

MINUTES

MONTANA HOUSE OF REPRESENTATIVES 53rd LEGISLATURE - REGULAR SESSION

COMMITTEE ON APPROPRIATIONS

Call to Order: By CHAIRMAN TOM ZOOK, on January 8, 1993, at 3:00 P.M.

ROLL CALL

Members Present:

Rep. Tom Zook, Chair (R)
Rep. Ed Grady, Vice Chair (R)
Rep. Francis Bardanouve (D)
Rep. John Cobb (R)
Rep. Roger DeBruycker (R)
Rep. Marj Fisher (R)
Rep. John Johnson (D)
Rep. Royal Johnson (R)
Rep. Mike Kadas (D)
Rep. Betty Lou Kasten (R)
Rep. Linda Nelson (D)
Rep. Ray Peck (D)
Rep. Mary Lou Peterson (R)
Rep. Joe Quillici (D)
Rep. Dave Wanzienried (D)
Rep. Bill Wiseman (R)

Members Excused: Rep. Ernest Bergsagel

Members Absent: Rep. Wm. "Red" Menahan

Staff Present: Terry Cohea, Legislative Fiscal Analyst
Mary Lou Schmitz, Committee Secretary

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

Committee Business Summary: Hearing: HB 77, HB 85
Executive Action: HB 77, HB 85

HEARING ON HB 77

An act appropriating money to the Department of Justice for the fiscal year ending June 30, 1993; and providing an immediate effective date.

Opening Statement by Sponsor: REP. FRANCIS BARDANOUVE said HB 77 is the kind of bill he would usually criticize. It is a supplemental bill for over \$1 million and he checked it out very carefully before agreeing to carry the bill. The Attorney

General's staff sent him information regarding the background, what was in it and why. He referred to **EXHIBIT 1**, highlighted area, which accounts for inability to know what the legal costs will be in the pursuit of the Crow coal case and the Blackfoot negotiations on water rights on the Blackfoot Reservation. Since the last session the Attorney General's office has been engaged in another lawsuit which they were not aware of in 1991. That is the lawsuit on the school foundation program.

For those not on the previous committee, when they passed the coal law and the assessment on coal in Montana, a lot of coal was being produced on the Crow Indian Reservation land. We collected over \$200 million and since then the Crow has decided they are entitled to this money. If we lose the suit, the state will have to come up with over \$200 million to pay off the Crow's. There is no assurance we will win the suit but it is almost an absolute assurance if we don't pursue the suit, we will lose it.

In the Blackfoot negotiations over water rights, the residents who live along the reservation will be adversely affected. To protect their rights, the negotiation would try to arrive at a fair judicial order.

The school funding case is a challenge to the constitutionality of the school funding mechanism enacted by the 1989 Legislature (special session) in response to the decision of the Montana Supreme Court invalidating the prior system.

REP. BARDANOUVE feels this is one supplemental they cannot justifiably criticize.

Proponents' Testimony: Joe Mazurek, Attorney General for the State of Montana, said he feels this is very important to the citizens of Montana and thanked the committee for agreeing to hear the bill promptly. It is very important in terms of the State's initiating these lawsuits as well as the time because of the amount of money involved. Bills have already occurred which need to be paid.

It is a very important supplemental and that is why it's a separate bill. It is to defend complex, important, litigation brought against the State of Montana. We come here as your attorneys seeking to have the resources to properly defend these very important cases. They are far reaching and very expensive. He is not the first Attorney General to be involved in these. One of the Crow coal cases has been going on for twelve years.

He mentioned four brief points: First, they did not bring these three cases. The cases were not initiated by the state but were brought against the state. They are defending the interest of the state. Second, there is a great deal at stake. **REP. BARDANOUVE** mentioned the fact there are over \$200 million of coal trust fund moneys in the Crow coal case. The school funding litigation consists of two separate lawsuits, one in trial now

and one in trial in February, which have a substantial impact on the general fund as well as on property taxes. The Blackfeet water case affects the water rights of many individuals on the Milk River drainages; also communities who rely on, for example, the Cut Bank Creek for their water supplies. The third point is to defend these cases vigorously. Most of these costs are for consultant fees, expert witness fees and we are facing national law firms as well as the best national consultants as we break through legal ground with these cases and we have to match their resources and abilities if we are going to have to defend them. Finally the Legislature in 1991 recognized the significant cost facing this litigation and placed in the Appropriations Bill, language which acknowledged that the appropriation made was inadequate to cover these costs and acknowledged they would be here asking for a supplemental. Mr. Mazurek assured the committee they would be very cautious in their expenditures in this litigation but also feel that caution needs to be balanced with the need to represent the State of Montana as citizens, as taxpayers and represent them well. That requires expenditures be made where necessary so they do an adequate job.

Chris Tweeten, Chief Deputy Attorney General said the Crow coal case has been in existence since 1978 and shows no sign of abating. The case is extraordinarily complicated in its procedural framework and the issues it presents are themselves extraordinarily complicated. He explained the above case, as well as, the school funding case and the Blackfeet water Case. **EXHIBIT 2.**

Judy Browning, was in the Attorney General's office when this supplemental request was prepared and is now in the Governor's office. She said this supplemental request was prepared during **Governor Racicot's** tenure as Attorney General and he urges your passage of this supplemental request.

Closing by Sponsor: **REP. BARDANOUVE** said there are amendments to this bill. It raises the appropriation by another \$60 thousand or \$1,159,200 and a slight amendment on line 13 following "justice" and strike agency.

CHAIRMAN ZOOK CLOSED THE HEARING ON HB 77

HEARING ON HB 85

Opening Statement by Sponsor: **REP. BARDANOUVE** said late in the summer **Governor Stephens** asked him to help negotiate a situation as **REP. BARDANOUVE** was Appropriations Chairman at that time. **Mr. D. A. Davidson and his wife** presented to the University of Montana at Missoula \$1 million to build an Honors Class Building, a building of about 10,000 square feet to be located on the campus and to contain classes that are attended by honors students of the university. There are about 350 students at the university who would attend these honors classes. They requested the bill get out of the way as soon as possible. A law says a university building cannot be built without permission of the

legislature. The law on hiring architects is very precise and rigid concerning the advertising for and hiring architects.

REP. BARDANOUE promised to have the bill on the desk of the Governor early in the session so they can proceed.

Proponents' Testimony: John D. Madden, University of Montana said REP. BARDANOUE very well characterized the situation as it developed. The money is there to construct the building. The honors college will be the center of excellence for undergraduate education at the university. It is open to all students on campus who are willing to work. In time it will be 8%, 9%, 10% of the students who will go through. There are no faculty associated with the program exclusively. This building will be for the students, for the classes and for the Dean. It will be completely accessible.

Questions From Committee Members and Responses: REP. ROYAL JOHNSON said the appropriation is for \$2 million and the gift is half that amount. He asked where the rest of that money will come from. Mr. George Dennison, President, University of Montana said they anticipate the building will cost \$1 million. The authorization is there to cover any over-expenditures they might need. There will be no general fund built into the construction of the building. It will be funded privately. They have done some preliminary estimates and it looks like they will need \$1.1 million but all of this will come from private funds. REP. JOHNSON said the only concern he would have is the costs in the future. What does that do to your budget in the future to move 8 to 10% of your students in an honors program? Mr. Dennison said, however, the way those classes are funded is that they do not have any faculty associated entirely with the honors college. The way they handle that is to use the existing staff.

REP. COBB asked how this building is going to be maintained in the future. The infrastructure at the university is not being maintained now because of under-funding. It seems there should be some mechanism to construct and maintain this new building. Mr. Dennison said they have looked at the maintenance costs which will be about \$40,000 a year. That is for cleaning, utilities and \$5,000 for supplies. REP. COBB asked about maintenance of the structure itself. Mr. Dennison said their hope is to maintain it and prevent this occurrence. If it should occur, they will make a request with regard to cost of maintenance, cleaning, and utilities and he has accepted a commitment to raise the money in the private sector.

REP. WISEMAN asked what kinds of controls or coordination are you, the university, going to have with the architects and to make sure the materials used on the outside are long-lasting to cut down as much as possible long term maintenance. Mr. Dennison said yes, they will be monitoring the project.

Closing by Sponsor: REP. BARDANOUE said the matter of cost of

maintaining the building came up in the Governor's meeting. It was said if the legislature had reservations about maintaining the buildings, they would raise money elsewhere from private sources. He feels a better facility for the high IQ people will give encouragement to other students at the university to excel.

CHAIRMAN ZOOK CLOSED THE HEARING ON HB 85.

EXECUTIVE ACTION ON HB 77

Motion/Vote: REP. QUILICI moved to adopt the Amendment, EXHIBIT 3. Motion passed unanimously.

Motion/Vote: REP. QUILICI moved HB 77 DO PASS AS AMENDED. Motion passed with REPS. COBB AND KASTEN voting no.

EXECUTIVE ACTION ON 85

Motion: REP. KADAS moved HB 85 DO PASS

Discussion: REP. PECK said there seems to be some confusion that there would be a program created for this. There is an honors program at the University of Montana now, so they are talking about a building for that honors program.

REP. QUILICI asked REP. BARDANOUVE when he met with the others was the question asked about the operating cost? Will the university come in for an operating budget for this facility for FY 97 biennium? If they do, about how much will it be? REP. BARDANOUVE said it would be about \$40,000 each year of the 1997 biennium and the donors have volunteered to raise the money to take care of the maintenance.

Vote: Motion carried unanimously.

CHAIRMAN ZOOK said some motions from some subcommittees want to be presented for the benefit of the Fiscal Analyst.

REP. DeBRUYCKER referred to the Joint Committee meeting of the Finance and Claims and Appropriation committees' discussion on Capitol Grounds Maintenance. His Natural Resources Subcommittee took action on it this morning.

Motion: REP. DeBRUYCKER moved to adopt the subcommittee's recommendation for the expenditure level in the Capitol grounds maintenance program for the 1995 biennium. In accordance with the joint committee's motion of January 5, the fees resulting from this expenditure level will be allocated based on the method used in the 1993 biennium, not upon the allocation method proposed in the Executive Budget. All subcommittees will use these revised fee schedules in preparing agencies' 1995 biennium

budgets.

Discussion: Terry Cohea said the subcommittee adopted a budget that was slightly lower than the executive budget so the fees will be less than they would have been. Last Tuesday the Joint Committee adopted a motion that those fees will be allocated based on the square footage in the Capitol. None of the allocation will be based on the FTE, so the concern that university system will have to pay part of the cost of maintaining the Capitol grounds has been addressed.

Vote: Motion passed unanimously

Motion: REP. PETERSON moved the committee adopt the subcommittee's recommendation for the fixed cost schedules for warrant writing and payroll fees contained in the LFA and OBPP current level budgets. These schedules will be used by all subcommittees in preparing agencies' 1995 biennium budgets.

Discussion: REP. KADAS asked if there is currently any difference in the LFA and the budget office. Ms. Cohea said no. In both cases, the two offices used the same fee. The issue discussed on Tuesday was that the fees will raise a little bit more than the budget adopted by the subcommittee. However, the subcommittee added language that will appear in the Appropriation Bill that says any additional funds collected must be used to offset these in the next biennium.

Vote: Motion passed unanimously

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SEN. GROSFIELD said he was approached by a person from the LFA office who asked him if he would proceed with his de-earmarking bill. He said yes. Apparently there are several agencies who are getting nervous about the general fund and are coming in with very expensive requests to earmark. During the last Special Session he drafted a bill concerning de-earmarking that was more complicated than he thought it would be. As a result it did not get introduced but he will introduce it now. What it will do is de-earmark a lot of the funds and the reason he got started on this was a chart from the National Council of Legislatures. Montana is #2 in the nation for earmarking funds. The national average is 23%. There are only two other states that earmark over 50% of their funds and only seven that earmark over one-third.

SEN. GROSFIELD said the other matter relates to an amendment he made during the Special Session to one of REP. BARDANOUVE's bills and EXHIBIT 4 is a copy of a page out of the Appendix to Governor Stephens' budget showing the 1995 Executive Budget parameters. He thought it would be useful to subcommittees as they go through any number of budgets.

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CHAIRMAN ZOOK asked for suggestions concerning proxy policy and they agreed it would be acceptable for a committee member to write a note to a seat-mate to have them vote.

VICE CHAIR GRADY said in the past they have had some Senate bills that have appropriations in them and all appropriation bills are supposed to start in the House. This committee should set some policy concerning this. There are some Senate bills that do not have an earmarked appropriation or a dollar figure. But they will cost money and funding will have to come from some source to implement. He asked for some discussion.

REP. KADAS said the strict interpretation is that it has the appropriation. There are a lot of bills that cost money when you look at the fiscal notes. He is hopeful most of those bills will end up in appropriation one way or another but to try to say, any bill that costs that will have any fiscal impact, should start in the House is playing with fire. If it has an appropriation specifically in it then there is a pretty thin line.


In response to **CHAIRMAN ZOOK's** question, **Ms. Cohea** said historically, if a Senate bill has a fiscal impact, either the Finance and Claims Committee or, going all the way to the Conference Committee, considers the request for the cost and either puts it in the General Appropriation Act or not. There are difficulties when there is an actual appropriation on the Senate bill. She remembered one in the 1991 Session that started out without an appropriation but one got tagged on and it was an oddity throughout the process. From a handling point of view it's probably better if all of the actual appropriations are on House bills as **REP. GRADY** said and then if there are fiscal impacts that would be under the consideration of the Finance and Claims Committee or the Conference Committee at the point the committees are making final decisions on the bill.

REP. PECK said he thinks the Appropriation Committee cannot settle it but should talk to the leadership of the Senate and define their position in terms of what the leadership of the House is going to do.

VICE CHAIR GRADY said he would pursue it with the leadership.

ADJOURNMENT

Adjournment: 4:15 P.M.



REP. TOM ZOOK, Chair

HOUSE APPROPRIATIONS COMMITTEE

January 8, 1993

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MARY LOU SCHMITZ, Secretary

TZ/mls

HOUSE OF REPRESENTATIVES

APPROPRIATIONS

COMMITTEE

ROLL CALL

DATE

1/8/93

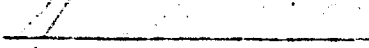
NAME	PRESENT	ABSENT	EXCUSED
REP. ED GRADY, V. CHAIR	✓		
REP. FRANCIS BARDANOUVE	✓		
REP. ERNEST BERGSAGEL			✓
REP. JOHN COBB	✓		
REP. ROGER DEBRUYKER	✓		
REP. MARJ. FISHER	✓		
REP. JOHN JOHNSON	✓		
REP. ROYAL JOHNSON	✓		
REP. MIKE KADAS	✓		
REP. BETTY LOU KASTEN	✓		
REP. WM. "RED" MENEHAN		✓	
REP. LINDA NELSON	✓		
REP. RAY PECK	✓		
REP. MARY LOU PETERSON	✓		
REP. JOE QUILICI	✓		
REP. DAVE WANZENREID	✓		
REP. BILL WISEMAN	✓		
REP. TOM ZOOK, CHAIR	✓		

HOUSE STANDING COMMITTEE REPORT

January 8, 1993

Page 1 of 1

Mr. Speaker: We, the committee on ____ report that House Bill 77
(first reading copy -- white) do pass as amended .

Signed: , Chair

And, that such amendments read:

1. Page 1, line 12.
Following: "appropriated"
Strike: "\$1,099,500"
Insert: "\$1,159,200"

2. Page 1, line 13.
Following: "justice,"
Strike: "agency"

HOUSE STANDING COMMITTEE REPORT

January 8, 1993

Page 1 of 1

Mr. Speaker: We, the committee on Appropriations report that
House Bill 85 (first reading copy -- white) do pass .

Signed: _____

Tom Zook, Chair

HOUSE OF REPRESENTATIVES

APPROPRIATIONS

COMMITTEE

ROLL CALL VOTE

DATE 1/8/93 BILL NO. HB 77 NUMBER

MOTION: Rep. Quilici moved to adopt the amendment, Exhibit 3

Motion carried unanimously

NAME	AYE	NO
REP. ED GRADY, V. CHAIR	X	
REP. FRANCIS BARDANOUVE	X	
REP. ERNEST BERGSAGEI	X	
REP. JOHN COBB	X	
REP. ROGER DEBRUYKER	X	
REP. MARJ. FISHER	X	
REP. JOHN JOHNSON	X	
REP. ROYAL JOHNSON	X	
REP. MIKE KADAS	X	
REP. BETTY LOU KASTEN	X	
REP. WM. RED MENAHAN	X	
REP. LINDA NELSON	X	
REP. RAY PECK	X	
REP. MARY LOU PETERSON	X	
REP. JOE QUILICI	X	
REP. DAVE WANZENREID	X	
REP. BILL WISEMAN	X	
REP. TOM ZOOK, CHAIR	X	
	18	0

HOUSE OF REPRESENTATIVES

APPROPRIATIONS

COMMITTEE

ROLL CALL VOTE

DATE 1/8/93 BILL NO. HB 77 NUMBER MOTION: Rep. Quillici moved HB 77 DO PASS AS AMENDED

Motion carried 16 - 2

NAME	AYE	NO
REP. ED GRADY, V, CHAIR	X	
REP. FRANCIS BARDANOUVE	X	
REP. ERNEST BERGSAGE	X	
REP. JOHN COBB		X
REP. ROGER DEBRUYKER	X	
REP. MARJ. FISHER	X	
REP. JOHN JOHNSON	X	
REP. ROYAL JOHNSON	X	
REP. MIKE KADAS	X	
REP. BETTY LOU KASTEN		X
REP. WM. RED MENAHAN	X	
REP. LINDA NELSON	X	
REP. RAY PECK	X	
REP. MARY LOU PETERSON	X	
REP. JOE QUILICI	X	
REP. DAVE WANZENREID	X	
REP. BILL WISEMAN	X	
REP. TOM ZOOK, CHAIR	X	
	16	2

HOUSE OF REPRESENTATIVES

APPROPRIATIONS COMMITTEE

ROLL CALL VOTE

DATE 1/8/93 BILL NO. HB 85 NUMBER MOTION: Rep. Kadas moved HB 85 DO PASS

Motion carried unanimously

NAME	AYE	NO
REP. ED GRADY, V, CHAIR	X	
REP. FRANCIS BARDANOUVE	X	
REP. ERNEST BERGSAGE	X	
REP. JOHN COBB	X	
REP. ROGER DEBRUYKER	X	
REP. MARJ. FISHER	X	
REP. JOHN JOHNSON	X	
REP. ROYAL JOHNSON	X	
REP. MIKE KADAS	X	
REP. BETTY LOU KASTEN	X	
REP. WM. RED MENAHAN	X	
REP. LINDA NELSON	X	
REP. RAY PECK	X	
REP. MARY LOU PETERSON	X	
REP. JOE QUILLICI	X	
REP. DAVE WANZENREID	X	
REP. BILL WISEMAN	X	
REP. TOM ZOOK, CHAIR	X	
	18	0

HOUSE OF REPRESENTATIVES

APPROPRIATIONS COMMITTEE

ROLL CALL VOTE

DATE 1/8/93 BILL NO. _____ NUMBER _____

MOTION: Rep. DeBruycker moved to adopt the subcommittee's recommendations for the expenditure level in the Capitol grounds maintenance program for the 1995 biennium. In accordance with the joint committee's motion of January 5, the fees resulting from this expenditure level will be allocated based on the method used in the 1993 biennium, not upon the allocation method proposed in the Executive Budget. All subcommittees will use these revised fee schedules in preparing agencies' 1995 biennium budgets.

NAME	Motion carried unanimously	Y	N
REP. ED GRADY, V, CHAIR		X	
REP. FRANCIS BARDANOUVE		X	
REP. ERNEST BERGSAGE		X	
REP. JOHN COBB		X	
REP. ROGER DEBRUYKER		X	
REP. MARJ. FISHER		X	
REP. JOHN JOHNSON		X	
REP. ROYAL JOHNSON		X	
REP. MIKE KADAS		X	
REP. BETTY LOU KASTEN		X	
REP. WM. RED MENAHAN		X	
REP. LINDA NELSON		X	
REP. RAY PECK		X	
REP. MARY LOU PETERSON		X	
REP. JOE QUILLICI		X	
REP. DAVE WANZENREID		X	
REP. BILL WISEMAN		X	
REP. TOM ZOOK, CHAIR		X	
		18	0

HOUSE OF REPRESENTATIVES

APPROPRIATIONS COMMITTEE

ROLL CALL VOTE

DATE 1/8/93 BILL NO. _____ NUMBER _____

MOTION: Rep. Peterson moved the committee adopt the subcommittee's recommendation that the fixed cost schedules for warrant writing and payroll fees contained in the LFA and OBPP current level budgets. These schedules will be used by all subcommittees in preparing agencies' 1995 biennium budgets.

Motion carried unanimously.

NAME	AYE	NO
REP. ED GRADY, V, CHAIR	X	
REP. FRANCIS BARDANOUVE	X	
REP. ERNEST BERGSAGEI	X	
REP. JOHN COBB	X	
REP. ROGER DEBRUYKER	X	
REP. MARJ. FISHER	X	
REP. JOHN JOHNSON	X	
REP. ROYAL JOHNSON	X	
REP. MIKE KADAS	X	
REP. BETTY LOU KASTEN	X	
REP. WM. RED MENAHAN	X	
REP. LINDA NELSON	X	
REP. RAY PECK	X	
REP. MARY LOU PETERSON	X	
REP. JOE QUILLICI	X	
REP. DAVE WANZENREID	X	
REP. BILL WISEMAN	X	
REP. TOM ZOOK, CHAIR	X	
	18	0

LEGAL SERVICES DIVISION

Budget Item	Actual Fiscal 1990	Executive Fiscal 1992	LFA Fiscal 1992	Legislature Fiscal 1992	Executive Fiscal 1993	LFA Fiscal 1993	Legislature Fiscal 1993	Change 1990-92
FTE	25.50	25.50	25.50	26.50	25.50	25.50	26.50	1.00
Personal Services	890,312	990,601	990,601	1,033,244	989,277	989,277	1,031,818	16.05%
Operating Expenses	177,348	242,328	225,323	305,398	237,743	220,580	200,655	72.20%
Equipment	31,829	12,975	10,175	17,475	12,704	9,904	12,704	-45.10%
Debt Service	2,085	0	0	0	0	0	0	-100.00%
Total Costs	\$1,101,574	\$1,245,904	\$1,226,099	\$1,356,117	\$1,239,724	\$1,219,761	\$1,245,177	23.11%
Fund Sources								
General Fund	1,101,574	1,245,904	1,226,099	1,356,117	1,239,724	1,219,761	1,245,177	23.11%
Total Funds	\$1,101,574	\$1,245,904	\$1,226,099	\$1,356,117	\$1,239,724	\$1,219,761	\$1,245,177	23.11%

Program Description

The Legal Services Division provides the Attorney General with legal research and analysis; provides legal counsel for state government officials, bureaus, and boards; provides legal assistance to local governments and Indian tribes; and provides legal assistance, training, and support for county prosecutors. The Legal Services Division is comprised of the County Prosecutor Services Bureau, the Appellate Legal Services Bureau, and the Indian Legal Jurisdiction Section. The Legal Services program consists of the combined Legal Services, Indian Legal Jurisdiction, and County Prosecutor Services programs as presented in the 1991 biennium budget.

Language

"The legislature recognizes that: 1) costs associated with the Crow Coal case, water rights and tribal litigation, may exceed the appropriation in item 1 (the Legal Services Division appropriation); and 2) in that event, the department will need to request a supplemental from the 1993 legislature to adequately represent the state."

Budget

The Legal Services Division budget increases from fiscal 1990 to 1992 due to the budget modification discussed below, personal services increases, and a biennial contingency appropriation for caseload costs in the Indian Legal Jurisdiction program.

HB 77
DEPARTMENT OF JUSTICE SUPPLEMENTAL
FACT SHEET

EXHIBIT 2
DATE 1-8-92
HB 77

This bill requests a supplemental appropriation in the amount of \$1,159,200, to fund the defense of three major complex cases in the 1993 biennium. A summary of the cases and the expenses incurred and projected for each during the biennium follows:

I. CROW TRIBE v. MONTANA-UNITED STATES DISTRICT COURT-BILLINGS DIVISION

AT RISK- Over \$200 million in principal and accumulated interest from coal tax collections from the Westmoreland Resources mine on the Crow ceded area immediately north of the Crow reservation.

EXPENDITURES REQUIRED-

Economic modelling-	\$250,000	Longbranch Research Associates
Coal Market research-	240,000	Fieldston Company
Effect of Rail Transportation Rates On Coal Prices-	212,000	Corporate Strategies
Survey of State Services to Crow Tribal Members-	15,000	Tompkins and Youngblood
Cost of State Services to Crow Tribal Members-	75,000	Galusha, Higgins & Galusha
Econometric model-	15,000	Paul Polzin
Outside Counsel	5,000	John Ross Anderson Brown firm
TOTAL	\$812,000	

II. SCHOOL FUNDING CASE-MONTANA FIRST JUDICIAL DISTRICT COURT, HELENA

AT RISK-This case is a challenge to the constitutionality of the school funding mechanism enacted by the 1991 legislature in response to the decision of the Montana Supreme Court invalidating the prior system.

EXPENDITURES REQUIRED-

Expert Witnesses On
Educational Issues- \$161,500

Various experts

Associate Counsel
and Paralegal Services
from Agency Legal
Services Bureau- 75,000

Agency Legal Services
Bureau

TOTAL \$236,500

EXHIBIT 2
DATE 1-8-93
HB 77

III. BLACKFEET WATER CASE-MONTANA WATER COURT

AT RISK-This case involves an attempt by the Attorney General to negotiate a settlement of the claims for federal reserved water rights of the Blackfeet Tribe. The tribe claims the first right to the use of all water arising on or flowing over reservation lands. If successfully pressed, this claim could displace substantial numbers of non-Indian rights, both on and off the reservation, in major watersheds which arise on or flow through the reservation such as the Milk River, St. Mary's river, and Cut Bank Creek.

EXPENDITURES REQUIRED-

Engineering
consultants- \$47,700

Boyle Engineering

Economic analysis- 50,000

Watts & Associates

Historical research- 4,000

Dr. Kent Richards

Agronomy- 4,000

Jim Sims

Soil Classification- 3,000

Hayden Ferguson

Other research and
litigation costs- 2,000

TOTAL \$110,700

Total Supplemental Request-

CROW COAL \$812,000

SCHOOL FUNDING 236,500

BLACKFEET WATER 110,700

TOTAL \$1,159,200

EXHIBIT 3
DATE 1-8-93
HB 77

HOUSE BILL NO. 77
PROPOSED AMENDMENT

Line 12
Following: "appropriated"
Strike: \$1,099,500
Insert: \$1,159,200

Line 13
Following: "justice,"
Strike: agency

1995 Executive Budget Parameters

EXHIBIT 4
DATE 1-8-93
HB

Mission Statement

For the first time, review of each agency's requested budget began with its mission statement. This represents a beginning step towards policy- and performance-budgeting.

Goals, Objectives and Priorities

During Special Session II, HB8 amended 17-7-111(2)(d)(i) as follows: "The goals and objectives must contain a list of duties prioritized by the department director to reflect the director's opinion concerning the importance of the duties assigned to the agency by law. Any discretionary programs established by the agency that are not required by law also must be enumerated."

After dialogue with the sponsor of the amendment and other legislators, it was determined that, at a minimum, each agency would be required to: (1) provide the statutory authorization for each program, at least including the significant MCA and U.S.C. references; and (2) list the goals for each program and the most significant objectives, prioritizing the goals with a 1 for highest priority, 2 for medium priority and 3 for lowest priority, each of which should encompass approximately one-third of an agency's total spending. In addition, the notation "US" was to be made for each goal assigned to the agency by federal law and "MT" for those assigned by state law.

Agency goals, objectives, priorities and statutory authorizations, within the constraints described above, are printed in the appendix of the executive budget essentially as written by each agency.

**HOUSE OF REPRESENTATIVES
VISITOR REGISTER**

Appropriations COMMITTEE BILL NO. H1377
DATE 1/8/93 SPONSOR(S) _____

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NAME AND ADDRESS	REPRESENTING	SUPPORT	OPPOSE
John R. Madden	U of M	X	
Harley Harris	Mt. Athy Gen Office	X	
Chris Tweeten	Atty Gen.	X	
Jamie May	"	X	
George H. Dawson	The U of M	X	

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