

MINUTES

MONTANA HOUSE OF REPRESENTATIVES 53rd LEGISLATURE - REGULAR SESSION

COMMITTEE ON APPROPRIATIONS

Call to Order: By REP. TOM ZOOK, CHAIRMAN, on March 16, 1993, at 9:05 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 Wanzienried (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 7; HB 9; HB 10; HB 12
Executive Action: HB 7; HB 9; HB 10; HB 549; SB 39; SB 40;
HB 529; HB 660

HEARING ON HB 7

An act appropriating money to the Department of Natural Resources and Conservation for grants for designated projects under the reclamation and development grants program.

Opening Statement by Sponsor: REP. ERNEST BERGSAGEL, House District 17, Malta, introduced HB 7 by request of the Department of Natural Resources and Conservation (DNRC). He explained the bill appropriated money for grants for projects under the reclamation and development grants program. He distributed amendments to the bill passed in subcommittee and a list of grants for fiscal years 1994-95. EXHIBIT 1

Proponents' Testimony: John Tubbs, Chief, Resource Development Bureau, Department of Natural Resources and Conservation, supported the bill.

Opponents' Testimony: None

Informational Testimony: None

Questions From Committee Members and Responses: REP. COBB asked REP. BERGSAGEL how the funds for the Montana Office of Public Policy project would be used and whether any FTE was included in those funds. REP. BERGSAGEL explained the funds would be used by the Governor's/Lt. Governor's Office to try to negotiate settlements rather than going through the courts. Mr. Tubbs stated no FTE was included in the grant; funds were allocated to hire an executive director under contracted services. He said the plan was to move the office to a private, non-profit corporation after two years. REP. COBB asked whether the Governor's Office could use the funds for any other purpose. Mr. Tubbs responded that the funds were specific to that use.

Closing by Sponsor: REP. BERGSAGEL reported the committee had worked very hard in considering the grants.

EXECUTIVE ACTION ON HB 7

Motion: REP. DeBRUYCKER MOVED HB 7 DO PASS. Motion carried unanimously.

HEARING ON HB 9

An act establishing priorities for cultural and aesthetic project grant awards.

Opening Statement by Sponsor: REP. ERNEST BERGSAGEL, House District 17, Malta, introduced HB 9 by request of the Montana Arts Council. He stated the bill appropriated \$3 million for cultural projects during the biennium. He described amendments made to the bill in subcommittee.

Proponents' Testimony: Arlynn Fishbaugh, Executive Director, Montana Arts Council, thanked the subcommittee and REP. BERGSAGEL for their efforts on the bill.

Opponents' Testimony: None

Informational Testimony: None

Questions From Committee Members and Responses: REP. KADAS asked REP. BERGSAGEL for background information on the Daly Mansion. REP. BERGSAGEL referred the question to Jeanette McKee, President, Daly Mansion Preservation Trust, who explained that in the mid-1980's the state of Montana forgave \$400,000 in inheritance taxes from the heir of the Daly Mansion. She said the state appointed a local group to operate the Daly Mansion Preservation Trust which signed a note to the heir for \$200,000. She explained the Daly Mansion Trust owed the full amount to the National Trust for Historic Preservation. She said the trust had been current in their payments until November, 1992, when they missed a \$5,500 payment. A second payment was missed in February and the trust now needed to pay \$16,600 by May 1, 1993, and a balloon payment of \$109,000 in 1994. She said volunteer efforts kept the mansion maintained and operating; fund-raising efforts had produced a match to keep the mansion operational and to pay a full-time director. She claimed the debt was too large for the trust to overcome without help; the only alternative for the trust would be to sell the Daly Mansion furnishings and paintings and use the proceeds to pay the debt. Ms. McKee asserted the Daly Mansion contributed \$800,000 to \$1.0 million yearly to the economy of Ravalli County. REP. KADAS asked Ms. McKee whether the funds in HB 9 constituted a one-time loan payment. Ms. McKee confirmed.

REP. ROYAL JOHNSON asked Ms. McKee whether a local committee managed and operated the mansion. Ms. McKee explained the mansion had a full-time director, who was paid \$16,000 per year, and a nine-member volunteer board of directors. REP. ROYAL JOHNSON asked whether local money was used in operating the mansion. Ms. McKee responded that raising money to retire the \$200,000 debt was very difficult. She reported people preferred to contribute to restoration or improvement of the mansion. She said, however, that until the debt was paid off, the board could not do anything for the mansion, including applying for grants.

REP. DeBRUYCKER asked Ms. McKee to explain how the debt was incurred. Ms. McKee recounted that in 1985 a bill was introduced in the legislature to save the Daly Mansion. She said the owners were asking \$600,000 for the mansion. The legislature provided \$400,000 by forgiving inheritance taxes, and local citizens agreed to sign a note for \$200,000. She reported the state owns the mansion and 50 acres free and clear; the mansion's furnishings belong to the Daly Mansion Trust. REP. DeBRUYCKER asked whether the furnishings would belong to the state if it contributed another \$100,000. Ms. McKee stated the furnishings would continue to belong to the trust. She explained the furnishings had been purchased at a 1986 auction and donated to the trust by local residents; additionally, the trust had raised \$60,000 and purchased items at the auction. She reported the

loan had been collateralized by seven private individuals; the trust had an agreement with them to sell the furnishings, if necessary, to decrease their liability.

REP. WISEMAN asked whether \$109,000 would clear all debt on the mansion. **Ms. McKee** said she had a verbal commitment from the National Trust for Historic Preservation that the debt would be eliminated with a payment of \$120,000.

REP. WISEMAN asked about the grant to the Friends of Intake Church. **REP. JOHN JOHNSON** responded that the Intake Church is an old frame church which had been built by the intake diversion dam on the Yellowstone River at a small settlement called Intake. He said the church was 60-70 years old, and local citizens had organized to preserve the church as an historical building. He said the church would be owned by the Mondac Historical Society in Sidney. He reported local citizens had raised funds to renovate the church; the \$1600 grant would be used for architectural review and approval of project plans to return it to its original state.

REP. PECK asked for explanation of the \$20,000 grant to the Office of Public Instruction (OPI). **William Pratt, Montana Arts Council**, explained that the only way for money from the cultural trust to be given for projects was through a government agency. He said OPI had requested the grant on behalf of a film-maker at Montana State University (MSU). **REP. PECK** asked **Mr. Pratt** why MSU had not requested the grant. **Mr. Pratt** stated MSU had submitted a number of film projects over the years and was concerned about the committee's willingness to fund another one.

REP. QUILICI asked for an explanation of the grant to Rattlesnake Productions, Inc. **REP. BERGSAGEL** said the grant would fund a documentary on the sacredness of the wilderness area south of Glacier Park and provided a cultural benefit to the Blackfeet Tribe. **REP. QUILICI** asked who would film the documentary. **REP. BERGSAGEL** responded the Blackfeet Tribe. **Mr. Pratt** explained that Rattlesnake Productions, Inc., was a private, nonprofit organization working with the Blackfeet Tribe to produce a one-hour documentary on the tribe's struggle to preserve their language and their spiritual traditions on the sacred treaty land in the Badger-Two Medicine.

REP. PECK asked **Mr. Pratt** how many grants had been allocated for projects by the university system. **Mr. Pratt** said he did not have a total allocation and did not know of other projects.

REP. DeBRUYCKER asked whether the \$8,000 grant to the Daly Mansion was in addition to the \$109,000 grant. **REP. BERGSAGEL** stated the grants had been combined.

REP. PETERSON suggested to **REP. BERGSAGEL** that it would be helpful to include who would actually be handling the money on the list of grants. **REP. BERGSAGEL** asked whether she wanted that

information before the bill went to the floor. **REP. PETERSON** responded it would be helpful before the bill went to the floor, but she meant particularly for the next biennium. **Ms. Fishbaugh** asked **REP. PETERSON** whether she wanted the applicant's name in addition to the benefitting organization. **REP. PETERSON** said more explanation would be helpful so that the committee would be more knowledgeable.

REP. FISHER agreed with **REP. PETERSON** on the need for more information and asked about the grant to the Department of Administration. **REP. BERGSAGEL** explained the appropriation had been removed from the bill because **REP. MENAHAN** had introduced a bill for a study of the evolution of the arts and facilities.

REP. COBB asked **REP. BERGSAGEL** whether funds for cultural and aesthetic project grants could be used elsewhere. **REP. BERGSAGEL** explained the funds were from the coal trust and said he was not sure the funds could be diverted. He reported the subcommittee had looked critically at the projects, particularly those from the university system, to ensure the grants were not being used to fund programs. **CHAIRMAN ZOOK** reported that, according to **Jim Haubein, Legislative Fiscal Analyst**, any change in the use of funds would require a change in statutes.

Closing by Sponsor: **REP. BERGSAGEL** reported he was from Eastern Montana where there was very little culture, and he had approached the projects with apprehension. He said the project presentations had been excellent and contended the grants were of value and beneficial to society. He encouraged support of the bill.

EXECUTIVE ACTION ON HB 9

Motion: **REP. MENAHAN** MOVED HB 9 DO PASS. Motion carried 15 to 2 with **REPS. COBB** and **KASTEN** voting no.

HEARING ON HB 10

An act appropriating oil overcharge money for programs administered by the state of Montana.

Opening Statement by Sponsor: **REP. ERNEST BERGSAGEL**, House District 17, Malta, explained that funds in HB 10 came from oil companies who had been convicted of overcharging the public and required to provide rebates. The federal government gives the rebate funds to the states which then distribute them. He reported the bill distributed \$1.2 million. He described an amendment to HB 10 which would provide \$300,000 to establish an energy-efficient home mortgage reserve account. **EXHIBIT 1**

Proponents' Testimony: Van Jamison, Administrator, Energy Division, Department of Natural Resources and Conservation (DNRC), supported the bill.

Deborah Schmidt, Executive Director, Environmental Quality Council (EQC), stated the amendment to HB 10 was important to a package of recommendations which had come from meetings with the public utilities, EQC, DNRC, Consumer Council, Northwest Planning Council, and others with interest in residential energy-efficiency. She reported long-term battles had occurred in the attempt to set standards for energy efficiency because of opposition from home builders who were concerned about the affordability of energy-efficient homes. She explained first-time home buyers cannot afford the up-front cost of energy efficiency even though they do pay greater long-term operational costs. She said the energy-efficient home mortgage reserve account would allow the Board of Housing to finance the building of 250-300 homes which meet stringent energy-efficient requirements. Low- and moderate-income people would be able to buy the homes because of the Board of Housing's lower down-payment requirements. She claimed the amendment would lead to job creation as well as homes for low- and moderate-income people.

Opponents' Testimony: None

Informational Testimony: None

Questions From Committee Members and Responses: REP. KADAS asked REP. BERGSAGEL to describe the Northern Montana College tractor resource center proposed in the amendments. REP. BERGSAGEL explained the center proposed to do in-field testing of tractors to promote fuel efficiency. He said the \$125,000 would be seed money for the center which would provide the service to farmers and ranchers who would be charged \$1,000-\$1,500 per tractor to participate.

REP. KADAS asked whether the projects would be funded in priority order similar to other grant programs. REP. BERGSAGEL affirmed stating that full funding was assured for projects in the first year and was very probable for the second year.

REP. KADAS noted that the agricultural energy conservation program had been stricken from the bill and the tractor resource center added, and then the conservation program had been reinserted. He asked REP. BERGSAGEL to explain. REP. BERGSAGEL explained he had initially opposed the tractor resource center because the farmers and ranchers who could afford to participate would be those with large operations. He reported, however, the committee considered the project important because Montana was one of the largest users of diesel fuel in the nation, primarily because of agricultural use. He said many inefficient tractors were in operation, and the program was sold as a way to conserve fuel by making tractors more fuel-efficient.

CHAIRMAN ZOOK asked **Clint Peck, Editor, Montana Farmer & Stockman, Billings**, to respond to the bill. **Mr. Peck** stated he supported HB 10 because it contained energy-conservation programs. He said he was originally a member of the steering committee for the Northern Montana College tractor resource center and had attended one meeting. He said he supported the agricultural energy conservation program and was concerned that the tractor resource center had replaced it in HB 10. He described the dilemma of having two agricultural programs compete for funds in the bill. He contended that the agricultural energy conservation program had greater statewide benefits and argued the program was more consistent with the intent of the oil overcharge payments.

REP. PECK described the history of the tractor resource center. He said **SEN. HOCKETT**, a member of the long-range planning committee, a practicing farmer, and a retired agriculture instructor from Northern Montana College, knew that Alberta had developed a very successful program. **REP. PECK** explained that instructors of Northern Montana College had started the program with local farmers and considered it valuable but did not have the resources to develop the center. **REP. PECK** supported the program and expressed his confidence in **SEN. HOCKETT'S** judgement. **CHAIRMAN ZOOK** stated some committee members were not aware of other sources of funding received by the program.

REP. QUILICI asked **REP. BERGSAGEL** to explain the reason for reducing funds to the low-income home weatherization program from \$700,000 to \$275,000. **REP. BERGSAGEL** referred the question to **Mr. Jamison** who explained that as the bill was drafted, there were three sources of funds: the energy conservation account which originally contained \$2.5 million; \$700,000 from Exxon payments; and \$1.8 million from stripper well payments. He said the initial proposal was to appropriate \$700,000 directly to the Department of Social and Rehabilitative Services (SRS) for either the low-income weatherization or low-income energy assistance programs. The low-income community opposed using the funds because of the need to provide bridge financing between the time the rehab program starts in the fall and the time when they receive money from the federal government. Thus, they needed the funds to maintain cash-flow and did not want the trust money appropriated. They chose to take some money from the new stripper well fund and preserve the funds in the trust account. **REP. QUILICI** noted \$100,000 had been appropriated to the low-income energy assistance program and asked what other monies were involved. **Mr. Jamison** said the \$100,000 went to Energy Share which is a program which seeks private contributions to assist people whose income is between 125% and 150% of poverty and who are not eligible for federal low-income energy assistance.

REP. QUILICI asked **REP. BERGSAGEL** whether the tractor resource center fit within the specific guidelines on the use of oil overcharge money. **REP. BERGSAGEL** responded that the proposal was

comparable to a program in Nebraska and he believed it would qualify under the guidelines.

REP. ROYAL JOHNSON referred to the proposed amendment for the energy-efficient home mortgage reserve account and asked why the DNRC did not issue bonds rather than having the Board of Housing issue bonds. **Mr. Jamison** explained the program had been set up to use mechanisms currently in place. He explained the appropriation had been made to DNRC so that the Board of Housing could have an independent group provide oversight. He said DNRC would only pay into the reserve account from the appropriation when a utility matches the funds on a one-to-one basis and when a specific house had been built to the energy-efficiency standards required to qualify. **REP. ROYAL JOHNSON** asked who would decide whether the loan was suitable. **Mr. Jamison** responded the community bank would decide. He explained that from the bank's perspective, the loan would be like other FHA loans except that they could lend above FHA limits if the house meets the energy-efficiency standards. From the home-buyer's perspective, they can buy a more energy-efficient home with a 5% down payment and FHA interest rates. **REP. ROYAL JOHNSON** asked whether the program could result in increased losses for the Board of Housing. **Mr. Jamison** responded if the housing market failed, then the Board of Housing would have some risk exposure. He said, however, houses were expected to be built in rapid growth areas where the market is not likely to fail.

REP. WISEMAN asked **REP. BERGSAGEL** whether the funds for the tractor resource center were to set up the program with the anticipation that the center would operate with fees collected from farmers and ranchers. **REP. BERGSAGEL** responded he could give no assurance that this was a one-time request.

REP. KADAS asked **Mr. Jamison** whether the institutional conservation program was eliminated in the bill. **Mr. Jamison** responded that the energy-efficient home mortgage reserve account was being substituted for the institutional conservation program. He said DNRC views the mortgage reserve program as a higher priority. He said schools and hospitals throughout the state would continue to have their energy-efficiency requirements met in two ways: (1) the President's economic stimulus package contained more money for the schools and hospitals program, about \$330,000 over the biennium or \$30,000 more than when HB 10 was originally drafted; and (2) the 1991 legislature had ordered DNRC to develop a program which permitted schools and hospitals to perform energy-efficiency retrofits using debt financing.

REP. KADAS referred **Mr. Jamison** to the last sentence in the proposed amendment, "If the board of housing does not issue bonds to establish the energy efficient home mortgage program by July 1, 1994, then the funds appropriated in this section may be used" and asked him to explain. **Mr. Jamison** explained the language defined how the money would be used if SB 340 did not pass. **REP. KADAS** asked **Mr. Jamison** to briefly describe SB 340. **Mr. Jamison**

stated SB 340 embodied the consensus of the EQC's residential energy policy process and resolved the long-standing issue of energy-efficiency building standards.

REP. COBB referred to Section 6 of HB 10 and asked what the Department of Transportation would do with the funds. **Mr. Jamison** said with the passage of the Intermodal Surface Transportation Efficiency Act of 1992, transportation departments across the country had to incorporate two additional components in their transportation improvement plans: (1) environmental standards for air quality; and (2) energy-efficient transportation within the state. He said the Department of Transportation does not currently have the expertise to analyze whether or not they are meeting the requirements of the act. These funds would be used to ensure the state meets the requirements of the act and does not lose the federal highway funds. **REP. COBB** asked what specifically would be accomplished with the funds. **Mr. Jamison** responded the state would demonstrate to the federal government that the state's transportation plan complies with air quality standards and will result in more efficient transportation. He said tools would be developed for use at the local level to measure air quality and to determine transportation efficiencies such as traffic light synchronization.

REP. JOHN JOHNSON asked **REP. BERGSAGEL** to explain the justification for giving the agricultural energy conservation program a lower priority than the tractor resource center. **REP. BERGSAGEL** said the priority decisions were made by the subcommittee. He said, in his opinion, the subcommittee did not have adequate information on the agricultural energy conservation program; and with more information, the subcommittee might have given the conservation program more consideration.

Closing by Sponsor: **REP. BERGSAGEL** said **SEN. HOCKETT** had a large interest in the tractor resource center and had worked very hard to increase farm efficiency. He stated the project had merit, regardless of his philosophical differences with it.

EXECUTIVE ACTION ON HB 10

Motion/Vote: **REP. KADAS** MOVED TO AMEND HB 10 WITH THE AMENDMENTS ON THE ENERGY EFFICIENT HOME MORTGAGE RESERVE ACCOUNT. EXHIBIT 1 Motion carried unanimously.

Motion: **REP. KADAS** MOVED THE PRIORITY ORDER OF THE AGRICULTURAL ENERGY CONSERVATION PROGRAM AND THE NORTHERN MONTANA COLLEGE TRACTOR RESOURCE CENTER BE REVERSED.

Discussion: **REP. PECK** resisted the motion arguing that (1) the subcommittee had made priority decisions after intensive consideration; and (2) the tractor resource center was a new concept which could effect significant savings in fuel

consumption whereas the agricultural energy conservation program included technologies which had been in existence for some time.

REP. KASTEN supported the motion stating that the tractor resource center supported farming but the energy conservation program had wider benefit for projects across the state. She said even though the technologies had been around, many projects still needed to be done.

REP. WISEMAN resisted the motion; **REP. NELSON** supported the motion.

Vote: TO AMEND HB 10 AND CHANGE THE PRIORITY ORDER. Motion carried 13 to 5 with REPS. BARDANOUE, DeBRUYCKER, MENAHAN, PECK, and WISEMAN voting no.

Discussion: **REP. COBB** asked how funds in the agricultural energy conservation program were disbursed and whether projects in the program needed to be funded by the state. **Mr. Peck** stated the funds are administered through DNRC and are requested by the conservation districts throughout the state. He said the conservation districts put together the program and oversee the projects. He reported very few solar livestock watering systems had been funded in the last biennium, and most of the projects funded had a broad range of implications for energy conservation and peripherally to soil and water conservation.

Motion/Vote: **REP. BERGSAGEL** MOVED HB 10 DO PASS AS AMENDED. Motion carried 15 to 3 with REPS. COBB, DeBRUYCKER, and PECK voting no.

EXECUTIVE ACTION ON HB 549

Motion: **REP. PETERSON** MOVED HB 549 DO PASS.

Discussion: **REP. COBB** asked **Doug Mitchell**, Secretary of State's Office, whether the bill could be postponed to the next biennium because of its impact on the general fund. **Mr. Mitchell** distributed an unofficial, revised fiscal note which showed the bill would have a small positive effect on the general fund. He contended the bill could be implemented because the general fund impact had been eliminated. **EXHIBIT 1**

REP. PETERSON suggested **Mr. Mitchell** review the revised fiscal note. **Mr. Mitchell** explained the initial fiscal note had been prepared through the Governor's Office and was not accurate. He said the Secretary of State's Office had initially projected a shortfall because of financial problems in the records management program. He reported the problems had been remedied and the improved cash flow had allowed early payoff of general fund loans and obligations during FY 93.

REP. PETERSON asked **Mr. Mitchell** to explain how the legislature would have oversight of the Secretary of State's Office if the

agency was operated under self-sustaining proprietary accounts. **Mr. Mitchell** explained that the appropriation process would not be changed and the legislature would still appropriate money for the office. He said currently, the legislature sets a general fund ceiling for the Secretary of State's Office, and the office spends up to that ceiling. Under HB 549, the legislature would still set a budget ceiling, but the office could only spend the revenue it earned from fees. If the office earned less money than budgeted, then it would need to reduce costs. **Mr. Mitchell** said the office would operate more like a private enterprise and be responsible for earning revenue; however, the office could not spend above the ceiling set by the legislature.

REP. PECK asked whether excess revenue would be transferred to the general fund and **Mr. Mitchell** affirmed.

CHAIRMAN ZOOK asked **John Patrick, Office of Budget and Program Planning**, to comment on the bill. **Mr. Patrick** reported the official revised fiscal note was in process and had been accurately described by **Mr. Mitchell**. **Mr. Patrick** stated the fiscal note indicated that the bill's impact on the general fund was that more money would be transferred to the general fund than had been anticipated initially.

REP. KADAS asked **Mr. Patrick** whether the Budget Office agreed that the bill would have a net positive effect to the general fund. **Mr. Patrick** reported **Mr. Lewis** had reviewed the fiscal note and could not foresee any problems.

REP. PETERSON asked **Jim Haubein, Principal Fiscal Analyst**, to comment on the changes proposed in HB 549. **Mr. Haubein** stated there was initial concern about combining different operations into a single fund, but these concerns had been addressed. **Mr. Mitchell** explained that through a series of meetings with the accounting division, concerns had been addressed by maintaining three funds. He said the office currently operates contrary to state accounting principles; the office is a general-funded entity which operates on fees generated from customers. He said the accounting division had approved the proposed plan in the bill.

REP. PETERSON withdrew her motion pending receipt of the official fiscal note.

EXECUTIVE ACTION ON SB 39 AND SB 40

Motion: **REP. GRADY** MOVED SB 39 AND SB 40 BE CONCURRED IN.

Discussion: **SEN. TOM KEATING, Senate District 44, Billings**, stated SB 39 discontinued the acute care hospital at Galen which is currently utilized at 30-35% of capacity. He said the patients would be transferred to Warm Springs for treatment.

SEN. KEATING stated SB 40 would cease nursing care to patients at the under-utilized nursing home at Galen. He said patients would be moved to Lewistown or private nursing homes. He explained these patients were nursing home patients who did not need mental health treatment. **SEN. KEATING** reported that an interim study committee had recommended the discontinuation of the acute hospital care and closure of the nursing home. He said two physicians contracted by the study committee had reviewed patient files and recommended the removal of patients from Galen because they were not receiving appropriate care in the facility. **SEN. KEATING** concluded the down-sizing of Galen would result in both financial savings for the state and better treatment for patients.

Vote: SB 39 AND SB 40 BE CONCURRED IN. Motion carried 13 to 3 with REPS. MENAHAN, QUILICI, and WANZENRIED voting no.

HEARING ON HB 12

An act appropriating money to the Department of Natural Resources and Conservation for loans under the water development program; approving the issuance of coal severance tax bonds to provide funds for loans for certain approved water development projects.

Opening Statement by Sponsor: **REP. FRANCIS BARDANOUVE**, House District 16, Harlem, stated HB 12 provided water development loans backed by coal severance tax bonds. He reviewed the projects authorized by the bill.

Proponents' Testimony: None

Opponents' Testimony: None

Informational Testimony: None

Questions From Committee Members and Responses: **REP. FISHER** asked why the bonds for the Tongue River Dam Rehabilitation Project were non-interest bearing. **Karen Barclay Fagg**, Governor's Office, explained that through negotiations with the Northern Cheyenne Tribe, the federal government, and the state of Montana, a compact was reached and approved by Congress which provided that the state of Montana would receive an \$11.5 million loan from the Northern Cheyenne Tribe. The terms of the agreement included a 39-year payback with no interest. She said the federal government was loaning the money to the tribe who was then loaning the money to the state.

REP. WISEMAN asked for an explanation of the loan to the Lakeside Wastewater Facility. **John Tubbs**, Resource Development Bureau, Department of Natural Resources and Conservation, reported that in the late 1980's, Lakeside had received a substantial loan to develop a sewer system. He said Lakeside had extreme difficulty in making payments on the loan in the first three years but has

since levied assessments, is fully paid, and making regularly scheduled annual payments. He explained by connecting with the West Shore Sewer District, Lakeside will be able to have lower sewer rates and the entire area will have a better sewer system. **REP. WISEMAN** asked whether everyone in the area would be on the same sewer system and **Mr. Tubbs** affirmed.

REP. KADAS asked **Mr. Tubbs** to describe the total cost of debt service and the total subsidy for the projects. **Mr. Tubbs** stated he would calculate those figures.

CHAIRMAN ZOOK delayed action on HB 12 until **Mr. Tubbs** could respond.

EXECUTIVE ACTION ON HB 529

Motion: **REP. WANZENRIED** MOVED TO RECONSIDER ACTION ON HB 529 AND TAKE FROM THE TABLE.

Discussion: **REP. WANZENRIED** reminded the committee that HB 529 allocated driver's license reinstatement fee money to the Department of Justice for the purchase and maintenance of equipment used to analyze breath for the presence of alcohol. He stated the bill had been tabled because of its impact on the general fund and because the committee thought federal funds were available. He reported that it was possible the bill would have no effect on the general fund and federal funds were not, in fact, available. **REP. WANZENRIED** suggested the committee pass HB 529 to reaffirm its support of DUI laws. He contended the bill addressed a policy issue pertaining to providing adequate equipment to conduct testing necessary for maintaining standards for DUI laws.

REP. GRADY asked **Mr. Haubein** how the bill would affect the budget target. **Mr. Haubein** stated the bill would reduce the savings for the target by \$180,000. **REP. KADAS** differed with **Mr. Haubein** stating that the ending balance in the state special revenue account does not revert to the general fund. He said the bill would affect the target because money would be taken from the state special revenue account and put into the general fund as an expenditure; thus, the funds would show as an appropriation from the general fund.

REP. MENAHAN contended cities and counties had already received windfalls and should use some of those funds to purchase and maintain the equipment.

REP. PETERSON described the importance of remote communities having their own equipment in order to have the scientific evidence needed in court for DUI cases.

REP. WANZENRIED asked that his motion be withdrawn until the impact on the general fund is determined.

EXECUTIVE ACTION ON HB 660

Motion: REP. PETERSON MOVED HB 660 DO PASS.

Discussion: REP. PETERSON distributed information to answer committee members' questions from earlier consideration. She distributed "Montana Community Service and Volunteer Service Corps," an information sheet with remarks from Governor Racicot's State of the State Address and a budget for funds allocated to the Governor's Office for the program. **EXHIBIT 1** She also distributed an organizational chart for the Montana Community Service Act and a copy of the fiscal note for HB 660. **EXHIBITS 2, 3**

REP. GRADY asked Karen Fagg, Governor's Office, to comment on the bill. Ms. Fagg suggested the bill was an attempt to reinvent government by coordinating the activities of agencies, local communities, and volunteer agencies. She said the bill tried to avoid bureaucratic duplication by having one person act as coordinator and function as a grant writer for several agencies. She noted committee members had asked whether the Governor's Office would return next biennium and ask for more funds. She claimed no one would ask for general fund monies for the coordinator; she said they would probably return to ask for authority to spend money received from federal grants and private donations.

REP. KADAS asked Ms. Fagg to explain the use of transfer funds in the Governor's Office allocation (**EXHIBIT 1**). Ms. Fagg said the transfer funds would be used as matching funds for federal dollars. REP. KADAS described the committee's concern that the federal expectation for matching dollars increased with succeeding years. He asked Ms. Fagg to describe the trend expected for matching-fund requirements. Ms. Fagg suggested that President Clinton's proposals would result in a leveling off or decrease in matching funds required for youth corps programs because of his support for such programs. She acknowledged, however, that each program was different and federal action could not be predicted. She contended if matching funds costs became exorbitant, the state would not continue the program.

REP. KADAS asked Ms. Fagg to explain the mechanism for using the transfer money and asked whether agencies would seek authority to spend federal money. Ms. Fagg responded that authority had already been given to agencies in some areas. Jane Hamman, Office of Budget and Program Planning, explained that HB 660 provided statutory authority for two accounts: a state special revenue account for private funds and a state special revenue account for federal revenue. She said because they could not predict expenditures, statutory authority was needed. REP. KADAS asked Ms. Hamman why statutory authority was preferable to budget amendments. Ms. Hamman responded that the Finance committee did not meet frequently enough to respond to quickly changing circumstances in federal programs.

REP. WISEMAN asked about language on page 16, lines 7-10. Ms. Hamman explained the language was standard for statutory appropriations.

REP. PETERSON described the bill's concept as an attempt to make Montana more ready to undertake projects with personnel already in departments. She noted only one new coordinator would be hired in the Governor's Office; that individual would coordinate with coordinators already in agencies.

REP. KADAS asked Ms. Fagg whether she was willing to have a sunset provision on the statutory appropriation in HB 660. Ms. Fagg said she had no objections.

REP. QUILICI expressed his support for the bill and stated he had no objection to the statutory appropriation.

REP. ROYAL JOHNSON referred to page 14, lines 17-20, and asked about the level of administrative costs. Ms. Hamman reported that conservation corps projects in other states had administrative costs as high as 40%. She said the costs depended upon the accounting of expenditures and varied for programs. She stated the proposed program was attempting to keep administrative costs to 20%, or half of expenditures in other states. REP. ROYAL JOHNSON asked the reason for budgeting \$20,000 per year for the advisory council. Ms. Hamman stated that the budget showed preliminary estimations of costs; she insisted the intention of the Governor's Office would be to spend as little on administration as possible and to move funds to projects as much as possible. REP. PETERSON explained the operating expenses included equipment necessary for volunteers to work on projects.

Motion: REP. KADAS MOVED TO AMEND HB 660 THAT THE STATUTORY APPROPRIATION SUNSET ON JUNE 30, 1995.

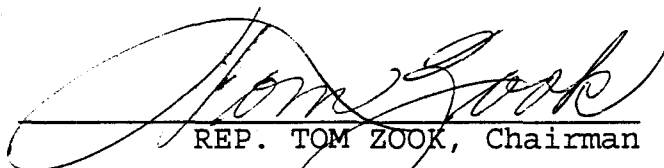
Discussion: REP. GRADY asked whether the sunset would affect federal funding. Ms. Cohea stated the sunset only affected the statutory appropriation on donated funds.

Vote: TO AMEND HB 660. Motion carried unanimously.

Motion/Vote: REP. PETERSON MOVED HB 660 DO PASS AS AMENDED. Motion carried 13 to 3 with REPS. DeBRUYCKER, KASTEN, and PECK voting no.

ADJOURNMENT

Adjournment: 11:45 a.m.



REP. TOM ZOOK, Chairman



MARY LOU SCHMITZ, Secretary

TZ/MLS

HOUSE OF REPRESENTATIVES

APPROPRIATIONS

COMMITTEE

ROLL CALL

DATE

3/16/93

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

HOUSE STANDING COMMITTEE REPORT

March 16, 1993

Page 1 of 1

Mr. Speaker: We, the committee on Appropriations report that
House Bill 7 (first reading copy -- white) do pass.

Signed: 

Tom Zook, Chair

Committee Vote:
Yes 18, No .

591506SC.Hpf

HOUSE STANDING COMMITTEE REPORT

March 16, 1993

Page 1 of 1

Mr. Speaker: We, the committee on Appropriations report that
House Bill 9 (first reading copy -- white) do pass.

Signed: 

Tom Zook, Chair

Committee Vote:
Yes 15, No 2.

591508SC.Hpf

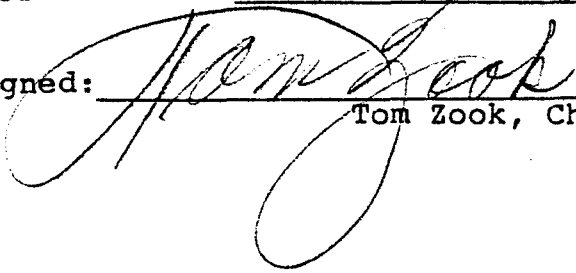
HOUSE STANDING COMMITTEE REPORT

March 22, 1993

(corrected report of 3/15/93 action)

Page 1 of 4

Mr. Speaker: We, the committee on Appropriations report that
House Bill 9 (first reading copy -- white) do pass as amended.

Signed: 

Tom Zook, Chair

And, that such amendments read:

1. Title, line 7.
Following: "AWARDS;"
Strike: "AND"

2. Title, line 8.
Following: "GRANTS"
Insert: "; AND PROVIDING EFFECTIVE DATES"

3. Page 2, line 23.
Strike: "600".
Insert: "1,000"

4. Page 3, line 3.
Strike: lines 3 through 5 in their entirety

5. Page 3, line 8.
Strike: "40,000"
Insert: "20,000"


6. Page 3, line 26.
Strike: "Dept. of Administration - State of Montana"
Insert: "Montana Historical Society"

7. Page 4, line 14.
Strike: "20,000"
Insert: "15,000"

8. Page 4, line 17.
Strike: "23,000"
Insert: "20,000"

Committee Vote:
Yes ____, No ____.

640908SC.Hpf



March 22, 1993
Page 4 of 4

cultural and aesthetics projects account:

Daly Mansion Preservation Trust 109,280"

If the amount of this appropriation exceeds the amount needed to retire the debt for the mansion then the amount in excess of the debt shall revert.

Renumber subsequent sections.

33. Page 10, following line 6.

Insert: "New Section. Section 5. Effective date. [Section 2 and this section] are effective on passage and approval."

-END-

Insert: "12,000"

22. Page 7, line 10.
Strike: "10,000"
Insert: "8,000"

23. Page 7, line 17.
Strike: "15,000"
Insert: "25,000"

24. Page 8, line 5.
Strike: "11,500"
Insert: "10,000"

25. Page 8, line 7.
Strike: lines 7 through 10 in their entirety

26. Page 9, line 6.
Strike: "20,000"
Insert: "10,000"

27. Page 9, line 8.
Strike: "12,000"
Insert: "10,000"

28. Page 9, line 13.
Strike: line 13 in its entirety

29. Page 9, following line 13.
Insert: "Montana Chamber Orchestra 4,000"

30. Page 9, following line 13.
Insert: "Arlee Historical Society 3,320"

31. Page 9, following line 19.
Insert: "(5) The amount of \$150,000 is appropriated to the Montana arts council from money that may revert from appropriations made in [section 1(3)] to match national endowment for the arts funds. The appropriation in this subsection may be used only for rural and other underserved programs throughout the state."

32. Page 9, following line 19.
Insert: "New Section. Section 2. Appropriation of cultural and aesthetic grant funds. The following project is approved and the following amount is appropriated to the Montana arts council for the biennium ending June 30, 1995, from the

9. Page 4, line 18.

Strike: "15,000"

Insert: "12,500"

10. Page 4, line 24.

Strike: "7,500"

Insert: "5,000"

11. Page 5, line 11.

Strike: "15,000"

Insert: "4,500"

12. Page 5, line 12.

Strike: line 12 in its entirety

13. Page 5, line 18.

Strike: "10,000"

Insert: "7,500"

14. Page 5, line 19.

Strike: "4,000"

Insert: "2,000"

15. Page 5, line 24.

Strike: line 24 in its entirety

16. Page 6, line 11.

Strike: "3,500"

Insert: "3,000"

17. Page 6, line 14.

Strike: "7,500"

Insert: "3,000"

18. Page 6, line 16.

Strike: "9,500"

Insert: "8,000"

19. Page 6, line 23.

Strike: "25,000"

Insert: "22,500"

20. Page 7, line 2.

Strike: "25,000"

Insert: "22,500"

21. Page 7, line 3.

Strike: "15,000"

HOUSE STANDING COMMITTEE REPORT

March 18, 1993

Page 1 of 4

Mr. Speaker: We, the committee on Appropriations report that House Bill 10 (third reading copy -- blue) do pass as amended.

Signed: 

Tom Zook, Chair

And, that such amendments read:

1. Title, lines 9 and 10.

Following: "; AND"

Strike: "AMENDING SECTION 90-4-215, MCA"

Insert: "PROVIDING AN EFFECTIVE DATE"

2. Page 2, lines 11 through 13.

Following: Line 10

Strike: Lines 11 through 13 in their entirety

Renumber subsequent subsections

3. Page 4, line 8.

Strike: "\$700,000"

Insert: "\$275,000"

4. Page 4, lines 9 and 10.

Strike: "exxon" on line 9 through "account" on line 10

Insert: "stripper well payments contained in the federal special revenue fund"

5. Page 5, line 11.

Following: "transportation"

Insert: "demand"

6. Page 5, line 22.

Following: "industry and"

Strike: "from"

7. Page 6, lines 16 and 17.

Following: "."

Strike: The remainder of line 16 and line 17 in their entirety

8. Page 7, line 1.

Following: "techniques"

Strike: ", "

Committee Vote:

Yes 15, No 3.

611726SC.Hss

Handwritten notes:
3-19-93
3-20-93

9. Page 7, line 3.

Following: "Section 10."

Strike: "Institutional conservation program"

Insert: "Energy-efficient home mortgage reserve account"

10. Page 7, line 7.

Following: "conservation"

Strike: "for use"

Insert: "to establish an energy-efficient home mortgage reserve account that would enable the board of housing to sell bonds and offer loans for energy-efficient new homes costing more than the FHA limit. These funds must be matched at least dollar for dollar from utility or other contributions. If the board of housing does not issue bonds to establish the energy-efficient home mortgage program by July 1, 1994, then the funds appropriated in this section may be used"

11. Page 7, line 10.

Following: line 9

Insert: "NEW SECTION. Section 11. Northern Montana college tractor resource center--appropriation. There is appropriated \$125,000 from the stripper well payments contained in the federal special revenue fund to northern Montana college to support the implementation phase of northern Montana college's tractor resource center."

Renumber subsequent sections

12. Page 7, line 11.

Strike: "\$40,000"

Insert: "\$20,000"

13. Page 7, line 12.

Strike: "\$70,000"

Insert: "\$35,000"

14. Page 7, line 13.

Strike: "\$70,000"

Insert: "\$75,000"

15. Page 8, line 9.

Strike: "11"

Insert: "12"

16. Page 8, line 11.

Strike: "10"

Insert: "9 and 11"

17. Page 8, line 16.

Following: Line 15

Insert: "(2) The total amount appropriated in [section 10] is appropriated in fiscal 1994. As a biennial appropriation, any unexpended funds in fiscal year 1994 may be carried forward to fiscal year 1995."

Renumber subsequent subsection

18. Page 8, line 16.

Strike: "11"

Insert: "12"

19. Page 8, line 17.

Following: "."

Strike: "Carryover"

Insert: "Expenditures of carryover"

20. Page 8, line 20.

Strike: "5"

Insert: "4"

Strike: "10"

Insert: "11"

21. Page 8, line 21.

Strike: "5"

Insert: "4"

22. Page 8, line 22.

Strike: "10"

Insert: "11"

Strike: "5"

Insert: "4"

23. Page 8, line 23.

Strike: "10"

Insert: "11"

24. Page 9, line 1.

Strike: "5"

Insert: "4"

Strike: "10"

Insert: "11"

25. Page 9, line 4.

Strike: "1"

Insert: "4"

Strike: "12"

Insert: "11"

26. Page 9, line 6.

Strike: "1"

Insert: "4"

Strike: "12"

Insert: "11"

27. Page 9, line 14.

Strike: "5"

Insert: "4"

Strike: "10"

Insert: "9 and 11"

Following: "]"

Insert: "and to the total amount appropriated in [section 10]"

28. Page 9, line 23.

Strike: "1"

Insert: "4"

Strike: "12"

Insert: "11"

29. Page 9, line 24.

Strike: "and Exxon"

30. Page 10, line 4.

Strike: "5"

Insert: "4"

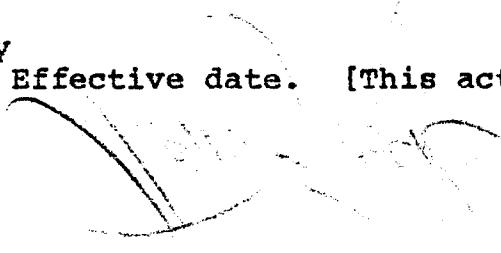
Strike: "10"

Insert: "11"

31. Page 10, lines 5 through 22.

Strike: Section 15 in its entirety

Insert: "NEW SECTION. Section 16. Effective date. [This act] is effective July 1, 1993."

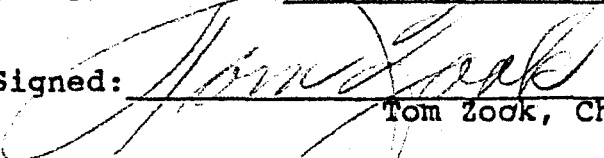


HOUSE STANDING COMMITTEE REPORT

March 16, 1993

Page 1 of 1

Mr. Speaker: We, the committee on Appropriations report that
Senate Bill 39 (third reading copy -- blue) be concurred in .

Signed: 

Tom Zook, Chair

Carried by: Rep. Grady

Committee Vote:
Yes , No .

591456SC.Hpf

HOUSE STANDING COMMITTEE REPORT

March 16, 1993

Page 1 of 1

Mr. Speaker: We, the committee on Appropriations report that
Senate Bill 40 (third reading copy -- blue) be concurred in .

Signed: 

Tom Zook, Chair

Carried by: Rep. Grady

Committee Vote:
Yes 17, No .

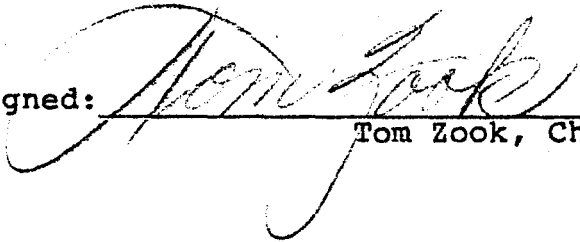
591449SC.Hpf

HOUSE STANDING COMMITTEE REPORT

March 17, 1993

Page 1 of 1

Mr. Speaker: We, the committee on Appropriations report that House Bill 660 (first reading copy -- white) do pass as amended

Signed: 

Tom Zook, Chair

And, that such amendments read:

1. Title, line 14.

Following: "DATE"

Insert: "AND A TERMINATION DATE"

2. Page 18, following line 9.

Insert: "NEW SECTION. Section 15. Termination. [Section 8(4), the first sentence in Section 8(6), and Section 10] terminate July 1, 1995."

-END-

Committee Vote:
Yes 14, No 2.

601601SC.Hpf

Amendments to House Bill No. 7
Introduced Bill

For the Committee on Appropriations

Prepared by Jim Haubein
February 16, 1993

EXHIBIT
DATE 3 / 16 / 93
HB 7

1. Page 3, line 1.

Strike: "75,569"

Insert: "50,000*"

2. Page 3, lines 2 and 3.

Strike: Lines 2 and 3 in their entirety

3. Page 3, line 5.

Following: "296,300"

Insert: "**"

4. Page 3, line 7.

Strike: "298,284"

Insert: "273,284*"

5. Page 3, following line 7.

Insert: "This grant requires a \$25,000 in-kind match."

6. Page 3, line 9.

Following: "72,850"

Insert: "**"

7. Page 3, line 13.

Following: "172,250"

Insert: "**"

8. Page 3, following line 13.

Insert: "If this program is appropriated \$200,000 in House Bill No. 2, then this appropriation is void."

9. Page 3, line 17.

Following: "300,000"

Insert: "**"

10. Page 3, line 20.

Following: "148,623"

Insert: "**"

11. Page 3, lines 21 and 22.

Strike: Lines 21 and 22 in their entirety

12. Page 3, line 24.

Strike: "137,700"

Insert: "120,000"

13. Page 4, line 1.

Strike: "214,059"

Insert: "150,000*"

14. Page 4, line 3.

Strike: "300,000"

Insert: "100,000"

15. Page 4, line 7.

Following: "300,000"

Insert: "**"

16. Page 4, lines 11 and 12.

Strike: Lines 11 and 12 in their entirety

17. Page 4, line 18.

Following: "projects."

Insert: "(1)"

18. Page 4, following line 22.

Insert: "(2) The funding provided to the projects approved in [section 2] and identified by an asterisk (*) following the grant amount is eligible for and may be designated for use as a nonfederal match for the federal funding acquired for the nonpoint source pollution control program administered by the department of health and environmental sciences."

EXHIBIT 1
DATE 3/16/93
HB 7

{Office of Legislative Fiscal Analyst

444-2986}

RECLAMATION AND DEVELOPMENT GRANTS

Fiscal Years 1994-95

Applicant	Project Name	Recommended			Comm. Over/(Under) Recommended
		Funding	Comm. Action	Cumulative	
1 Board of Oil & Gas Conservation	Kevin--Sunburst Plugging & Reclamation	\$299,000	\$299,000	\$299,000	\$0
2 Board of Oil & Gas Conservation	Cat Creek Plugging & Reclamation	214,810	214,810	513,810	0
3 Governor/Lt. Governor's Office	The Montana Office of Public Policy	127,667	127,667	641,477	0
4 Town of Walkerville	Walkerville Reclamation Project	75,569	50,000	691,477	(25,569)
5 Dept. of State Lands	Well Assessment & Abandonment	211,800	0	691,477	(211,800)
6 Broadwater Conservation Dist.	Whites Gulch Placer Mine Reclamation	296,300	296,300	987,777	0
7 Toole County	North Toole County Oil Field Rec.	298,284	273,284	1,261,061	(25,000)
8 Dept. of Fish, Wildlife, & Parks	Elk Creek Placer Mined Channel Reconstr.	72,850	72,850	1,333,911	0
9 Town of Columbus	Waste Stream Reduction	41,172	41,172	1,375,083	0
10 Montana Salinity Control Assoc.	Soil & Water Nonpoint Source	172,250	172,250	1,547,333	0
11 Carbon Cons. District	RC&D's Affecting Change	300,000	300,000	1,847,333	0
12 DHES	Nonpoint Source Pollution Control	300,000	300,000	2,147,333	0
13 Bureau of Mines & Geology	Acid--mine drainage prevention	148,623	148,623	2,295,956	0
14 Jefferson Valley Cons. District	Crystal Mine Remediation Tech.	150,000	0	2,295,956	(150,000)
15 Deer Lodge Valley Cons. District	Developing Acid/Heavy Metal--Tolerant Cultivars	137,700	120,000	2,415,956	(17,700)
16 Glacier County Cons. District	Comprehensive Evaluation of Groundwater Contg	214,059	150,000	2,565,956	(64,059)
17 Valley County	Fort Peck Reservoir	300,000	100,000	2,665,956	(200,000)
18 DNRC	Arsenic Transport & Mobility	50,000	50,000	2,715,956	0
19 Ravalli County	A Lake for Better Water Quality	300,000	300,000	3,015,956	0
20 Butte--Silver Bow	Mitigation of Mining/Smelting damage	150,000	150,000	3,165,956	0
TOTAL					(\$694,128)

HOUSE OF REPRESENTATIVES

ADDENDUMS

COMMITTEE

ROLL CALL VOTE

DATE 3/16/93 BILL NO. HB 7 NUMBER MOTION: Rep. DeBruycker moved HB 7 DO PASS.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 WENZENREID	X	
REP. BILL WISEMAN	X	
REP. TOM ZOOK, CHAIR	X	
	18	0

HOUSE OF REPRESENTATIVES

APPROPRIATIONS

COMMITTEE

ROLL CALL VOTE

DATE 3/16/93 BILL NO. HR 9 NUMBER

MOTION: Rep. Menahan moved HR 9 DO PASS

Motion carried 15 - 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		
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 WANTZENREID	X	
REP. BILL WISEMAN	X	
REP. TOM ZOOK, CHAIR	X	
	15	2

PROPOSED AMENDMENTS
HOUSE BILL 10
INTRODUCED BILL

EXHIBIT
DATE 3/16/93
HB 10

1. Page 7, lines 3 and 4.

Following: "Section 10."

Strike: "Institutional conservation program"

Insert: "Energy efficient home mortgage reserve account"

2. Page 7, line 7.

Following: "and conservation"

Strike: "for use"

Insert: "to establish an energy efficient home mortgage reserve account that would enable the board of housing to sell bonds and offer loans for energy efficient new houses costing more than the FHA limit. These funds must be matched at least dollar for dollar from utility or other contributions. If the board of housing does not issue bonds to establish the energy efficient home mortgage program by July 1, 1994, then the funds appropriated in this section may be used"

3. Page 8, line 11.

Following: "through"

Strike: "10"

Insert: "9"

4. Page 8, line 16.

Insert: "(2) The total amount appropriated in [section 10] is appropriated in fiscal 1994. As a biennial appropriation, any unexpended funds from fiscal year 1994 may be carried forward to fiscal year 1995.

Renumber: subsequent subsection

5. Page 9, line 14.

Following: "through"

Strike: "10"

Insert: "9"

Following: "]"

Insert: "and the total amount appropriated in [section 10]"

HOUSE OF REPRESENTATIVES

APPROPRIATIONS

COMMITTEE

ROLL CALL VOTE

DATE 3/16/93

BILL NO. HB 10

NUMBER

MOTION: Rep. Kadas moved the amendment. Exhibit 1, to establish
an energy efficient home mortgage reserve account.

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 WENZENREID	X	
REP. BILL WISEMAN	X	
REP. TOM ZOOK, CHAIR	X	
	18	0

HOUSE OF REPRESENTATIVES

APPROPRIATIONS

COMMITTEE

ROLL CALL VOTE

DATE 3/16/93 BILL NO. HB 10 NUMBER

MOTION: Rep. Kadas moved the priority order of the agricultural energy conservation program and the Northern Montana College tractor resource center be reversed.

Motion carried 13 - 5

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 WENZENREID	X	
REP. BILL WISEMAN		X
REP. TOM ZOOK, CHAIR	X	
	13	5

HOUSE OF REPRESENTATIVES

APPROPRIATIONS

COMMITTEE

ROLL CALL VOTE

DATE 3/16/93 BILL NO. HB 10 NUMBER MOTION: Rep. Bergsager moved HB 10 DO PASS AS AMENDED.

Motion carried 15 - 3

NAME	AYE	NO
REP. ED GRADY, V, CHAIR	X	
REP. FRANCIS BARDANOUVE	X	
REP. ERNEST BERGSAGER	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	
	15	3

HOUSE OF REPRESENTATIVES

APPROPRIATIONS

COMMITTEE

ROLL CALL VOTE

DATE 3/16/93 BILL NO. HB 549 NUMBER MOTION: Rep. Peterson moved HB 549 DO PASSRep. Peterson withdrew the motion.

NAME	AYE	NO
REP. ED GRADY, V, CHAIR		
REP. FRANCIS BARDANOUVE		
REP. ERNEST BERGSAGER		
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 QUILLICI		
REP. DAVE WANZENREID		
REP. BILL WISEMAN		
REP. TOM ZOOK, CHAIR		

STATE OF MONTANA - FISCAL NOTE
Form BD-15

In compliance with a written request, there is hereby submitted a Fiscal Note for HB 549 (revised) as introduced.

DESCRIPTION OF PROPOSED LEGISLATION: AN ACT CLARIFYING THE USE OF CERTAIN FEES BY THE SECRETARY OF STATE.

ASSUMPTIONS:

1. Secretary of State will transfer excess fund balances to General Fund.
2. General Fixed Assets will be transferred to proprietary funds.
3. Approximate costs include estimate for impact of SWCAP type costs.

FISCAL IMPACT:

Expenditures: Secretary of State (General Fund)

	FY '94			FY '95		
	Current Law	Proposed Law	Difference	Current Law	Proposed Law	Difference
General Fund						
FTE	22.25	1.25	(21.00)	22.25	1.25	(21.00)
Personal Services	530,568	32,062	(498,506)	531,865	32,138	(499,727)
Operating Expenses	346,952	19,620	(327,332)	365,782	39,553	(326,229)
Equipment	68,427	3,869	(64,558)	7,057	399	(6,658)
Total	945,947	55,551	(890,396)	904,704	72,090	(832,614)
State Special Revenue Fund						
FTE	3.25	0.00	(3.25)	3.25	0.00	(3.25)
Personal Services	93,437	0.00	(93,437)	93,550	0.00	(93,550)
Operating Expenses	113,875	0.00	(113,875)	100,104	0.00	(100,104)
Equipment	1,457	0.00	(1,457)	1,600	0.00	(1,600)
Total	208,769	0.00	(208,769)	195,254	0.00	(195,254)
Enterprise Fund						
FTE	0.00	23.00	23.00	0.00	23.00	23.00
Personal Services	0.00	569,090	569,090	0.00	570,401	570,401
Operating Expenses	0.00	413,355	413,355	0.00	401,853	401,853
Equipment	0.00	65,658	65,658	0.00	7,867	7,867
Total	0.00	1,048,103	1,048,103	0.00	980,121	980,121
Internal Service Fund						
FTE	8.80	10.05	1.25	8.80	10.05	1.25
Personal Services	213,534	236,387	22,853	214,085	236,962	22,877
Operating Expenses	117,939	145,791	27,852	116,945	141,424	24,479
Equipment	22,395	22,752	357	23,755	24,146	391
Total	353,868	404,930	51,062	354,785	402,532	47,747
Total Agency						
FTE	34.30	34.30	0.00	34.30	34.30	0.00
Personal Services	837,539	837,539	0.00	839,500	839,500	0.00
Operating Expenses	578,766	578,766	0.00	582,831	582,831	0.00
Equipment	92,279	92,279	0.00	32,412	32,412	0.00
Total	1,508,584	1,508,584	0.00	1,454,743	1,454,743	0.00

EXHIBIT
DATE 5/9/94
549

HOUSE OF REPRESENTATIVES

ADDITIONAL INFORMATION

COMMITTEE

ROLL CALL VOTE

DATE 3/16/93 BILL NO. SB 39 and SB 40 NUMBER

MOTION: Rep. Grady moved SB 39 and SB 40 DO PASS.

Motion carried 13 - 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 QUILLICI		X
REP. DAVE WENZENREID		X
REP. BILL WISEMAN	X	
REP. TOM ZOOK, CHAIR	X	
	13	3

HOUSE OF REPRESENTATIVES

ADDITIONS

COMMITTEE

ROLL CALL VOTE

DATE 3/16/93 BILL NO. HB 529 NUMBER

MOTION: Rep. Wanzenried moved to take HB 529 from the Table.

Rep. Wanzenried withdrew the motion.

NAME	AYE	NO
REP. ED GRADY, V, CHAIR		
REP. FRANCIS BARDANOUVE		
REP. ERNEST BERGSAGEI		
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. MARV LOU PETERSON		
REP. JOE QUILLICI		
REP. DAVE WANZENREID		
REP. BILL WISEMAN		
REP. TOM ZOOK, CHAIR		

EXHIBIT 1
DATE 3/16/93
HB 660

MONTANA COMMUNITY SERVICE AND VOLUNTEER SERVICE CORPS

"...Somewhere in the past two decades we have lost sight of the value of "service." We've grown accustomed to government solving our problems. We need to rekindle the spirit that leads me and all of you into public service. We need to restore the sense of pride gained from working and contributing to the public good.

Today we have two major problems which if properly combined lend themselves to a wonderful match and a solution - our unchallenged young people and our natural resources.

A great many of our young people lack opportunities to have responsible and meaningful work. The message they receive is that they are not needed, maybe extraneous and perhaps even a burden. We also have infrastructure and natural resource needs that have outstripped government's ability to provide.

The solution to these problems is found not in the future, but in the past. The model is the Civilian Conservation Corps and the concept is very simple - young people doing hard work that will benefit Montana. The results are productive citizens who have a commitment to the future of our state because they have invested their sweat and labor in that future.

Over the course of this administration, I want to make this same opportunity available to our young people and their communities.

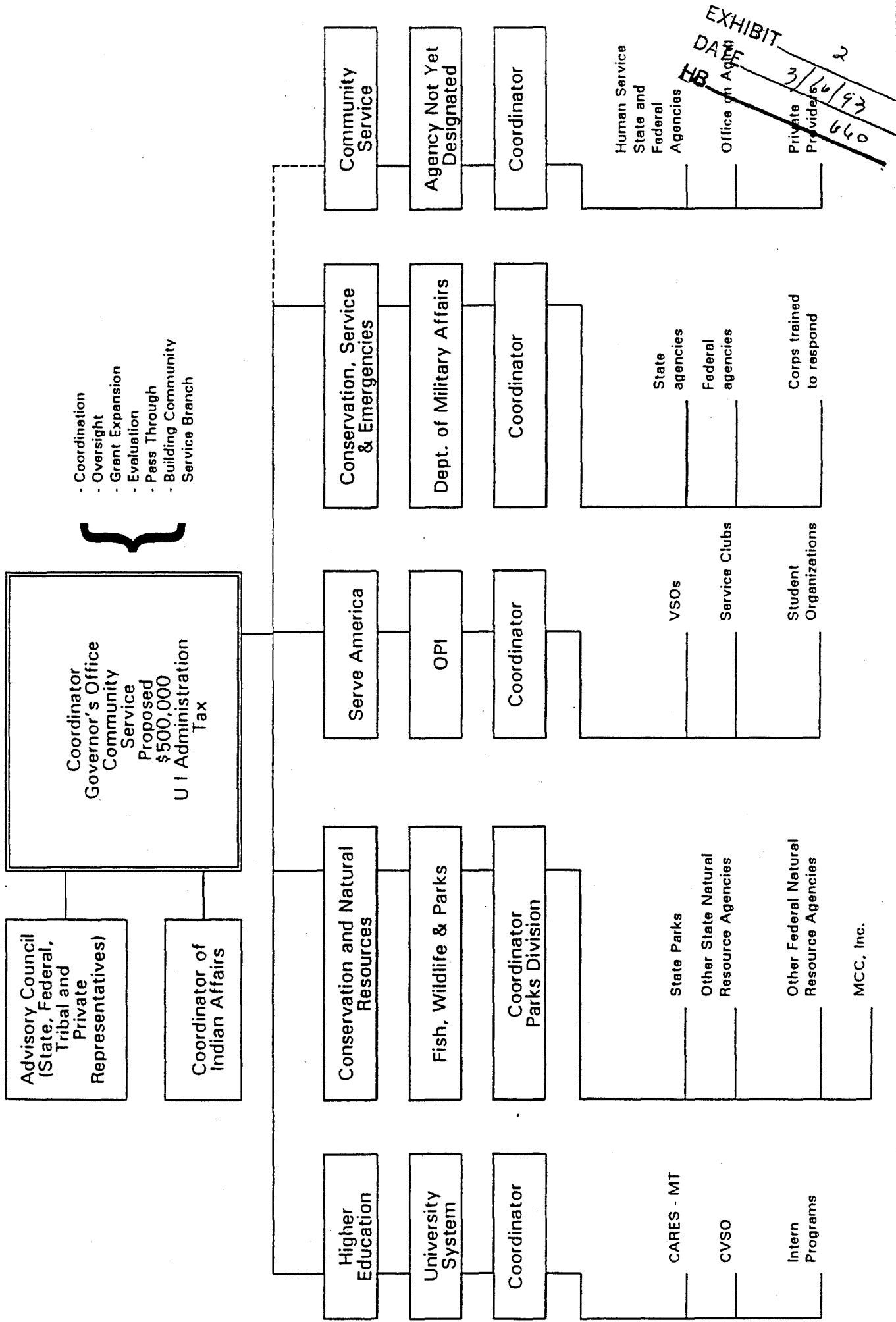
The ground work for this effort has already been laid. The Montana Conservation Corps, a non-profit organization created by the Human Resource Development Councils in Billings, Bozeman and Kalispell have forged a partnership with the Parks Division in the Department of Fish, Wildlife and Parks to successfully implement a program much like the Civilian Conservation Corps.

As a beginning, and through the reallocation of existing funds, I have asked the Office of Budget and Program Planning to prepare legislation authorizing the expenditure of \$500,000 to support this program. We will use the Montana Conservation Corps to build new partnerships by linking young people with public and private agencies willing to provide opportunities for them to make a real difference in Montana."

...Governor Marc Racicot
State of the State Address, 1993

The Governor's Office is requesting authority to implement this commitment made by Governor Racicot in his State of the State Address. The budget modification, in coordination with legislation to be introduced, establishes an Office of Community Service, headed by a community service coordinator and located in the Governor's Office.

MONTANA CONSERVATION CORPS ALLOCATION OF UI ADMIN FUND TO GOVERNOR'S OFFICE		
	FY94	FY95
Personal Services	47,673	47,663
Operating Expenses	34,120	34,120
Equipment	8,300	0
Council	20,250	20,250
Transfers	139,657	147,967
Total	250,000	250,000



STATE OF MONTANA - FISCAL NOTE

Form BD-15

In compliance with a written request, there is hereby submitted a Fiscal Note for HB0660, as introduced.

DESCRIPTION OF PROPOSED LEGISLATION: A bill establishing community, conservation, and volunteer service corps, under a short title of Montana Community Service Act, to provide a variety of public service opportunities for Montanans; assigning administration and coordination responsibilities to the Governor's office; creating an advisory council on community service; establishing special revenue accounts and providing a statutory appropriation.

ASSUMPTIONS:

Governor's Office:

1. The bill creates an office of community service in the Governor's Office for coordination and development of a wide variety of community and conservation service opportunities for volunteer and paid corps, with participation of a broad spectrum of representatives serving on a advisory council.
 2. The office will receive primarily federal and private state special revenue, which is statutorily appropriated. An application for federal funds was submitted last month and it appears likely that additional federal revenue will be made available over the next six months and again the following year, but there is no way to predict how much revenue might be received for community service projects.
 3. The 1.00 FTE coordinator and operating budget for the 1995 biennium is included in the Governor's Office in HB2. Office of Public Instruction (OPI):
 4. The OPI currently is receiving \$49,000 federal revenue in FY93 for SUCCEED-Serve America grants. One hundred percent of these grant monies flow through to student organizations in the school districts for volunteer or service learning programs.
 5. The federal program requires a 10% local match for fiscal 1993, 20% local match for fiscal 1994, and 30% local match for fiscal 1995.
 6. The OPI coordinated its federal grant application for FY94 through the Governor's Office last month and would receive \$50,814, if fully funded, to pass through to student organizations in school districts for the Serve America project.
 7. The OPI does not receive any funding for administering the Serve America program. OPI can continue to oversee the existing program without additional staff or expenses.
- Department of Fish, Wildlife and Parks (FWP):
8. FWP Montana Conservation Corps will continue to operate in its current fashion with no impact from this proposed law.
 9. FWP coordinated its federal grant application for FY94 through the Governor's Office last month and would receive \$426,401, if fully funded, for use in the conservation corps.
- Department of Military Affairs:
9. For purposes of this bill, federal funding will be made available through the National Guard Bureau for use by the Montana National Guard in corps activities.

(Continued)

David Lewis 3-10-93
DAVID LEWIS, BUDGET DIRECTOR DATE
Office of Budget and Program Planning

Peterson

DATE 3/12-93
SPONSOR MARY LOU PETERSON, PRIMARY

Fiscal Note for HB0660, as introduced

HB 660

Department of Military Affairs: (Continued)

10. These federal funds will be contracted through the state using existing contracting procedures between the state and the guard bureau.
11. As currently written, the Department of Military Affairs will require budget amendments to expend these funds because the agency is required to operate on a federal reimbursement basis.
12. Currently there are ten states participating in a federal pilot program through the guard bureau and additional federal revenue may be available to other states when their plans are submitted and reviewed at the guard bureau level. The fiscal impact cannot be determined until the plan is approved.

Commissioner of Higher Education:

13. A Campus Compact has been formed among eight institutions, including the two state universities, the community colleges and several tribal and private colleges. A part-time coordinator has been hired.
14. The compact coordinated its federal grant application for FY94 through the Governor's Office last month and would receive \$188,500 in FY94. Proposals also are pending with ACTION and the Kellogg Foundation.

FISCAL IMPACT: None.

EFFECT ON COUNTY OR OTHER LOCAL REVENUES OR EXPENDITURES:

Students, young adults and interested citizens in Montana will have organized opportunities to provide public service and to actively seek additional federal funds for work in communities and through tribal governments, as well as participate in federal initiatives for tuition vouchers, student loan repayments and living expense allowances. OPI projects have included building a helicopter landing for emergency medical services, rebuilding a senior center, and beautifying communities.

TECHNICAL NOTES:

Separate statutory authority for the Department of Military Affairs would eliminate the necessity for a budget amendment in order to spend federal grants received for community service projects.

HB 660

HOUSE OF REPRESENTATIVES

ADDITIONAL INFORMATIONCOMMITTEE

ROLL CALL VOTE

DATE 3/16/93 BILL NO. HB 660 NUMBER MOTION: Rep. Peterson moved HB 660 DO PASS

NAME	AYE	NO
REP. ED GRADY, V. CHAIR		
REP. FRANCIS BARDANOUVE		
REP. ERNEST BERGSAGEI		
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. MARV LOU PETERSON		
REP. JOE QUILLICI		
REP. DAVE WANTZENREID		
REP. BILL WISEMAN		
REP. TOM ZOOK, CHAIR		

HOUSE OF REPRESENTATIVES

APPROPRIATIONS

COMMITTEE

ROLL CALL VOTE

DATE 3/16/93 BILL NO. HB 660 NUMBER MOTION: Rep. Kadas moved to amend HB 660 that the statutory appropriation sunset on June 30, 1995.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. MARV 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 3/16/93 BILL NO. HB 660 NUMBER MOTION: Rep. Peterson moved HB 660 DO PASS AS AMENDED.

Motion carried 13 - 3

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 WENZENREID	X	
REP. BILL WISEMAN	X	
REP. TOM ZOOK, CHAIR	X	
	13	3

HOUSE OF REPRESENTATIVES
VISITOR REGISTER

Appropriation COMMITTEE BILL NO. HB 10

DATE 3-16 SPONSOR(S)

PLEASE PRINT

[illegible]

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