

MINUTES

MONTANA HOUSE OF REPRESENTATIVES 53rd LEGISLATURE - REGULAR SESSION

COMMITTEE ON APPROPRIATIONS

Call to Order: By REP. TOM ZOOK, on March 8, 1993, at 8:10 A.M.

ROLL CALL

Members Present:

Rep. Tom Zook, Chairman (R)
Rep. Ed Grady, Vice Chairman (R)
Rep. Francis Bardanouve (D)
Rep. Ernest Bergsagel (R)
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. Red Menahan (D)
Rep. Linda Nelson (D)
Rep. Ray Peck (D)
Rep. Mary Lou Peterson (R)
Rep. Joe Quilici (D)
Rep. Dave Wanzenried (D)
Rep. Bill Wiseman (R)

Members Excused: None

Members Absent: None

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 2
Executive Action: HB 2

VICE CHAIRMAN GRADY announced that REP. TOM ZOOK would open the bill. REP. ZOOK said HB 2 represents a number of hours and difficult decisions the subcommittees made. There are a lot more hours and difficult decisions ahead of this committee too. A bipartisan committee developed the targets and it was a bipartisan vote in the House of Representatives that put those targets in resolution form and he hopes it will continue to be a bipartisan effort out of the full committee that sends this bill on its way to the House.

There are some major changes imbedded in this bill in the direction of budgeting state government. It does require some flexibility before the departments can truly manage their budgets. The bill, right now, only has his name on it and depending on the committee's perception of the bill, is willing to take the blame if the committee thinks it is a harmful bill but is uncomfortable with taking the credit if the committee perceives it in another way. He invited every member of the committee to join him as a sponsor of the bill. As stated before, there are some major changes in state government and **Terry Cohea, Legislative Fiscal Analyst**, told him this is the first time, in her memory, she recalls a reduction in FTE.

He thinks it is better to try something different in funding state government and serving the people in the state, than blaming one another. He hopes that will be the result of their actions.

REP. ZOOK announced they would start with Section A, do all the other Sections and come back to Section B.

VICE CHAIRMAN GRADY said **Ms. Cohea** would give an overview of HB 2.

Ms. Cohea said she would be speaking from the overview, front of HB 2 Narrative and **CHAIRMAN ZOOK** asked her to give a sense of how much money is appropriated in this bill, how much FTE and some detail on the bill. Referring to Table 1, HB 2 the appropriation is \$983.3 million general fund for the 1995 biennium. This is 3.4% above what was appropriated in HB 2 as revised in the last two special sessions for the current biennium. **Ms. Cohea** has also included the supplemental bill (HB 3) and the pay plan (HB 509) because that is the base for what agencies are expending this biennium. Again, what is contained in HB 2 is 3.4% above that.

In Table 2, included in HB 2, are the \$20.7 million of general fund budget modifications approved by the subcommittees. They are listed by agency in descending order, so Family Services received the largest amount of general fund budget modifications, \$8.9 million. Those increases in general fund spending for new programs or expanded programs are offset by \$63.9 million of budget reductions in the LFA current level. Shown in Table 3, by subcommittee, are the reductions in the current level budget offset by the increases in the budget modifications. Overall, HB 2 is \$43.2 million general fund below the LFA current level.

On Page 3 there is a Table showing this action and categorizing it three ways. First, is a true budget reduction, the general fund operational budget of the agency has been reduced. The second category are funding switches and this is a case in which the operational spending is not reduced, it is just changed from general fund to some other fund source. The third category is when local governments or schools are requested to pay more. An

example, would be in the School for the Deaf and Blind in which school districts will be asked to finance or pay for outreach services or passed-through funds appropriated by the legislature to be given to local governments or schools that are reduced. An example would be in the Arts Council in which the grants to local schools are reduced. This category does not take into account places in which an agency's budget is cut and there won't be as much service in a locality.

Those three categories show that 84% of the general fund budget reductions contained to date in HB 2 are in the budget reduction category. About 9% are funding switches and about 7% are local government or school impacts.

Page 4 updates how the subcommittees' recommendations fit into the HB 2 targets. The targets, as **CHAIRMAN ZOOK** mentioned, are the original targets adopted by the Chairs and Vice Chairs of the joint appropriations subcommittees on January 22 and updated on February 1 to reflect the additional supplementals above what was included in the executive budget.

Table 5 shows, as of Friday, (3/5/93) where the House was relative to the HR 2 target. The subcommittee recommendations hadn't changed from the sheet the week before. The only thing that had changed were a few more "cat and dog" bills that were approved. At this point, what is actually in HB 2 and other legislative action, is \$23.4 million above the target. With the contingency language that is included in the bill, you are \$13.6 million above the target. Focusing just on HB 2, you are \$27.5 million above the target or with the contingency, \$17.8 million. Following this memo are all the individual subcommittee target sheets.

Table 6 lists the contingent bills because this will be important as the bill is being discussed. As an example of how to read the Table, in the General Government subcommittee, there is contingency language that if HB 278 does pass, that amount of general fund will be removed from the bill. Alternatively, there are four bills in Justice and if they fail, that amount of general fund must be put back in HB 2, under the language the subcommittees adopted. Again, how to read the chart, if it is a negative, that means that if the bill passes or fails as shown in the column at the far right, you have to take the money out. If it is a positive, you have to put the money back in. Shown at the bottom are two negatives, \$10.9 million would be removed from the bill. The largest one is HB 427, the Deassumption of Counties. The actual numbers that are in HB 2 exceed \$10.7 million. They reflect HB 427 as it was originally introduced. This committee significantly amended it and the fiscal impact now is estimated to be approximately \$10.7 million.

Ms. Cohea referred to Table 7, saying the committee should be aware that the medicaid estimates contained in the bill are too low, according to the Department of Social and Rehabilitation

Services. As they have discussed many times, medicaid is one of the state's largest general fund expenditures. In FY 1992 it comprised 10% of all general fund spending. Unfortunately, it is growing faster than the revenues, about 15% a year. SRS, the LFA Office and the Budget Office worked very hard in the summer and fall of 1992 to reach a consensus revenue estimate to make the job easier in looking at the budgets. However, that was based on data through September and October. Now that the February data is available, SRS indicates an additional \$7.3 million general fund will be necessary for medicaid above the level that is currently contained in HB 2.

Table 7 gives a sense of total spending in HB 2. As noticed, general fund was up only 3.4%, however, total spending (federal, state special, proprietary and general fund) is up 13.6%. Part of that growth is due to expanding the use of legislative contract authority in the bill. As those who served on the Natural Resource committee know, for several biennia, the Department of Fish, Wildlife and Parks has had extra spending authority in the federal account placed in HB 2. That is in recognition that they will receive federal moneys after the legislature leaves so they don't have to go through the whole budget amendment process. The subcommittee has historically placed restrictions on use of that authority and those are noted in the language on page 7. At the request of the executive, this concept was expanded this year and 10 agencies currently have \$32.3 million of LCA authority in the bill. This is authority that historically has been added to the budget amendment and now is actually in HB 2. To give a sense of how this compares to budget amendments, in the 1991 biennium, a total of \$40.9 million of budget amendments were approved, so this \$32.3 million would compare to that amount. So far, in the 1993 biennium, \$58.3 million of budget amendments have been approved. Agencies that have been granted this authority in HB 2 will use this authority first and will only present budget amendments to the Office of Budget Program and Planning and those will be reviewed by the Finance Committee only when they exceed the amounts that are in the bill, as shown on page 8, or if there is a budget amendment sought for in an area in which the LCA authority is not allowed. For example, in the Department of Labor and Industry, the subcommittee put language on the unemployment insurance fund saying there could not be increased spending authority through LCA authority.

Looking at FTE on page 9, as **CHAIRMAN ZOOK** noted, this is the first time in a very long time, there has been an absolute reduction in the number of FTE in HB 2. The Table on page 9 shows the number of FTE authorized in the General Appropriation Act as the legislature authorized it in the 1991 regular session and then amended it in the two special sessions. These do not include budget amended FTE, LCA FTE, or operational plan FTE. These are in the legislative intent Tables of the last day of the July special session. This will vary slightly from the current level column shown in the Tables that follow, because some of

these FTE were not ongoing. Again, this is the level you authorized in the last biennium. You will notice what is authorized in HB 2, as it stands today, is 251.14 fewer FTE than for those agencies in the current biennium.

Pages 10 and 11 show what happened as a result of the motions made on January 6. As you will remember, the Appropriations committee and the Senate Finance and Claims committee met jointly and passed two motions. The first motion was, all FTE that were submitted by agencies in response to Section 13 of HB 2, would be eliminated. That Section, adopted during the July special session, said that agencies, with certain exceptions, must submit 1995 biennium budgets with FTE reductions equal to 5% of their fiscal 1993 appropriation prior to the July, 1992 special session reductions. As a result of that motion, 460.83 FTE were eliminated and that is shown in the middle column, page 11. A second motion stated all FTE that were vacant as of the pay period ending December 29 were eliminated and again, there were certain exceptions. As a result of that motion, 361.21 additional FTE were deleted. The Joint committee said it took a positive motion of the subcommittees to restore any of these FTE. In the last column, the subcommittees did vote to restore 545.74 FTE. The net reduction was 276.3 FTE. Those were not all the FTE reduced in the budget process. A large number of reductions are in the Department of Correction and Human Services where a 170.91 net FTE were reduced as the result of the decisions to close Galen, to cap the population at the men's prison and to change the function at the Swan River Forest Camp. You will notice in Table 11, the Department was exempt from 5% in the vacant position motions but again 170.91 net FTE were eliminated in the subcommittee recommendation.

Table 10 summarizes action to date. In the current level, the subcommittees have reduced, or eliminated, about 550 authorized positions, however, budget modifications have approved over 300 new FTE for new or expanded programs. The net impact is a reduction of about 250 FTE and the Table shows it by year on page 10.

On page 12, listed by agency, is the amount of FTE added through budget modifications and is done in a descending order.

Starting on page 13 and going on for five pages, are the "report cards" for each subcommittee showing the target, the LFA current level, legislative action to date, whether it is over or under the target and then the contingency language.

Ms. Cohea explained the rest of the notebook. The gray section is a gray copy of HB 2 and embodies the subcommittee recommendations. This is not an official copy because after this committee finishes its work, there will be a striking substitute motion so the floor will have a clean bill but this was designed to make it easier for the committee to read subcommittee action to date. Following that is an index of all the agencies in the

Narrative. Then there are dividers, having the narrative for each section. **REP. PETERSON** will begin on General Government and Transportation Section A.

CHAIRMAN ZOOK said the committee appreciates the hard work of the staff and the cooperation that the executive branch has given in getting to this point.

REP. MENAHAN referred to page 9, showing the 170 FTE taken out of the Department of Corrections subcommittee. In the special session, there were 50 more FTE taken out of Warm Springs so in the valley, there is a total of 220 positions taken out. It is amazing to him that the other budgets with 14,000 people, the agencies can find only 50 or 60 positions to eliminate. **CHAIRMAN ZOOK** said through this process **REP. MENAHAN** can offer amendments to eliminate FTE in any budget.

CHAIRMAN ZOOK said without objections, the committee should adopt the subcommittees' actions on all bills as a basis for actions for a reference point.

REP. BARDANOUVE said he was not quite clear on the forward approval of all the budget amendments. Are we going to arbitrarily adopt the \$32 million worth of budget amendments for a couple biennia without ever having a full review of how they are being used? **Ms. Cohea** referred **REP. BARDANOUVE** to the language on page 7 which is generic. Each of the subcommittees tailored it a little bit to the agencies. Basically, the agencies are allowed to spend \$32.3 million without prior review by the budget office or the finance committee. What they are required to do is report the expenditures on SBAS so there is a record. They must be kept separate from the current level operations and they have to submit a report to the Legislative Finance Committee at the end of each fiscal year that lists what was spent for each project. They report after the expenditure has been made. **REP. BARDANOUVE** said that is his concern.

Dave Lewis, Director, Office of Budget and Program Planning said apparently this is something that has been under discussion for the last six months. When he came to the office in December, he understood this was part of ongoing discussion with members of the Finance Committee and members of the legislature who were concerned about trying to reduce the number of budget amendments. One thing he would want to correct, as far as **Ms. Cohea's** impression of how this would work, the Budget Office would still require that the agencies come in with operational plan amendments that would detail what the money is going to be used for before the authorization is given to set up those appropriations. The way it is set up now in the appropriation bill, is simply a lump sum. The committee is going to want to have those appropriations set up by program and by activity. As part of his administrative procedures, he will require information is submitted on what the money will be used for.

REP. KADAS asked **Mr. Lewis** if he feels the budget amendment process is so onerous that we need to eliminate the use of it for \$32 million? **Mr. Lewis** said there has been some feeling in the past administration that the budget amendment process has become a bit routine, as far as the review by the Finance Committee. If an estimate was made of what an agency would normally receive within the biennium for additional federal funds and additional special revenue money, estimate in advance what that amount would be, that would be the appropriate way to reduce the amount of budget amendments submitted to the Finance Committee. This had been submitted by the previous administration in HB 4. It was pointed out that was a bit awkward because HB 4 is the budget amendment bill and there was a question as to whether or not this authority would carry forward if it was approved in the budget amendment bill. At that point, it was discussed with **Ms. Cohea** and she advised it should be done in HB 2 because at least that applies to the coming biennium. **REP. KADAS** said at some point he wants to have a full discussion of this since it is a major change in the bill. He is concerned that as they go through the budget, they approve several of these without discussion. **CHAIRMAN ZOOK** said to discuss it now.

REP. KADAS asked **Ms. Cohea**, in the bill, are all the legislative contract authority issues outlined as separate issues in the Narrative she has prepared? **Ms. Cohea** said yes. They are shown in the budget modifications, shown by fund type and then included the language the subcommittee adopted governing its use. The Fish and Game is the Department that has had it historically. In the analysis of Fish and Game, there were concerns raised about the current use of LCA. There are cases in which the same project has been funded for two to three biennia with LCA authority. The LFA raised the issue that that would more appropriately be brought in as part of the budget process, that the theory of the LCA or budget amendment, is money that you don't know you are going to get and is for new projects. When the same funds are used for the same projects, biennia after biennia, it is not appropriate for it to be done through LCA and can get the page cite on that. **REP. KADAS** asked, from her perspective, as Fiscal Analyst, having to deal with budget amendments on an ongoing basis through the interim, are we overusing the budget amendment process and whether it needs to be simplified in such a significant way? **CHAIRMAN ZOOK** asked **Ms. Cohea** to refer to the chart that shows what has been done with budget amendments and supplementals. **Ms. Cohea** referred to page 8, the legislative Contract Authority that is in the bill. Currently the LFA office, at the request of the finance committee, does a report on budget amendments issued in June. In that, the Staff pointed out the number of budget amendments that are rising dramatically. As a result of that report, the committee bill was sponsored which this committee approved, HB 23, to change some aspects of the budget amendments.

In the 1985 biennium, budget amendments totaled \$13.6 million. In 1987, \$10.7 million. In 1989, \$12.4 million. In 1991, \$40.9

million and to date in the 1993 biennium, \$58.3 million. **REP. KADAS** asked if this is primarily federal revenue? **Ms. Cohea** said that was one of the concerns that was raised in this report, that proprietary and state special budget amendments were increasing and that the agency could, in some cases, spend down the fund balance leaving less available for legislative appropriation next time. That was one of the issues addressed in HB 23.

REP. QUILICI said in the 1993 biennium, only two agencies had LCA included in the General Appropriations Act. What were those two agencies and under what circumstances did they have this in? **Ms. Cohea** said Fish and Game was the first agency that had LCA in, for at least 3 to 4 biennia. Then last session, for the first time, the Montana State Library had the same authority and that was principally for their Natural Resource Information System so to date, those are the only two agencies that have had LCA authority. The budget office proposed that all non-general fund agencies be given that authority in HB 4. At this point, only 10 agencies have been given it in HB 2. **REP. QUILICI** said with these two agencies, does the legislature have an adequate handle on expenditures without going through the budget amendment process? **Ms. Cohea** said that is purely a legislative policy issue. She referred to pages C-13 and C-14, Volume II of the Budget Analysis, an analysis of how LCA authority has been used in Fish and Game. The chart shows an increase in LCA authority in that department and the number of FTE added to it.

REP. PECK said he agreed with **REP. BARDANOUVE** and does not remember the Finance Committee encouraging this sort of activity. It's a way around the budgeting process and is a blank check. The budget amendment bill that is going through will simplify that process and make it less difficult because of the agencies' complaints. They have to be very critical of increasing LCA authorization and he does not know why subcommittees are doing it. Maybe they can justify it.

Motion: **REP. BARDANOUVE** moved language on the budget amendments be deleted from HB 2 and operate the budget amendment process as done now, subject to any amendments that changes that will occur if we pass any other legislation.

CHAIRMAN ZOOK said we have already adopted, without any objection, that we were going to start with what the subcommittees presented to us so could delete it as we get to each section.

REP. GRADY said he would rather wait until they can do it in Sections. There will be good arguments from the agencies.

CHAIRMAN ZOOK said if this is an issue with someone, let's deal with it now because as the committee goes through the Sections, they will not spend time on the issues then.

REP. PECK said the current situation makes it very possible that

the committee does not pay attention to these items in the budget. **REP. BARDANOUVE's** motion will require that the subcommittee members and Chair justify those and get full committee approval.

Vote: Motion failed 8 - 10.

Discussion: **REP. GRADY** referred to **EXHIBIT 1** and said there is some support to include the University system but at this time the University system will be left out of this motion.

Motion: **REP. GRADY** moved **EXHIBIT 1. Personal service budget reductions.**

Discussion: **REP. MENAHAN** asked if the amendment will effect the Institutions in his District that have already lost FTE. What will happen with an additional 5%? **REP. GRADY** said the second portion of the motion would cover it but called on **Mr. Lewis** to address the question. **Mr. Lewis** said the language preparing the contingency fund goes back to language from the Appropriation bill for the 1983 session. There has always been a need to take care of those areas that don't have turnover. The appropriation in this amendment would be available to those agencies to present documentation showing, the fact they did not have turnover, did not have early retirements, and have not been able to pick up the types of cost savings hoping to be available from other agencies. In 1983, 90% ended up going to the Institutions because those were the areas that clearly had documented problems. This language will provide some ability to deal with the problems in those agencies.

REP. KADAS said **REP. GRADY** mentioned this amendment would effect administrators instead of workers and is curious how it will happen since it is administrators who are doling out the cuts. **REP. GRADY** said he realizes the administrators will keep the agencies running and are needed, on the other hand he feels the state is "topheavy" with administrators. As these people retire, they can possibly take a look if these positions are needed or not. **REP. KADAS** said in the past, he and **REP. COBB** have tried to deal with some subtleties that exist within the budget, particularly around the judiciary budget where their level of personal services has minimal or no vacancy savings because it is all judges. He is interested to know why **REP. GRADY** did not make exceptions for places like that. **REP. GRADY** said as broad as this amendment is now, he would not want to adjust it too much, and it is a good amendment the way it is. **REP. KADAS** said in **HR 2** one of the instructions to the House is not to use "across the board cuts", that the programmatic cuts be used. This seems like an "across the board cut". **REP. GRADY** disagreed, saying this cut will happen in the next biennium. The 5% in the past was a "across the board cut" but this is not. **REP. KADAS** asked why other 5% cuts have been "across the board" and this one isn't? **Mr. Lewis** said when working on the amendment, the one thing he asked **REP. GRADY** to include, and he agreed, was the contingency

language and this amendment will allow the budget office to address problems in particular areas. This will not end up being an "across the board cut". The objective of this language is to allow them to put as much pressure as possible on those agencies that can make larger reductions and then deal fairly with those agencies who are unable, because of statutory restrictions or the size of the agency, to make the same size reduction. The estimates and cost estimates were based on a number that was applied to personal services. The end result, in fact, is that this not be an "across the board cut".

REP. WANZENRIED asked REP. GRADY to give some idea what the overall target, above and beyond the \$99 million, will be for this committee to cut from the budget. They are looking at a \$15 million cut before the committee gets started. REP. GRADY said he would hope their target is \$99 million and this amendment gives them some cushion. REP. WANZENRIED said while this may characterize something as other than the "across the board cut", it could be worse because the response from Mr. Lewis indicates some agencies might actually have to make a larger cut than 5% to make up for those that can't, if the \$15 million reduction is held for the next biennium. The committee might be better off to wait for this motion, if appropriate, than when they are done looking at all the other cuts. REP. GRADY said the figures are an estimate and he can't say these are the exact figures. REP. WANZENRIED asked if this counts toward the \$99 million in cuts? REP. GRADY said this will. Mr. Lewis said they made this estimate based on the personal services budget as of approximately mid-subcommittee work. The base did include reductions that had been taken earlier. REP. WANZENRIED asked if we make no changes in HB 2 except this, will it be regarded as a \$15 million reduction? Mr. Lewis said with the caveat they need to run the final numbers but basically, yes. CHAIRMAN ZOOK said this is a part of it. REP. WANZENRIED said this is a reduction toward the \$99 million. CHAIRMAN ZOOK said the general fund part is.

REP. QUILICI said early retirements are going to depend a lot on the early retirement bill before the legislature. In the event that does not pass and there are no early retirements, this would require use of this contingency. Along with that, it says "no allocation of these funds is authorized prior to approval of the Governor". After that a report has to be submitted to the Legislative Finance Committee. Is this not after the fact? Mr. Lewis said, given the process it's going to go through, where each agency is going to have to come in and justify requests for allocation from the contingency fund, there is no other way but to appropriate it. He noted the appropriation is to the Department of Administration Personnel Division. The Governor has the final sign-off on the allocation. The objective would be to develop a committee made up of people from the Personnel Division, the Department of Administration and perhaps a member from the Budget Office and the Governor's staff to review these requests and make the final decision where the money is

allocated.

REP. KADAS said if this motion is adopted, that will obviate any positive impact of the fiscal note on an early retirement bill. **Mr. Lewis** said that is correct. **REP. KADAS** asked for **Mr. Lewis'** estimate of the fiscal note on the retirement bill now. **Mr. Lewis** said it was approximately \$6 million dollars in total funds. (HB 537) **Ms. Cohea** said the net on the fiscal note, after netting out the savings the executive anticipates against additional costs, is \$5.654 million general fund, \$8.822 million other funds. **REP. KADAS** said he would agree with that fiscal note as fairly "rosy" but even taking the "rosy" number, this motion cuts about \$10 million more than the "rosy" projections on retirement savings. **Mr. Lewis** said that would be correct.

REP. KADAS said this is essentially capturing vacancy savings. When vacancy savings are captured, you reduce reversions. He asked **Ms. Cohea** what the effect of this motion will be on reversions? **Ms. Cohea** said no one can calculate. The LFA office has done an analysis of reversions to see what they look like if personal services are line-itemed etc. Looking at the front of the Budget book and the anticipated reversions for the 1995 biennium, you will notice they are very low, about \$3.5 million for the biennium. Both the LFA office and the budget office had that, prior to positions being cut or vacancy savings applied. Given the relatively low estimates, it is difficult to calculate the impact of the 5% vacancy savings on top of that. It is certainly safe to say that reversions would be lessened to the extent of this. **REP. KADAS** asked **Ms. Cohea** if she does not think there is a way to calculate the degree? In the past it has been about 80%. **Ms. Cohea** said **Terry Johnson**, LFA staff, has a formula for working on reversions, as Human Service benefits become a larger part of the general fund budget, reversions are less because personal services are less to human services. If this motion passes, they could work on that formula to calculate the impact. There has not been a recent case of absolute reduction in the FTE and then vacancy savings applied on top of that. There is not a historical basis for calculating what reversion would be. **CHAIRMAN ZOOK** said, at the most, it would be under the \$3 million figure that was calculated. In response to a question from **REP. KADAS**, **Ms. Cohea** said about \$3.5 per year, \$7.3 million for the biennium.

REP. KADAS said his understanding of the amendment is a 5% reduction of personal services. The question is, does that happen now where the subcommittee budgets are or does that happen after the committee has done the whole bill, then take another 5% off of personal services? **Ms. Cohea** said that obviously is up to the legislature. How it has been handled in the past, in the 1991 regular session, Senate Finance and Claims applied a 4% vacancy savings factor after the bill had come out of the House. It was done at that point and then there were not further adjustments. That did lead to some anomalies. If a position was cut, vacancy savings were taken.

Ms. Cohea said there is another issue. The committee, depending on the outcome of this motion, will need to give the LFA staff direction at what level it wants a reduction taken. Do you want it taken control variable by control variable, program by program or as a negative line at the bottom of the whole agency so the agency has the authority to distribute it? If you do that, one of the issues to be aware of, because this was done in the 1991 session, is because personal services are not separately funded, the LFA would have to estimate the ratio of general fund to other funds.

REP. KADAS asked **REP. GRADY** what his intent is as far as, will this cut effect the budgets as they are now or the budgets after they get done with them? **REP. GRADY** referred the question to **Mr. Lewis** who said the Fiscal Analyst and his office would prefer to do it now, and, as an observation, would prefer to do it as a negative in each agency with the decision made on the funding split and then the agency be allowed to allocate it. That is the most efficient way to do it. **REP. KADAS** said on the second issue then, **Mr. Lewis** would prefer a line at the bottom of the budget that was budget reductions, that was a positive number that was subtracted from everything else. **Mr. Lewis** said yes, and if he was an agency director he would prefer the ability to allocate that reduction, as part of putting together the operational plan. **REP. KADAS** asked **Ms. Cohea** if that is the simplest way for her? **Ms. Cohea** said that is the simplest but does want the committee to be aware. They would work with the budget office to come up with an estimated funding split, but in the past, agencies sometimes have been concerned because it is done at a grosser level of detail rather than a lower level and sometimes there are anomalies in that calculation. The LFA could do it either way the committee would like. If they are directed to do it at the agency level, what they will do, as the committee finishes each agency, will get the number input at that point and then be able to tell the committee, after the whole bill is finished, exactly what the savings came out to be.

REP. PECK referred to a bill **REP. COBB** has that deals with reversions. **REP. COBB** said it is a flexibility bill still in this committee and hasn't been acted on yet. If the agencies saved money, it would allow them to move money from the first year to the second. Now they can only move money from the second to the first year. Also, money saved at the end of the year could be put into an account for other purposes. **REP. PECK** asked if this bill would relate to this motion? **REP. COBB** said no. If the committee takes this motion, the reversions go down.

REP. PECK asked **REP. GRADY**, given the statement from the budget director that he has no objection to reporting regularly to the finance committee, would he have any objection to adding the word "periodic" after the word "a", third line from the bottom? **REP. GRADY** said he would have no objections.

REP. QUILICI said the amendment referred to the Executive Branch

Agencies, also "the same reduction shall be applied to the Legislative and Judicial Branch Agencies". He referred to the Budget Analysis, A-26, Judicial Branch. Regarding personnel costs, the Judicial Branch salaries for the Supreme Court Judges and District Judges come out of the Judicial budget. He asked **Mr. Lewis** if he has taken into consideration all these salaries are set by statute and how would it effect the Judicial Branch if they had to accept this kind of cut in their budgets? **Mr. Lewis** said obviously they can't reduce the salaries set by statute. That goes back to the objective of the contingency fund to have those agencies come in, document the amount of salaries they were short, and that shortfall would have to be made up out of this fund. This fund is only 10% the total general fund reduction. It will have to be judiciously allocated.

REP. WANZENRIED said the legislators said they weren't going to do this, and instead of skimming back on agency operations, they would actually eliminate programs. They assured the agencies that is what they would do. The agencies brought in specific cuts the legislature asked them to bring in against their will. If we need to make this type decision now to balance the budget, isn't this motion, if approved, going to reduce the incentive to make cuts as we go along? **REP. GRADY** said he does not feel it will. He realizes HR 2 set the target, also hoped they would eliminate programs rather than make across the board cuts and that is what they tried to do throughout the budgeting process.

REP. KADAS said he noticed some of the agency budgets have already had vacancy savings taken out in subcommittee and in agencies where vacancy savings have already been applied, is this in addition to the vacancy savings that have been applied? For example, in the State Auditor's office every agency has a line, 2% vacancy savings in this program and asked if this is in addition to that 2% or is that 2% included in the 5%?. **Mr. Lewis** said each of the agencies have taken out what are informally referred to as the "Cobb cuts" which were those positions they identified as required by the last session of the Legislature. They have also taken out vacant positions that were identified as part of the "Swysgood Amendment" which was part of the joint committee action early on. This reduction applies to those positions that are left. The positions now in the budget are 100% funded and there have been no reductions taken. **REP. KADAS** referred to page A-44, State Auditor's budget. Every program has a 2% vacancy savings already removed. **Ms. Cohea** said **REP. KADAS** is correct in a few selected agencies. The agency came in, and as part of meeting their target, did request vacancy savings. **REP. KADAS** said then the agency asked to have it done. **Ms. Cohea** said that is correct.

REP. PETERSON said, to give further explanation why the State Auditor made that suggestion, immediately upon taking office, he made some revisions and there were 7 positions dismissed in his office. Some of that time-lag between the 7 people being dismissed and how the office has been reorganized, the State

Auditor thought that 2% would be there.

Vote: Motion to adopt amendments, EXHIBIT 1, carried 14 - 4 with Reps. Kadas, Peck, Quilici and Wanzenried voting no.

Ms. Cohea told the committee how the LFA will put this in the bill. There will be a line at the bottom of every agency. It will show as a positive in the bill but will be listed as personal service reduction. It is exactly how the committee did the general budget reduction in the 1992 special session. The LFA will work with the Budget Office to get an estimate of the funding split between, or among, general fund state special revenue. Then there will be language added in the boilerplate and will be prepared for the committee's review when the committee gets to the boilerplate. The language will allow the agency the authority to allocate the reduction among programs.

The LFA will prepare language that would go in the DofA Section, that allows the Governor to approve any transfer of funds to an agency to offset vacancy savings they did not experience. There will be language giving that agency the spending authority for that money.

The third language the LFA will add is to take the last sentence at the bottom of the page, EXHIBIT 1, add "periodic" between "A" and "report".

REP. MENAHAN asked if it is possible, at a later date, to give direction to agencies that they work toward Grade 16 and above to make those cuts rather than below? Ms. Cohea said if the committee requests, she would prepare two versions of the boilerplate. One would simply be the language saying that the agency could allocate. Another one would be language expressing legislative intent. CHAIRMAN ZOOK said he would have no trouble saying that's the legislative desire but would have trouble with tying the hands of the executive in order to accomplish this. REP. MENAHAN said even if they said 70% would be grade 16 and above to be guaranteed because that is where the money is. Mr. Lewis said he would be happy to work with the committee on some language. The Governor's intent is to look at the organization and try to flatten it, that means by consolidating divisions and bureaus. To some extent, that fits with their objective.

CHAIRMAN ZOOK said before they go on he would like to go back to the legislative contract authority. There is some misunderstanding. REP. PECK said the budget amendment process and the LCA together, would be \$100 million and CHAIRMAN ZOOK asked Ms. Cohea to address that. She said it is difficult to know what the total amount of budget amended authority would be in any given biennium, given how quickly it is growing. The concept of LCA is that, in 1993 where there has been almost \$60 million of budget amended authority, \$32.3 million of that would be done through LCA so if the budget amendments total \$60 million it would then be about \$28 million. CHAIRMAN ZOOK said there

were a lot of members on this committee who were involved in committees that had nothing to do with legislative contract authority. But there were some and he asked **REP. QUILICI** if he had some in his subcommittee? **REP. QUILICI** said yes, Crime Control Division. **CHAIRMAN ZOOK** asked him if he did not support it at that time? **REP. QUILICI** said yes, he did.

REP. DeBRUYCKER said the Natural Resources subcommittee had one of the largest LCA moves of any committee. Fish, Wildlife and Parks apply for federal grants, regardless of what kind. They don't know if they will get them but have to have the spending authority to spend the money within a certain length of time or they will lose the grants.

REP. COBB said Human Services subcommittee had the big ones and he will bring up some amendments at the time he presents his committee recommendations.

In answer to a question from **CHAIRMAN ZOOK** concerning LCA votes in the Human Services subcommittee, **REP. WANZENRIED** said there was a healthy mix that didn't follow party lines but there was a partisan nature to some of those votes.

REP. PECK asked what relevancy it has as to the votes in subcommittee? Why don't these people want to budget amend this and go through the process? If they know the money is available now they should be putting it into the budget. If they don't know, they qualify for a budget amendment. **CHAIRMAN ZOOK** said he has no quarrel with **REP. PECK's** argument but there was a concern expressed that this was a party-line vote and he shared that concern and was surprised it was, knowing that there were bipartisan votes in subcommittees to put that into place. As we go through the budget and come to those, we should make a motion to take them out but we should not spend a lot of time on this.

REP. PECK said maybe, in those subcommittees, they do not have members of the finance committee and don't realize what the budget amendment process is and he can understand if they voted that way. But when factual arguments were made, there was a party-line vote.

GENERAL GOVERNMENT AND TRANSPORTATION

REP. MARY LOU PETERSON, Chair, General Government and Transportation introduced the subcommittee. Vice Chairman was **SEN. HARRY FRITZ**. Serving also from the Senate was **SEN. LARRY TVEIT** and **SEN. GARY FORRESTER**. Serving from the House was **REP. JOE QUILICI** and **REP. MARJ FISHER**. Because the subcommittee handled so many different agencies and departments, they had three fiscal analysts: Clayton Schenck, Jon Moe and Terri Perrigo.

REP. PETERSON referred the committee to page A-1 and noted some changes. At the top of the page, Executive budget, LFA etc. for 1994. That is the 1994 budget coming through. The next column

Leg.-LFA will show the reductions that were made. It continues on to 1995 in the same manner. Immediately under the chart are the Page References. Then there is a section of Current Level Differences and toward the bottom, Budget Modifications, Language and Other Issues.

REP. PETERSON explained the technical amendments prepared by the budget office, EXHIBIT 2.

Motion: REP. PETERSON moved the Section A technical amendments, EXHIBIT 2.

Discussion: REP. KADAS asked what SB 270 did. Ms. Cohea said SB 270 is by SEN. KEATING to establish the employment security account and allow fund transfers.

Vote: Motion to adopt amendments carried unanimously.

REP. PETERSON said the important thing in looking at the total budget for Legislative Auditor, third column in, Legislature Fiscal 1994, the committee can compare this total cost with the executive and the LFA and also see what was cut in that particular budget. This process can also be used for 1995.

Under Current Level Differences, Personal Services, the Legislature removed an additional 3.0 FTE as part of the agency's general fund target reduction. Going down through, in order not to have to read each one, the right hand of the page will show the reductions. There were no budget modifications and no language issue.

Mary Bryson, Deputy Legislative Auditor, said one of their concerns, in relation to this budget, is the additional cut in FTE. They did take the "Cobb amendment" in their proposed 1994-95 biennial budget. What was adopted by the subcommittee is an additional 3.0 FTE reduction.

REP. ROYAL JOHNSON said under Consultants the Legislature reduced consultant services by \$12,455. What are the total consultant services? Ms. Bryson said for FY 1994, the total consultant services was established at \$54,000. In FY 1995 consultant services was \$26,000.

Motion: REP. COBB moved an amendment to increase the general fund appropriation and add more money to the Legislative Auditor's office, EXHIBIT 3.

Discussion: REP. COBB said what the amendment does is increase the general fund appropriation to use the money to continue to work on Workers Compensation and also review the SRS, Family Services and Health better than now and downsize Family Services. It is based on the assumption that the last four biennia, the Auditor's office has saved approximately \$57 million in all funds.

REP. BARDANOUVE said it would be a net increase of \$375,000.

REP. COBB said no, there would still be the decreases and they would adjust the numbers accordingly. There would still be the \$190,000 cut if you add this back in. REP. BARDANOUVE said this is a net increase over what is recommended by the subcommittee?

REP. COBB said that is correct.

Vote: Motion to adopt amendment carried 11 - 7 with Reps.

Bardanouve, DeBruycker, John Johnson, Peck, Quilici, Wiseman and Zook voting no.

Ms. Cohea asked if the committee is adding the funds back in as well as restoring 4.0 FTE. REP. COBB said no, the 4.0 FTE stay out. Ms. Cohea asked if this money is in consulting services then? She is trying to clarify where to put it in the budget. It is not in personal services, not 4.0 FTE so what area of expenditure would it go into?

REP. QUILICI said it was his understanding this motion would not only include the \$375,000 of general fund but does it include the 4.0 FTE? REP. COBB said it includes the reduction of the 4.0 FTE. The 4.0 FTE were given up with the 5% cut. That still stays.

Ms. Cohea said she wants to make sure she is reflecting in the computer, work the committee has approved. To bring the committee up to date, the Auditor submitted his budget request with 4.0 FTE out so that was removed before the committee ever saw the budget. Then the subcommittee reduced a further 3.0 FTE to come to the target. The reduction for those 3.0 FTE was approximately \$160,000 general fund. The committee has now added back in \$375,000 general fund so that is more than enough general fund to fund those positions. Are you seeking to add additional FTE above the original request from the Auditor. REP. COBB said he is basically putting that money in for them to use for their expenses to do the audits. If they want to hire those FTE back, they can.

REP. QUILICI said the \$375,000 was passed for this purpose but he would specifically like to know, are we adding 3.0 FTE or are we adding 4.00 FTE? REP. COBB said it was his intention to add those 3.0 FTE back plus giving them extra money to do the audits and is not to add those 4.0 FTE into the budget.

REP. KADAS said up to this point 7.0 FTE have been taken out and general fund removed for those. This replaces 3.0 of those FTE and the general fund, plus some more. CHAIRMAN ZOOK said that is correct.

REP. PETERSON continued with the General Government and Transportation presentation. On A-3, Legislative Fiscal Analyst, for FY 1994, \$825,000; for FY 1995, \$851,000, all general fund. (shown in the Budget Analysis A-5 through A-7) Under current level differences, Personal Services shows the 1.0 FTE reduced in

the subcommittee to 0.8.

She is not reading all the reductions but is calling the committee's attention to them because they can follow along and then questions, if any, can be asked.

REP. PETERSON went on to A-5, Legislative Council shows some language reduction. The Council source of funds, general fund of \$2 million and state revenue fund for \$917,000 FY 1994. There is no budget modification but there is a language issue. On pages A-6 and A-7 the Council deals with interim studies, conferences and council operation. Many reductions taken in the Legislative Council appear on page A-6. Page A-8 shows the overview of their operational budget. This committee is very involved with those studies and interim business. REP. COBB referred to the top of page A-7, JTPA Review Committee and having sat on that committee and looking at the other needs, wondered if that committee should be removed and use that money either in Administrative Code, Northwest Economic Region, or state-wide issues. REP. PETERSON said there was no action with the subcommittee to remove that.

REP. KADAS said he noticed what the subcommittee has done is reduce these by 50%. In the case of the Northwest Economic Region what was left is not enough to cover dues and he wondered if that is the same in National Conference of State Legislatures (NCSL). REP. PETERSON said that very likely is true. As the subcommittee looked at budgets and reduced travel budgets almost to zeros, they maintained some dues because of activity that goes on through those conferences that we would like to keep up on. We do have some people who attend those conferences on their own. REP. KADAS said the one he is most familiar with is Civic Northwest Economic Conference and he would support REP. COBB's motion if he moves funds there.

REP. QUILICI thought the transfer of funds would be good because the programs have to be prioritized.

REP. PETERSON said the staff reminded her that this is the first time that there has been a separate fund for the JTPA Review Committee and it could either come out on a bill or a motion could be made in this committee.

Motion/Vote: REP. COBB moved to eliminate funds from the JTPA Review Committee, \$6,582, and transfer those funds to the Northwest Economic Region Conference. Motion carried 16 - 2 with Reps. Bardanouve and Royal Johnson voting no.

REP. PETERSON referred the committee to page A-8, saying this is the Council's operational budget. This page shows a section for Branch Central Networking. The legislature reduced the agency's computer networking budget. There is a desperate need for all the agencies to combine their efforts in some computer upgrades, in case of breakdowns. Ms. Cohea referred to Page A-5 which shows the Legislative Branch Agency originally submitted their

network computer budget request at \$698,081. It has been reduced by the subcommittee by \$259,000. This budget covers the replacement needs for computers for the legislative agencies and the House and the Senate. The legislative directors worked hard to come up with a budget cut that would allow the committee to move toward meeting the target but would insure they could continue to provide the services that are currently provided. This is the amount of money the LFA calculates to replace the equipment they have now and provide the services they have now. The only possible area of concern is there might be some slight problem in reliability of the equipment.

REP. PETERSON said that completes the Legislative Council Section.

REP. BARDANOUVE asked what the total reduction in the Legislative Council now. REP. PETERSON referred to page A-5, Leg.-LFA, Fiscal 1994 and then over to the far right Leg.-LFA 1995, add those two columns and the total is almost \$702,000.

In reference to a discussion on a possible amendment from REP. KASTEN, Ms. Cohea said that for the legislative agencies, the budget is shown as they submitted it. It is different from other agencies who submit current level. In the Legislative Auditor, Legislative Council, Fiscal Analyst's Office, Consumer Council, under current practice, what reflects as current level is what the agencies submitted, so the Legislative Council had voted in the Council itself, to reduce 4.2 FTE before they submitted the budget.

REP. KADAS asked if they can take the proposed cuts as they go through the agencies, since that is what they are looking at, and deal with those on an item by item basis, rather than taking everything in a lump sum.

REP. KASTEN said her only concern is that if the motion to re-instate the drivers' license examiner would go down, then all this would be for nought.

REP. PETERSON referred the committee to page A-9 which is Environmental Quality Council. Pages A-10 and A-11 are the commissions to that council. On page A-9 there is the summary of the Council and on pages A-10 and A-11 are other references. In the Budget Analysis, the discussion is on page A-16 through A-19. Looking at Legislature, Fiscal 1994, there is a \$300,000 budget, in Fiscal 1995, slightly less \$279,000. There were some cuts, 0.5 FTE and the reduction was \$21,000. Page A-10 shows where those cuts were made and how they were made. There are some reductions in rent because there is an unusual situation in rent. In the Water Policy Committee, \$27,256 is a biennial appropriation. It is given in this one sum but is used throughout the biennium.

REP. BARDANOUVE asked if there is no reduction in the Water

Policy Committee. REP. PETERSON said that is right. In recalling the many discussions by this committee of water issues, this did not seem like a very extravagant budget at \$27,000.

REP. ROYAL JOHNSON said in 1992-93, this agency, under this particular water policy committee, spent \$10,000. Why are they spending \$27,000 now? REP. PETERSON said the year by year work is not always consistent. They do those issues according to how many come in. If we are higher this biennium, it is because of anticipated questions on water.

Deborah Schmidt, Executive Director, Environmental Quality Council said this council staffs the Water Policy Committee. The general staff of the EQC is supported completely by general fund in the Environmental Quality program. The Water Policy Committee appropriation is a biennial appropriation, so the \$10,000 is only for the first half of the biennium. That is the problem in accounting for biennial appropriation. They will be spending close to the full amount of their appropriation for the biennium. Whatever they don't spend is reverted to the Resource Indemnity Trust interest account. At the top of the page it indicates there is 0.25 FTE for the Water Policy Committee. That is an accounting mechanism for accounting for the legislative members who are paid to attend and participate in the Water Policy Committee process. That is not a staff cost. In the same sense, with the Environmental Quality Program, the staff is actually only of the size of 5.5 FTE, even though it shows there are 6.75 FTE. For payroll purposes, they have to apply a certain number of FTE for the Council members, the Legislative members and the public members.

REP. PETERSON said page A-19, Budget Analysis, has the discussion of the Water Quality and the Environmental Council.

REP. KASTEN said she has been persuaded to go with her amendments one at a time in hopes that when they get to the Driver's License, will be able to re-instate the examiners.

Motion: REP. KASTEN moved to eliminate 2.5 FTE from the Legislative Council and fund 16.25 FTE to restore the Driver's License service for 42 counties.

Discussion: REP. PETERSON said she has a technical question from staff. They are asking if the \$62,418 is the amount of money you are reducing or is it 2.5 FTE because there may be some adjustment in funding. REP. KASTEN said, as she understands, it is better to reduce the number of FTE. Reducing the number of FTE gains that much money.

REP. KADAS asked if the motion is to reduce the 2.5 FTE or is the motion to reduce the 2.5 FTE and add the FTE back into Justice for the Drivers' License service. CHAIRMAN ZOOK said the motion, as he understands, is to eliminate 2.5 FTE. REP. KADAS asked Bob Person, Director, Legislative Council to respond how to deal with

this. **Mr. Person** said the Legislative Council, over the past decade, has had a program whereby they have reviewed every single vacancy that has occurred in the Agency and has individually approved filling those vacancies on an as needed basis. When the subcommittee asked them to come forward with proposals for budget reductions to meet the targets, the Legislative Council responded that the integrated pattern of personal services they provide to fulfill their duties to the legislature and to the publications program, is the maintenance of people. To this point, all of the reduction proposals they have made, have been in accordance with that principle. If additional cuts need to be made at some point, they are going to effect all of those activities they do.

REP. KADAS asked **Mr. Person** to clarify the 4.2 FTE and even though it does not show up in the top line of his budget, he has reduced 4.2 FTE each year due to the cost cuts? **Mr. Person** said the Legislative Council, in response to the requirement that was made in the special session, when it formed its budget in August looked at its FTE situation closely and actually exceeded the statutory requirement for FTE reductions at that time.

REP. KADAS asked **REP. KASTEN** if the reason she singled them out for 2.5 FTE was her impression was that they had not received an FTE reduction? **REP. KASTEN** said she read the language but saw that the Auditors had done the same thing and still received a cut and thought the same thing might apply.

REP. NELSON asked how fully **REP. KASTEN** means to restore the Driver's License bureaus? **REP. KASTEN** said she is recommending they reduce 2.0 FTE out of the 18.25 FTE they have now.

REP. MENAHAN asked if they could cut some of the work being done by the investigators of poker machines. Is there not a way to program them to know what they are doing and maybe cut half of them, and increase their work load?

REP. PETERSON said when **REP. KASTEN** discussed this need, she fully supported her try at getting those Driver's License Examiners back but is looking for the money to put in where the subcommittee took out. She would be willing to listen to **REP. MENAHAN's** ideas or others for adjusting that.

REP. KASTEN said in defense of this, she is hoping they will have less bills. There has been an attempt to reduce legislation. Maybe they can get by with 2.5 FTE less.

Vote: Motion failed 7 - 11.

REP. PETERSON referred to page A-13, **Consumer Counsel**. The budget totals are \$1 million for each year of the biennium. The subcommittee did make a budget modification, a utility economist. The 1.0 FTE is to help with rates and how much utilities are being used. If there are any questions, **REP. QUILICI** can answer them.

REP. ROYAL JOHNSON asked REP. QUILICI if the \$108,000 refer to one utility economist, the 1.0 FTE? REP. QUILICI said it is \$54,000 a year, including operating expenses and benefits.

REP. PETERSON referred to the Judiciary, starting on page A-15 and will involve several pages. Page A-15 shows the budget review; page A-16, the Supreme Court operation; page A-17, Boards and Commissions; page A-18, Law Library; page A-19, District Court operations; page A-20, Water Courts Supervision; page A-21, Clerk of Court and page A-22, the District Court Reimbursement program.

Page A-16 shows a slight reduction in their budget. She noted a small FTE reduction but then as the committee goes through the others, they will see where that reduction has been taken out of different programs. There was some system development reduction. There is some added in fixed costs for Capitol grounds, and at the bottom of the page is reference to HB 278 which was presented by REP. BARDANOUVE in this committee.

Page A-17 is Boards and Commissions. The budget is \$250,000 plus each year of the biennium. There is a reduction in personal services that was made by the subcommittee and those are referenced.

Page A-18 is the Law Library. There is a heavier reduction in operating expense, then some equipment inclusion. The overall reduction made by the subcommittee was \$179,000. Under Current Level Differences, the Legislature approved a plan to move legal data base functions from the Law Library to the State Bar. The result decreased general fund cost to the state. Language shows a 10% surcharge on fees collected from users, which is also general fund revenue, will no longer be collected by the state.

REP. KADAS said on the change for moving the legal data base to the state bar, there is a reduction of some \$200,000 but there is also a reduction of general fund revenue of almost the same amount. They are coming out a little ahead, but not much. Does the State Bar have to absorb that amount? REP. PETERSON said yes, it is something they want to do. They were doing this anyway, and it has to do with the examination that is given, ordering textbooks etc.

REP. KADAS referred a question to Ms. Cohea. On this portion, they are decreasing general fund cost but also decreasing general fund revenue and is the decrease in general fund revenue reflected in the target calculation? Ms. Cohea said no, because the committee is dealing with the expenditure side but the "report card" in the overview section, page 13, shows what the reductions are. The note at the bottom shows this does cause a reduction in revenue. HB 278 has passed out of committee and does reduce general fund revenue. REP. KADAS asked if that means the Taxation Committee has to find that much more revenue to meet their \$99 million target? Ms. Cohea said that is a legislative

policy issue but if the committee will look at the general fund status sheet, at this point \$14.6 million of net increased revenue would be generated as a result of action to date. There are many bills that have negative impact and others that have positive. To the extent a bill reduces revenue, it obviously reduces the revenue available to meet the \$99 million target.

CHAIRMAN ZOOK asked **Ms. Cohea** what would be the results if they just strike this contingency language. Obviously, it would effect the general fund. **Ms. Cohea** said if the committee struck this contingency language, and did nothing else in the bill, there would be no impact. But if you struck the language, and went in and took that general fund out of the bill, at this point there would be approximately \$200,000 less general fund in the bill. You may want to include contingency language saying "if this bill does not pass, the money is put back in". She referred the committee to the overview section, page 6, in front of the gray bill, where the contingencies are listed. This subcommittee has adopted a lot of contingency language and for Justice, did exactly what **CHAIRMAN ZOOK** mentioned. They actually took the general fund out of the bill but then included contingency language saying "if the bill, allowing the statutory change that allowed the savings, was not passed, the money was put back in". The same thing could be done in this case and then the numbers in HB 2 would be approximately \$200,000 less general fund. **CHAIRMAN ZOOK** said, to be clear, if we just strike this language and do nothing else, how does it effect the general fund? Does it leave this money in the general fund? **Ms. Cohea** said included in HB 2 right now is \$96,000 in FY 94 and the \$96,000 in FY 95. So if you strike the language, nothing happens with the numbers. If your goal is to achieve taking this general fund out in anticipation that the bill will pass, then the motion would be to take \$96,407 out in 1994 and \$96,608 in 1995. In addition, you may wish to add to the motion, language saying if HB 278 is not passed and approved, then the money is put back in.

REP. PETERSON asked **REP. KADAS** if he is talking about the Supreme Court Operation funds on page A-16, or the Legal Data Base funds on page A-18? **REP. KADAS** said he is talking about Legal Data Base. **CHAIRMAN ZOOK** and **Ms. Cohea** said they were talking about two separate issues.

REP. BARDANOUVE referred to page A-16, **Capitol Grounds**. Did they not know they had this allocation? **REP. PETERSON** said the explanation the subcommittee was given was that all of the buildings and offices jointly pay a portion of the fund, and the portion was designated according to how big the office is and how many FTE. That has been added in. **Jane Hamman, Office of Budget and Program Planning** said this has been prorated for a number of sessions, based upon the square footage in the Capitol Complex area. The executive budget for the 1995 biennium recommended that half of the Capitol grounds be handled as it has been in the past and the other half that relates to the tourism promotion flower display and the Governor's mansion, be prorated with FTE

across the entire state as part of a statewide effort. That was rejected by the legislature, therefore, the budget office is going back in, re-prorating the entire Capitol grounds budget just to the agencies that are located in the Capitol complex. Therefore you will see an increase for those agencies. The Capitol grounds is managed as a State Park in the Department of Fish, Wildlife and Parks.

Motion/Vote: REP. GRADY referred to page A-16, HB 278 and moved to strike the language and remove the money. Motion carried unanimously.

REP. PETERSON moved on to Boards and Commissions, page A-17. The Boards and Commissions have \$250,000 plus each year of the biennium. There are no major adjustments made but there is a slight reduction of \$6,656 each year.

REP. ROYAL JOHNSON asked for an explanation how Boards and Commissions under Judiciary work this way as most boards and commissions pay their own way through the Department of Commerce? Pat Chenovick, Administrator, Supreme Court said the Boards and Commissions' program is composed of Commission on Practice, Judicial Standards, Commission on Courts of Limited Jurisdiction. The Commission on Practice investigates complaints against attorneys and when possible, the Court does fine or charge attorneys the cost of the investigation. It is not self-sufficient. Judicial Standards is a Constitutional Commission that investigates complaints against judges and they do not pay for those investigations. The Commission on Courts of Limited Jurisdiction is an arm of the Court that oversees the functions in the JPs, City Courts and Civil Courts. There are other Commissions such as the Board of Bar Examiners and they do charge money that goes into the general fund to pay for the Board of Bar Examiners. REP. JOHNSON asked if this is a net number that adds back into the general fund? Mr. Chenovick said the number does not reflect how much money they collect. All the money they collect simply goes into the general fund and is not used to offset operating expenses.

REP. PETERSON referred to District Court Operation, page A-19. There are no reductions in this program. The amount for 1994 is \$2,908,966 and a similar amount in 1995, all general fund.

REP. PETERSON referred to the Water Court Supervision, page A-20. The Water Courts are finishing up their business as they try to adjudicate water across the state and are working basin by basin. They have 11.0 FTE and a budget of \$525,000 for FY 1994 and a little less in 1995. No reductions were made by the subcommittee.

REP. BARDANOUE asked if this is RIT money? REP. PETERSON said yes.

REP. PETERSON said the next program is Clerk of Court. The budget has 4.0 FTE and \$181,000 plus each year for operating

expense, personal services and some equipment. In operating expense the subcommittee actually increased current level differences in communications. This is peculiar to the Clerk of Court that is not seen in other areas. The subcommittee increased over the LFA current level for mailing expenses related to the provision "return receipt". Many of these documents are very important and if they came out of Helena, did those documents arrive at the Court in other communities so that is a higher rate of mailing. When the document is sent back, there is that same provision made for proof it was received.

REP. BARDANOUVE asked how it has been done in the past. **Ed Smith, Clerk of the Supreme Court**, said back in 1985 this was discontinued because some cuts were applied. When District Court records are sent to the Supreme Court he has to sign for them and when they are sent back to the District Courts, want to make sure they are certified. If a large case was lost, there would be no records and there would be grounds for a new trial which could be quite costly.

REP. PETERSON said if those documents are lost, at least there is a trace that it was received and they will know where to start looking.

REP. PETERSON referenced a question asked by **REP. BARDANOUVE** concerning RIT funds in the Water Court. The funding is from the RIT but also comes from water development project revenues and coal severance tax revenues, page A-35, Budget Analysis book.

REP. PETERSON moved on to District Court Reimbursement, page A-22. In the District Court Reimbursement the subcommittee actually added a 0.25 FTE from other programs. There was some reduction in grants. The total budget is \$2.8 million each year. Of the 0.25 FTE, referenced under Current Level Differences, part is to the Supreme Court operations and part is to the Boards and Commission. Further down, reduction in program appropriation, the total program is reduced to help meet the target established for the Judiciary.

REP. KADAS said a reduction grant amount means there is more left in the fund. The fund is statutorily appropriated back to the counties so all reducing the grant amount does is increase the money that gets reimbursed back to the counties. It doesn't help the general fund at all. **REP. PETERSON** said that is true. **REP. KADAS** asked how does this make any sense? **Ms. Cohea** said the subcommittee made this cut to live within the HR 2 target. This took it back to the expenditure level for 1992-1993. The money will still go to the counties but will go in a different place and a different manner. It will not be appropriated in HB 2. Any amount over the amount that is appropriated from the District Court Reimbursement is held and then goes out to the county general fund. The counties as a whole will not feel an impact but it will no longer go to the District Courts. **REP. KADAS** said what it does then is it reduces the appropriations in HB 2 but

increases the statutory appropriations. Ms. Cohea said yes.

REP. PETERSON said the subcommittee worked very diligently trying to find how fit within targets. Because this money passes through the general fund, they could show that as a change.

To answer a question from REP. BARDANOUVE, Ms. Cohea said they are discussing the same money as in HB 278. HB 278 takes the money in FY 1993 but what REP. PETERSON's subcommittee was dealing with is the money for 1994-1995. HB 278 captures the money that would have gone to the counties in 1993, keeps it in the general fund and appropriates it for court automation for 1994-1995. The subcommittee is discussing the money that will come in 1994-1995 and have reduced the amount that would go into the District Court Reimbursement but the excess will go to the county general funds. It will be from the general fund but will not be done in HB 2. It's a statutory appropriation.

Motion: REP. KASTEN moved to eliminate 2.0 FTE from Judiciary and the operating expense with them for \$84,366 each year.

REP. KASTEN said there were 48 positions that were not eliminated in Judiciary and she offered the amendment to take 2.0 FTE because there weren't any vacancy positions in the snapshot and thinks everyone must participate in cuts. REP. KADAS asked how many non-elected positions are there in this budget? REP. KASTEN said she understands there are 48. REP. KADAS said her motion is that the 2.0 FTE reduction have to come out of that 48.

REP. FISHER asked if Judiciary could speak to this. Mr. Chenovick did a rough calculation on the FTE in the Judicial branch and there are 44 elected judges out of that 92. There is an elected Clerk of the Court and 11 people associated with the Water Board. If he takes the elected officials staff and includes the Clerk of Court's staff he shows 15.5 FTE that are left to run the operation of the Court. He noticed from the amendment that if \$84,000 is divided by 2.0 FTE that is \$42,000 each. They pay their law clerks \$24,000. The average salary of the 15.5 FTE left is probably in the range of \$24,000 to \$25,000. So if this amendment would pass it would decimate his office as well as effect the Boards and Commissions.

REP. KASTEN said 1.0 FTE could be taken out of the Supreme Court operation and one out of the Boards and Commissions.

REP. KADAS asked Mr. Chenovick to address that issue rather than spread over several law clerks. Mr. Chenovick said to find an employee that is worth \$42,000 in Supreme Court Operations would have to take 1.5 FTE. In Boards and Commissions there is a total of 3 staff in that program. To eliminate \$42,000 Boards and Commissions would have to take over half of the FTE to run that program. There will not be any investigations.

Vote: Motion failed 7 - 9.

CHAIRMAN ZOOK adjourned the meeting for lunch at 12:05. Meeting re-convened at 3:00 P.M.

Ms. Cohea referred to **EXHIBIT 4**, Action on HB 2 through Noon today. The top of the sheet, All Agencies budgets, Vacancy Savings shows the reductions adopted. Note the footnote that this is an estimate prepared by the Budget Office under the direction the committee gave and will go in and calculate 5% of the personal services on each agency, put it in the budget reduction line. Then in the motion the committee adopted, put a positive \$1.7 million general fund, \$3.4 million other funds in the Contingency fund for DofA. What the sheet shows is a 5% vacancy savings reduction, which is not yet split by section, the other motions passed today for a net savings of \$13.3 million general fund and \$18.4 million other funds for a total of 31.7 million.

CHAIRMAN ZOOK asked **Dave Lewis**, Director, OBPP what his interpretations were of the vacancy savings. **Mr. Lewis** said the amendment made it very clear that there is a lot more than vacancy savings. In fact, early retirement and the efficiency the Governor is being directed to achieve will accomplish other language in the bill.

REP. GRADY asked **Mr. Lewis** if it would be more accurate to refer to this as efficiency savings? **Mr. Lewis** said, after speaking with some of the Legislative Fiscal Analyst staff, he was concerned about the constitutional issue of appropriating contingency funds. The original intent was to take 10% of the general fund savings, 20% of the other fund savings and set them aside. The language says that the funds will be prorated back to the legislative, judicial and executive branches and the approving officers of those branches will make the distribution to the agencies.

Motion: **REP. GRADY** moved the amendments, **EXHIBIT 5**, (Revised Amendment) to instruct the Legislative Fiscal Analyst to reduce the Personal Service Budgets by 5% for all Executive Branch Agencies, except the Montana University System.

Discussion: **REP. KADAS** referred to the term "efficiency savings" but it seems very clear to him there are one or two things they are going to "save". One is forced vacancy savings, the other is across the board cuts in personal services.

Vote: Motion carried unanimously.

Discussion: **Ms. Cohea** asked for some clarification from the committee on the amendments. It is her understanding the committee would like for her office to show in every agency this as a negative amount for personal service reduction efficiency. **CHAIRMAN ZOOK** said that would be the proper terminology. Some agencies might have a partial reduction in their agency but that is the fluid part of it. It gives the Executive the opportunity

to fill in where it's needed and vice versa.

Ms. Cohea said, for the committee's information, this morning's general fund reduction was \$15,155,000, the difference is \$16,782,500. The Other Fund, reduced by cuts this morning, was \$21,840,000, now with cuts is \$20,217,500.

The other area she wanted to check was, as they adopt language, the proposed allocation is extended and her interpretation is they base the number of personal services for the legislative branch who has a single approving authority. Each of the legislative branches will have their own approving authority. Does the committee want the language defined so the legislative pool of money will be allocated to each of the agencies?

REP. PECK asked **Ms. Cohea** if she had an opinion which would be best? **Ms. Cohea** said the approving authority by the legislative branch would probably be clearest but it is a legislative policy decision.

REP. QUILICI said the legislative agencies with approving authority, up to this time, have been the committees themselves. They are the approving authority and why can't we leave it that way? **Ms. Cohea** said without this there would be a place for the money for the legislative agencies. The amount would be prorated.

Motion: **REP. KASTEN** moved to reconsider the action of her previous motion to remove 2.0 FTE from Judiciary.

Discussion: **REP. QUILICI** asked **Mr. Chenovick** to explain the duties of the Assistant Administrator and also explain if he has contacted this individual about the job. Has he been given something in writing, such as a contract, that this position would be available. **Mr. Chenovick** addressed the job duties. The Assistant prepares the budget for presentation for the legislature, compiles all the facts, works with the Budget Office and the Legislative Fiscal Analyst. The individual also supervises the staff and pays all the bills for the Judicial branch. The Assistant also staffs the Commission on Courts of Limited Jurisdiction which is an arm that sets policies and procedures for JP and Civil judges. Besides that he will be involved with the Automation of the Courts.

He has sent a letter to this individual for the position and he has accepted.

Vote: Motion failed on a tie vote 9 - 9.

Motion: **REP. KASTEN** moved the \$25,000 per year be taken from the Law Library, Equipment and Operating Expense, page A-18.

Discussion: **REP. KADAS** asked if the motion is not to specifically eliminate the equipment, (books and binding) but let

the agency deal with \$25,000 between equipment and operating expense? (did not hear Rep. Kasten's response).

REP. KADAS asked the agency to respond what this does to their budget. **Mr. Chenovick** said the subcommittee put in the \$25,000 per year based on the law librarian's presentation that it keeps the subscriptions viable in the law library. It is not a purchase of new books. The law library requested an additional \$25,000 to try to maintain the collection of the books they now have.

REP. PETERSON said one of the discussions in subcommittee was that in the binding of magazines in journal form, the binding would take that collection and put them altogether and there is less loss. Their budget without this modification was \$221,000 a year so this is a very small part of that.

Vote: Motion carried 16 - 2 with Reps. John Johnson and Dave Wanzenried voting no.

REP. KADAS referred to page A-18. The Legal Data Base issue reduces general fund expenditure by \$204,000 the first year and \$225,000 the second year. With that there is also a loss of general fund revenue and he asked what the general fund revenue loss is going to be with this policy initiative. **Jon Moe, LFA staff**, referred to the amounts of the reductions, \$204,000 and \$225,000, and in order to determine the revenue loss, take 110% of each of those because of the 10% surcharge. **REP. KADAS** said what the policy initiative does is reduce the general fund expenditure but reduces general fund revenue even more. Essentially, about \$40,000 of revenue. **Mr. Moe** said that is correct. The amount of net loss in general fund would be \$42,000. **REP. KADAS** asked **REP. PETERSON** are the benefits of letting the State Bar have this worth \$40,000 to the state? **REP. PETERSON** said this was a suggestion brought to the subcommittee by the Judiciary branch and she felt they wanted to get it out of their daily jobs. She feels there won't be any less efficiency in getting that material out to the people who want the scanning ability.

Motion: **REP. BARDANOUVE** moved to delete the reduction made by the subcommittee to restore the appropriation amount as it was before the subcommittee action.

Discussion: **Ms. Cohea** said what the committee would be adding then is general fund of \$204,000 in 1994, \$225,000 in 1995 so that is a general fund expenditure increase of \$429,000. Revenue that is deposited in the general fund exceeds that and is \$472,000. So the net gain to the general fund is approximately \$43,000.

REP. QUILICI said when the subcommittee looked at this the idea was the Court and Law Library wanted to get from underneath this legal data base because they are always coming in to get budget

authority to be paid for this through a fee system.

REP. ROYAL JOHNSON said if they move the function from one area of the Law Library to another, the State Bar, how does that save money? Do we not have anything to do with the State Bar? **Ms. Cohea** said the State Bar is not a state agency. It is a private professional organization so the budget reduction is simply moving an expenditure off budget. It is no longer recorded in the state accounting system and not done by a state agency. The fees would be collected by the State Bar and expended by the State Bar. **REP. JOHNSON** asked if the State Bar has agreed to take this on? **Mr. Chenovick** said the State Bar has agreed to take the program and have also agreed to a decrease in the amount of charges state agencies pay to use its service. In his mind it frees up \$440,000 of general fund.

REP. KADAS asked what is the reduction in fees, or dollar amount benefit to the state. **Mr. Chenovick** said the fee that state agencies would pay on their usage was about 10%. They negotiated 5% usage fee for state agencies so it is a decrease of 5% on whatever use they had. **REP. KADAS** asked 5% and 10% of what? **Mr. Chenovick** said the way the data base works, it is built on a term-rated charge. If a person would use it for 10 minutes it would be \$100. In addition there would be a 10% usage fee as a subscriber to the service. **REP. KADAS** asked for a dollar amount for what people are spending and will it come close to \$43,000? **Mr. Chenovick** does not have the figures. **REP. KADAS** said if it came close to \$43,000 he would support leaving it the way it is but if it just going to be a money loser, why not keep it the way it is going. **Mr. Chenovick** said they could keep it the way it is going. That's a true viable option but there are other things that go along with that. One is the way the service is growing, in addition to the \$440,000 general fund, they would need additional general fund just to keep it going because of the use. **REP. KADAS** said he understands that because they generate the fees to pay for the use. **Mr. Chenovick** said that they will charge in accordance with general fund usage. If they move it to the State Bar, the usage stays the same, the state agencies get a rate on what they pay, plus it frees up some money for somebody else's use. **REP. KADAS** asked **Mr. Chenovick** to figure out what the savings are to state agencies at the 5% usage rate as opposed to the 10% rate.

Vote: Motion failed on tie vote 9 - 9.

REP. PETERSON moved on to the Governor's Office, page A-23 and pages A-38 - A-42 in the Budget Analysis book. Some of the language has been addressed before. The legislature included the following language in HB 2 encouraging the Governor to seek cost saving and budget system improvement in the 1995 biennium. This is directing the Governor to set up pilot programs in those executive agencies to see what duplications are there, what areas that might be more efficient etc. For the first time there is a chart of Budget Modifications, shown at the bottom of the page.

On page A-24 is a chart showing the Cobb Amendment and the Swysgood snapshot. It shows a total 11.25 FTE removed. Then the subcommittee restored 8.0 FTE. The Legislative Fiscal Committee for 1994 came up with a \$1.5 million budget and in 1995 a \$1 million budget.

The State Aging Coordinator has been transferred from the Governor's office to the Department of Family Services. The funding is there and some federal funds are involved. This is a straight reduction of general fund.

Further on is the elimination of the Flathead Basin Commission. That person was held in the Governor's office, there was some general fund support, and that was withdrawn.

Further down on page A-25 is an increase for the Flathead Basin Commission state special revenue appropriation. It was increased from \$25,000 to \$70,000 a year with the idea of private funds coming into that Commission.

Budget Modifications - The legislature approved a \$500,000 biennial appropriation to include 1.5 FTE coordinator and support positions, in the Governor's Office. This would be funding of the Office of Community Service and it is from the unemployment insurance administration tax. The executive requested this modification after the printed budget was issued.

Mansion Maintenance Program is on page A-26. The only issue is in the utilities and the executive recommendation that the mansion appropriation be reduced by \$6,669 in electricity and water charges and this program would go to the Department of Administration, General Services Division.

The Air Transportation Program is on page A-27. The Governor's people came in requesting addition to flight hours on the Governor's airplane and the Governor wants that to be available to other departments or state agencies. The LFA current level funded the program at the reduced level imposed by the January, 1992 special session. With the expansion of aircraft usage, the Legislature approved a budget modification to allow 100 hours for aircraft usage of other agencies. The agencies will pay actual operating cost to the flights and contribute to the deferred maintenance fund.

The last issue is the sale of the Governor's aircraft. The January, 1992 special session included language requiring the sale and how much it should be sold for. The Governor's office did not sell the aircraft, citing a lack of offers for the plane at the estimated selling price. The 1993 legislature appropriated operating expenses at the level appropriated in the 1991 regular session.

The Office of Budget and Program Planning is on page A-28. There is a reduction of 1.75 FTE, the only significant change there.

Legislature, 1994 column shows \$830,000.

The next program is the **Northwest Regional Power Act**, page A-29 and there are no major adjustments. That budget is \$419,000 fiscal 1994 and \$422,000 for fiscal 1995.

The **Lt. Governor** is page A-30. The Lt. Governor's budget is set at \$262,000 the first year and \$264,000 the second year. The budget modification establishes an Office of Public Policy Dispute Resolution and the legislature approved a budget modification to supplement funding for that Office. Partial funding for the new program is contained in HB 7 and the funding for this modification is a state special revenue appropriation authority. Fees will be charged for services provided or from private sources that would enter into dispute resolution.

The next program is the **Citizens Advocate Office**, page A-31. There are no adjustments in this office; \$75,889 for the first year and \$73,943 the second year.

The next is the **Mental Disabilities Board of Visitors**, page A-32. The Board of Visitors is attached to the Governor's office and the subcommittee asked them to meet their target, then they asked them if they would show where 5% more could come. There was no action taken on the additional amount but it did generate mail. That program did receive some reduction in operating expense and equipment in the first year and not as much in the second year. That program operates at \$199,000 the first year, \$201,000 the second year and is general fund with some federal revenue funds.

REP. PETERSON said that completes the **Governor's budget**.

REP. MENAHAN referred to the Board of Visitors and asked why there can't be some reduction as Boulder has been downsized to 100 patients, Warm Springs has been downsized plus they are operating under the Court Order on the Ihler decision.

REP. PETERSON said she doesn't disagree with listening to cuts anyplace. This had been on the subcommittee's list and then didn't take it out because they met targets.

Motion: **REP. MENAHAN** moved the **Mental Disabilities Board of Visitors** be eliminated in total.

Discussion: **REP. ROYAL JOHNSON** asked for someone from the Governor's office justify why the Board of Visitors ought to be here. **Ms. Cohea** said this is a statutorily established Board with statutory duties. It certainly is within the time frame, if the committee wishes to sponsor a committee bill to change those statutes but they do exist at this point.

Kelly Moore, Executive Director, Board of Visitors said their program is staffed with 3.0 FTE at Warm Springs, an Administrative Assistant and two attorneys. One of the attorneys

is paid for through a federal grant. The second attorney provides legal representation. Approximately 25 to 30 hearings are held per month between Warm Springs and Boulder for commitment hearings. Under constitutional, as well as state statute, people have a right to representation, particularly because they are being involuntarily committed to those facilities. Warm Springs has approximately 600 admissions per year. In the last two years have been changing procedures at the state hospital. Approximately 85% of those admissions are involuntary commitments. Therefore, they are represented at an initial hearing as well as 60 day, 90 day and 180 day hearing.

The Board has three functions. In addition to providing the legal representation, they respond to over 1500 complaints from consumers and family members at the various facilities they review. Another function is on-sight reviews and they participate very closely with the Department of Health.

Motion: REP. BARDANOUVE made a substitute motion that the Board of Visitors appropriations be reduced by \$50,000 for the biennium.

Discussion: REP. GRADY agreed with REP. MENAHAN. In view of what will be taking place in the next biennium, thinks this is a large appropriation and more than \$50,000 should be taken out so favors the original motion rather than the substitute motion.

REP. ROYAL JOHNSON asked Ms. Moorse what the substitute motion REP. BARDANOUVE just made would do to her program? Ms. Moorse said the general fund appropriation for the Board of Visitors is approximately \$150,000 per year. The rest is through a federal grant. The state general fund only pays for three positions so she has 1.5 FTE state funded at the State Hospital and 1.5 FTE at the Helena office. \$25,000 each year would result in no on-sight reviews or eliminating staff positions.

Vote: Motion failed 8 - 10.

Discussion on the Original Motion: REP. KADAS asked Ms. Moorse what the constitutional issues are. Ms. Moorse said their attorney at Warm Springs prepared some information submitted to the subcommittee in terms of peoples' rights to representation. She quoted from his memo and referenced some court cases reflecting that people who are institutionalized have a legal right to representation and people held against their will were also provided legal representation. The attorney also references the Montana Constitution would provide a basis for representation.

REP. MENAHAN asked are the people from the pool of lawyers like the public defenders and could those duties be assigned to someone in that organization. Ms. Moorse said she is not aware of how many public defenders are in Anaconda but Judge Mizner has been concerned about the caseloads that Warm Springs places on

the Anaconda, Deer Lodge Valley court system.

REP. QUILICI asked if these people who are institutionalized have any redress besides the Mental Disability office and besides the Public Defender's office? Ms. Moorse said there was no other agency that provides the legal representation that their agency does.

Vote: Motion carried 11 - 6 with Reps. Bardanouve, Fisher, John Johnson, Royal Johnson, Kadas and Peterson voting no.

CHAIRMAN ZOOK said having done that they will have to sponsor a committee bill to address this.

Motion/Vote: REP. MENAHAN made a motion to request a committee bill. Motion carried 14 - 3 with Reps. Bardanouve, John Johnson, Royal Johnson voting no.

Motion: REP. WANZENRIED moved an amendment to reinstate the function of the Flathead Basin Commission to change the funding from a general fund appropriation to the RIT interest (Water Development account), special revenue funds. EXHIBIT 5, A Gray Bill.

Discussion: REP. WANZENRIED said as REP. PETERSON pointed out there were a number of funding reductions that were given to the subcommittee from the Governor's Office. There were two programs eliminated and other programs reduced slightly. The Flathead Basin Commission was one of those general fund proposals that was eliminated in its entirety. This proposal is to reinstate funding by \$80,000, state special revenue. There is no general fund impact.

REP. QUILICI asked Ms. Cohea to explain the RIT interest Water Development account, how much is in there and if those funds are already allocated? Ms. Cohea directed the committee to Summary page 124 in the Budget Analysis which shows the money that goes into that account and has been amended by HB 608. She will furnish the committee with how much has been spent out of that account by the legislature to date. She also noted on page 124 the balance available for grants, based on the LFA current level and projected revenues. The subcommittee has already anticipated this motion and included a grant to the Governor's office in long range building for this purpose.

Vote: Motion carried 13 - 4 with Reps. Grady, Royal Johnson, Kasten and Peck voting no.

REP. ROYAL JOHNSON asked what this will do to the increase in the FBC on page A-25 with \$45,000. If this is another \$45,000, does that appropriate that \$45,000 too? He understands that is moneys received from private sources but the legislature has appropriated that. Do we want to do that? REP. WANZENRIED feels it should be taken out.

Motion/Vote: REP. ROYAL JOHNSON moved to strike out \$90,000 for the biennium, state special revenue appropriation, page A-25. Motion carried unanimously.

REP. PETERSON referred to page A-23, Governor's Office. The subcommittee asked for savings in the executive branch and improved efficiency and that the Governor might do some pilot programs in various departments in the executive branch. In further conversation, found they could go further with other branches.

Motion/Vote: REP. PETERSON moved an amendment, EXHIBIT 6, to expand the Governor's pilot program for improved efficiency to other branch agencies. Motion carried unanimously.

REP. COBB asked if there will be a bill on the Montana Conservation Corps, page A-25 explaining how the money will be used? REP. PETERSON said yes. REP. COBB said in his Human Services subcommittee' vote to put money in for the Montana Conservation Corps failed but this subcommittee did approve it. Is a positive motion needed? Ms. Cohea said HB 660 establishes the Community Services Act that is in this committee so this committee will take action on it. She referred to B-26 of the Narrative. It is in the Department of Labor and shows the UI Administrative tax and how much the various subcommittees have appropriated from it. General Government did appropriate directly from it and there are three other bills pending that also take money from this account. There are no statutes dealing with protocol among subcommittees. It is, obviously, how this committee chooses to handle it.

REP. PETERSON said the next division is the **Secretary of State's Office**, page A-33. The Secretary of State's office has a number of pages but page A-33 is an overview of their budget and some language. "At the request of the agency, a committee bill (HB 549) has been introduced to change the funding structure of the Office of the Secretary of State". That bill is here in this committee.

At the bottom of the page is a budget modification for the fireproof storage.

Page A-34 shows the description of the FTE levels. It shows what was removed by the 5%, what was removed by vacancy and total removed, 1.95 FTE.

On page A-35 is **Business and Government Services**. There are constitutional mandates they are charged with for record keeping. This is where the fireproof storage budget modification applies for document storage.

Page A-36 explains the **Administrative Codes**. There is the 5% reduction of personnel and they have printing costs. The legislature includes additional spending authority for printing

of administrative codes to respond to the increased demands and new printing. When the Office responds to the many demands, there is a need for additional postage.

On page A-37 is **Records Management**. Last biennium the legislature made some big moves in Records Management so this has increased some of that equipment need. In the January, 1992 special session, the legislature required that \$20,000 be transferred from the Records Management proprietary account to the general fund and this transfer was not made, due to a low balance in the account.

REP. KADAS referred to the last point, loan from the general fund and then the reduction from the January, 1992 special session. What has been done to settle that issue? **Doug Mitchell, Assistant, Secretary of State's Office**, said the issue is a cash shortfall in income in the Records Management division. They have done a couple things to fix that. Foremost, has been to significantly cut their costs in that area. Secondly, they have changed fees to better reflect the costs. As part of the transfer, they gained microfilming services and records storage and left with the Department of Administration an entity called Computer Output Microfilm, (COM). They estimated what kind of income those two entities had and made a mistake, very frankly. They over-estimated the kind of income that the Records Management, Microfilming and Records Storage, would gain for them and under-estimated the amount of revenue that would remain with COM. **REP. KADAS** asked if **Mr. Mitchell** thinks, given the next biennium, they will be able to take care of these two issues? **Mr. Mitchell** said yes.

REP. KADAS referred to the Modification for Fireproof Storage and asked **REP. PETERSON** what the rationale is behind that? **REP. PETERSON** said there is a mandate that they keep these records and that they keep them safe. A couple years ago there was a fire and it brought home the fact that the state has some records that need to be in fireproof storage. **REP. KADAS** asked how much space and how many records require \$50,000? **Mr. Mitchell** said roughly 3.4 million corporation documents, of which there are currently zero duplicate copies. Records from any corporation that has filed in the territory of Montana or state of Montana have to be kept in perpetuity, and the state mandates they have a duplicate copy, which no one has ever done. These records are maintained in their office in an unsafe manner. **REP. KADAS** asked what would happen if they burned? What would be the loss? **Mr. Mitchell** said the office gets a lot of search requests. In order for a bank to process a loan for a corporation, it needs to know from the Secretary of State's office that the corporation is in good standing. If the Office no longer had the information, it could no longer authenticate any Montana corporation or out-of-state corporation doing business here.

Motion: **REP. KADAS** moved to remove the budget modification for 1 fireproof record storage, \$50,000.

Discussion: REP. QUILICI said the recommendation for the cuts on the Secretary of State's office was that they would accept the cut for the record storage. Along with that they wanted to have the 1.25 FTE that was cut from their budget. He noted the Secretary of State's budget is very frugal. The records, which are originals, are the only records and could not be duplicated, if destroyed.

REP. GRADY asked if there is any fireproof storage now? Mr. Mitchell said within the Secretary of State's office in the Capitol, no. REP. GRADY asked if other storage is available that is fireproof? Mr. Mitchell said he does not know of any other fireproof storage within the Capitol. They could store documents in the Records Management facility on Bozeman Ave. which does have sprinkler systems, but that would ruin records equally. The problem then becomes one of access.

Vote: Motion failed 8 - 9.

REP. PETERSON referred to page A-39, Commissioner of Political Practices. There was some increase in printing and under the language issue at the bottom of the page, "Upon passage and approval of HB 291, general fund items would be increased by \$2,500 in FY 1994". There are no major adjustments to this program. CHAIRMAN ZOOK said the committee can remove this as it has been passed by the House. Ms. Cohea said if the language is taken out, do you want the LFA to put the \$2,500 in the bill? CHAIRMAN ZOOK said he doubts if that is the intent. REP. PETERSON said if the proposed legislation passes, it will be necessary to increase the Commissioner of Political Practices budget by \$2,500 to cover printing costs.

Motion: REP. ROYAL JOHNSON moved to put \$2,500 in the bill, page A-39, Commissioner of Political Practices.

Discussion: REP. BARDANOUVE asked where the bill is now. Ms. Cohea said it has been passed by the Senate and returned to the House. With the language already in HB 2, when this bill is passed and signed by the Governor, then as long as this language remains in HB 2, the \$2,500 will be added to the bill.

REP. ROYAL JOHNSON withdrew his motion.

REP. PETERSON said there are always reasons for taking excess language out of the bill. If we took REP. JOHNSON's motion, we could eliminate this line-item language at the bottom of page A-39. It accomplishes the same purpose either way.

Motion: REP. GRADY moved the language be taken out and the money taken out at this time. Page A-39, Commissioner of Political Practices.

Discussion: REP. QUILICI said his understanding is HB 291 is close to passing both Houses. There could be added

responsibilities on the Commissioner of Political Practices without this funding. **Ed Argenbright, Commissioner of Political Practices** said if he gets the responsibility of developing the book and printing it, without the money to do it, it is going to be a very difficult situation.

REP. KASTEN asked if the money comes out of the Secretary of State's office? **REP. PETERSON** said no. **CHAIRMAN ZOOK** said there was a shift in responsibility but the funding did not follow the responsibility. **Terri Perrigo, Associate Fiscal Analyst** said based on testimony that was presented in the subcommittee, the \$2,500 was taken out of the Secretary of State's budget submission and was not added back in so is not in the Secretary of State's budget or any other budget.

Vote: Motion carried 9 - 7 with Reps. Fisher, John Johnson, Kadas, Menahan, Peck, Quilici and Wanzienried voting no.

Ms. Cohea explained to the committee how her staff is doing the 5% reductions. They are using the file as the subcommittee recommendation came to this committee, so it would be 5% of that personal services. The funding splits are based upon the ratio that any control variable that has personal services bears to total personal services in the agency. This is the method used in the 1991 regular session in determining the vacancy savings that were applied and understands the budget office is in agreement with that. The staff will title the line "personal service reduction efficiency", then in Judiciary and Legislative agencies, the line allowing the 10% or 20%, depending on the funding source add back would be titled "personal service contingencies". For the executive branch that appropriation will be made in the Department of Administration.

So no one will be concerned when they see the bill, there are no negative appropriations in the bill, because, obviously you cannot appropriate a negative amount of money. The personal service reduction efficiency line will show as a positive in the bill but there will be language in the boilerplate saying "that amount is subtracted from the agency's appropriation". The contingency line will also show as a positive because that is a positive appropriation.

Motion: **REP. FISHER** moved an amendment to restore 1.0 FTE data entry operator I in the Secretary of State, Business and Government Services program. **EXHIBIT 7.**

Discussion: **REP. FISHER** said there are two reasons for doing this. One is in FY 1992 this particular position directly produced over \$29,000 in direct revenues with additional indirect revenue production of at least that amount. Another is, it brings in more money than it takes to utilize the position and this is a position in a group of people that works with the public records. **REP. GRADY** asked why wasn't this put in committee. Was it taken out? **REP. FISHER** said yes, it was taken

out as part of the 5% reduction at the time. It totals \$50,000 in general fund.

Vote: Motion carried 10 - 7 with Reps. Grady, Cobb, DeBruycker, Royal Johnson, Kasten, Wiseman and Zook voting no. Rep. Bardanoue passed.

REP. PETERSON referred to page A-41, **State Auditor's Office**. The budget arrived at \$3.2 million in 1994 and \$3.1 million in 1995. Language in HB 2 requires the agency to deposit funds into the state special revenue account for activities in the Central Management and Insurance programs that were not previously accounted for in the state accounting system.

The fixed cost allocation in HB 2 for payroll and warrant writing service charges to non-general fund agencies resulted in an overcharge and the legislature included language that would take care of that.

The three modifications at the bottom of the page are discussed in each program where they occur.

Page A-42 shows the FTE count with the 5% reduction and the vacant position snapshot.

Page A-43, **Central Management** shows 1.0 FTE eliminated. It shows the transfer of 2.0 FTE from State Payroll Program to this program to reflect their actual duties. These positions will be partially funded by state special revenue and proprietary funds.

The bottom of the page discusses Glacier General Liquidation and the approval of a budget modification for a state special revenue appropriation to fund the administrative costs of the liquidation of Glacier General Insurance. In the past the costs have not been accounted for.

The next program is the **State Payroll**, page A-44. The transfer of 2.0 FTE, (secretary and data processing manager) are transfers from Central Management, since the majority of those duties are allocated to the payroll function.

The Systems Development Costs - the legislature eliminated funding for development of systems enhancements to the payroll system in the 1995 biennium.

There is a language issue there.

In **Insurance**, page A-45, the major change is in a budget modification, Insurance Examination Costs. The legislature approved a budget modification for state special revenue funds for the cost of insurance examinations. In the past, the costs have not been accounted for. Some of these are cleaning up of the bookkeeping part of the budget.

Next is the **Securities** Division. The **Securities** is all general fund. There is some slight reduction made in the subcommittee and no major adjustment.

The **Fiscal Control and Management**, page A-47. An FTE was added. Additional funding was approved for increased data processing due to the increase in volume of warrants, warrants stock for the new State Auditor, and the higher system development costs.

The other major issue is in budget modifications, the Bad Debts expansion.

REP. KASTEN asked what is the total budget in the increased operating costs? REP. PETERSON said the total operating costs in the warrant writing program are \$490,000.

Motion: REP. KASTEN moved the operating costs in the warrant writing program be reduced by \$10,000 each year. Page A-47.

Discussion: REP. WISEMAN said, then it is reduced from \$57,545 to \$47,545 each year.

REP. WANZENRIED said by virtue of their action this morning, the State Auditor has taken the 5% reduction. It appears that everyone in the program has taken a 2% vacancy savings and will add the \$10,000 on top of that. He asked for someone from the State Auditor's office to comment. **Dave Hunter, State Auditor's Office**, said the reason they have to increase operational costs is because the number of warrants have been increasing. This program charges against state special and proprietary funds so if this is reduced by \$10,000, only 28% of that is general fund. The increase in operational costs has been consistent with their growth over the last 4 or 5 years. Warrants have to be sent out and this is one of those areas they don't have the discretion to reduce the \$10,000.

REP. QUILICI said this is one of the areas the subcommittee took a hard look at because they couldn't understand why warrant writing costs were escalating when state government was supposed to be cut. There are more SRS benefit checks going out and more rebates going out of Fish, Wildlife and Parks.

REP. KASTEN said we are dealing with a \$1 million budget and it seems very hard to cut anything at the state level but very easy to cut services to the people. All she is trying to do is reduce the increase they were given, from \$57,000 down to \$40,000 per year.

REP. BARDANOUVE asked if it is all general fund or a mix? REP. KASTEN said she would like it to be all general fund.

REP. FISHER said she understood Mr. Hunter to say it is 28% in general fund. **Clayton Schenck, Senior Fiscal Analyst**, said the warrant writing system, according to the reimbursement program,

the state special revenue has been established to fund 71.5% of this particular budget so that portion of these costs are state special and 28.5% are funded by general fund. The state special estimates for that funding process were over-estimated. Whether the motion should go in accordance with the way it has been funded, at the 28%, 72%, or straight general fund is a policy issue.

REP. KADAS asked REP. KASTEN if she is decreasing the proprietary since there is the 28, 72 mix? REP. KASTEN said if it does not require a general fund match, she's leaving the proprietary funds there.

Vote: Motion carried 11 - 7 with Reps. Bardanouve, Fisher, John Johnson, Kadas, Menahan, Quilici and Wanzenried voting no.

REP. BARDANOUVE said he was concerned by an appropriation for two modifications for state special revenue funding and said this is an impact on the general fund. Pages A-45 and A-47. Mr. Hunter said there is not a general fund impact of these two. The Auditor's office charged the Insurance Companies and have had the Insurance Companies pay the examiners directly so it never came on the books. The Legislative Auditor took an exception to the way the State Auditor's office was handling that and asked them to record those on the books as special revenue. REP. PETERSON said the subcommittee felt that since the Auditor had mentioned this those funds should be put on the books.

CHAIRMAN ZOOK informed the committee that Ms. Cohea's figures on the earlier motion this morning and redone this afternoon, show less general fund savings than they thought, \$13.7 million.

REP. PETERSON discussed Crime Control Division, page A-49. The program is on pages A-50 and A-51. The federal government sends out grants in three-year periods, and that becomes one of the problems they have to deal with. The legislature approved legislative contract authority allowing the agency additional appropriation authority in the event additional federal pass-through grant funds become available, \$500,000 a year. Federal pass-through grants - the legislature approved adjustments to total existing federal pass-through grant programs, based on recent notification of funding availability from the federal government.

A budget modification provides a crime victim benefits state special revenue fund to increase administration support and Indian Victim Assistance Pass-through Grants. Those are federal programs and this Department deals with those.

The language is on page A-51 addressing the various pass-through grants and how that will be handled.

REP. KADAS, regarding the language issues, looking at the third language issue. (page A-51) "It is the intent of the legislature

that operating expenses charged to the statutory appropriation for youth detention services grant administration not exceed \$48,937 in FY 1994 and \$49,170 in FY 1995". Can we, in boilerplate, limit a statutory appropriation? **Ms. Cohea** said the Senate has approved the bill allowing a statutory appropriation for the grant portion of it. This is the operating. **Mr. Schenck** said this particular funding is a statutory appropriation set up by the last session for the youth detention services grant program. As written, it wasn't clear whether the administrative costs were covered under that. This particular language simply puts a limitation on how much they can expend. The statute cannot be amended but it states that the legislature is stating that they consider to be the limit of the administrative expenses, should be charged against the entire statutory appropriation. The rest should go against the grant. **REP. KADAS** said, then it is not limiting the total expenditure of the statutory appropriation. It is directing a portion of it. **Mr. Schenck** said that is correct. It is directing an administrative portion of it.

REP. PECK asked **REP. PETERSON** how the subcommittee arrived at the \$500,000 in the LCA and why they don't want the agency to come through with the budget amendment to handle this money? **Ed Hall, Board of Crime Control**, said sometimes the federal funds come on short notice because they use reverted moneys and by the time the moneys get here from a grant and get a budget subgrant from the finance committee, impacts the amount of time they have to use the money. The \$500,000 is a guess based on what they think the federal government may come up with in terms of increased moneys for any of the block grants or other discretionary money. **REP. PECK** commented on that response, saying **Mr. Hall** admitted it is just a guess and that is not a very good budgeting practice. There are complications because the federal fiscal year is not the same as the state fiscal year. The Finance Committee should still have some oversight on these and not just throw a lot of money in there on a guess. **CHAIRMAN ZOOK** said we have no idea if some of our grant funds are going to be approved and just have some oversight on it. **REP. PECK** said there are a lot of accounts the revenue can't be predicted accurately. Those become controlling factors that cause budget amendments to happen and that is why there is a budget amendment process.

REP. BARDANOUVE said this an attempt on the part of the agencies to bypass the budget amendment process and the legislative finance committee.

REP. PETERSON said these are not regular grant funds they have applied for. There is re-allocated money that comes after the grants go out and sometimes that grant money is not as large an amount as shown here. To capture that extra \$50,000, \$150,000 or whatever, was one of the subcommittee's concerns and when this re-allocated money comes up, the agency has to apply for it rather quickly and even use it rather quickly. That is what persuaded the subcommittee to go this way.

REP. KADAS said **Mr. Hall's** agency is strictly a stand-alone agency and is it affiliated with the Department of Justice? **Mr. Hall** said it is administratively attached to the Department of Justice; otherwise it stands alone. They work closely with the them (Justice) and submit some of the budget material to the same analyst. **REP. KADAS** asked if Justice takes care of **Mr. Hall's** accounting? **Mr. Hall** said no. **REP. KADAS** asked if there would be some advantage to putting this agency under the Department of Justice and having them take care of administrative and accounting procedures? **Mr. Hall** said the accounting he does with the grants are greatly different than the accounting done in Central Service Justice Division. There are 100 grants that he is working with in local communities and the Justice Division does not have the staff to handle it. Payroll might be the only savings.

REP. PETERSON said the next division is **Highway Traffic Safety Division**, page A-53. The budget is \$1.8 million FY 1994 and \$1.8 million FY 1995. There is some reduction in local assistance. The current level includes \$210,000 general fund each year for distribution to counties based on estimated fee collection available for distribution. The legislature reduced the general fund appropriation to bring the agency to target level.

REP. PETERSON referred to the **Department of Justice**, page A-55. The department budget levels are \$30 million in both years. Budget modifications are listed on page A-55 and will be discussed. The next two pages, A-56 and A-57, show the huge amount of FTE activity that went on in committee. The important numbers to look at are the bottom numbers at the right hand side. 52.75 were the total number of FTE removed, 23.75 are the total FTE restored.

Legal Service Division, page A-58 have some modifications and some current level differences. There is language at the bottom of the page. Some bills have been introduced to accommodate those changes.

In the **Agency Legal Services**, page A-59, there is very little FTE reduction. The **Gambling Control Division** is on page A-60 and is all state revenue funds. 2.0 FTE are part of the 5% reduction. In the budget modification there had been an expansion of the gambling control staff and the legislature approved the executive modification to retain the 5.0 FTE that were approved as a one-time budget modification.

In the **Motor Vehicle Division**, page A-61, the subcommittee restored one training specialist but eliminated 5.0 FTE that were in the vacant positions. The ADP Transfer to State Mainframe is a budget modification to transfer the driver's licensing and vehicle registration and titling computer databases to the state mainframe computer. This transfer will lower the rates 60% to all other agencies on that mainframe. This database is currently out of the Department of Justice computer system and this

modification is funded with general fund. It will be delayed 6 months into the next biennium in order to save general fund.

The Highway Patrol Division, page A-63, has some reduction in FTE, 4 FTE. Law Enforcement Service Division, page A-64, has a number of differences and modifications retaining 3 FTE in the Criminal History Information System. That had been federally funded but that funding is not available now. If SB 382 is not passed and approved, the local impact funds of the eastern coal counties, the state special revenue appropriation must be reduced by \$345,000. General fund appropriation must be established in the same amount as the state special revenue appropriation is decreased.

County Attorney Payroll, page A-66, has caused some comment. The legislature reduced the funding for the state share of county attorney salaries, limiting funding for full-time county attorney salaries to counties with a population exceeding 33,000.

Law Enforcement Academy Division, page A-67. The legislature approved an elected official budget modification for general fund to remodel a portion of the academy and to lease additional space from Gallatin County. The remodeling portion is a one-time expense, and the additional leased space would require an on-going annual expense of \$59,500.

Central Services Division, page A-68, budget amounts are \$520,000 FY 1994 and \$499,000 FY 1995. The legislature approved an Executive budget modification to continue funding for the Drug Prevention Education Coordinator position (1.0 FTE) with general fund.

Data Processing Division, page A-69. shows 1.0 FTE eliminated and there are no specific issues there.

Extradition and Transportation of Prisoners, page A-70. The Governor and new Attorney General have agreed on this current level difference to reduce the transportation costs for \$79,000 each year. The supplemental issue, including \$100,000 supplemental in 1991 and the expenditures for the program have increased 47% over the last four years

The Forensics Science Division, page A-71, took their 5% cut. There is one outstanding issue there and that is the budget modification. The need is for a Firearms and Toolmark Examiner. It would be the second professional in that area.

REP. PETERSON said that is an overview of the entire Department of Justice budget.

REP. MENAHAN asked if there is going to be an effort to put back the funding for the county attorneys? REP. PETERSON said she has heard an attempt is being made.

Motion/Vote: REP. PETERSON moved a technical amendment to provide federal funding for a federal grant (Problem Driver) approved by the subcommittee. The grant is funded in error by general fund. Page A-61, EXHIBIT 8. Motion carried unanimously.

REP. WANZENRIED referred to page A-59 and said the subcommittee action included the elimination of an attorney in the program, Agency Legal Services, and his proposed amendment is to reinstate the position. It is an increase in proprietary funds. This program provides legal assistance for state agencies whenever they request the Attorney General's office, including representation of lawsuits. Joe Mazurek, Attorney General, said this position, as indicated, is an Agency Legal Services attorney position. They basically are a special litigation team that defends state agencies in lawsuits. They bill the agencies for their services. It is a current position that is filled and there is no general fund. The real issue is, do you want to pay the Department of Justice Agency Legal Services \$53 an hour, which other agencies have been doing on a regular basis with the Department of Justice, or do you want to go to the private sector and pay \$125 an hour? One of the things he and the Governor will work together on is making sure that the Agency Legal Services review committee functions so we only go outside when it is absolutely necessary to go out.

REP. BARDANOUVE asked what source is the proprietary funds? Mr. Mazurek said it is just the fees charged other agencies.

Motion/Vote: REP. WANZENRIED moved to reinstate one current level attorney and increase proprietary funds. Page A-59, EXHIBIT 9. Motion carried 12 - 5 with Reps. Grady, Bergsagel, Cobb, Kasten and Peterson voting no.

REP. KADAS asked REP. PETERSON to refer to page A-58, \$400,000 for Major Litigation Costs and that is in response to what was a \$1.2 million supplemental. He is interested to know how the subcommittee got to the \$1.2 million and whether it is too low, wondering if they are setting themselves up for another supplemental? REP. PETERSON said she hopes not because they worried about these supplementals that come through and are attempting to find what needs to be there. As she understands the figure, it is a continuing figure of what was budgeted before. Mr. Mazurek said he does have a concern about the amount. There are some good things that could happen, for example, if the legislature was to redo the means by which we fund public education, that may have an impact on how far we would have to go with the school funding laws. This is a traditionally accepted amount but in the last three sessions the Department of Justice has been back for supplementals. It is very difficult to predict.

REP. PECK asked what Mr. Mazurek's opinion is on eliminating the A G opinions? Mr. Mazurek since we took that approach, and this is happening in some other states, a number of county attorneys

have pointed out to him that typically what they end up doing is resolving a dispute between a county and a city government over a law the legislature may have passed. Given the amount of the savings, he is not sure it is a good thing to do. In setting priorities, where do you want to come down, on the side of public safety or convenience?

REP. PETERSON said the Department of Justice budget was one of the most difficult the subcommittee worked on because of so many big law enforcement issues they were all concerned about. The amendment she is proposing references HB 572, which revises fees on overweight vehicles permit effective January 1, 1994, rounding off weights in 5,000 pound increments. These adjustments will generate \$1.2 million of state special revenue in FY 94 and \$2.2 million in FY 1995 which would be utilized to offset general fund in the Motor Vehicle Division.

Motion/Vote: **REP. PETERSON** moved an amendment replacing general fund with state special revenue DW fees. **EXHIBIT 10.** Motion carried unanimously.

REP. KADAS referred to page A-61 and asked how the license renewal savings is going to work? **Mr. Mazurek** said they currently prepare the license renewal cards in the Motor Vehicle Division. The \$300,000 figure, (\$150,000 each year) is the mailing cost of sending those out to licensees. When the renewal card goes out and is brought back to the county, and if the county mails out a plate, the county has the ability to charge a fee for renewal of license by mail. Counties are already assessing a fee for handling renewals by mail. The state does not. Since the cost for each renewal is only 19 cents, he felt the counties could get that back in the fees they are already charging as most of them are doing that. The alternative, which was proposed to the subcommittee, also asked for the flexibility to work with the private sector. If a logo could be put on the renewal card and a firm would pay the cost of mailing, they could cover it that way. **REP. KADAS** said the savings to the state is 19 cents a car and you will make the counties pay that cost. **Mr. Mazurek** said they can increase the fee to cover their cost.

Motion: **REP. WANZENRIED** moved the amendment, **EXHIBIT 11, A-60, Gambling Control Division, to reinstate 2.0 FTE for licensing staff.**

Discussion: **REP. WANZENRIED** referred to the current level differences, the legislature eliminated money for 2.0 FTE and the amendment will reinstate funding for those positions. There is no general fund impact. The reason for this is we will basically render the department ineffective in licensing functions if we go ahead with the proposed level of funding. **Mr. Mazurek** said when the Department came before the subcommittee, it got caught on the bubble. The HR 2 issue came during their presentation to the subcommittee so had asked for a number of reinstatements of positions that were caught in the 5% cut. Not many, but some.

The earlier one was the ALS lawyer and then these two positions. The subcommittee was reluctant to move those positions back in because at that time the HR 2 had not been passed. Once the resolution passed, were able to come back with whole programmatic proposals but never got back to these issues. This is an easy one to reinstate and urge the committee's favorable consideration.

REP. BARDANOUVE asked what is the source of this special revenue? **Mr. Mazurek** said it is the gambling fees and the licensing fees that are collected by the division. It is the state special revenue account that pays all the fees for operating the gambling control division. As a result of action taken in one of the special sessions last year those fees go to the general fund, although they have learned a portion of that fee is not accounted for in the general fund. There is a positive balance remaining yet to go to the general fund that is unanticipated at this time.

REP. COBB said there was supposed to be \$190,000 that was estimated to revert on June 30 into the general fund. It looks like the total amount that is going to revert is \$700,000, \$510,000 hasn't been counted yet in this fiscal year and for the next two years there is going to be an ending fund in the license fees of \$75,000 each year. He thinks there is more than that because there is another \$100,000 that **REP. WANZENRIED** wants for those 2.0 FTE so there is close to \$850,000 total that will be reverted. **Jan Dee May, Department of Justice** said the license fees bring in approximately \$3.2 million a year. Approximately half of this amount goes to the counties. The remainder of that is then used to fund the operation of the Gambling Division. Historically, any fund balance in that account has been allowed to accumulate from year to year. Special session I, HB 17 was passed which, for one time only, requested or mandated that any balance in this account revert to the general fund. That was a departure from what had happened before. The bill was effective for only fiscal year 1993. At the time, their projection was that there would be \$190,000 balance at the end of this year. **REP. COBB** asked how much is the balance for 1994-1995? **Ms. May** said for FY 1994 and FY 1995, they are projecting there will be a \$75,000 balance each of those two years. That assumes the two licensing staff are funded. **REP. COBB** said even if they are funded it would be \$660,000 that is not accounted for.

REP. GRADY said the Attorney General mentioned they slipped up and didn't come back to **REP. PETERSON's** subcommittee and since the subcommittee doesn't close Sections, could the Department come back anytime and request these 2.0 FTE be put back in? **REP. PETERSON** said she thinks the subcommittee would have responded, would have listened to another account. She is not sure the subcommittee went back and looked at this FTE situation.

Mr. Mazurek said one of the things he is trying to do is work with this industry so they feel they are being treated fairly. The industry has expressed some anger in delays that have taken

place.

In response to REP. GRADY's comments, Mr. Mazurek said his department brought a prepared list of requests for reinstatements back to the subcommittee and as the press of business went on, never got back to ask for those because the business was moving through the committee. They identified them immediately and put them on a written request that was delivered to the subcommittee.

Motion/Vote: REP. BARDANOUVE made a substitute motion to add 1.0 FTE for licensing staff. Motion failed 8 - 10.

Vote: Original motion failed on a tie vote, 9 - 9.

Motion: REP. KASTEN made a motion to reinstate the 16.25 FTE, page A-61 to restore Drivers' License services in 42 counties and to fund with the money that remains in the Gambling License Fund

Discussion: REP. ROYAL JOHNSON asked how much money is involved? REP. KASTEN said it is \$773,000 for the biennium.

REP. WISEMAN asked if there will be enough money from the gambling proceeds to fund this each year? REP. KASTEN said no, this is for the biennium. Then she is hoping to put language in to privatize this or do something in the meantime so these rural counties will be taken care of.

Motion: REP. KADAS made a substitute motion to reinstate 10.0 FTE instead of 16.25 FTE.

Discussion: REP. GRADY asked Mr. Mazurek how he would prioritize who would get an examiner back? Mr. Mazurek said it was difficult to decide where the cuts would be made. They would like to reach as many counties as they could with whatever FTE level they had. The Motor Vehicle Division would evaluate where it's needed and make the best effort to allocate people to the most locations. They may have to cut back on frequency of services.

REP. KADAS asked Mr. Mazurek, at 10.0 FTE, would you be able to insure each county got service at least once a month? Mr. Mazurek said no, he could not make that representation whether they would or would not. They would do the best they could.

REP. PECK said the examiner who serves Chester, Liberty County, Havre and Chinook would not travel, would only be in Havre.

REP. BARDANOUVE asked how many examiners do they have now? REP. PETERSON said the subcommittee action was to cut 18.25 FTE and that cut them out of 42 counties.

Vote: Substitute motion failed 7 - 11.

Vote: Original motion carried 10 - 8 with Reps. Bardanouve, Cobb, DeBruycker, Kadas, Menahan, Peck, Quilici and Wanzenried voting no.

Motion/Vote: REP. KASTEN moved to draft a committee bill to accomplish the intent of the motion just passed. Motion carried 12 - 6.

Discussion: REP. PETERSON discussed the language amendment. Several people have voiced a concern about the drivers' license person being removed. She thought they could privatize in those 42 counties but found that kind of major change cannot be done in whatever time they have. The driver's license is used as an official identification in Montana. There are a lot of things that could not be accommodated when she was trying to privatize. This amendment directs the department to prepare plans to privatize all state drivers' license examining stations and present the plan to the Audit Committee by July 1, 1994. The drivers' license examination stations statewide are operated with general fund by the Department of Justice and this amendment would require the development of a plan to privatize those stations beginning in 1997.

Motion: REP. FISHER moved to amend the amendment, EXHIBIT 12, to change the last sentence to "a plan to privatize the stations effective the beginning of fiscal year, July 1, 1995".

Discussion: REP. KASTEN said the committee would also have to change "operated with general fund" at this point.

REP. KADAS asked REP. FISHER if the intent of her motion is to make the transition to privatization on March 1, 1995? REP. FISHER said yes. REP. KADAS said the difficulty with that then a large part of this budget will have to be put in contracted services to give the agency the flexibility to do that plus there is no significant legislative review of the plan.

In response to a question from REP. BARDANOUE, REP. KADAS said what the amendment does is implement the privatization in the last four months of fiscal 1995, the biennium we are currently funding. That is going to create some problems. It is much better start the thing at the beginning of a fiscal year.

Vote: Motion to amend the amendment carried 12 - 6 with Reps. Bardanouve, Royal Johnson, Menahan, Peck, Quilici and Wiseman voting no.

Motion: REP. PETERSON moved the amended Amendment, EXHIBIT 12, a plan to privatize all state drivers' license examination stations and present this plan to the Legislative Audit Committee by July 1, 1994, effective July 1, 1995.

Discussion: REP. QUILICI asked the Department how they are going

to implement this plan and if they will need funding for this plan? **Mr. Mazurek** said the Department has not seen the plan or the amendment but he understands they would be required to study and come up with a plan to implement the privatization. He has some concerns in light of what has happened with some of the reductions in this agency, although reinstatement will obviously help. With the personal services reductions made as a result of the special sessions and then the earlier cuts this morning, he is concerned this will detract from the other tasks they have to perform to get this done. To be able to do this will require funds be taken from somewhere else.

REP. ROYAL JOHNSON said he thought it was a good idea to prepare a plan and to prepare a plan is a lot different than implementing that plan. He will vote against the situation the way it got amended.

Vote: Motion carried 10 - 8, EXHIBIT 12 amendment, with Reps. Bergsagel, DeBruycker, John Johnson, Royal Johnson, Nelson, Peck, Quillici and Wanzenried voting no.

REP. KADAS said on page A-62 there is the ADP transfer to state mainframe and part of the discussion was that would lower other costs to the state government in fees that had to be paid to the Administration. So there is an increased cost to Justice and that will result in economies paid by proprietary funds to Administration. Have those economies been built into the other agency budgets? **Mike Trevor, Department of Administration** said yes, the overall rate decrease is 30% for FY 1994, 38% for FY 1995. That is programmed into every agency's budget. Of the 30% and the 38%, 16%, or a little more than half of that overall reduction is due to this transfer. It is in their budgets.

ADJOURNMENT

Adjournment: 7:30 P.M.



REP. TOM ZOOK, Chairman



MARY LOU SCHMITZ, Secretary

HOUSE OF REPRESENTATIVES

APPROPRIATIONS

COMMITTEE

ROLL CALL

DATE

3/8/93 a.m.

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

March 16, 1993

Page 1 of 1

Mr. Speaker: We, the committee on Appropriations report that House Bill 2 (gray bill) do pass as amended.

Signed: _____

Tom Zook, Chair

And, that such amendments read:

1. Page 1.

Following: the enacting clause

Strike: the bill in its entirety

Insert: the substitute bill as attached

-END-

Committee Vote:
Yes ___, No ___.

590902SC.Hpf

HOUSE OF REPRESENTATIVES

APPROPRIATIONS

COMMITTEE

ROLL CALL VOTE

DATE 3/3/93

BILL NO. HB 2

NUMBER /

MOTION: Rep. Bardanouve moved language on the budget amendments

be deleted from HB 2 and operate the budget amendment process

as done now, subject to any amendment that changes that will occur

if we pass any other legislation

Motion failed

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
	8	10

EXHIBIT 1
DATE 3/8/93
HB 2

AMEND HOUSE BILL 2

Motion to instruct the Legislative Fiscal Analyst to reduce the Personal Service Budgets for all Executive Branch Agencies, except the Montana University System, by an amount estimated to become available from the efforts of the Governor during the 1995 biennium to improve efficiencies, increase economies of scale, streamline supervision, and better coordinate the provision of services by executive branch agencies as instructed on line 14, page A-5 of House Bill 2, plus recognize the savings which will occur from normal turnover of personnel and early retirements. The total of anticipated savings is estimated to be 5% of Personal Services. That total amount of 5% of Personal Services shall be reduced from the above referenced budgets. The same reduction shall be applied to Legislative and Judicial Branch Agencies to encourage those Branches to initiate the same types of cost saving efforts as the Executive Branch. These reductions are commensurate with the reductions requested of Montana Schools in House Bill 471.

Total Savings from these efforts is estimated as follows:

	General Fund	Other Appropriated Funds
FY 1994	\$7,475,000	\$10,910,000
FY 1995	\$7,680,000	\$10,930,000

In addition:

AMEND PAGE A-19, DEPARTMENT OF ADMINISTRATION PERSONNEL DIVISION
ITEM 9, LINE 23 INSERT SUB C.

	General Fund	Other Appropriated Funds
CONTINGENCY	1,700,000	3,400,000

Funds in item 9 SUB C, a biennial appropriation, are solely for use in those agencies who do not experience normal turnover or early retirements in an amount necessary to provide full funding for personal services, or accomplish the anticipated cost savings. These funds shall only be expended, if approved by the Governor, after receipt of a report from the requesting agency documenting that normal turnover of employees and early retirements have not occurred in an adequate amount. The agency must also certify that every reasonable effort has been made by the agency to work toward cost savings by implementing improved efficiencies, economies of scale, streamlined supervision, and better coordination of services. Agencies are also required to document for the Governor their efforts to identify duplications in services provided by that agency or any other agency. The request and supporting information must be submitted by the agency by March 1 and the Governor shall respond with his decision by April 1 of each fiscal year. No allocation of these funds is authorized prior to approval by the Governor. A report must be provided the Legislative Finance Committee documenting dispersals of these funds and including reports from the agencies receiving funds.

* "periods"

ESTIMATED SAVINGS FROM EFFICIENCIES

	<u>Total</u>	<u>FY94 General Fund</u>	<u>Other Funds</u>	<u>Total</u>	<u>FY95 General Fund</u>	<u>Other Funds</u>
State Agencies	18,385,000	7,475,000	10,910,000	18,615,000	7,680,000	10,930,000
University System	<u>7,000,000</u>	<u>5,155,000</u>	<u>1,845,000</u>	<u>7,000,000</u>	<u>5,155,000</u>	<u>1,845,000</u>
Total	25,385,000	12,630,000	12,755,000	25,615,000	14,462,500	11,152,500

HOUSE OF REPRESENTATIVES

APPROPRIATIONS COMMITTEE

ROLL CALL VOTE

DATE 3/8/93 BILL NO. HB 2 NUMBER 2

MOTION: Rep. Grady moved amendments, EXHIBIT 1, Personal
service budget reductions.

Motion carried 14 - 4

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	
	14	4

HOUSE APPROPRIATIONS COMMITTEE

AMEND HOUSE BILL 2, GRAY COPY

Section A, Technical Amendments

March 8, 1993

Prepared by the Office of Budget and Program Planning

EXHIBIT 2
DATE 3/8/93
HB 2
92

1. Page A-5, line 22.

Following: line 21

Insert: "If Senate Bill No. 270 is not passed and approved, the authority in item 1b is changed from state special revenue to federal special revenue."

Explanation: This enables the fund type for the authority to be consistent with statute, depending on legislative action.

2. Page A-8, line 7.

Following: "by"

Strike: "August"

Insert: "June"

Explanation: 17-7-111, MCA, requires the budget office to distribute forms and information necessary for agencies to complete their budget by July 1. Therefore, it is recommended the cost recovery plans be submitted by June 1 to enable review, revisions and inclusion in the printed July 1 instructions to agencies.

3. Page A-15, line 21.

Following: "years"

Strike: "1993"

Insert: "1995"

Explanation: This is a technical correction to update the language for the 1995 biennium. By the time of the 1995 Legislature, inclusion of years 1993 and 1994 in a planning document would be meaningless since any construction work in these two years would have already been completed.

4. Page A-23, line 12.

Strike: "29,754 7,500 26,255 7,500"

Insert: "37,254 0 33,755 0"

Explanation: The funds collected for burial plot allowances for the veterans cemetery are federal special revenue transferred to the families who pay for the service, rather than revenue directly allocated to the Department of Military Affairs. Therefore, burial allowances are recorded as state special revenue rather than federal special revenue for the cemetery. There is no increase in total authority from this adjustment.

HOUSE OF REPRESENTATIVES

APPROPRIATIONS COMMITTEE

ROLL CALL VOTE

DATE 3/8/93 BILL NO. HB 2 NUMBER 3

MOTION: Rep. Peterson moved to adopt amendments, EXHIBIT 2.

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

EXHIBIT 3
DATE 3/8/93
HB 2 *clb*

Increase General Fund appropriation

FY 94
175,000

FY 95
200,000

Item 1 includes a reduction of 4 FTE from the 1993 biennium. Item 1 includes funding to complete audit work required by state and federal law and includes funds for the Office of the Legislative Auditor to:

(1) Followup on the HJR 48 Subcommittee recommendations regarding state computer policy, budgeting and planning issues listed in the Summary Report on HJR 48, dated November 6, 1992; monitoring the internal control structure as a result of the transfer of central payroll to the Department of Administration; and monitoring implementation of the recommendations included in HBs 99 and 153.

(2) Review the effectiveness and efficiency of the Department of Health and Environmental Sciences air, water and solid waste programs; including any increases in FTE or other services resulting from new or expanded programs;

(3) Monitor the funding trends and the reserve balances in the Workers Compensation "Old Fund" and New Fund" and advise the 54th legislature;

(4) Review the effectiveness and efficiency and projected cost savings of implementation of community based services by the Departments of Corrections and Human Services, Family Services and Social and Rehabilitation Services; and

(5) Review health care cost containment programs and community based health care services coordination between state agencies and report the results to the 54th legislature.

To the maximum extent allowable, audit costs that are not directly billed to agencies shall be included in the Statewide Indirect Cost Allocation Plan in order to maximize Federal Indirect Cost reimbursements to the General Fund.

HOUSE OF REPRESENTATIVES

APPROPRIATIONS COMMITTEE

ROLL CALL VOTE

DATE 3/8/93 BILL NO. HB 2 NUMBER 4

MOTION: REP. COBB moved amendments, EXHIBIT 3, to increase general fund appropriation and add more money to the Legislative Auditor's office.

Motion passed 11 - 7

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
	11	7

HOUSE OF REPRESENTATIVES

APPROPRIATIONS

COMMITTEE

ROLL CALL VOTE

DATE 3/8/93 BILL NO. HB 2 NUMBER 5

MOTION: Rep. Cobb moved to eliminate funds from JTPA Review
Committee, \$6,582, and transfer to the Northwest
Economic Conference.

Motion carried 16 - 2

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	
	16	2

HOUSE OF REPRESENTATIVES

APPROPRIATIONS COMMITTEE

ROLL CALL VOTE

DATE 3/8/93 BILL NO. HB 2 NUMBER 6

MOTION: Rep. Kasten moved to eliminate 2.5 FTE from the
Legislative Council and fund 16.25 FTE to restore the
Driver's License service for 42 counties.

Motion failed 7 - 11

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	
	7	11

HOUSE OF REPRESENTATIVES

APPROPRIATIONS COMMITTEE

ROLL CALL VOTE

DATE 3/8/93 BILL NO. HB 2 NUMBER 7

MOTION: Rep. Grady referred to page A-16, HB 278 and moved
to strike the language and remove the money.

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 3/8/93 BILL NO. HB 2 NUMBER 8

MOTION: Rep. Kasten moved to take 2.0 FTE from Judiciary
and the operating expenses with them for \$84,366 each year

Motion failed 7 - 9

NAME	AYE	NO
REP. ED GRADY, V, CHAIR		
REP. FRANCIS BARDANOUVE		X
REP. ERNEST BERGSAGEI		
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	
	7	9

HOUSE OF REPRESENTATIVES

APPROPRIATIONS

COMMITTEE

ROLL CALL

DATE

3/8/93

afternoon

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	✓		

DATE 3/8/93
FIBIT 4

OFFICE OF THE LEGISLATIVE FISCAL ANALYST
HOUSE APPROPRIATION ACTION ON HOUSE BILL 2 (1995 Biennium)
Through Noon on March 8, 1993

Section/Agency	FTE		General Fund	Other Funds	Total Funds
	FY1994	FY1995			
All Agencies (Except University System) *					
5% Vacancy Savings			(\$15,155,000)	(\$21,840,000)	(36,995,000)
SECTION A					
Legislative Auditor					0
3.00 FTE and operating expenses	3.00	3.00	375,000		375,000
Legislative Fiscal Analyst					0
Legislative Council					0
Transfer from JTPA to NW Economic Conference			0		0
Environmental Quality Council					0
Consumer Counsel					0
Judiciary					0
House Bill 278 Contingency			(193,015)		(193,015)
Governor's Office					0
Secretary of State					0
Commissioner of Political Practices					0
State Auditor					0
Crime Control Division					0
Highway Traffic Safety					0
Justice					0
Transportation					0
Revenue					0
Administration					0
Contingency fund for vacancy savings			1,700,000	3,400,000	5,100,000
State Fund					0
Public Employee's Retirement Board					0
Teacher's Retirement Board					0
Military Affairs					0
TOTAL	3.00	3.00	1,881,985	3,400,000	5,281,985
TOTAL COMMITTEE ACTION	3.00	3.00	(13,273,015)	(18,440,000)	(31,713,015)

* As estimated by OBPP. Exact amount by agency will be calculated by LFA and OBPP.

EXHIBIT 5
DATE 3/8/93
UP
HB 2

AMEND HOUSE BILL 2. (REVISED AMENDMENT MARCH 8, 1993)

Motion to instruct the Legislative Fiscal Analyst to reduce the Personal Service Budgets for all Executive Branch Agencies, except the Montana University System, by an amount estimated to become available from the efforts of the Governor during the 1995 biennium to improve efficiencies, increase economies of scale, streamline supervision, and better coordinate the provision of services by executive branch agencies as instructed on line 14, page A-5 of House Bill 2, plus recognize the savings which will occur from normal turnover of personnel and early retirements. The total of anticipated savings is estimated to be 5% of Personal Services. That total amount of 5% of Personal Services shall be reduced from the above referenced budgets. The same reduction shall be applied to Legislative and Judicial Branch Agencies to encourage those Branches to initiate the same types of cost saving efforts as the Executive Branch. These reductions are commensurate with the reductions requested of Montana Schools in House Bill 471.

Total Savings from these efforts is estimated as follows:

	General Fund	Other Appropriated Funds
FY 1994	\$7,475,000	\$10,910,000
FY 1995	\$9,307,500	\$9,307,500

In addition:

AMEND PAGE A-19, DEPARTMENT OF ADMINISTRATION PERSONNEL DIVISION ITEM 9, LINE 23 INSERT SUB C. Except for the University System, ten per cent of the general fund savings and twenty per cent of the other appropriated fund savings are appropriated to the Department to be proportionally allocated to the approving authorities for the appropriate branch of government to be distributed to the various agencies of those branches.

Funds in item 9 SUB C, a biennial appropriation, are solely for use in those agencies who do not experience normal turnover or early retirements in an amount necessary to provide full funding for personal services, or accomplish the anticipated cost savings. These funds shall only be expended, if approved by the approving authority, after receipt of a report from the requesting agency documenting that normal turnover of employees and early retirements have not occurred in an adequate amount. The agency must also certify that every reasonable effort has been made by the agency to work toward cost savings by implementing improved efficiencies, economies of scale, streamlined supervision, and better coordination of services. Agencies are also required to document for the approving authority their efforts to identify duplications in services provided by that agency or any other agency. The request and supporting information must be submitted by the agency by March 1 and the approving authority shall respond with his decision by April 1 of each fiscal year. No allocation of these funds is authorized prior to approval by the approving authority. A periodic report must be provided the Legislative Finance Committee documenting dispersals of these funds and including reports from the agencies receiving funds.

HOUSE OF REPRESENTATIVES

APPROPRIATIONS

COMMITTEE

ROLL CALL VOTE

DATE 3/8/93 BILL NO. HB 2 NUMBER 9

MOTION: Rep. Grady moved the amendments (Exhibit 5) (revised amendments) to instruct the Legislative Fiscal Analyst to reduce the Personal Services budgets by 5% for all Executive Branch Agencies except the Montana University System. Motion passed 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 3/8/93 BILL NO. HB 2 NUMBER 10

MOTION: Rep. Kasten moved to reconsider the action of her
previous motion to remove 2.0 FTE from Judiciary.

Motion failed on a tie vote 9 - 9

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
	9	9

HOUSE OF REPRESENTATIVES

APPROPRIATIONS

COMMITTEE

ROLL CALL VOTE

DATE 3/8/93 BILL NO. HB 2 NUMBER 11

MOTION: Rep. Kasten moved to take \$25,000 each year from the
Law Library, Equipment and Operating Expenses, page A-18

Motion carried 16 - 2

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	
	16	2

HOUSE OF REPRESENTATIVES

APPROPRIATIONS COMMITTEE

ROLL CALL VOTE

DATE 3/8/93 BILL NO. HB 2 NUMBER 12

MOTION: Rep. Bardanouve moved to delete the reduction made
by the subcommittee to restore the appropriation amount as
it was before the subcommittee action.

Motion failed - tie vote 9 - 9

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
	9	9

HOUSE OF REPRESENTATIVES

APPROPRIATIONS COMMITTEE

ROLL CALL VOTE

DATE 3/8/93 BILL NO. HB 2 NUMBER 14

MOTION: Rep. Menahan moved the Mental Disabilities Board of
Visitors be eliminated in total

Motion carried 11 - 6

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		
REP. TOM ZOOK, CHAIR	X	
	11	6

HOUSE OF REPRESENTATIVES

APPROPRIATIONS COMMITTEE

ROLL CALL VOTE

DATE 3/8/93 BILL NO. HB 2 NUMBER 13

MOTION: Rep. Bardanouve made a substitute motion that the Board
of Visitors be reduced by \$50,000 for the biennium.

Motion failed 8 - 10

NAME	AYE	NO
REP. ED GRADY, V, CHAIR		X
REP. FRANCIS BARDANOUVE	X	
REP. ERNEST BERGSAGEL		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	
	8	10

HOUSE OF REPRESENTATIVES

APPROPRIATIONS COMMITTEE

ROLL CALL VOTE

DATE 3/8/93 BILL NO. HB 2 NUMBER 15

MOTION: Rep. Menahan made a motion to request a Committee Bill.

Motion carried 14 - 3

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		
REP. TOM ZOOK, CHAIR	X	
	14	3

**Amendment to House Bill No. 2
Gray Bill**

**Requested by Representative Wanzenried
For the Committee on House Appropriations**

**Prepared by Clayton Schenck
March 8, 1993**

EXHIBIT 5 A
DATE 3/8/93
HB 2

1. Page A-4, line 11.

Strike: " 85,500" " 85,500"

Insert: "125,455" "125,627"

This amendment provides additional state special revenue support for the Flathead Basin Commission to allow funding at the 1993 biennium appropriated level. It increases state special revenue \$39,955 in fiscal 1994 and \$40,127 in fiscal 1995 (total \$80,082), to fund administrative support and the coordinator's salary (1.0 FTE). The additional state special revenue funds would come from RIT interest (Water Development account) funds.

HOUSE OF REPRESENTATIVES

APPROPRIATIONS COMMITTEE

ROLL CALL VOTE

DATE 3/8/93 BILL NO. HB 2 NUMBER /6

MOTION: Rep. Wanzenried moved amendments to reinstate the
function of the Flathead Basin Commission and change the funding from
general fund appropriation to the RIT interest (water development
account) special revenue funds, EXHIBIT 5, Gray Bill. Motion carried

13 -

NAME	AYE	NO
REP. ED GRADY, V, CHAIR		X
REP. FRANCIS BARDANOUVE	X	
REP. ERNEST BERGSAGEI		
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	
	13	4

HOUSE OF REPRESENTATIVES

APPROPRIATIONSCOMMITTEE

ROLL CALL VOTE

DATE 3/8/93 BILL NO. HB 2 NUMBER 17MOTION: Rep. Royal Johnson moved to strike out \$90,000 for the
biennium, state special revenue, Page A-25 Flathead Basin Commissio

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	
	17	0

**Amendment to House Bill No. 2
Gray Bill**

**Requested by Representative Peterson
For the Committee on House Appropriations**

**Prepared by Clayton Schenck
March 8, 1993**

EXHIBIT 6
DATE 3/8/93
HB 2

1. Page A-5, line 14.

Following: "work"

Insert: "with executive branch agencies and other elected officials"

2. Page A-5, line 14.

Following: "savings"

Strike: "in executive branch agencies"

3. Page A-5, line 15.

Following: "among"

Strike: "executive branch"

4. Page A-5, line 16.

Following: "services"

Insert: "and FTE"

5. Page A-5, line 16.

Following: "."

Insert: "This should include, but not be limited to, attorneys, environmental specialists, statisticians, grant writers, economists, and biologists."

HOUSE OF REPRESENTATIVES

APPROPRIATIONSCOMMITTEE

ROLL CALL VOTE

DATE 3/8/93 BILL NO. HB 2 NUMBER 18

MOTION: Rep. Peterson moved an amendment (EXHIBIT 6) to expand
the Governor's pilot program for improved efficiency to other
branch agencies. Motion carried unanimously.

NAME	AYE	NO
REP. ED GRADY, V, CHAIR	X	
REP. FRANCIS BARDANOUVE	X	
REP. ERNEST BERGSAGEI		
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	
	17	0

HOUSE OF REPRESENTATIVES

APPROPRIATIONS

COMMITTEE

ROLL CALL VOTE

DATE 3/8/93 BILL NO. HB 2 NUMBER 19

MOTION: Rep. Kadas moved to remove the budget modification for
1 fireproof storage, for records. \$50,000.

Motion failed 8 - 9

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		
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	
	8	9

HOUSE OF REPRESENTATIVES

APPROPRIATIONS

COMMITTEE

ROLL CALL VOTE

DATE 3/8/93 BILL NO. HB 2 NUMBER 20

MOTION: Rep. Royal Johnson moved to put \$2,500 in the bill.

Page A-39. Commissioner Political Practices.

Rep. Johnson withdrew his motion.

NAME	AYE	NO
REP. ED GRADY, V, CHAIR		
REP. FRANCIS BARDANOUVE		
REP. ERNEST BERGSAGE		
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 MENAHAN		
REP. LINDA NELSON		
REP. RAY PECK		
REP. MARY LOU PETERSON		
REP. JOE QUILICI		
REP. DAVE WANZENREID		
REP. BILL WISEMAN		
REP. TOM ZOOK, CHAIR		

HOUSE OF REPRESENTATIVES

APPROPRIATIONS COMMITTEE

ROLL CALL VOTE

DATE 3/8/93 BILL NO. HB 2 NUMBER 21

MOTION: Rep. Grady moved language and money be taken out at
this time. Page A-39, Commissioner of Political Practices.

Motion carried 9 - 7

NAME	AYE	NO
REP. ED GRADY, V. CHAIR	X	
REP. FRANCIS BARDANOUVE	X	
REP. ERNEST BERGSAGE		
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		
REP. JOE QUILICI		X
REP. DAVE WANZENREID		X
REP. BILL WISEMAN	X	
REP. TOM ZOOK, CHAIR	X	
	9	7

Amendments to House Bill No. 2
First Reading Copy

Requested by Representative Fisher
For the House Appropriations Committee

Prepared by Jon Moe
March 8, 1993

EXHIBIT 7
DATE 3/8/93
HB 2

1. Page A-5, line 24.

Strike: "884,332	906,805"	[General Fund]
Insert: "908,920	931,421"	[General Fund]

LFA will amend totals.

This amendment would restore 1.00 FTE data entry operator I in the Secretary of State, Business and Government Services program.

{Office of Legislative Fiscal Analyst

444-2986}

HOUSE OF REPRESENTATIVES

APPROPRIATIONS COMMITTEE

ROLL CALL VOTE

DATE 3/8/93 BILL NO. HB 2 NUMBER 22

MOTION: Rep. Fisher moved an amendment to restore 1.0 FTE data entry operator I in the Secretary of State, Business and Government services program, EXHIBIT 7

Motion carried 10 - 7

NAME	AYE	NO
REP. ED GRADY, V, CHAIR		X
REP. FRANCIS BARDANOUVE	pass	
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
	10	7

HOUSE OF REPRESENTATIVES

APPROPRIATIONS COMMITTEE

ROLL CALL VOTE

DATE 3/8/93 BILL NO. HB 2 NUMBER 23

MOTION: Rep. Kasten moved the operating costs be reduced by
\$10,000 each year. Page A-47

Motion carried 11 - 7

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	
	11	7

**Amendment to House Bill No. 2
Gray Bill**

**Requested by Representative Peterson
For the Committee on House Appropriations**

**Prepared by Clayton Schenck
March 8, 1993**

EXHIBIT 8
DATE 3/8/93
HB 2

1. Page A-10, line 18.

Strike: "5,722,923"

"5,734,280"

Insert: "5,708,423" "14,500(st. special) "5,721,780" "12,500"(st. special)

This is a technical amendment to provide federal funding for a federal grant (Problem Driver) approved by the subcommittee. The grant is funded in error by general fund.

HOUSE OF REPRESENTATIVES

APPROPRIATIONSCOMMITTEE

ROLL CALL VOTE

DATE 3/8/93 BILL NO. HB 2 NUMBER 24

MOTION: Rep. Peterson moved a technical amendment to provide
federal funding for a federal grant (Problem Driver) approved
by the subcommittee. The grant is funded in error by
general fund., Page A-61, EXHIBIT 8. 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 QUILICI	X	
REP. DAVE WANZENREID	X	
REP. BILL WISEMAN	X	
REP. TOM ZOOK, CHAIR	X	
	18	0

DEPARTMENT OF JUSTICE
Amendment to House Bill 2

EXHIBIT 9
DATE 3/8/93
HB 2

<u>Agency Legal Services</u>	<u>1994</u>	<u>1995</u>
page A-10		
line 12		
Increase <u>proprietary funds</u>	38,888	38,920

Explanation: Reinstates one current level attorney.

(Reference A-59 of LFA narrative)

HOUSE OF REPRESENTATIVES

APPROPRIATIONSCOMMITTEE

ROLL CALL VOTE

DATE 3/8/93 BILL NO. HB 2 NUMBER 25MOTION: Rep. Wanzenried moved to reinstate one current level
attorney and increase proprietary funds, Page A-59, EXHIBIT 9Motion carried 12 - 5

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		
REP. DAVE WANZENREID	X	
REP. BILL WISEMAN		
REP. TOM ZOOK, CHAIR	X	
	12	5

HOUSE APPROPRIATIONS COMMITTEE

AMEND HOUSE BILL 2, GRAY COPY

Section A, Department of Justice

March 8, 1993

Prepared for Chairman Peterson

EXHIBIT 10
DATE 3/8/93
HB 2

1. Page A-10, line 18.
Strike: "5,722,923 5,734,280"
Insert: "4,600,820 1,122,103 3,490,073 2,244,207"

Explanation: House Bill No. 572 revises fees for overweight vehicle permits effective January 1, 1994, rounding off weights in 5,000 pound increments. These adjustments will generate \$1.2 million of state special revenue in FY94 and \$2.2 million in FY95 which would be utilized to offset general fund in the Motor Vehicle Division.

HOUSE OF REPRESENTATIVES

APPROPRIATIONSCOMMITTEE

ROLL CALL VOTE

DATE 3/8/93 BILL NO. HB 2 NUMBER 26MOTION: Rep. Peterson moved the amendment replacing general fund
with state special revenue DW fees. EXHIBIT 10.

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 3/8/93 BILL NO. HB 2 NUMBER 27

MOTION: Rep. Bardanouve made a substitute motion to add
1.0 FTE to the licensing staff.

Motion failed 8 - 10

NAME	AYE	NO
REP. ED GRADY, V, CHAIR		X
REP. FRANCIS BARDANOUE	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
	8	10

DEPARTMENT OF JUSTICE
Amendment to House Bill 2

EXHIBIT 11
DATE 3/8/93
HB 2

Gambling Control Division

1994

1995

page A-10

line 14

Increase state special

54,483

54,634

Explanation: Reinstates 2.00 FTE for licensing staff.

(Reference A-60 of LFA narrative)

HOUSE OF REPRESENTATIVES

APPROPRIATIONS

COMMITTEE

ROLL CALL VOTE

DATE 3/8/93 BILL NO. HB 2 NUMBER 28

MOTION: Rep. Wanzenried moved amendment, EXHIBIT 11, A-60,
gambling control division, to reinstate 2.0 FTE for
licensing staff

Motion failed on tie vote 9 - 9

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
	9	9

HOUSE OF REPRESENTATIVES

APPROPRIATIONS COMMITTEE

ROLL CALL VOTE

DATE 3/8/93 BILL NO. HB 2 NUMBER 29MOTION: Rep. Kadas made a substitute motion to reinstate
10.0 FTE instead of 16.25 FTE, Drivers' License Services.

Motion failed 7 - 11

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
	7	11

HOUSE OF REPRESENTATIVES

APPROPRIATIONS COMMITTEE

ROLL CALL VOTE

DATE 3/8/93 BILL NO. HB 2 NUMBER 30

MOTION: Rep. Kasten moved to reinstate 16.25 FTE to restore Drivers' License service in 42 counties and to fund this with the money that remains in this fund, Gambling License Fund, Page A-61

Motion carried 10 - 8

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	
	10	8

HOUSE OF REPRESENTATIVES

APPROPRIATIONS COMMITTEE

ROLL CALL VOTE

DATE 3/8/93 BILL NO. HB 2 NUMBER 31

MOTION: Rep. Kasten moved to draft a committee bill to
accomplish the intent of the motion just passed.

Motion carried 12 - 6

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	
	12	6

**Amendment to House Bill No. 2
Gray Bill**

**Requested by Representative Peterson
For the Committee on House Appropriations**

March 8, 1993

EXHIBIT 12
DATE 3/8/93
HB 2

1. Page A-12, following line 19.

Insert: "The Department is directed to prepare a plan to privatize all state drivers' license examination stations and to present this plan to the Legislative Audit Committee by July 1, 1994."

Drivers' license examination stations statewide are operated with general fund by the Department of Justice. This amendment would require development of a plan to privatize the stations beginning in the 1997 biennium.

HOUSE OF REPRESENTATIVES

APPROPRIATIONS

COMMITTEE

ROLL CALL VOTE

DATE 3/8/93 BILL NO. HB 2 NUMBER 32MOTION: Rep. Fisher moved to amend the amendment, EXHIBIT 12to change the last sentence to "a plan to priva tize thethe stations beginning the fiscal year July 1, 1995

Motion carried 12 - 6

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	
	12	6

HOUSE OF REPRESENTATIVES

APPROPRIATIONS COMMITTEE

ROLL CALL VOTE

DATE 3/8/93 BILL NO. HB 2 NUMBER 33

MOTION: Rep. Peterson moved the amended Amendment, Exhibit 12

a plan to privatize all state drivers' examination stations and

to present this plan to the Legislative Audit Committee by July 1, 199

effective July 1, 1995.

Motion carried 10 - 8

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	
	10	8

HOUSE OF REPRESENTATIVES
VISITOR REGISTER

COMMITTEE _____

BILL NO. _____

DATE 3-8-93 SPONSOR(S) _____

ine: 3:15

PLEASE PRINT

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NAME AND ADDRESS	REPRESENTING	SUPPORT	OPPOSE
Michael Streit 718 So. 4th West Missoula MT.	BIG SKY HIGH SCHOOL		
<i>Chris Dunning</i>	Dept. Military Affairs		
AUL SMIETANKA	W.P.A.		
DAN LIEBERG	Dept. Military Affairs Disaster + Emergency Services		
Jim Jacobsen	Veteran Affairs Division		
Bobbie J. Curtis			
Trish Tothill			

PLEASE LEAVE PREPARED TESTIMONY WITH SECRETARY. WITNESS STATEMENT FORMS ARE AVAILABLE IF YOU CARE TO SUBMIT WRITTEN TESTIMONY.