Failed on a roll call vote.

Senator Bengtson asked how much money is for planning and preliminary designing, etc. for new constructions.

Senator Waterman said the money Senator Jacobson remarked about in the budget includes money for planning and design for new buildings. This is money just for the maintenance and repair, such as fire alarms in dormitories, etc. This money is to preserve and protect what we have.

Senator Jacobson said of the \$8 million for maintenance in the bill, \$2.6 of that is preliminary design money for the three buildings.

Senator Waterman's motion to Amend passed on a roll call vote.

Senator Jergeson moved to amend HB 5 to provide cash program in HB 5 to be funded from the general fund and is contingent upon passage and approval of SB 461. If SB 461 is not passed and approved, the cash in the long range program to fund the cash projects in HB 5 would be transferred to the general fund.

Senator Jacobson said these are the maintenance projects we have

been talking about. It includes preliminary design money for the prison, university and the engineering physical sciences buildings, as well as other projects.

Senator Bengtson asked if it includes \$2.6 for preliminary, and Senator Jergeson says that that is contingent upon the passage of SB 461.

Senator Jacobson said it is all part of the cash program.

Senator Keating asked if some of this money we are talking about that we are earmarking with this amendment is match money for federal contributions, such as with the military, etc.

Senator Jacobson said there is little in there that matches federal funds.

Senator Jergeson said we had some discussion about this and all these cash maintenance programs in HB 5 are technically one time expenditures and it is obvious we are going to have deferred maintenance as an issue confronting us session after session, but he agrees with Senator Waterman's assessment that SB 461 should not be used for ongoing expenditures but for one type thing, and that is the purpose of this amendment.

Senator Aklestad asked what the monetary amount is on the cash maintenance portion the amendment addresses.

Senator Jergeson said \$8,032,298.

Senator Aklestad said what we are doing is not only dealing with the proposed legislation in HB 5, but we are dealing with what current level is also.

Senator Jergeson said he did not know if it was described as current level, but is the amount approved by the Long Range Building program.

Senator Aklestad said the fiscal note was not right. What we are doing is hinging HB 5 with an appropriation of \$16 million plus because of the last amendment hinged on 461, and if 461 does not pass it makes every project in HB 5 nonexistent and plugs the money that was in HB 5 into the general fund.

Senator Jacobson said that was correct.

Senator Aklestad said this is a neat club for one time, but doesn't think it is really responsible or politically sound hinging all these projects that the Long Range Building committee worked hours on between HBs 5, 6, 7 and 8 screened these things, and then we are going to burn the whole project.

Senator Jacobson said what we are attempting to do is what he asked us to do repeatedly when we worked on HB 2, and that is to

identify revenue sources for expenditures. We are beginning to do that now and she apologizes if he doesn't like the sources of revenue we are identifying, but she believes that is the specific request Senator Aklestad made, and now that is beginning to come into play, and she would assure Senator Aklestad we would show how we are going to pay for everything.

Senator Harding said she resists this motion. She said we worked with this budget and we thought we came up with a good plan based on all the testimony and now to tie it to another bill that cannot be brought before us, is not the way to go.

Senator Keating said this is a set up for a special session and that is exactly what it is. We are attaching a \$40 million accelerated payment of general fund to all kinds of neat little bills around here. You are doing it from a political standpoint, but you had better think it through carefully. It is irresponsible spending and it is irresponsible budgeting and it may backfire.

Senator Jacobson said we were given a directive before we ever came to town that this governor was going to veto anything that we did, and we resented that; that we didn't even have a chance to visit with him before those directives came. We have been repeatedly asked what the package is that we are putting together. You are beginning to see pieces of it. If we had been able to sit down with this governor and negotiate, as we normally do, through a budget process, then things, perhaps, would be a little different. Under the circumstances, this is the only responsible way we can act, and what we are doing with these motions is identifying one time expenditures with one time revenue.

Senator Jergeson closed by saying this was in no way a set up for a special session. He would do almost anything to avoid a special session. This is simply an effort to make sure we have a budget balance as we are required to do by our constitution and as is expected of us by the budget.

Senator Jergeson's motion to Amend HB 5 passed on a roll call vote.

Senator Jergeson moved HB 5 Be Concurred In as Amended.

Senator Hockett moved his amendment. (Exhibit 2)

Senator Jacobson said it would allow Fish, Wildlife and Parks to maximize their federal money by allowing them to move things from one project into another if the federal funds don't become available. She said this is a good amendment that allows them to maximize their federal funds.

Dave Mott, Fish, Wildlife and Parks, in answer to a question by Senator Bengtson, said they agree it is the right thing to do.

SENATE FINANCE & CLAIMS COMMITTEE

April 12, 1991

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Recommendation and Vote:

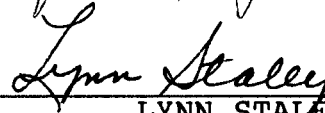
Senator Jergeson moved HB 5 As Amended Be Concurred In. Voting no were Senators Beck, Aklestad, Tveit, Devlin, Harding, Hammond and Keating. The motion passed.

ADJOURNMENT

Adjournment At: 9:15 a.m.



JUDY JACOBSON, Chairman



LYNN STALEY, Secretary

JJ/ljs

ROLL CALL

FINANCE & CLAIMS COMMITTEE

DATE 4-12-91

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	✓		
SENATOR FRANKLIN	✓		

Each day attach to minutes.

SENATE STANDING COMMITTEE REPORT

Page 1 of 1
April 12, 1991

MR. PRESIDENT:

We, your committee on Finance and Claims having had under consideration House Bill No. 5 (third reading copy -- blue), respectfully report that House Bill No. 5 be amended and as so amended be concurred in:

1. Page 9, following line 13.

Insert: "(4) If Senate Bill No. 461 is passed and approved, the following money is appropriated to the department of administration for the university system:

<u>Agency/Project</u>	<u>LRBPF</u>	<u>Other Funding Sources</u>
University System		
Deferred Maintenance Projects Approved by the Board of Regents	8,000,000	General Fund

(5) Amounts not to exceed \$490,000 of federal special revenue money and \$163,333 of state special revenue money appropriated in the state parks maintenance and development statewide line item under subsection (1) may be added to the line item appropriations for motorboat access facilities statewide under subsection (1) or fishing access site acquisition statewide under [section 8(1)]. This subsection is void if House Bill No. 386 and Senate Bill No. 415 are passed and approved and provide sufficient additional state special revenue money required as state matching funds to fully utilize all of the federal special revenue money provided in subsection (1) in the line item appropriation for state parks."

2. Page 14, following line 20.

Insert: "NEW SECTION. Section 21. Coordination instruction.

All projects in [sections 6 and 10] funded from LRBPF funds are contingent upon passage and approval of Senate Bill No. 461. If Senate Bill No. 461 is not passed and approved, the appropriations from LRBPF funds in [sections 6 and 10] are void and the \$8,032,298 from the LRBPF funds is transferred to the general fund."

Signed: Judy H. Jacobson
Judy H. Jacobson, Chairman

14 4/12/91
Amd. Coord.
SP 4/12 2:50
Sec. of Senate

SENATE STANDING COMMITTEE REPORT

Page 1 of 1
April 12, 1991

MR. PRESIDENT:

We, your committee on Finance and Claims having had under consideration House Bill No. 764 (third reading copy -- blue), respectfully report that House Bill No. 764 be not concurred in.

Signed: _____

Judy H. Jacobson
Judy H. Jacobson, Chairman

LB 4/12/91
Amd. Coord.

SP 4/12
Sec. of Senate

Amendment to House Bill 5
Third Reading Copy

Requested by Senator Waterman
Prepared by Jim Haubein

1. Page 9, Following Line 13.
Insert: "(4) If Senate Bill No. 461 is passed and approved, the following money is appropriated to the department of administration for the university system:

University System

Deferred Maintenance Projects

Approved by the Board of
Regents

8,000,000 General Fund

SENATE FINANCE, AND CLAIMS

EXHIBIT NO. 1

DATE 4-12-91

BILL NO. 485

PROPOSED AMENDMENT TO HB 5
THIRD READING COPY

1. Page 9, following Line 13.

Insert: "(4) Amounts not to exceed \$490,000 of Federal Special Revenue and \$163,333 of State Special Revenue appropriated in the State Parks Maintenance and Development Statewide line item under subsection 1 may be added to the line item appropriations for Motorboat Access Facilities Statewide under subsection 1 or Fishing Access Site Acquisition under section 8 (1). This subsection is void and of no effect if HB 386 and SB 415 are passed, approved, and provide sufficient additional state special revenues required as state matching funds to fully utilize all of the federal special revenues provided in subsection 1 in the line item appropriation for State Parks."

Summary of Proposed Amendment

This technical amendment is intended to prevent the potential loss of up to \$490,000 in Federal Aid in Sport Fish Restoration (D-J) motorboat access funds. This funding is currently appropriated in a line item for State Parks Maintenance and Development. Unless the revenue measures (HB 386 and SB 415) are passed, approved, and provide additional state funding for state parks, the state may lose the opportunity to use all of this federal funding.

The amendment would avert the loss of federal funds by allowing the funding to be spent at fishing access sites in addition to state parks. There is a backlog of fishing access sites that are in need of improvement or acquisition. This amendment would allow federal funds and accompanying state matching funds to be used for this purpose, rather than forfeit the state's opportunity to utilize these federal funds for needed projects.

SENATE FINANCE AND CLAIMS
EXHIBIT NO. 2
DATE 4-12-91
BILL NO. HB 5

ROLL CALL VOTE

SENATE COMMITTEE FINANCE AND CLAIMS

Date APRIL 12, 1991 House Bill No. 764 Time _____

NAME	YES	NO
SENATOR JACOBSON		✓
SENATOR JERGESON	✓	
SENATOR AKLESTAD	✓	
SENATOR BECK		✓
SENATOR BENGTSO	✓	
SENATOR BIANCHI	✓	
SENATOR DEVLIN		✓
SENATOR FRITZ	✓	
SENATOR HAMMOND		✓
SENATOR HARDING	✓	
SENATOR HOCKETT	✓	
SENATOR KEATING	✓	

Jym Sealey
Secretary

Chairman

Motion: Senator Hockett motion that HB 764
Be Not Concurred In.

Date APRIL Bill No. Time

NAME	YES	NO
SENATOR MANNING		
SENATOR NATHE	✓	
SENATOR STIMATZ	✓	
SENATOR TVEIT		✓
SENATOR VAUGHN		✓
SENATOR WATERMAN	✓	
SENATOR WEEDING		✓
SENATOR FRANKLIN		✓

Chairman

Motion: _____

ROLL CALL VOTE

SENATE COMMITTEE FINANCE AND CLAIMS

Date APRIL 12, 1991 House Bill No. 5 Time

NAME	YES	NO
SENATOR JACOBSON		✓
SENATOR JERGSON		✓
SENATOR AKLESTAD	✓	
SENATOR BECK	✓	
SENATOR BENGTON		✓
SENATOR BIANCHI		✓
SENATOR DEVLIN	✓	
SENATOR FRITZ		✓
SENATOR HAMMOND	✓	
SENATOR HARDING	✓	
SENATOR HOCKETT		✓
SENATOR KEATING		✓

Lynn Sealey
Secretary

Chairman

Motion: Senator Devlin motion House Bill 5 -
substitute motion - monies be used for ^{all} state buildings
rather than just university buildings

Date APRIL Bill No. Time

NAME	YES	NO
SENATOR MANNING		
SENATOR NATHE		
SENATOR STIMATZ		✓
SENATOR TVEIT	✓	
SENATOR VAUGHN		✓
SENATOR WATERMAN		✓
SENATOR WEEDING	✓	
SENATOR FRANKLIN		✓

Chairman

Motion:

ROLL CALL VOTE

SENATE COMMITTEE FINANCE AND CLAIMS

Date APRIL 12, 1991 House Bill No. 5 Time _____

NAME	YES	NO
SENATOR JACOBSON	✓	
SENATOR JERGESON	✓	
SENATOR AKLESTAD		✓
SENATOR BECK		✓
SENATOR BENGTSO	✓	
SENATOR BIANCHI	✓	
SENATOR DEVLIN		✓
SENATOR FRITZ	✓	
SENATOR HAMMOND		✓
SENATOR HARDING		✓
SENATOR HOCKETT	✓	
SENATOR KEATING		✓

Lynn Staley
Secretary

Chairman

Motion: Senator Waterman motion to amend

HB 5 (Exhibit 1)

Date APRIL Bill No. Time

ROLL CALL VOTE

SENATE COMMITTEE FINANCE AND CLAIMS

Date APRIL 12, 1991 House Bill No. 5 Time _____

NAME	YES	NO
SENATOR JACOBSON	✓	
SENATOR JERGSON	✓	
SENATOR AKLESTAD		✓
SENATOR BECK		✓
SENATOR BENGTSON	✓	
SENATOR BIANCHI	✓	
SENATOR DEVLIN		✓
SENATOR FRITZ	✓	
SENATOR HAMMOND		✓
SENATOR HARDING		✓
SENATOR HOCKETT	✓	
SENATOR KEATING		✓

Lynn Stealey
Secretary

Chairman

Motion: Senator Jergson amendment motion

ROLL CALL VOTE

SENATE COMMITTEE FINANCE AND CLAIMS

Date APRIL Bill No. Time

NAME	YES	NO
SENATOR MANNING		
SENATOR NATHE		
SENATOR STIMATZ	✓	
SENATOR TVEIT		✓
SENATOR VAUGHN	✓	
SENATOR WATERMAN	✓	
SENATOR WEEDING	✓	
SENATOR FRANKLIN	✓	

Secretary

Chairman

Motion: