

MINUTES

**MONTANA HOUSE OF REPRESENTATIVES
53rd LEGISLATURE - REGULAR SESSION**

COMMITTEE ON APPROPRIATIONS

Call to Order: By REP. TOM ZOOK, on April 16, 1993, at 10:30 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. 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. Bill Wiseman (R)

Members Excused: Rep. John Cobb, Rep. Dave Wanzenried

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: Overview of HB 2
Executive Action: SB 402

CHAIRMAN ZOOK said the purpose of this meeting is to bring the committee up to date on the status of HB 2, why it is changed and certain ramifications of that change. **Terry Cohea, Legislative Fiscal Analyst**, will give her analysis of that status. **Ms. Cohea** referred to **EXHIBITS 1 and 2**. These reflect actual legislative action through yesterday on HB 667. **EXHIBIT 1** is the chart the committee has seen every day, starting with the \$215.64 million cash deficit that the legislature faced when the session started. Anything that shows as a positive means that it helps the ending

fund balance. If it is in parens or shows as a negative it increases the deficit. The cash balance adjustments that have occurred have all been positive. The Department of Revenue changed a coal tax accrual it had made taking money out of the Highway Account and putting it into the general fund so that helps the general fund. An unexpected check was received from the federal government for \$2.3 million in SRS. Changes made on the House floor to HB 401 resulted in the repayment of the loan out in Department of Health for the Clark Fork and **REP. ROYAL JOHNSON's** amendment insured that the interest was also repaid to the general fund.

HB 678 has been killed in the Senate. That was a bill that this committee sponsored that said only \$190,000 of the excess gambling revenue would go into the general fund, keeping the other \$510,000 in the account to fund the drivers' license stations. Under current law, since that bill has been killed, an additional \$510,000 will go into the general fund at the end of this year.

In HB 5 the Senate Finance and Claims Committee reversed a January, 1992 special session action. That action would have required \$605,000 from the prison ranch proprietary account to be put in the general fund at the end of 1993. The committee reversed that and that money will be used to renovate a dormitory at the prison ranch.

Those added up to positive adjustments of \$7.7 million.

Since the Revenue Oversight Committee adopted HJR 3 revenue estimates, two adjustments have been made. They have adjusted upward for fire reimbursements the state received from the federal government and they have adjusted for the rail car tax because the Department of Revenue has testified that litigation appears to have lessened on that issue and will probably receive \$10 million of revenue on that tax during the 1995 biennium.

The HB 2 action reflects through the Senate floor. At this point HB 2 is \$4.4 million below general fund spending, as it left the House. On the Adjustment columns the supplemental has increased slightly and the increase is due to approximately \$846,000 for the special election for the sales tax. That was added to HB 3 on the Senate floor.

The Pay Plan has increased since it left the House. Two changes were made, one providing a step for the teachers at the School for the Deaf and Blind and one providing a longevity adjustment in the second half of FY 1995 and those two amendments added \$3.4 million to the bill as it left the House.

Miscellaneous appropriations have increased slightly and those are listed on the last page so the committee can see exactly what is in that number.

The largest change has been in the School Equalization Account (SEA). As you will note HB 667, at this point, saves \$12.157 million from the LFA current level. She referred to the footnotes below. An amendment was placed on the bill saying HB 667 is contingent upon passage of SB 436 which is the realty tax transfer bill. Currently, that bill has been killed in the House so she wanted to note that contingent language. Also the budget office has a slightly different estimate for HB 667. The LFA estimate is driven directly from the legislative auditor's system. She met with them after the action was completed on the floor and had them re-run the model and the numbers which she is showing. The budget office makes two adjustments to those numbers and those are referenced below, **EXHIBIT 1**. When those adjustments are made there is about \$5 million less savings if those assumptions are correct.

The second page of **EXHIBIT 1** shows exactly the same information but from a fund balance point of view and the only difference between the beginning and the end is HB 401. To this point everything else is effecting fund balance and cash balance the same. The next page shows the impact of the revenue bills that are currently alive and again that \$76.96 million positive shows on the front page. The last page shows the miscellaneous appropriations that have been approved to date. That number is carried forward to the front page. The potential appropriation is not carried forward to the front page. Until the legislature takes an action, in HB 2 or some other bill, and actually appropriates these funds, they have not been appropriated. Again it is to alert the committee to issues that may be presented to the HB 2 Conference Committee.

EXHIBIT 2 takes the same information but puts it in the perspective of the HR 2. The first column reflects the target adopted on February 1 and was revised for the increase in the supplementals in HB 3 and HB 77 as they were introduced. Legislative action ties again, to the status sheet and it is through yesterday. Then it shows the difference, so you will see, for HB 2 at this point, general fund expenditures are \$10.173 million below the target and that is \$4.414 million below the target or spending less general fund than when it left the House.

CHAIRMAN ZOOK asked what the figure was below the target when it left the House. **Ms. Cohea** said it was \$5.759 million.

On K-12, at this point, the expenditures are \$30.347 million and when it left the House was \$2.225 million below the target or, more simply, K-12 expenditures are \$32.6 million above where it was when it left the House. There has been no changes in the "All Other Statutory". The only other change is in "Other Appropriations". That is up approximately \$5.6 million.

The total at this point for legislative action is \$31.5 above the target. When it left the House, reflecting March 24, it was

\$2.26 million below the target. This is a difference of \$33.7 million.

The contingent column in **EXHIBIT 2** contains language in HB 2 that increases and decreases depending on action on bills and in HB 667 there is contingency for the realty transfer so that is reflected. When all those contingencies are taken into account, \$52.6 million is the total.

Ms. Cohea referred to **EXHIBIT 3**, an overview of HB 2. It shows how each agency compares to the target and she has appended the sheets that show the numbers exactly where the agencies' budgets were as they left the Senate. The LFA office is statutorily required to review revenues and keep the legislature apprised of collections. They provide a recommendation to the Revenue Oversight Committee. At the beginning of the session they then prepare a revenue estimate that moves through the legislature. At this point that revenue estimate (HJR 3) is before the Senate Tax Committee. Before the end of the session, normally, they pass it and it goes to both houses for concurrence. On April 12 the LFA office provided to the leadership and the budget office an update on where revenues are now and the LFA estimates of what will happen in 1994 and 1995.

Because 1993 is very nearly done, it appears principally because of bond calls that collections in the general fund and SEA would be about \$10 million more than are currently anticipated in the Resolution or about 1% above the estimate. In 1994 **Terry Johnson's** research has indicated that a possibility of \$7 million more or about 0.7 of 1% out in 1995, about \$3 million or about 0.4 of 1%. If you look over the three year period it will be \$19.3 million total or a percent change of 0.7 of 1%. These are recommendations to the Senate Taxation Committee and ultimately to the legislature and are not reflected on status sheets until the legislature takes action upon them.

REP. BERGSAGEL referred to **EXHIBIT 1**, Long Range Planning, Prison Farm account and did the LFA increase the cash deficit because they have to take it from somewhere. **Ms. Cohea** said how that worked was in January, the legislature said that at the end of 1993 \$605,000 would be taken from that proprietary account and put in the general fund. That was included in the revenue estimate of what they would have in 1993. The Senate Finance and Claims committee reversed that action. They said no, that money will not be taken out of the proprietary account and put in the general fund, instead it will be retained in the proprietary account and used to remodel a prison ranch dormitory. **REP. BERGSAGEL** said his question then is would that not increase the beginning fund cash deficit because the money had not gone into the general fund? **Ms. Cohea** said it had been included in the revenue estimate because the legislature told the Department to do that. That it had been in the \$215 million deficit and they anticipated it would be there. Yes, it shows as a negative because now the fact it will be transferred, increases the

deficit. That is essentially a general fund expenditure to fix that dormitory.

REP. MENAHAN said that it was general fund after we took it from them. The money was made on the ranch and was used to help them get out of the session.

REP. KADAS said regarding the budget and the target comparison sheet, **EXHIBIT 3**, referring to the column that includes contingent on bills and there are some major differences in General Government, Human Services, particularly Natural Resources and K-12 and he would like to know what is causing those differences. **Ms. Cohea** referred to page 6. The bills are listed and most of them won't be a difficulty because the bills are moving successfully through. The one the conference committee will have to discuss is SB 382, the bill for justice. This committee decided to leave the contingency language in, saying that if this bill failed the Eastern Montana Drug Force money, which had been federal fund, would be general fund and that is part of the executive budget. This committee did leave that contingency language in and at this point that bill has failed. Unless the conference committee takes the contingency language out, an additional \$700,000 general fund will be added to HB 2. HB 309, HB 333, HB 427, and HB 40 have all passed successfully. An adjustment to HB 333 will be made which increases nursing home bed fees that institutions will have to pay. After the bill passed through it was a lesser amount and an amendment has been prepared. Commissioner of Higher Education would be effected if HB 5 did not have the re-financing of the Butte Vo-Tech but it does. The key bill is SB 382.

The other large contingency is K-12 and if HB 667 becomes void, unless some other legislation passes, they are back to the existing schedules.

Ms. Cohea referred to the revenue estimates, and this committee made a motion saying that they believed, based on the Budget Office's projections and DofA that there would be a \$4 million interest expenditure for the tax and revenue anticipation notes. There would be at least that much revenue or, the Budget Office said \$5 million of revenue that went with that. She has presented that issue to the Senate Taxation Committee but they have not yet amended HJR 3 for that. That is another area which revenues could possibly be increased. **REP. KADAS** asked what the dollar amount is and **Ms. Cohea** said this is something the Budget Office will be presenting to the Senate Taxation Committee. At this point, there is a \$4 million expenditure if you assume there will be no arbitrage earnings on it, then you would have a \$4 million revenue. If you believe there will be an arbitrage you would increase revenue. The status sheet does reference that they do have the expenditure for the TRANS interest but not the revenue associated with it. **REP. KADAS** asked for an estimate of what the arbitrage earnings might be? **Ms. Cohea** said **Mr. Lewis, OBPP**, testified to this committee (in late March) that he

believed it would be a \$1 million arbitrage spread, that with the \$4 million of expenditure you could project \$5 million of interest earnings.

REP. ROYAL JOHNSON said **Ms. Cohea's** explanation of Education Commissioner of Higher Education, page 6, **EXHIBIT 3**, referenced the Butte Vo-Tech refunding. This is a substantially larger number than the Butte Vo-Tech refunding. **Ms. Cohea** said that is correct. This is just the interest payment for 1994-95.

REP. BARDANOUVE referred to the education bill on capital projects. Is that shown here? **Ms. Cohea** referred to **EXHIBIT 1**, under School Equalization Account, SB 32, showing an expenditure of \$2.049 million.

CHAIRMAN ZOOK asked if the cash deficit, when it left the House, was \$24 million? **Ms. Cohea** brought the status sheet from March 24, which was the date HB 2 left the House and at that point the cash deficit was \$22.68 million. **CHAIRMAN ZOOK** said at this point then, there has actually been added in about \$38 million to the cash deficit. According to the sheet they are at \$60 cash deficit now. He asked **Ms. Cohea**, with the added projections that have come from her office on increased revenue, what that increased since the House had the bill? **Ms. Cohea** said the revenue estimates have not been changed, HJR 3 has not been amended, but looking at the cash balance adjustments there has not been any changes in those two. Revenue bills were at \$79.5 million plus on March 24, now they are at almost \$77 million. **CHAIRMAN ZOOK** said **Ms. Cohea** has said there is a possibility of \$19 million more in revenue from various sources, mainly income tax. Are there any other projections of additional revenue? **Ms. Cohea** said from the revenue estimate side all she is aware of is this memo and the TRANS number they have been talking about. **CHAIRMAN ZOOK** said that would be about \$23 million of revenue estimates, if \$4 million is used for TRANS. **Ms. Cohea** said that is correct.

REP. KADAS said he thought they had not counted the \$1 million in arbitrage earnings but **Ms. Cohea** is saying they have not counted \$5 million in interest earnings that includes the \$1 million in arbitrage earnings? **Ms. Cohea** said at this point there is 0 in HJR 3 for interest earnings on the TRANS. If you assume that interest earnings will exactly match interest cost then \$4 million would be the number that would be put in for revenue, if the budget office's testimony that \$1 million arbitrage would be earned is still correct, then \$5 million would be added for revenues.

REP. BARDANOUVE asked how firm is that interest considering how low interest rates are? **Ms. Cohea** said that is something **Dave Lewis**, OBPP, is prepared to speak to. Again, that was their estimate, not the LFA. **Mr. Lewis** said they aren't too far off. The LFA office is showing \$60 million and his office is showing \$63 million in deficit cash. The big difference is that the

amendment that was put on the school funding bill, HB 667, said the bill was null and void if the realty transfer tax bill died. He is assuming that bill stands with that amendment on it. He recognizes there will be further action. If they assume that bill is null and void, then \$39 million has to put in because they go back to the current schedules that are in the statute. Given rates, he is not sure they can count on much of a spread on reinvestment on those short term funds. They can certainly cover expenses. If \$4 million is put in for expense, then \$4 million should be added on the revenue side. The way that HB 198, "pay plan bill", is drafted, they think it is only \$1.4 million addition because of some problems with some drafting differences. The Senate added \$3.7 million for longevity but, again, unless there are some amendments later that would only be worth \$1.4 million. **Ms. Cohea** said there was a problem in enrolling that bill. A new copy has been issued today with the correct number that has the \$3.3 million. **Mr. Lewis** said he assumed that would have to be taken care of in a conference committee and didn't realize it could be done in enrolling. He assumed the \$63 million cash balance difference. The Department of Revenue, in looking and working on HB 671, the income tax reform, realized there was a drafting error and that nets it out to being \$8.6 million less than they had on the fiscal note. It is a relatively easy drafting error to correct and amendments have been offered in the Senate. What was intended with HB 671 is that indexing would be reduced by 1/2 and due to a problem with the way the language was put in the bill, left indexing in totally. The difference is \$8.6 million less than they anticipated. If they added that to their projection, it would have negative cash of about \$71 million, based on the revised fiscal note they have to issue on HB 671. The LFA has indicated that HB 2 is actually under the level it was when it left the House. The funding switches for the Secretary of State and the Public Service Commission, account for that difference.

In summary, the LFA projection and the OBPP's, given the situation at the current time are basically in agreement, something in excess of \$60 million negative cash, that with the change in the revenue estimate on HB 671, would put them over \$70 million at the current time. That is based on two assumptions made that HB 667 goes back to \$40 million and the adjustment in revenue for HB 671.

REP. KADAS asked **Ms. Cohea** if she is counting, in her status sheet, HB 667 as dead because of the contingency language? **Ms. Cohea** said no. Assuming since the Senate passed that amendment, it still has some life in it, she is showing that it is alive and is showing the cost savings of \$12.157 million. The asterisk indicates that amendment. The difference in K-12, **EXHIBIT 2**, is between \$30 million above the target and \$42 million. If that bill is dead, then they are \$42 million above the target.

REP. KADAS referred to **Mr. Lewis** saying, if the LFA is showing HB 667 as alive, which means there would be a cut of \$12 million in

relation to current level, and is coming to a \$60 million income balance, he is showing it as dead so that is a \$12 million difference in the numbers. So the \$63 million is more like \$51 million. **Mr. Lewis** said he doesn't differ with that. There may be differences in some of the estimates on some of the spending measures. There are things they need to go through and identify the specific differences. The \$4 million in the TRANS revenue may account for a portion of that. **Ms. Cohea** said in HB 198 there would be about \$2 million difference reflecting the correct version of the bill.

REP. KADAS referred a question to **Ms. Cohea**. Do you think you are as close as the budget office thinks you are? **Ms. Cohea** said what is happening is the budget office used the LFA last status sheet as the basis. If the two staffs got together they could reconcile the differences.

REP. KADAS referred a question to **Mr. Lewis**. Regarding the TRANS interest you're not projecting any arbitrage earnings? **Mr. Lewis** said, given rates as they are now, it was less than half of \$1 million for arbitrage in the current year and the spreads may be even less in the coming year so, at this point, he thinks it is unlikely to have a great amount of arbitrage. Simply offsetting the interest expense with the revenue adjustment for an equivalent amount is probably a reasonable thing to do. **REP. KADAS** asked him if he was going to talk about the revised revenue estimates? He feels it is premature to raise the revenue estimates. They have only collected 60% of the income tax this year and have another 40% to go. There was a change in the quarterly withholding and the estimated taxes and there is no history on it. **REP. KADAS** asked **Mr. Lewis** if he anticipates any reason for making a change within this session? **Mr. Lewis** said due to the Department of Revenue's budget restrictions they were not able to hire the number of temporaries in order to process tax returns as quickly as they have in past years.

CHAIRMAN ZOOK asked **Mr. Lewis** if it is unusual to have projections made in March? **Mr. Lewis** said in the past the LFA and others were nervous about changing income tax estimates in March and April. It is premature to discuss these at this point.

REP. BARDANOUVE asked if the committee could get to an 80% figure instead of 60% it might behoove the legislature to raise the budget figures for the Department to hire additional help to open their envelopes. **Mick Robinson, Director, Department of Revenue**, said at this time of year they do have a significant volume of mail in terms of the tax returns. The revenue estimates are not based so much on the cash received and how that flows into the bank but is based on the total compilation of the data from the tax returns and they will not have that available for tax-year 1992 until November or December, as they do not have the temporary staff to get those returns processed as quickly as they have in past years. A few more temporary people have been hired to deal with the significant burden of flow of paper and get

money in the bank as quickly as possible.

REP. ROYAL JOHNSON said it seems to him they are talking about conjecture. When they keep in the budget two items that depend on a bill that was killed yesterday, only because they hope to make the situation better. They know what is happening in that bill. Why would they not figure that in their numbers, rather than try to conjecture how much money they might have.

SEN. JACOBSON said they are down to the seven days of the session and at this point she is fairly encouraged because the bulk of what they are talking about hinges upon a couple of bills. Obviously, the Senate is not going to send to the House a bill of the magnitude of HB 667 without making some changes that may or may not result in some monetary changes but definitely will end up in a conference committee. The biggest difference between the House and the Senate version is HB 667 and that will be negotiated and when it is, they can accurately see where they are financially. As far as HB 2 is concerned, they are fairly close.

REP. ROYAL JOHNSON said he has some disagreement as it doesn't sound to him like they are close at all when they start talking about \$60 million short. They should look at current level numbers and not have negotiations or whatever is involved to figure out where they are.

SEN. JACOBSON said what she is speaking to is what the number looked like when the House sent it to the Senate and what the number looks like now. The only significant difference is \$30 million in question in HB 667. That will be negotiated in the next couple of days.

REP. FISHER referred to the Director of the Department of Revenue and said rather than hire new people, ask some of the other agency heads to loan some people.

REP. BERGSAGEL asked **Mr. Lewis** if he is projecting more in revenue estimates, with the \$19 million or \$20 million in additional revenue? Are they above actuals collected last biennium or at the same level as last May? **Mr. Lewis** said in the current biennium there are the surtaxes involved. Those drop off and then they take a look at the coming biennium without any changes. **Mr. Cohea** said as **Mr. Lewis** indicated, actually collections will be substantially below in 1994 then in 1993 because of all the one-time things done in the two special sessions. She pointed out that in 1993 a very large part of the revenue estimate increase has already taken place. Bond calls have occurred. The money is in the treasury.

REP. KADAS said that is what he wanted to get at. There has been a lot of talk about the \$19 million and asked **Terry Johnson, LFA** to explain **EXHIBIT 4**. Of the \$19 million over half is shown in 1993 and he assumes when a projection is made for a year you are 3/4 of the way through, you are relatively more confident in that

projection than in out-years. Mr. Johnson said part of EXHIBIT 4 is a report he prepared for leadership. The last page of the document summarizes the changes he made by general fund sources and school equalization account sources. Each one of the components is listed and shows the amount of adjustments made. He gave a quick synopsis of the reasoning for each one of the changes:

Individual Income Tax. What he has done is look at current economic information. There are two factors going on causing him to believe that a revision is actually necessary. 1) They have seen a significant change in the total amount of employment from calendar year 1991 to calendar year 1992. The numbers built in to HJR 3 assumed about 5,000 job increase from 1991 to 1992. Based on data from the Department of Labor and Industry, this is actual data at this point. They have seen an increase in jobs of over 13,000 jobs. In terms of a change there, have seen over 8,000 job increase from what was assumed in HJR 3. When you look at that from a percentage basis, HJR 3 assumed about a 1.7% growth in employment. In actual terms, they saw 4.4% growth in employment. 2) There are 3 quarters worth of data on wage and salary income. HJR 3 assumed about 4.5% growth based on 3 quarters worth of data, but are they seeing a 7.2% growth in wage and salary income. In terms of the adjustment he has made has assumed that those factors will apply to calendar year 1992 and then have reverted back to the same growth rate and that is the key, the same growth rate that is assumed in HJR 3 for 1994 and 1995. He has not carried that increase forward into 1994 and 1995.

Corporation Income Tax. There is one reason for the change they are seeing. In the case of corporation taxes they use US corporate profit as a proxy for Montana's profits. Over the past several years they have found that it is a fairly reliable indicator of what is going to happen in Montana and then they also take into account what is happening with oil prices. Based on data they have received from Wharton Econometrics, they have taken their new profit forecast and incorporated it into the state's model. Based on that they have come up with revisions for 1993, 1994 and 1995. In addition to that they have contacted the Department, and have tried to make sure they are not including any unusual audit activity included in fiscal year 1993. Based on the information they have received from the Department, they have made adjustments for any unusual audit activity that has currently occurred in FY 93.

Long Range Bond Excess. Because they are recommending a change for income tax and corporation tax, that directly effects the amount of revenue that flows into the general fund via the long range bond excess he did not change the underlying estimates for cigarette taxes, nor change the underlying estimate for tobacco taxes.

Coal Trust Income. As Ms. Cohea alluded to earlier, they made

the adjustment in FY 93 only, and did not adjust FY 94 and FY 95. The adjustment relates to bond calls that have been recorded in the accounting system through the end of March. If there are additional bond calls that occur in the remaining three months, those have not been included in this estimate. In terms of the FY 94 and FY 95 estimates, they have assumed the bond call numbers that are contained in the Joint Resolution will remain the same for FY 94 and FY 95, did not carry those bond calls forward into FY 94 and FY 95.

Insurance Premiums Tax. In HJR 3 there was an assumed growth rate in terms of premiums of about 5.5% on an annual basis. This year they are seeing a growth of 7.5%. He built in 7.5% in 1993 only, reverted back to the 5.5% for 1994 and 1995.

Oil Severance Tax. There is a slightly lower price for oil and a slightly lower production but when you factor in the two components the bottom line changes very minimal so he did not make a revision in that component.

Interest on Investments. This is one particular component where a significant revision in a downward direction was made. There are two components; the first is the blended interest rate received on investment earnings is actually down by 50 basis points. In addition to that the average daily balance (cash available to invest) is down about \$30 million. The \$30 million down, in terms of average balance, was carried forward into 1994-95 so it is assumed that average balance will not come back in 1994-95 so he has built that in. He has assumed the interest rates will stay down by that 50 basis points throughout the forecast period, through 1995.

Coal Severance Tax. There are two items that caused them to revise the estimate downward. The first was Westmoreland's production that was seen for calendar year 1992, based on actual date filed with the Department of Revenue. Their production was down so he adjusted for that. The second item adjusted was the price data that was reported by Decker Coal Company which was down in calendar year 1992. That price data was adjusted for calendar years 1993, 1994 and 1995. In that particular case he assumed that the reduced level of price would carry forward into the forecast period.

Video Gaming Tax. This item is based on year to date information through the end of March. The growth is actually slowing, not seeing a decline in the tax itself, just the rate of growth. He has adjusted FY 93 numbers based on that slowing, assuming it will continue throughout 1994 and 1995.

Institution Reimbursements. Those are the moneys that they essentially get from the Department of SRS that are deposited in the general fund. At this point it looks like they have a potential increase of \$500,000. He did not include it in the revision because of the uncertainty in terms of the way the

revenue flows into the general fund so assumed a 0 revision.

School Equalization Account, Interest and Income. As with the permanent trust income they have seen significant growth in the bond calls in FY 93, almost \$2 million above what was anticipated in HJR 3. He has assumed that this is a one-time additional revenue that will come in in 1993 and has not carried it forward into 1994-95.

School Equalization Account, US Mineral Leasing Revenues. When he made the revision in the Coal Severance Tax, Price Assumptions, that effects directly the amount of US mineral leasing revenue the state gets, so he adjusted that particular component downward for the three-year period, 1993, 1994 and 1995.

The last item he looked at, but did not reflect any revisions on, was the amount of revenue collected from the state-wide mill levies for 40 mills and 55 mills. Based on data through the end of March it looks like that particular component could be as high as \$4 million above HJR 3 revenue estimate. He chose not to include that in the revision primarily because this is the first year the state of Montana will actually receive the 55 mill revenue directly to the state treasury. In the past, it has been collected at the local level and has been used to offset school equalization payments. Because of that uncertainty, he chose to be conservative and assumed the revenue estimate was good at this point in time.

Overall, the changes amount to \$19.3 million for the three-year period. By far, about 50% of that revision is in FY 1993 and a majority of that revision in 1993 is due to the bond calls and he knows the actual money is in the bank at this point. On a percentage basis the three-year revision of \$19.3 million amounts to about 0.7 of 1% adjustment for the three year period.

REP. KADAS asked how the bond calls work. **Mr. Johnson** said there are long-term portfolios and in this particular case it effects the common school trust portfolio and also involves the permanent trust portfolio. If there are various securities that are earning the state high rates of return, 10% or 11%, there are provisions that some of those bonds can actually be recalled. If the company chooses to recall those bonds they may actually pay a penalty. When the bond is actually called, and the penalty is paid, it is recorded as investment earnings. At that point, the state gets the benefit of those investment earnings as interest and those interest earnings are deposited to the appropriate account. What actually happens at that point is those securities are turned over, the Board of Investment then has to re-invest them, and they may very well have to re-invest at a lower rate. Long term, the state may lose some interest earnings, but in the short term, it gets a one-time gain.

REP. PECK asked about the state-wide property tax. **Mr. Johnson**

said the state-wide property tax applies to the 55 mill levy revenue and also to the reporting mill levy revenue. It does not include the 6 mill levy revenue. In addition to the property tax component, there is the associated non-levy revenue that also comes in. That is the portion of the revenue that is suspect at this point, may be coming in stronger than what they had thought.

REP. ROYAL JOHNSON asked how **Mr. Johnson** reflects in his numbers the 1994-95 revenues from bonds that have been called and re-invested at a lower rate. Is that reflected in here? **Mr. Johnson** said no. In this particular case he did not revise the long-term interest rates nor did he revise the re-investment of those funds. The main reason is the small amount of revenue that will result from that, in other words, the bond calls that turn over, will be re-invested at a lower rate, but on a proportion basis there is a significant larger amount of bonds still outstanding that are earning a considerably higher rate than what those small incremental amounts will be re-invested at. **REP. JOHNSON** said his understanding is bond calls are coming in somewhere over \$80 million or \$90 million a month currently. Would that be right? **Mr. Johnson** said yes, if there is that level of bond calls going on, that is a real potential that you could have a significant change in that weighted average of interest rate. At this point, he would question if that effects the permanent trust account or the common school trust account. There are about \$400 million worth of long term investments in the permanent trust account. There is a portion of at least \$50 million that is invested in short-term investment pool and another \$50 million invested in terms of in-state investments. If the state is having \$90 million turnover, he would not think that is all related to the permanent trust account itself.

REP. KADAS asked for **Mr. Lewis'** response to **Mr. Johnson's** overview of the revenue revisions and are they conservative? **Mr. Lewis** said with reference to the bond calls, last summer they were doing \$80 million or \$90 million a month as well when interest rates dropped. He thinks they have to look hard at lowering the interest rate projections on that portfolio. A very big chunk of that portfolio has been called and the rates will start to drop. Right now they are re-investing at the 7% or 7.5% range for 20-year corporates. The average return in that bond portfolio was well over 10% for some period of time. **REP. KADAS** said he assumes the buy-backing recognizes the additional 1993 revenue and they want to go back and re-evaluate long-term interest rates for the coming biennium. **Mr. Lewis** said from **Mr. Johnson's** presentation there is about \$3.5 million in call premiums this year for the coal trust. If you are looking at the total portfolios from the common school trust and the coal trust they are somewhere in the \$600 or \$700 million range as far as bonds, so they want to take a look at what the effect of this dramatic increase in calls is going to have on the next two years. That re-investment rate is going to be down.

REP. BERGSAGEL asked **SEN. JACOBSON** if the Senate has acted on the

recommended changes in revenue and approved it? **SEN. JACOBSON** said the recommended revenue changes would be done by the Senate Taxation committee and they have not taken any action.

REP. BARDANOUVE said he shares the concern **REP. ROYAL JOHNSON** has because it might not show right now but that lower bond interest might show up two years from now and might have a very significant impact. He is concerned they could lose several million dollars in that area. He is also concerned about the \$4 million income on the TRANS. **Ms. Cohea** said they are actually going to be able to pay off the TRANS based on current projections with general fund revenue but in order to make the school payment two weeks later, will have to borrow \$20.4 million from some account and this is a projection from the Department of Administration on April 9 of this year.

EXECUTIVE ACTION ON SB 402

Motion: **REP. KADAS** moved to take SB 402 off the TABLE.

Discussion: **REP. KADAS** said SB 402, which was tabled by this Committee, provides the bonding authority for the Treasure State Endowment program. The reason **SEN. TOWE** and **REP. HARPER** want to see this is there currently is not enough cash in the program to pay for the requests that were made and particularly, as they have been discussing today, the long-term interest rates going down will decrease the potential cash available. What they asked is if they could get this bill out, lower the ceiling from \$10 million to \$5 million and allow for some bonding authority so as to be able to cover the projects that were applied for and approved.

REP. BARDANOUVE said every session they have more requests than money available. He is not against the principle but has concerns.

REP. PECK asked **REP. KADAS** if he is referencing the amount of bonds to be issued by reducing the amount from \$10 million to \$5 million? **REP. KADAS** said there is a statutory limit on the amount that can be issued. They can issue less but this would be the ceiling.

REP. ROYAL JOHNSON asked if the primary function of these will be in grants? **REP. KADAS** said he believes most of them will be in grants. There are some subsidized loans. **Newell Anderson, Department of Commerce**, said the loans will be about \$250,000. The other \$3.9 million will be in grants. **REP. JOHNSON** asked how is it going to be paid off? **Mr. Anderson** said they have calculated if they used \$1.8 million worth of "jump-start" bonds at the current rate of 6.5% on a 20-year bond, the debt service per year would be about \$168,000 so for \$2 million it would cost about \$168,000 a year in reduced interest earnings toward next year's Treasure State projects. **REP. JOHNSON** said that would be roughly 10% of the total amount? **Mr. Anderson** said this year it

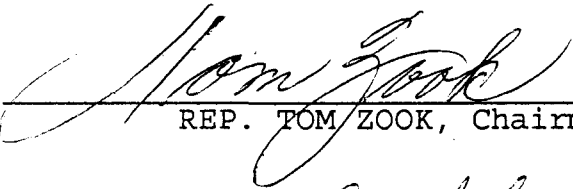
would be about 10% and that declines over time.

REP. KADAS said they are not funding just requests. What they are funding is approved requests. REP. BERGSAGEL said they approved all the projects based on the hope and dream there might be increased earnings from the coal severance fund and if moneys became available would fund the additional projects. REP. KADAS said they didn't approve all the projects, maybe just the projects the Department forwarded but there were a number of projects where there were requests that the Department said no. REP. BERGSAGEL said that is correct.

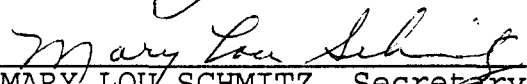
Vote: Motion failed 5 aye - 12 no.

ADJOURNMENT

Adjournment: 12:00 P.M.



REP. TOM ZOOK, Chairman



MARY LOU SCHMITZ, Secretary

TZ/mls

HOUSE OF REPRESENTATIVES

APPROPRIATIONS

COMMITTEE

ROLL CALL

DATE

4/14/93

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	✓		

Office of Legislative Fiscal Analyst
General Fund Status Sheet

1995 Biennium (Figures In Millions)

04/16/93 09:00 AM 84 th Legislative Day

EXHIBIT
DATE 4/16/93
HB 2

HJR 2 Projected Cash Deficit Fiscal Year End 1995 (\$215.640)

Cash Balance Adjustments		7.727
	Coal Tax Accrual	0.347
	SRS Unreconciled Account	2.300
Transmitted To Gov	HB0401 Loan - Clark Fork Natural Resource Damage Claim	5.175
	Gambling License Account Transfer	0.510
Passed Both Houses	HB0005 Long Range Building Program Appropriations	(0.605)
HJR 3 Revenue Estimate Resolution		10.449
Passed Senate Tax	Fire Reimbursement	0.441
Passed Senate Tax	Rail Car Tax	10.008
Revenue Bills (See Attached)		76.961

Conference Committee HB 2 Action		Current	Modified	73.560
	General Government & Highways	13.582	(2.230)	
	Human Services	33.679	(14.176)	
	Natural Resources	13.869	(0.264)	
	Institutions & Cultural Education	12.315	(0.777)	
	Education	23.791	(0.674)	
	Reversion Reduction	(5.555)	0.000	
Totals		91.681	(18.121)	

Adjustments		(7.447) **
Passed Both Houses	HB0003 Supplemental Change	(7.321)
Signed By Governor	HB0001 Feed Bill Change	(0.126)
Passed Both Houses	HB0198 Pay Plan	(8.110)
Miscellaneous Appropriations (See Attached)		(4.657)

School Equalization Account		7.053
	Revised ANB Estimates	(1.202)
	Education Sub-Committee Action	0.000
Conference Committee	HB0002 General Appropriations Act	(0.400)
Conference Committee	HB0202 Generally Revise School Laws Related To GAAP	(0.135)
Passed Both Houses	HB0652 Allocate % Of State Land Timber Sale Revenue To DSL	(1.000)
Passed Both Houses	HB0667 Improve Equity By Restruct. Fund & Budget For Schools	12.157 ***
Conference Committee	SB0032 Equalize School District Facility Funding With GTB	(2.049)
Signed By Governor	SB0138 Clarify Intent on Distribution of LGST	0.182
Transmitted To Gov	SB0278 Revise Laws Related To Ed. Services In Childrens Trmt.	(0.500)
Transmitted To Gov	SB0348 Revise Special Education Fund Distribution	0.000

Projected Ending Cash Balance With Above Legislative Action (\$60.104)

* Includes \$4.900 million feed bill, \$22.330 million supplementals, revenue estimates as introduced in HJR 3, and LJA current level.

** Change to the amount as introduced in HB 1, HB77, and HB 3.

*** Contains provision stating bill is void if SB436 is not passed and approved. SB436 has been killed in the House. Cost savings in the 1995 biennium may be \$5 million lower; if voters in districts below 80 percent of their maximum budget choose to increase budgets more than 33% per year; and if cash reappropriated is lower than anticipated.

Office of Legislative Fiscal Analyst General Fund Status Sheet 1995 Biennium (Figures In Millions)

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HJR 2 Projected Fund Balance Deficit Fiscal Year End 1995 (\$168,869)

Fund Balance Adjustments		2,552
	Coal Tax Accrual	0.347
	SRS Unreconciled Account	2,300
	Gambling License Account Transfer	0.510
Passed Both Houses	HB0005 Long Range Building Program Appropriations	(0.605)

HJR 3 Revenue Estimate Resolution		10,449
Passed Senate Tax	Fire Reimbursement	0.441
Passed Senate Tax	Rail Car Tax	10,008

Revenue Bills (See Attached)		76,961
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Conference Committee	HB 2 Action	Current	Modified	73,560
	General Government & Highways	13,582	(2,230)	
	Human Services	33,679	(14,176)	
	Natural Resources	13,869	(0,264)	
	Institutions & Cultural Education	12,315	(0,777)	
	Education	23,791	(0,674)	
	Reversion Reduction	(5,555)	0,000	
	Totals	91,681	(18,121)	

Adjustments		(7,447) **
Passed Both Houses	HB0003 Supplemental Change	(7,321)
Signed By Governor	HB0001 Feed Bill Change	(0,126)

Passed Both Houses	HB0198 Pay Plan	(8,110)
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Miscellaneous Appropriations (See Attached)		(4,657)
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School Equalization Account		7,053
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	Revised ANB Estimates	(1,202)
	Education Sub-Committee Action	0,000
Conference Committee	HB0002 General Appropriations Act	(0,400)
Conference Committee	HB0202 Generally Revise School Laws Related To GAAP	(0,135)
Passed Both Houses	HB0652 Allocate % Of State Land Timber Sale Revenue To DSL	(1,000)
Passed Both Houses	HB0667 Improve Equity By Restruct. Fund & Budget For Schools	12,157 ***
Conference Committee	SB0032 Equalize School District Facility Funding With GIB	(2,049)
Signed By Governor	SB0138 Clarify Intent on Distribution of LGST	0,182
Transmitted To Gov	SB0278 Revise Laws Related To Ed. Services In Childrens Trmt.	(0,500)
Transmitted To Gov	SB0348 Revise Special Education Fund Distribution	0,000

Projected Ending Fund Balance With Above Legislative Action (\$18,508)

- * Includes \$4,900 million feed bill, \$22,330 million supplementals, revenue estimates as introduced in HJR 3, and LFA current level.
- ** Change to the amount as introduced in HB 1, HB77, and HB 3.
- *** Contains provision stating bill is void if SB436 is not passed and approved. SB436 has been killed in the House. Cost savings in the 1995 biennium may be \$5 million lower: if voters in districts below 80 percent of their maximum budget choose to increase budgets more than 33% per year; and if cash reappropriated is lower than anticipated.

Office of Legislative Fiscal Analyst

General Fund Status Sheet

1995 Biennium (Figures In Millions)

04/16/93 09:00 AM 84 th Legislative Day

EXHIBIT
DATE 4/16/93
HB 2

Revenue Bills

Conference Committee	HB0002 General Appropriation Act	(0.472)
Passed Both Houses	HB0017 Revise Petroleum And Liquefied Petroleum Dealer License Fees	(0.171)
Passed Both Houses	HB0046 Reserve Percentage Of Cig. Tax For State Veterans' Homes & Benefits	(0.176)
Passed Both Houses	HB0070 Allow Dept Of Commerce To Revise Weights & Measures Fees By Rule	(0.250)
Signed By Governor	HB0093 Statutorily Appropriating Certain Treasury Funds	1.570
Passed Both Houses	HB0167 Generally Revise Nursery Laws	(0.075)
Passed Both Houses	HB0181 Revise Apiculture Definition, Registration Fees, Penalties	0.019
Passed Both Houses	HB0193 Montana Produce Act	(0.481)
Passed Both Houses	HB0196 Personal Property Tax Reimbursement	(1.214)
Conference Committee	HB0219 Tax Credit For Alternative Fuels — Vehicle Conversion	(0.407)
Conference Committee	HB0219 Tax Credit For Alternative Fuels — Vehicle Conversion	(0.589)
Transmitted To Gov	HB0222 Revise Licensure Of Fire Protection Installers And Servicers	(0.001)
Signed By Governor	HB0223 Revise Remittance Of State Money By Counties	(0.012)
Transmitted To Gov	HB0278 Revise District Court Criminal Expense Reimbursement	0.564
Transmitted To Gov	HB0283 Revise Cigarette Tax With Exemption For Tribal Members	0.867
Signed By Governor	HB0309 Qualify For Medicaid By Making Cash Payment	2.457
Passed Both Houses	HB0322 Exempt Stripper Oil From State Sev. Tax Under Certain Conditions	0.000
Passed Both Houses	HB0333 Extend Util. Fee On Nursing Homes To Include Bed Days Of All Payors	(3.200)
Passed Both Houses	HB0350 Revise Coal Board Grant And Loan Program	3.300
Passed Both Houses	HB0382 Establish Value Of Limestone For Net Proceeds Tax And RITT	(0.552)
Signed By Governor	HB0390 Least Cost Resource Planning For Utilities	0.050
Signed By Governor	HB0394 Revising The Montana Science & Technology Financing Act	(1.148)
Transmitted To Gov	HB0397 Revise Fees For Driving Records & Id Cards — Approp. To Justice	0.941
Transmitted To Gov	HB0401 Loan — Clark Fork Natural Resource Damage Claim	(0.694)
Passed Both Houses	HB0413 Clarification Of PSC And Consumer Counsel Tax	(3.853)
Passed Both Houses	HB0419 Hazardous Waste Administrative Penalty	0.064
Signed By Governor	HB0428 Extend Voluntary Statewide Genetics Program & Fund For Two Years	1.090
Conference Committee	HB0449 Exempt Farmer's Market Sellers From Food Establishment Licensure	(0.001)
Conference Committee	HB0469 Permit Attendance Outside Child's Residence Without Tuition Most	1.000
Conference Committee	HB0495 Allow Catering Endorsement To Beer And Wine Retail Licenses	0.016
Passed Both Houses	HB0505 Allow Income Tax Ded. For Day-Care Operator Who Cares For Own	(0.013)
Transmitted To Gov	HB0549 Revise Funding For Secretary Of State's Office	(2.454)
Transmitted To Gov	HB0549 Revise Funding For Secretary Of State's Office	0.344
Passed Both Houses	HB0555 Revise Clerk Of District Court Fees	0.230
Transmitted To Gov	HB0564 Generally Revise Ag Warehouse, Commodity Dealer & Grain Standards	(0.066)
Passed Both Houses	HB0591 Increase Bed Tax To 5% — Portion For Counties, Cities And Towns	1.940
Transmitted To Gov	HB0609 Transfer Of Investigative Functions From Dept. Of Revenue To Justice	(0.215)
Passed Both Houses	HB0616 MHD Loan From Clean Coal Technology Demonstration Fund	(0.803)
Passed Both Houses	HB0640 Change Rate of Taxation on Railroad Car Company Property	(0.299)
Passed Both Houses	HB0642 Allocate Portion Of "Bed Tax" For State Park Maintenance Projects	0.000
Conference Committee	HB0643 Agricultural Use Of Land Necessary For Agricultural Tax Classification	0.586
Passed Both Houses	HB0652 Allocate % State Land Timber Sale Revenue To Dsl Timber Program	(0.090)
Passed Both Houses	HB0652 Allocate % State Land Timber Sale Revenue To Dsl Timber Program	(0.535)
Passed Both Houses	HB0652 Allocate % State Land Timber Sale Revenue To Dsl Timber Program	Same HB 667
Passed Both Houses	HB0652 Allocate % State Land Timber Sale Revenue To Dsl Timber Program	Same HB 667
Passed Both Houses	HB0667 Improving Equity By Restructuring The Fund & Budgeting For Schools	7.082
Passed Both Houses	HB0667 Improving Equity By Restructuring The Fund & Budgeting For Schools	(0.625)
Passed House	HB0671 Bipartisan Revision Of Income Taxes And Corporation Taxes	66.105
Passed House	HB0671 Bipartisan Revision Of Income Taxes And Corporation Taxes	6.453
Passed Both Houses	HB0680 Change Low Interest Energy Loan From Tax Credit To Rate Based	0.000
Passed Both Houses	HB0689 Income Tax Checkoff Administration — Eliminate Dangerous Drug Tax	(0.029)
Transmitted To Gov	SB0031 Clarify Reimbursement Rates Transportation Laws	(0.001)
Transmitted To Gov	SB39/40 Closing The Nursing Home At The State Hospital At Galen	(1.409)
Signed By Governor	SB0086 Allow State Treasurer To Deposit Public Funds In Out-Of-State Banks	0.558
Conference Committee	SB0098 Revise Laws Regarding Labeling & Sale of Agricultural Seed	(0.027)
Signed By Governor	SB0168 Revising The Valuation And Taxation Of Agricultural Lands	1.431
Signed By Governor	SB0185 Revise Overweight Vehicle Law	0.042
Transmitted To Gov	SB0206 Clarify That Certain Natural Gas Exempt From 7% Surtax	(0.182)
Signed By Governor	SB0269 Voluntary Withholding For State Tax From Federal Pensions	Minimal
Transmitted To Gov	SB0314 Require Each Subdivision Of Issuer To Pay Portfolio Registration Fee	0.101
Passed Both Houses	SB0378 Eliminate Certain Dedications Of Revenue	No Impact
Passed Both Houses	SB0428 Providing That Certain Lottery Winnings Subject To State Withholding	0.195

Total Revenue Bills

\$76.961

Office of Legislative Fiscal Analyst General Fund Status Sheet 1995 Biennium (Figures In Millions)

04/16/93 09:00 AM 84 th Legislative Day

Miscellaneous Appropriations

Passed House Appropriation	TRANS Interest Cost (Statutory Appropriation)	(4.000) ♦
Passed Both Houses	HB0005 Long-Range Planning Sub-Committee (General Fund Appropriation)	(2.600)
Passed Both Houses	HB0005 Long-Range Planning Sub-Committee (Statutory Appropriation)	1.965
Signed By Governor	HB0019 Establish A Joint Oversight Committee On Children And Families	(0.010)
Passed Both Houses	HB0065 Creating A Permanent Statutory Retirement Committee	(0.007)
Signed By Governor	HB0093 Statutorily Appropriating Certain Treasury Funds	(1.105)
Passed Both Houses	HB0145 Create Health Care Fund; SRS Implement Expanded Medicaid Fund	(1.500)
Passed Both Houses	HB0145 Create Health Care Fund; SRS Implement Expanded Medicaid Fund	(0.342)
Passed Both Houses	HB0196 Personal Property Tax Reimbursement (Statutory Appropriation)	3.174
Signed By Governor	HB0278 Revise District Court Criminal Expense Reimbursement	(0.564)
Transmitted To Gov	HB0397 Revise Fees For Driving Records & Id Cards—Approp. To Justice	(0.373)
Signed By Governor	HB0428 Extend Voluntary Statewide Genetics Program & Fund For Two Years	(1.069)
Passed Both Houses	HB0529 Funding For Dui Testing Equipment	(0.100)
Conference Committee	HB0643 Land Parcel < 160 Acres Must Be Mainly Agriculture For Ag Tax Class	(0.111)
Transmitted To Gov	SB0077 Continue Joint Comm. On Postsecondary Education Policy & Budget	(0.015)
Total Miscellaneous Appropriations		(\$4.637)

Potential Appropriations

Signed By Governor	HB0112 Creditable Service Teachers' Retirement System For Korean Conflict	(0.007)
Signed By Governor	HB0137 Repeal Distribution Of Fire Code Requirement	0.003
Conference Committee	HB0219 Tax Credit For Alternative Fuels—Vehicle Conversion	(0.024)
Conference Committee	HB0273 Prohibit Insurer Requiring Car Owner To Go Specified Place For Rep.	(0.020)
Conference Committee	HB0416 Require Reporting Of Hate Crimes	(0.003)
Signed By Governor	HB0435 Revise Volunteer Firefighters' Retirement	(0.019)
Passed Both Houses	HB0436 Clarify Definition For Pollution Control Tax Credit	(0.029)
Conference Committee	HB0449 Exempt Farmer's Market Sellers From Food Establishment Licensure	(0.006)
Conference Committee	HB0469 Permit Attendance Outside Child's Residence Without Tuition Most	(0.016)
Transmitted To Gov	HB0485 Cost-Of-Living Adjustments For Game Wardens' Retirement System	(0.001)
Signed By Governor	HB0491 Revise Death Certificate Procedure	(0.007)
Conference Committee	HB0504 Employer/Employee Payroll Tax To Pay Off Work Comp Old Fund	(0.464)
Transmitted To Gov	HB0526 Require Release Of Certain Dept Srs & Dept Rev Info To Dept Labor	(0.003)
Passed Both Houses	HB0555 Revise Clerk Of District Court Fees	(0.338)
Passed Both Houses	HB0601 Benefit Adjustment For Pre-July 1977 Retirees Under The Trs	(0.003)
Conference Committee	HB0645 Increase Aviation Fuel Tax 2 Cents For Loans & Grants For Aviation	(0.008)
Signed By Governor	HB0650 Investigators Under Pers To Become Members Of Sheriffs' Retirement	(0.005)
Passed Both Houses	SB0118 Change Categories Of Personal-Care Facilities	(0.195)
Signed By Governor	SB0168 Revising The Valuation And Taxation Of Agricultural Lands	(0.266)
Signed By Governor	SB0269 Voluntary Withholding For State Tax From Federal Pensions	Minimal
Passed Both Houses	SB0271 Establish Local Citizen Review Board For Foster Care Placements	(0.147)
Passed Both Houses	SB0271 Establish Local Citizen Review Board For Foster Care Placements	(1.084)
Passed Both Houses	SB0320 Metal Mine Act Revisions	(0.001)
Transmitted To Gov	SB0321 Revise Medical Parole Eligibility	0.060
Transmitted To Gov	SB0330 Clarifying Laws On Suspension & Revocation Of Teaching Certificates	(0.022)
Passed Both Houses	SB0424 Require Land Board Attain Full Market On School Trust Land Leases	(0.031)
Passed Senate	SJ0028 Legislative Audit Request—Hard Rock Bureau	(0.001)
Total Potential Appropriations		(\$2.637)

♦ The House Appropriations committee adopted a biennial TRANS cost of \$4.0 million. The additional revenue anticipated from the sale of TRANS will need to be incorporated in HJR3 by the Senate Taxation committee.

EXHIBIT 2
 DATE 4/16/93
 HB 2

HR 2 TARGET COMPARISONS*
General Fund and SEA Expenditures, 1995 Biennium
 (Millions)

	Revised Target**	Legislative Action	Difference	Including Action Contingent on Bills***	Difference
House Bill 2					
General Govt. and Transportation	\$109.142	\$111.508	\$2.366	\$112.202	\$3.060
Human Services	314.011	324.545	10.534	326.479	12.468
Natural Resources	39.556	29.194	(10.362)	34.166	(5.390)
Institutions	161.664	158.546	(3.118)	158.949	(2.715)
Education	322.259	323.550	1.291	324.482	2.223
Fiscal 1993 Supplementals	7.139	0.000	(7.139)	0.000	(7.139)
Unallocated	1.995	0.000	(1.995)	0.000	(1.995)
Reversions	0.000	(1.750)	(1.750)	(1.750)	(1.750)
Total House Bill 2	\$955.766	\$945.593	(\$10.173)	\$954.528	(\$1.238)
K-12	\$802.323	\$832.670	\$30.347	\$844.827	\$42.504
All Other Statutory					
Personal Property Reimb(HB 196)	\$39.846	\$36.672	(\$3.174)	\$36.672	(\$3.174)
Debt Service - Long Range	25.728	24.362	(\$1.366)	24.362	(1.366)
TRANS Interest	6.464	4.000	(2.464)	4.000	(2.464)
Retirement	7.814	7.814	0.000	7.814	0.000
Feed Bill	0.000	5.000	5.000	5.000	5.000
Total Other Statutory	\$79.852	\$77.848	(\$2.004)	\$77.848	(\$2.004)
Other Appropriations	\$0.000	\$13.306	\$13.306	\$13.306	\$13.306
Total	\$1,837.941	\$1,869.417	\$31.476	\$1,890.509	\$52.568

* As reflected on LFA status sheet 4/16/93.

** Revised on 2/1/93 to include supplementals in excess of HB3 and HB 77 as introduced

*** Specific bills listed on subcommittee target sheets.



TERESA OLCOTT COHEA
LEGISLATIVE FISCAL ANALYST

STATE OF MONTANA
Office of the Legislative Fiscal Analyst

STATE CAPITOL
HELENA, MONTANA 59620
406/444-2986

EXHIBIT 3
DATE 4/16/93
HB 2

April 9, 1993

TO: Members of the House
FROM: Teresa Olcott Cohea
Legislative Fiscal Analyst
RE: Overview of House Bill 2

Teresa Olcott Cohea

Following is an overview of the spending and FTE levels authorized in House Bill 2, as approved by the Senate. Attached are summaries showing the changes made to the bill by the Senate Finance and Claims Committee and on the Senate floor.

GENERAL FUND SPENDING

House Bill 2 appropriates \$947.3 million general fund in the 1995 biennium. This is \$2.6 million less than the total general fund appropriated for the 1993 biennium in the current general appropriations act (as amended during the two special sessions), pay plan bill (House Bill 509), and supplemental bill (House Bill 3).

Table 1
Comparison of General Fund Appropriations
1993 and 1995 Biennia (Millions)

	<u>HB2</u>	<u>Supplemental Bill</u>	<u>Total</u>
1993 Biennium	\$921.1*	\$28.8**	\$949.9
1995 Biennium	949.3		947.3
Decrease			(2.6)
*Excludes \$32 million transfer to school equalization account			
**As approved by the House			

In House Bill 2, agencies' current level general fund budgets have been reduced by \$97.2 million below the LFA current level or 9.5 percent. However, these reductions in current level programs are offset by \$18.1 million general fund approved for new or expanded programs in budget modifications. As Table 2 shows, the net general fund reduction is \$79.1 million below the LFA current level.

Table 2
Current Level and Budget Modifications in HB2
Compared to LFA Current Level, 1995 Biennium
General Fund (Millions)

<u>Subcommittee</u>	<u>Current Level</u> <u>Reductions</u>	<u>Modifications</u>	<u>Total</u>
General Government & Highways	(\$13.58)	\$2.23	(\$11.35)
Human Services	(33.68)	14.18	(19.50)
Natural Resources & Commerce	(13.87)	0.26	(13.61)
Institutions & Cultural Education	(12.32)	0.78	(11.54)
Education	<u>(23.79)</u>	<u>0.67</u>	<u>(23.12)</u>
Total	(\$97.24)	\$18.12	(\$79.12)

In contrast, spending from other funds (non-general fund) is \$169.7 million higher (6.6 percent) than the LFA current level, as Table 3 shows. House Bill 2 contains \$23.1 million more current level spending than the LFA current level and \$146.7 million of budget modifications funded with non-general fund revenue.

Table 3
Current Level and Budget Modifications in HB 2
Compared to LFA Current Level, 1995 Biennium
Other Funds (Millions)

<u>Current Level</u>	<u>Modifications</u>	<u>Total</u>
\$23.05	\$146.70	\$169.75

Sixty-three percent of the general fund reductions included in House Bill 2 are reductions in agency operational budgets, as Table 4 shows.

Approximately 25 percent of the reductions are due to funding switches in which other funds are substituted for general fund, leaving total spending authority unchanged. The major funding switches are:

- 1) \$4.3 million of utility taxes will be deposited in a state special revenue account instead of the general fund and used to fund the operations of the Public Service Commission;
- 2) \$3.4 million of gross vehicle weight revenue (highway account) is used to fund Motor Vehicle Division operations;
- 3) \$2.3 million of Resource Indemnity Trust (RIT) revenue is used to fund operations in the departments of State Lands and Natural Resources and Conservation, in anticipation of passage and approval of House Bill 608;
- 4) \$2.0 million of capital projects funds (cigarette tax revenue) will be used to fund operations of the Columbia Falls veterans' home;
- 5) \$1.7 million of fees collected by the Secretary of State previously deposited in the general fund will be deposited in a proprietary account and used to fund most of the agency's operations;

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- 6) \$1.0 million of fee revenue will be used to support the Weights and Measures Bureau in the Department of Commerce, rather than being deposited in the general fund;
- 7) \$1.0 million of existing and increased fees paid by the agricultural community will be deposited in state special revenue accounts and used to fund programs in the Department of Agriculture;
- 8) \$0.9 million of revenue from project paybacks and coal tax trust interest which are currently deposited in the general fund and school equalization account will be deposited in a state special revenue account to fund the operations of the Montana Science and Technology Alliance; and
- 9) \$0.6 million of increased fee revenue collected from counties and medical providers will be used to fund laboratories in the Department of Health.

Approximately 12 percent of the budget reductions reduce state support for or pass-through funds distributed to local governments and school districts. Of this amount, \$8.7 million reflects general fund budget reductions made in anticipation of the passage of House Bill 427 (the "county welfare de-assumption bill"). While this bill reduces state support for state medical, general assistance, and related welfare programs in state-assumed counties, it does not require counties to continue providing these programs.

Table 4
Analysis of Legislative Action in HB 2
 (General Fund in Millions)

Legislature	Budget Reduction	Funding Switches	Local Gov't./ Schools Impact	Totals
<u>General Government & Transportation</u>				
Legislative Auditor	(\$0.000)			(\$0.000)
Legislative Fiscal Analyst	(0.053)			(0.053)
Legislative Council	(0.784)	(0.050)		(0.814)
Environmental Quality Council	(0.043)			(0.043)
Judiciary	(0.242)	(0.429)	(0.781)*	(1.432)
Governor's Office	(0.814)	(0.080)		(0.894)
Secretary of State	(0.020)	(1.723)		(1.743)
Comm. of Political Practices	(0.004)			(0.004)
State Auditor	(0.441)			(0.441)
Crime Control	(0.009)	(0.013)		(0.022)
Highway Traffic Safety	(0.000)		(0.057)	(0.057)
Department of Justice	(0.058)	(3.366)	(0.300)	(3.724)
Department of Transportation	(0.208)	(0.090)		(0.298)
Department of Revenue	(2.244)	(0.208)		(2.452)
Department of Administration	0.745			0.745
Department of Military Affairs	(0.318)			(0.318)
Total General Government	(\$4.274)	(\$5.959)	(\$1.118)	(\$11.350)
<u>Human Services</u>				
Department of Health & Environ. Sci.	\$0.989	(\$1.173)		(\$0.204)
Department of Labor & Industry	0.203			0.203
Dept. of Social & Rehabilitation Services**	(5.500)	0.735	(9.440)**	(14.205)
Department of Family Services	(5.297)			(5.297)
Total Human Services	(\$9.625)	(\$0.438)	(\$9.440)	(\$19.503)
<u>Natural Resources & Commerce</u>				
Public Service Commission	\$0.002	(\$4.347)		(\$4.345)
Dept. of Fish, Wildlife, and Parks	(0.072)			(0.072)
Department of State Lands	(1.334)	(0.601)		(1.935)
Department of Livestock	0.101	(0.349)		(0.248)
Dept. of Natural Resources	(1.146)	(2.544)		(3.690)
Department of Agriculture	0.003	(0.952)		(0.949)
Department of Commerce	(0.411)	(1.958)		(2.367)
Total Natural Resources	(\$2.857)	(\$10.749)	\$0.000	(\$13.606)
<u>Institutions & Cultural Education</u>				
Montana Arts Council	(\$0.005)		(\$0.004)	(\$0.009)
State Library	(0.008)			(0.008)
Historical Society	(0.093)			(0.093)
Dept. of Corrections and Human Ser.	(8.830)	(2.598)		(11.428)
Total Institutions & Cult. Ed.	(\$8.936)	(\$2.598)	(\$0.004)	(\$11.538)
<u>Education</u>				
Office of Public Instruction	(\$0.284)		\$2.211	\$1.927
Board of Public Education	(0.011)	(0.004)		(0.015)
School for Deaf and Blind	(0.073)	(0.050)	(0.514)	(0.637)
Vocational Technical Centers	1.017			1.017
Commissioner of Higher Education	(1.207)		(0.369)	(1.576)
University Units	(22.356)			(22.356)
Agricultural Experiment Station	(1.379)			(1.379)
Coop Extension Service	0.020			0.020
School of Forestry	0.007			0.007
Bureau of Mines	(0.110)			(0.110)
Fire Services Training School	(0.014)			(0.014)
Total Education	(\$24.391)	(\$0.054)	\$1.329	(\$23.116)
Total All Subcommittee Actions	(\$50.082)	(\$19.798)	(\$9.233)	(\$79.113)

* While district court reimbursements would be reduced by this amount, counties would receive a portion of the revenue deposited in the general fund above the budgeted amount.

**A portion of the general fund reductions for House Bill 427 (\$8.7 million), is included in this total. Actual impacts to counties will be lower if counties do not operate general assistance and medical programs.

HR2 TARGETS

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Table 5 shows legislative action compared to the House Resolution 2 (HR2) targets. The revised targets reflect:

- 1) the targets adopted by the chairs and vice-chairs of the joint appropriations subcommittees on January 22; and
- 2) the February 1 adjustments for supplementals in excess of House Bill 3 and House Bill 77, as introduced.

Attached to this memo are tables showing legislative action to date relative to the HR2 targets.

	Revised Target**	Legislative Action	Difference	Including Action Contingent on Bills***	Difference
House Bill 2					
General Govt. and Transportation	\$109.142	\$111.508	\$2.366	\$112.202	\$3.060
Human Services	314.011	324.545	10.534	326.479	12.468
Natural Resources	39.556	29.194	(10.362)	34.168	(5.390)
Institutions	161.664	158.548	(3.118)	158.949	(2.715)
Education	322.259	323.550	1.291	324.482	2.223
Fiscal 1993 Supplementals	7.139	0.000	(7.139)	0.000	(7.139)
Unallocated	1.995	0.000	(1.995)	0.000	(1.995)
Reversions	0.000	(1.750)	(1.750)	(1.750)	(1.750)
Total House Bill 2	\$955.766	\$945.593	(\$10.173)	\$954.528	(\$1.238)
K-12	\$802.323	\$803.978	\$1.655	\$803.978	\$1.655
All Other Statutory					
Personal Property Raimb(HB 196)	\$39.846	\$36.672	(\$3.174)	\$36.672	(\$3.174)
Debt Service - Long Range	25.728	24.362	(\$1.366)	24.362	(1.366)
TRANS Interest	6.464	4.000	(2.464)	4.000	(2.464)
Retirement	7.814	7.814	0.000	7.814	0.000
Feed Bill	0.000	5.000	5.000	5.000	5.000
Total Other Statutory	\$79.852	\$77.848	(\$2.004)	\$77.848	(\$2.004)
Other Appropriations	\$0.000	\$9.109	\$9.109	\$9.109	\$9.109
Total	\$1,837.941	\$1,836.528	(\$1.413)	\$1,845.463	\$7.522
* As reflected on LFA status sheet 4/02/93; updated for Senate floor action on HB2.					
** Includes supplementals in excess of HB3 and HB 77 as introduced					
*** Specific bills listed on subcommittee target sheets.					

As table 5 shows, House Bill 2 as passed by the Senate is \$10.2 million below the HR2 targets.

House Bill 2 contains "contingency" language that will increase general fund appropriations by \$8.9 million, depending on the outcome of pending legislation. Table 6 summarizes the impact of the contingency language currently in the bill.

Table 6 General Fund Changes Contingent on Passage of Other Bills or Action				
Subcommittee\Agency	Bill #	Fiscal 1994	Fiscal 1995	Triggering Action Pass/Fail
General Government				
Justice	SB382	\$345,266	\$348,295	Fail
Human Services				
SRS	HB309	(31,252)	(11,263)	Fail
SRS	HB333	1,261,427	1,268,050	Fail
SRS	HB427	(100,000)	(100,000)	Fail
SRS	SB40	(175,167)	(178,310)	Fail
Natural Resources				
Agriculture	HB193	313,698	307,962	Fail
Commerce	EEO Contract	2,035	1,941	Not renewed
Public Service Regulation	HB413	2,332,504	2,014,413	Fail
Institutions				
Corrections**	HB333	162,800	240,180	Pass
Education				
Commissioner of Higher Education	HB 5	465,115	467,275	Fail
Total		\$4,576,426	\$4,358,543	
* Biennial appropriation.				
**Based on HB333 as introduced. As HB333 is currently amended only \$242,744 general fund needs to be added if the bill is passed and approved.				

REDUCTIONS IN ANTICIPATION OF PASSAGE OF BILLS

In addition to the contingency appropriations and language summarized in Table 6, the House reduced general fund appropriations in House Bill 2 by \$17.7 million in anticipation of passage and approval of the bills listed in Table 7. Senate Finance and Claims Committee reduced the general fund appropriation for the Secretary of State's office by \$1.7 million, in anticipation of passage and approval of House Bill 549. As of April 9, several of these bills had not yet passed both Houses. There is no contingency language in House Bill 2 providing for increased general fund appropriations if these bills are not passed and approved.

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Table 7 General Fund Reductions in HB2 in Anticipation of Passage of Other Bills		
Bill No.		
HB17/70	Petroleum dealers license/Weights and measures fees	(969,012)
HB46	Cigarette tax use	(\$2,051,921)
HB167	Revise nursery laws	(108,907)
HB278	Revise district court criminal expense reimb.	(193,015)
HB394	Revise MT Science & Tech financing act	(913,338)
HB427	Revise public assistance laws	(10,551,700)
HB516	Establish funding for milk inspection	(4,510)
HB563	Subdivision review fees	(320,000)
HB564	Revise ag warehouse, commodity dealer & grain act	(127,183)
HB608	RIT reallocation	(2,272,273)
HB646	Allowable price of MCA	(50,000)
HB656	Eliminate state impact aid to school districts	(9,200)
HB657	Allow A.G. to charge fee to issue opinions	(48,000)
SB98	Revise laws regarding labeling and sale of ag seed	(112,214)
TOTAL		(\$17,731,273)

REVISED MEDICAID ESTIMATES

Medicaid is one of the state's largest general fund expenditures, comprising 10 percent of total fiscal 1992 general fund spending. It is also one of the fastest growing, increasing by over 15 percent per year. The medicaid estimates contained in the Executive Budget and the LFA current level were prepared in late fall of 1992. Based on updated medicaid claims, in late February SRS requested an additional \$7.3 million general fund (\$24.9 million total funds) above the level contained in House Bill 2.

However, in testimony to the House Appropriations Committee the Director of the Office of Budget and Program Planning withdrew the request, stating that he believed that cost containment measures instituted by the department would keep 1995 biennium expenditures within appropriated levels.

To assist SRS in these efforts, the House deleted the following language that has been included in House Bill 2 during the last several biennia and was approved by the Human Services subcommittee:

The department may not expand or reduce the scope, amount, or duration of benefits provided to recipients under the medicaid primary care or nursing care programs during the 1995 biennium unless Title XIX of the federal Social Security Act is amended to require expansion or reduction of benefits as a condition of the state receiving federal financial participation. This provision may not be construed to prohibit the department from implementing coverage provided in 53-6-101(3)(1).

TOTAL SPENDING

House Bill 2, as recommended by the Senate, authorizes \$3.7 billion spending from all funds during the 1995 biennium. This is 10.5 percent higher than appropriated during the 1993 biennium (in the general appropriations act, pay plan bill, and supplemental bill.)

<p style="text-align: center;">Table 8 Comparison of Total Appropriations 1993 and 1995 Biennia (Millions)</p>		
	<u>1993 Biennium</u>	<u>1995 Biennium</u>
HB2/HB509/HB3	\$3,354.5	
HB2		\$3,707.9
Increase		10.5%

VACANCY SAVINGS

House Bill 2 contains a 5 percent vacancy savings rate for all personal services in agency budgets except:

- 1) federally funded personal services;
- 2) the Judiciary, in which elected officials were exempted and a 2 percent vacancy savings factor was applied to the remaining personal services;
- 3) some legislative agencies;
- 4) county attorney salaries in the Department of Justice;
- 5) direct care workers at the Department of Corrections and Human Services (DCHS) and the Montana School for the Deaf and Blind; and
- 6) employees of the Montana University System. However, the 5 percent personal services reduction was imposed on the Office of the Commissioner of Higher Education.

As Table 9 shows, the personal services reduction decreased agency budgets by \$9.8 million general fund and \$13.9 million other funds.

House Bill 2 also contains contingency funds of \$1.0 million general fund and \$2.8 million other funds to be allocated to agencies that do not experience sufficient personal services savings to absorb the vacancy savings. These amounts were calculated based on 10 percent of the general fund and 20 percent of the other funds personal services reduction. As Table 9 shows, the contingency funds are allocated to the Department of Administration for executive branch agencies and to the approving authorities for the Legislative Auditor's office, the Judiciary, and the Commissioner of Higher Education. Language in House Bill 2 specifies the procedure to apply for these funds and a reporting requirement.

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Table 9 Personal Services Reduction Efficiencies and Contingencies 1995 Biennium				
	General Fund		Other Funds	
	Reduction	Contingency	Reduction	Contingency
Legislative Auditor	(\$106,179)	\$10,618	\$0	\$0
Judiciary	(47,252)	4,724	(16,234)	3,246
Commissioner of Higher Education	(85,850)	8,585	(11,660)	2,332
Executive Branch (Administration)	<u>(9,609,966)</u>	<u>1,002,388</u>	<u>(13,915,782)</u>	<u>2,744,837</u>
Total	(\$9,849,247)	\$1,026,315	(\$13,943,676)	\$2,750,415

FTE

The legislature has reduced the number of state employees authorized in House Bill 2 by a net 156.94 full-time equivalents (FTE) from the level authorized by the 1991 legislature (and revised during the two special sessions). Table 10 shows the additions and reductions by agency.

Table 10
FTE Authorized in General Appropriations Act*
Fiscal 1992 through Fiscal 1995

Agency**	HB2 FTE Fiscal 1992***	HB2 FTE Fiscal 1993***	Legislative Action FTE 1994	Legislative Action FTE 1995	Increase (Decrease) FY93-95
Legislative Auditor	67.50	67.50	63.50	63.50	(4.00)
Legislative Fiscal Analyst	17.50	18.00	16.80	16.80	(1.20)
Legislative Council	45.70	53.70	42.97	48.14	(5.56)
Environmental Quality Council	7.00	7.00	6.50	6.50	(0.50)
Consumer Counsel	4.25	4.25	5.25	5.25	1.00
Judiciary	91.50	92.00	90.50	90.50	(1.50)
Governor's Office	59.50	58.50	54.75	54.75	(3.75)
Secretary of State	35.25	35.25	34.30	34.30	(0.95)
Comm. of Political Practices	3.50	3.00	3.25	3.25	0.25
State Auditor	70.00	70.00	63.00	63.00	(7.00)
Office of Public Instruction	140.23	140.23	141.23	141.23	1.00
Crime Control Division	18.00	18.00	19.00	19.00	1.00
Highway Traffic Safety	8.50	8.50	8.50	8.50	0.00
Department of Justice	645.40	638.40	630.05	621.55	(16.85)
Public Service Regulation	47.00	47.00	44.50	44.50	(2.50)
Board of Public Education	4.00	4.00	4.00	4.00	0.00
Comm. of Higher Education	67.45	66.95	84.95	87.95	21.00
School for the Deaf & Blind	85.38	85.38	81.68	81.68	(3.70)
Montana Arts Council	7.97	7.97	9.97	9.97	2.00
Library Commission	29.50	29.50	28.50	28.50	(1.00)
Council on Vocational Education	2.50	2.50	2.50	2.50	0.00
Historical Society	47.88	47.88	48.63	48.63	0.75
Dept. of Fish, Wildlife, & Parks	553.03	553.13	556.25	554.67	1.54
Dept. of Health & Env. Sciences	384.94	386.94	433.04	438.09	51.15
Dept. of Transportation	2,004.77	2,007.07	1,933.75	1,933.75	(73.32)
Dept. of State Lands	359.71	366.37	353.77	354.36	(12.01)
Dept. of Livestock	119.71	117.71	122.71	123.71	6.00
Dept. of Nat. Resources & Cons.	262.20	262.20	243.42	243.42	(18.78)
Dept. of Revenue****	670.09	674.08	671.89	671.89	(2.19)
Dept. of Administration	318.14	322.14	311.26	315.26	(6.88)
Public Employees' Retirement Brd.	20.00	20.00	21.00	21.00	1.00
Teachers' Retirement Board	11.50	11.50	11.50	11.50	0.00
Dept. of Agriculture	99.04	99.09	97.26	95.93	(3.16)
Dept. of Corr. & Human Services	2,077.22	2,042.46	1,882.05	1,872.05	(170.41)
Dept. of Commerce	324.31	325.81	335.81	336.81	11.00
Dept. of Labor and Industry	639.00	639.00	644.00	644.00	5.00
State Mutual Insurance Fund	218.90	217.90	221.25	224.25	6.35
Dept. of Military Affairs	99.75	99.75	99.40	98.65	(1.10)
Dept. of Social & Rehab. Serv.	906.90	909.15	944.45	988.45	79.30
Dept. of Family Services	599.60	583.60	606.90	574.68	(8.92)
Total FTE	11,174.32	11,143.41	10,974.04	10,986.47	(156.94)

*Excludes FTE added through budget amendments, legislative contract authority, or other operational changes

**Excludes University System

***As approved by the legislature through the July special session. The FTE shown for FY92 and FY93 current level in Budget Analysis may vary in some cases due to current level adjustments

****Excludes liquor store employees

At a January 6 meeting, the House Appropriations and Senate Finance and Claims committees jointly approved motions that:

1) eliminated in the 1995 biennium budget all FTE identified by agencies in response to section 13 of the current House Bill 2, which requires agencies to submit 1995 biennium budget requests with FTE reductions equal to 5 percent of fiscal 1993 appropriations (prior

to the July 1992 special session budget reductions). Section 13 and the joint committee action exempted some agencies from this reduction, as shown in Table 12.

2) eliminated in the 1995 biennium all FTE that were vacant as of the pay period ending December 12, 1992. The joint committee motion exempted some agencies, as shown below.

Table 12 shows that of 822.04 FTE eliminated as a result of these motions, 460.83 FTE were eliminated due to the 5 percent motion and an additional 361.21 FTE due to vacancies. To date, the legislature has voted to restore 572.54 of these FTE, resulting in a net reduction of 249.50 FTE due to these motions.

While DCHS was exempted from these joint committee motions, the legislature eliminated a net 170.41 FTE from the level authorized by the last legislature (as amended during the special sessions) as a result of its decisions to close Galen, cap the population at the prison, and change the function of the Swan River Forest Camp.

As Table 11 shows, in fiscal 1995 House Bill 2 includes funding for 487.28 fewer FTE in the current level than were authorized for the 1993 biennium by the 1991 legislature (as amended during the special sessions). However, 330.34 FTE were funded in budget modifications, resulting in a net FTE reduction of 156.94 FTE. Tables in the accompanying narratives show the number of FTE funded through budget modifications in each agency.

Table 11 Changes in FTE Authorized in House Bill 2 Compared to FY93		
	<u>FY94</u>	<u>FY95</u>
Current level	(477.23)	(487.28)
Budget modifications	<u>307.86</u>	<u>330.34</u>
Net reduction	(169.37)	(156.94)

Table 12
Legislative Action Regarding Positions Removed by Joint
Committee Action, January 6, 1993

	Removed by 5% Reduction	Committee Action Removed by Being Vacant	----- Total FTE Removed	FTE Restored by Legislature	Net FTE Removed
General Government and Transportation					
Legislative Auditor	4.00	0.00	4.00		4.00
Legislative Fiscal Analyst	Exempt	0.00	0.00		0.00
Consumer Counsel	Exempt	0.00	0.00		0.00
Legislative Council	4.20	0.00	4.20		4.20
Environmental Quality Council	Exempt	0.00	0.00		0.00
Governor's Office	3.25	8.00	11.25	8.00	3.25
Commissioner of Political Practices	Exempt	0.00	0.00		0.00
Judiciary	Exempt	0.00	0.00		0.00
Secretary of State	1.95	0.00	1.95	1.00	0.95
Justice	32.50	20.25	52.75	26.75	26.00
Board of Crime Control	Exempt	1.00	1.00	1.00	0.00
Highway Traffic Safety	Exempt	0.00	0.00		0.00
Revenue	34.90	37.70	72.60	64.09	8.51
Transportation	136.25	110.28	246.53	174.66	71.87
State Auditor	3.33	4.00	7.33	5.33	2.00
Military Affairs	4.50	2.00	6.50	2.00	4.50
Administration	15.38	7.50	22.88	3.50	19.38
State Compensation Mutual Ins. Fund	Exempt	10.25	10.25	7.00	3.25
Public Employees' Retirement Board	Exempt	1.00	1.00	1.00	0.00
Teachers' Retirement Board	Exempt	1.00	1.00	1.00	0.00
SUBTOTAL	240.26	202.98	443.24	295.33	147.91
Human Services					
Labor and Industry	32.25	9.00	41.25	39.25	2.00
Social and Rehabilitation Services	49.32	21.25	70.57	44.87	25.70
Health and Environmental Sciences	20.09	12.75	32.84	29.09	3.75
Department of Family Services	29.85	21.75	51.60	51.60	0.00
SUBTOTAL	131.51	64.75	196.26	164.81	31.45
Natural Resources and Commerce					
Agriculture	4.00	7.70	11.70	6.62	5.08
Fish, Wildlife, and Parks	20.41	32.54	52.95	48.26	4.69
Livestock	4.00	1.00	5.00	5.00	0.00
Natural Resources and Conservation	12.78	6.00	18.78	3.00	15.78
State Lands	14.84	21.72	36.56	24.17	12.39
Public Service Regulation	3.00	2.00	5.00	2.50	2.50
Commerce	16.00	10.45	26.45	7.95	18.50
SUBTOTAL	75.03	81.41	156.44	97.50	58.94
Institutions and Cultural Education					
Corrections and Human Services	Exempt	Exempt	Exempt		
Montana Library Commission	1.74	0.50	2.24	1.24	1.00
Montana Arts Council	Exempt	0.00	0.00		0.00
Montana Historical Society	2.59	1.25	3.84	3.84	0.00
SUBTOTAL	4.33	1.75	6.08	5.08	1.00
Education					
Commissioner of Higher Education	0.00 *	5.80	5.80	5.80	0.00
University System	Exempt	Exempt	0.00		0.00
Vocational-Technical Centers	Exempt	Exempt	0.00		0.00
Agricultural Experiment Station	Exempt	Exempt	0.00		0.00
Cooperative Extension Service	Exempt	Exempt	0.00		0.00
Forestry Experiment Station	Exempt	Exempt	0.00		0.00
Bureau of Mines	Exempt	Exempt	0.00		0.00
Fire Services Training School	Exempt	Exempt	0.00		0.00
Advisory Council for Vocational Education	Exempt	0.00	0.00		0.00
Board of Public Education	Exempt	0.00	0.00		0.00
Office of Public Instruction	6.00	3.90	9.90	3.40	6.50
School for the Deaf and Blind	3.70	0.62	4.32	0.62	3.70
SUBTOTAL	9.70	10.32	20.02	9.82	10.20
TOTAL	460.83	361.21	822.04	572.54	249.50

*The legislature eliminated \$88,270 in funding but no FTE to reflect the 5% personal services reduction.

OFFICE OF THE LEGISLATIVE FISCAL ANALYST

Senate Floor Action on House Bill 2 – 1995 Biennium

Senate Floor Action Complete

EXHIBIT 3
DATE 4/16/93
HB 2

Section/Agency	FTE		General Fund	Other Funds	Total Funds
	FY1994	FY1995			
SECTION A					
Legislative Council					
\$125,000 general fund reappropriated			0	0	0
Fiscal 1993			0	0	0
Justice					
Eliminate gambling fees for Motor Vehicles Division	(16.25)	(16.25)	0	(825,626)	(825,626)
Workers compensation investigation unit	5.00	4.00	0	459,600	459,600
TOTAL	(11.25)	(12.25)	0	(366,026)	(366,026)
SECTION B					
Health & Environmental Sciences					
Additional family planning authority				5,591	5,591
Social & Rehabilitation Services					
Montana legal services funding switch			200,000	(200,000)	0
Increase AFDC poverty level			1,310,390	3,456,590	4,766,980
Authorize funds for traumatic brain injury			0	0	0
TOTAL	0.00	0.00	1,510,390	3,262,181	4,772,571
SECTION C					
Public Service Regulation					
House Bill 413 funding switch			(4,346,917)	4,346,917	0
Fish, Wildlife and Parks					
Restore fish/wildlife biologist position	0.40	0.40		34,073	34,073
Commerce					
Board of Realty regulations				29,400	29,400
Elimination of funding increase in Board of Nursing	(3.00)	(3.00)		(302,450)	(302,450)
Restore part of international trade program	4.00	4.00	287,122	510,000	797,122
TOTAL	1.40	1.40	(4,059,795)	4,617,940	558,145
SECTION D					
Corrections & Human Services					
Senior employees salary increase			195,426	0	195,426
TOTAL	0.00	0.00	195,426	0	195,426
SECTION E					
Commissioner of Higher Education					
Veterinary slots in WICHIE			92,000	0	92,000
Reauthorize minority achievement program	2.00	2.00	175,648	0	175,648
School for the Deaf & Blind					
Removal of direct care vacancy savings			171,137	35,191	206,328
TOTAL	2.00	2.00	438,785	35,191	473,976
TOTAL COMMITTEE ACTION					
	(7.85)	(8.85)	(1,915,194)	7,549,286	5,634,092

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OFFICE OF THE LEGISLATIVE FISCAL ANALYST

Senate Finance & Claims Action on House Bill 2 - 1995 Biennium

Senate Finance & Claims Action Complete

EXHIBIT 3
DATE 4/16/93
HB 2

Section/Agency	FTE		General Fund	Other Funds	Total Funds
	FY1994	FY1995			
SECTION A					
Legislative Auditor					
Operations reduction			(87,491)		(87,491)
Eliminate SSR PSRE & contingency				99,389	99,389
Legislative Fiscal Analyst					
Eliminate PSRE & contingency			65,001		65,001
Legislative Council					
Eliminate statewide issues, NCSL, 5-state conference			(112,015)		(112,015)
Eliminate PSRE & contingency			113,744	32,604	146,348
Environmental Quality Council					
Eliminate PSRE & contingency			20,761	322	21,083
Consumer Counsel					
Eliminate PSRE & contingency				22,232	22,232
Judiciary					
Reduce PSRE from 5% to 2%			63,795	19,480	83,275
Governor's Office					
Restore Mental Disabilities funding			0		0
Increase personal services reduction efficiencies			0		0
Secretary of State					
HB549 funding change			(1,723,028)	1,723,028	0
SB146 & SB46 implementation			(6,400)	182,503	176,103
Technical correction			1,184	36,005	37,189
Commissioner of Political Practices					
State Auditor					
Restore State Auditor "to target"			197,972	11,859	209,831
Transfer payroll program to D of A	(5.50)	(5.50)	(375,054)	(467,764)	(842,818)
Crime Control Division					
Youth detention 5 year grant admin. modification	1.00	1.00		98,107	98,107
Highway Traffic Safety					
Justice					
Restore 0.75 FTE attorney	0.75	0.75	48,000		48,000
Restore 2.00 FTE in Gambling Control Division	2.00	2.00		109,117	109,117
MCSAP program expansion	1.50	1.50		72,799	72,799
Transportation					
Scenic By-Ways modification	2.00	2.00		235,572	235,572
Grant pass-through authority				282,526	282,526
Revenue					
Administration					
Transfer of payroll program from State Auditor	5.50	5.50	375,054	467,764	842,818
Electronic bulletin board	0.50	0.50		84,882	84,882
Energy savings from DNRC projects				(5,525)	(5,525)
Reduce personal services contingencies			(303,419)		(303,419)
HB428 implementation				39,200	39,200
State Fund					
Public Employee's Retirement Board					
Disability claims examiner	1.00	1.00		73,592	73,592
Teacher's Retirement Board					
Medical examinations				2,400	2,400
Military Affairs					
HB404 implementation				10,000	10,000
TOTAL	8.75	8.75	(1,721,896)	3,130,092	1,408,196

SECTION B				
Health & Environmental Sciences				
Eliminate X-ray inspection modification	(2.00)	(2.00)		(248,507)
Reinstate ESRD			250,000	250,000
Labor & Industry				
Discretionary grant - Health industries				696,046
Discretionary grant - ASARCO/Troy				683,663
Transfer MCIS to Commissioner of Higher Ed.	(2.00)	(2.00)		(194,838)
SB163 implementation				171,640
Social & Rehabilitation Services				
Legal services contract				200,000
TOTAL	(4.00)	(4.00)	250,000	1,308,004

SECTION C				
Public Service Regulation				
Restore .50 FTE secretary but no funding	0.50	0.50	0	0
Fish, Wildlife and Parks				
Restore Legislative Contract Authority				7,925,500
Restore 3.90 FTE with federal funds	3.90	3.90		244,528
HB338 implementation - game farms	1.00	1.00		90,000
State Lands				
Decrease vehicle replacement modification			(9,334)	(4,666)
Bring Powell Co. into state/county fire coop. program			9,334	4,666
Natural Resources & Conservation				
CARD - CERCLA funds for water reservations				45,000
Agriculture				
Funding switch contingent on HB193			(621,660)	621,660
SB334 implementation - pesticide recycling				453,490
Restore Agricultural Statistics Bulletin			11,274	11,274
Commerce				
HB82 implementation - Bd. of Outfitters Exec. Sec.	1.00	1.00		148,500
SB45 implementation - Mortician & crematory laws				4,000
SB111 implementation - Create property mgn. license				27,400
Add Board of Nursing Staff	3.00	3.00		302,450
Eliminate international trade program	(4.00)	(4.00)	(327,342)	(766,440)
TOTAL	5.40	5.40	(937,728)	9,096,088

SECTION D				
Montana Arts Council				45,990
Library Commission				850,000
Corrections & Human Services				
Housing at Galen				120,914
HB617 implementation - Industries program				178,524
Veterans' community services				(639,079)
Reduce correction medical			(200,000)	(200,000)
TOTAL	0.00	0.00	(200,000)	556,349

SECTION E				
Office of Public Instruction				
METNET *				400,000
Eliminate teacher certification modification				(95,280)
Commissioner of Higher Education				
Elimination of RERS requirement	(0.50)	(0.50)	(87,150)	(87,150)
Additional MCIS funding				105,036
Transfer of MCIS from Dept. of Labor	2.00	2.00		195,063
Vocational-Technical System				
Six University Units				
Agricultural Experiment Station				
Additional project funding			198,600	198,600
TOTAL	1.50	1.50	111,450	604,819

TOTAL COMMITTEE ACTION	11.65	11.65	(2,498,174)	14,695,352	12,197,176
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* These funds are appropriated from SEA and will impact general fund.

04/08/93

**GENERAL GOVERNMENT AND TRANSPORTATION
GENERAL FUND EXPENDITURE TARGETS
1995 BIENNium**

Agy. #	Agency	(A) --TARGET-- Current Level Fiscal 1992-93	(B) LFA Current Level Fiscal 1994-95	(C) -Difference- LFA CL/Target (B - A)	(D) Legislative Action To Date	(E) Over(Under) Target (D - A)	(F) Contingent G/F Impact	(G) E + F	(H) Over(Under) LFA C/L (D - B)
1101	LEGISLATIVE AUDITOR	\$2,405,934	\$2,598,280	\$192,346	\$2,597,882	191,948		191,948	(\$398)
1102	LEGISLATIVE FISCAL ANALYST	1,677,561	1,730,163	52,602	1,676,938	(623)		(623)	(\$53,225)
1104	LEGISLATIVE COUNCIL	3,807,150	4,948,118	1,140,968	4,134,135	326,985		326,985	(\$813,983)
1111	ENVIRONMENTAL QUALITY COUNCIL	557,134	599,665	42,531	557,134	0		0	(\$42,531)
2110	JUDICIARY	16,463,815	18,046,448	1,582,633	16,614,374	150,559		150,559	(\$1,432,074)
3101	GOVERNOR'S OFFICE	4,673,865	5,048,068	374,203	4,353,952	(319,913)		(319,913)	(\$694,116)
3201	SECRETARY OF STATE	1,875,831	1,865,520	0	122,426	(1,753,405)		(1,753,405)	(\$1,743,094)
3202	COMM. OF POLITICAL PRACTICES	278,961	251,177	0	246,971	(31,990)		(31,990)	(\$4,206)
3401	STATE AUDITOR'S OFFICE	4,204,118	4,285,698	81,580	3,844,213	(359,905)		(359,905)	(\$441,485)
4107	CRIME CONTROL DIVISION	931,387	948,664	17,277	926,245	(5,142)		(5,142)	(\$22,419)
4108	HIGHWAY TRAFFIC SAFETY	366,160	420,000	53,840	363,213	(2,947)		(2,947)	(\$56,787)
4110	DEPARTMENT OF JUSTICE	22,084,408	26,894,613	4,810,205	23,170,391	1,085,983	693,561 (1)	1,779,544	(\$3,724,222)
5401	DEPARTMENT OF TRANSPORTATION	612,894	461,669	0	163,579	(449,315)		(449,315)	(\$298,110)
5801	DEPARTMENT OF REVENUE	38,818,690	43,420,054	4,601,364	40,967,840	2,149,150	(2)	2,149,150	(\$2,452,214)
6101	DEPARTMENT OF ADMINISTRATION	6,452,040	7,020,738	568,698	7,765,499	1,313,459		1,313,459	\$744,761
6701	DEPARTMENT OF MILITARY AFFAIRS	4,114,086	4,321,645	207,559	4,003,651	(110,435)		(110,435)	(\$317,994)
	SUPPLEMENTALS/OTHER ADJ.	(182,210)	0	52,610	0	182,210		182,210	\$0
	Totals	\$109,141,824	\$122,860,540	\$13,778,416	\$111,508,443	\$2,366,619	\$693,561	\$3,060,180	(\$11,352,097)
		Subcommittee Target Budget			Senate Action	Target Reductions			

(1) SB 382 would provide coal tax funds for the Eastern Drug Enforcement Task Unit. Contingency language in House Bill 2 would restore general fund if SB 382 fails.
(2) REVENUE LOSS - Subcommittee action eliminated 2.16 FTE mail clerks. The department estimates a general fund revenue loss from this action of \$400,000.

DATE 4/1/93
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**HUMAN SERVICES SUBCOMMITTEE
GENERAL FUND EXPENDITURE TARGETS
1995 BIENNium**

Agy. #	(A) -- Target -- Current Level Fiscal 1992 - 93	(B) LFA Current Level Fiscal 1994 - 95	(C) - Difference - LFA C/L Dollar Cut	(D) Legislative Action To Date	(E) Over(Under) Target (D - A)	(F) Contingent General Fund Impact	(G) Revenue Increases	(H) E + F + G
5301 Health & Environmental Sciences	\$6,618,761	\$6,616,383	(\$2,378)	\$6,411,971	(\$206,790)			(\$206,790)
6602 Labor and Industry	1,453,872	1,396,969	(56,903)	1,599,973	146,101			146,101
6901 Social & Rehabilitation Services House Bill 309 House Bill 333 House Bill 427 Senate Bill 40	210,723,024	260,595,985	49,872,961	246,391,434	35,668,410	(42,515) 2,529,477 (200,000) (353,477)	(2,457,174)	35,144,721
6911 Family Services	64,421,526	75,439,238	11,017,712	70,142,009	5,720,483			5,720,483
REVISIONS TO TARGET								
HOUSE APPROPRIATIONS ADDITIONAL SUPPLEMENTAL APPROPRIATIONS	35,831,817 (5,038,036)		(35,831,817) 5,038,036		(35,831,817) 5,038,036			(35,831,817) 5,038,036
Totals	\$314,010,964 Subcommittee Target Budget	\$344,048,575	\$30,037,611	\$324,545,387 Committee Action	\$10,534,423 Difference	\$1,933,485	(\$2,457,174)	\$10,010,734

The LFA General Fund Status Sheet reflects column D less column B (Legislative action less LFA): **(\$19,503,188)**

NATURAL RESOURCES AND COMMERCE SUBCOMMITTEE

GENERAL FUND EXPENDITURE TARGETS

1995 BIENNIUM

Agency #	(A) -- Target -- Current Level Fiscal 1992-93	(B) LFA Current Level Fiscal 1994-95	(C) - Difference - LFA C/L Dollar Cut	(D) Legislative Action To Date	(E) Over(Under) Target (D-A)	(F) Contingent GF Impact	(G) E + F
Agency/Contingency Bill							
4201 Public Service Regulation HB413 (if fails) *	\$4,107,342	\$4,345,112	\$237,770	\$0	(\$4,107,342)	4,346,917	\$239,575
5201 Fish, Wildlife, & Parks	778,023	846,110	68,087	774,068	(3,955)		(3,955)
5501 State Lands	17,830,506	18,700,093	869,587	16,765,581	(1,064,925)		(1,064,925)
5603 Livestock	1,334,708	1,148,509	0	900,158	(434,550)		(434,550)
5706 Natural Resources & Conservation	8,687,976	10,375,645	1,687,669	6,685,766	(2,002,210)		(2,002,210)
6201 Agriculture House Bill 193 (if fails) **	2,124,606	1,942,467	0	993,697	(1,130,909)	621,660	(509,249)
6501 Commerce EEO Contract (Non-renewal)	5,129,278	5,441,618	312,340	3,074,908	(2,054,370)	3,976	(2,050,394)
Unallocated * Additional GF Supplemental (DSL)	(368,439) (67,440)	0 0	368,439 67,440		368,439 67,440		368,439 67,440
Totals	\$39,556,560 Committee Target Budget	\$42,799,554	\$3,611,332	\$29,194,178 Committee Action	\$10,362,382 Difference	\$4,972,553	\$5,389,829

The LFA General Fund Status Sheet reflects column D less column B (Legislative action less LFA): **(\$13,605,376)**

* If House Bill 413 passes, general fund revenue will be reduced \$4,346,917.

** If House Bill 193 passes, general fund revenue will be reduced \$510,636.

EXHIBIT 3
DATE 4/16/93
HB TARGET
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1995 BIENNium

The LFA General Fund Status Sheet reflects column B (Legislative action less LFA):	(\$11,537,811)
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**EDUCATION & CULTURAL RESOURCES
GENERAL FUND EXPENDITURE TARGETS
1995 BIENNIIUM**

Agg. # Agency/Contingency Bill	(A) --Target-- Current Level Fiscal 1992-93	(B) LFA Current Level Fiscal 1994-95	(C) Difference - LFA C/L Dollar Cnt	(D) Legislative Action To Date	(E) Over(Under) Target (D-A)	(F) Contingent GF Impact	(G) E + F
3501 O.P.I.	\$91,094,589	\$90,428,764	(\$665,825)	\$92,355,951	\$1,261,362		\$1,261,362
5101 Board of Public Education	209,980	229,268	19,288	214,068	4,088		\$4,088
5113 M.S.D.B.	5,504,347	5,626,423	122,076	4,990,286	(514,061)		(\$514,061)
3599 Vo Tech Centers	16,699,921	15,139,016	(1,560,905)	16,155,744	(544,177)		(\$544,177)
5102 Commissioner of Higher Education House Bill 5	21,164,483	22,954,628	1,790,143	21,378,777	214,294	932,390	\$214,294 \$932,390
5199 Six University Units*	182,793,300	186,263,048	3,469,748	163,908,875	(18,886,625)		(\$18,886,625)
5109 Agricultural Experiment Station	15,170,668	15,869,754	699,086	14,490,727	(679,939)		(\$679,939)
5110 Cooperative Extension Service	5,847,494	5,555,127	(292,367)	5,575,016	(272,478)		(\$272,478)
5111 Forest/Conservation Exp Station	1,416,555	1,398,825	(17,730)	1,405,544	(11,011)		(\$11,011)
5112 Bureau of Mines	2,613,671	2,705,109	91,438	2,594,904	(18,767)		(\$18,767)
5119 Fire Services Training School	479,688	496,661	16,973	482,319	2,631		\$2,631
Additional Target	(20,328,073)		20,328,073		20,328,073		\$20,328,073
Supplemental Appropriations	(407,814)		407,814		407,814		\$407,814
Totals	\$322,258,807 Subcommittee Target Budget	\$346,688,621	\$24,407,814	\$323,550,011 Committee Action	\$1,291,204 Difference	\$932,390	\$2,223,594

The LFA General Fund Status Sheet reflects column D less column B: (\$23,116,610)

*LFA current level does not reflect an additional \$382,573 at the Montana College of Mineral Science and Technology, which was not included due to a system omission. Inclusion of this amount results in a total subcommittee reduction to date of: (23,499,183)

04/08/93

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EXHIBIT 3
DATE 4/16/93
HB 2

Office of Legislative Fiscal Analyst

General Fund Appropriation Summary By Agency

Run Date and Time : 04/08/93 01:42 PM

Current Level Only	Executive Budget		Legislative Action		Legislature Ovr(Und)		Executive Budget		Legislative Action		Legislature Ovr(Un)		Legislature Ovr(Un)	
	Fiscal 1994	Fiscal 1994	Fiscal 1994	Fiscal 1994	Fiscal 1994	Fiscal 1994	Fiscal 1995	Fiscal 1995	Fiscal 1995	Fiscal 1995	Fiscal 1995	Fiscal 1995	Fiscal 1995	95 Biennium
General Government & Highways														
1101 Legislative Auditor	1,307,219	1,307,219	1,306,821		(398)		1,291,061		1,291,061					(398)
1102 Legislative Fiscal Analyst	866,403	866,403	825,376		(41,027)		863,760		863,760				(12,198)	(53,225)
1104 Legislative Council	2,654,033	2,654,033	1,987,659		(666,374)		2,294,085		2,294,085				(147,609)	(813,983)
1109 Legislature-Senate														
1110 Legislature-House														
1111 Environmental Quality Council	299,164	299,164	277,908		(21,256)		300,501		300,501				(21,275)	(42,531)
2110 Judiciary	8,912,856	8,927,539	8,296,054		(631,485)		9,058,493		9,118,909				(800,589)	(1,432,074)
3101 Governors Office	2,474,033	2,535,392	2,186,834		(348,558)		2,458,958		2,512,676				(345,558)	(694,116)
3201 Secretary Of States Office	932,612	928,346	51,664		(876,682)		980,554		937,174				(868,912)	(1,745,594)
3202 Commissioner Of Political Prac	130,769	127,202	124,935		(2,267)		128,720		123,975				(1,939)	(4,206)
3401 State Auditors Office	2,140,424	2,168,349	1,934,100		(234,249)		2,016,997		2,117,349				(207,236)	(441,485)
4107 Crime Control Division	475,970	472,162	460,968		(11,194)		478,901		476,502				(11,225)	(22,419)
4108 Highway Traffic Safety	210,000	210,000	181,609		(28,391)		210,000		210,000				(28,396)	(56,787)
4110 Department Of Justice	13,255,906	13,463,695	11,169,233		(2,294,462)		13,050,209		13,430,918				(3,419,138)	(5,713,600)
5401 Department Of Transportation	36,070	230,878	31,731		(199,147)		36,157		230,811				(198,963)	(398,110)
5801 Department Of Revenue	21,036,401	21,759,005	20,466,877		(1,292,128)		20,938,743		21,661,049				(1,295,086)	(2,587,214)
6101 Department Of Administration	3,507,650	3,527,264	3,961,064		433,800		3,487,019		3,493,474				310,961	744,761
6701 Adjutant General	2,177,430	2,158,344	1,999,561		(158,783)		2,191,161		2,163,301				(162,185)	(320,968)
Totals	60,416,940	61,634,995	55,262,394		(6,372,601)		59,785,319		61,225,545				(7,209,348)	(13,581,949)
Percent of Total General Fund	12.17%	12.12%	11.95%		13.83%		11.85%		11.82%				14.09%	13.97%

Office of Legislative Fiscal Analyst
 General Fund Appropriation Summary By Agency
 Run Date and Time: 04/08/93 01:42 PM

Current Level Only	Executive Budget	LFA Current Level	Legislative Action	Legislature Ovr(Und)	Executive Budget	LFA Current Level	Legislative Action	Legislature Ovr(Un)	Legislature Ovr(Un)
	Fiscal 1994	Fiscal 1994	Fiscal 1994	Fiscal 1994	Fiscal 1995	Fiscal 1995	Fiscal 1995	Fiscal 1995	95 Biennium
Human Services									
5301 Dept Health & Environ Sciences	3,048,388	3,282,665	2,622,762	(659,903)	3,035,848	3,333,718	2,610,029	(723,689)	(1,383,592)
6602 Labor & Industry	1,098,801	712,925	724,773	11,848	1,070,365	684,044	696,742	12,698	24,546
6901 Dept Social & Rehab Services	121,857,734	124,513,490	114,454,890	(10,058,600)	133,107,760	136,082,495	127,417,174	(8,665,321)	(18,723,921)
6911 Department Of Family Services	36,401,141	37,059,517	31,209,966	(5,849,551)	37,487,305	38,379,721	30,632,932	(7,746,789)	(13,596,340)
Totals	162,406,064	165,568,597	149,012,391	(16,556,206)	174,701,278	178,479,978	161,356,877	(17,123,101)	(33,679,307)
Percent of Total General Fund	32.72%	32.56%	32.23%	35.93%	34.63%	34.45%	34.56%	33.47%	34.64%

Office of Legislative Fiscal Analyst
General Fund Appropriation Summary By Agency
 Run Date and Time : 04/08/93 01:42 PM

Current Level Only	Executive Budget Fiscal 1994		LFA Current Level Fiscal 1994		Legislative Action Fiscal 1994		Legislature Ovr(Und) LFA Fiscal 1994		Executive Budget Fiscal 1995		LFA Current Level Fiscal 1995		Legislative Action Fiscal 1995		Legislature Ovr(Un) LFA Fiscal 1995		Legislature Ovr(Un) LFA 95 Biennium	
Natural Resources																		
4201 Public Service Regulation	2,115,740	2,181,463	2,181,463	2,181,463	384,517	2,089,022	(2,181,463)	2,089,022	2,089,022	2,163,649	2,163,649	2,163,649	389,551	2,163,649	(2,163,649)	(2,163,649)	(4,345,112)	(4,345,112)
5201 Dept Of Fish, Wildlife & Parks	421,235	423,055	423,055	423,055	8,326,669	414,544	(38,538)	414,544	414,544	423,055	423,055	423,055	8,328,762	(33,504)	(33,504)	(72,042)	(72,042)	(72,042)
5501 Department Of State Lands	9,005,405	9,366,447	9,366,447	9,366,447	423,819	9,052,330	(1,039,778)	9,052,330	9,052,330	9,333,646	9,333,646	9,333,646	415,349	(1,004,884)	(1,004,884)	(2,044,662)	(2,044,662)	(2,044,662)
5603 Department Of Livestock	737,574	571,650	571,650	571,650	3,327,206	751,659	(147,831)	751,659	751,659	576,859	576,859	576,859	3,338,970	(161,510)	(161,510)	(309,341)	(309,341)	(309,341)
5706 Dept Nat Resource/Conservation	3,790,561	5,202,795	5,202,795	5,202,795	530,874	3,819,543	(1,875,589)	3,819,543	3,819,543	5,172,850	5,172,850	5,172,850	459,235	(1,833,880)	(1,833,880)	(3,709,469)	(3,709,469)	(3,709,469)
6201 Department Of Agriculture	1,081,913	991,105	991,105	991,105	1,501,814	1,030,987	(460,231)	1,030,987	1,030,987	951,362	951,362	951,362	1,503,370	(492,127)	(492,127)	(952,358)	(952,358)	(952,358)
6501 Department Of Commerce	2,792,081	2,714,344	2,714,344	2,714,344	14,494,899	2,796,135	(1,212,530)	2,796,135	2,796,135	2,727,274	2,727,274	2,727,274	14,415,237	(6,913,458)	(6,913,458)	(13,869,418)	(13,869,418)	(13,869,418)
Totals	19,944,509	21,450,859	21,450,859	21,450,859	3,13%	19,954,220	(6,955,960)	19,954,220	19,954,220	21,348,695	21,348,695	21,348,695	3,09%	(6,913,458)	(6,913,458)	(13,869,418)	(13,869,418)	(13,869,418)
Percent of Total General Fund	4.02%	4.22%	4.22%	4.22%	3.13%	3.96%	15.10%	3.96%	3.96%	4.12%	4.12%	4.12%	3.09%	13.51%	13.51%	14.26%	14.26%	14.26%

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Institutions & Cultural Education									
5114 Montana Arts Council	144,548	132,922	129,472	(3,450)	141,087	129,952	124,526	(5,426)	(8,876)
5115 Library Commission	1,238,760	1,262,970	1,295,082	32,112	1,038,837	1,065,295	1,025,022	(40,273)	(8,161)
5117 Historical Society	1,373,240	1,405,047	1,358,431	(46,616)	1,350,219	1,385,741	1,339,230	(46,511)	(93,127)
6401 Dept. Corrections & Human Ser	78,852,452	81,504,471	75,800,440	(5,704,031)	80,602,471	83,197,295	76,696,232	(6,501,063)	(12,205,094)
Totals	81,609,000	84,305,410	78,583,425	(5,721,985)	83,132,614	85,778,283	79,185,010	(6,593,273)	(12,315,258)
Percent of Total General Fund	16.44%	16.58%	17.00%	12.42%	16.48%	16.56%	16.96%	12.89%	12.67%

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	Fiscal 1994	Fiscal 1994	Fiscal 1994	Fiscal 1994	Fiscal 1994	Fiscal 1994	Fiscal 1994	Fiscal 1994	Fiscal 1994	Fiscal 1994	Fiscal 1994	Fiscal 1994	Fiscal 1994	Fiscal 1994	Fiscal 1995	Fiscal 1995	95 Biennium	
Education																		
3501 Office Of Public Instruction	52,865,945	47,078,407	49,341,944	2,263,537	47,890,584	43,350,357	42,533,423	(816,934)	1,446,603									
3511 Billings Vo Tech	1,236,752	1,160,487	1,214,510	54,023	1,184,120	1,140,355	1,194,378	54,023	108,046									
3512 Butte Vo Tech	1,471,662	1,132,188	1,271,869	139,681	1,447,184	1,103,478	1,243,160	139,682	279,363									
3513 Great Falls Vo Tech	1,532,038	1,447,084	1,698,658	251,574	1,500,782	1,424,227	1,675,801	251,574	503,148									
3514 Helena Vo Tech	2,002,734	1,896,332	1,922,930	26,598	1,975,127	1,870,850	1,897,449	26,599	53,197									
3515 Missoula Vo Tech	2,109,839	1,993,618	2,030,105	36,487	2,081,920	1,970,397	2,006,884	36,487	72,974									
5101 Board Of Public Education	117,855	115,601	108,100	(7,501)	115,731	113,667	105,968	(7,699)	(15,200)									
5102 Commissioner Of Higher Ed	11,144,574	11,524,860	10,727,548	(797,312)	11,027,335	11,429,765	10,475,581	(954,184)	(1,751,496)									
5103 University Of Montana	23,531,892	29,526,530	25,305,945	(4,220,585)	23,665,705	29,562,756	25,342,171	(4,220,585)	(8,441,170)									
5104 Montana State University	32,902,842	35,407,705	30,985,467	(4,422,238)	33,020,985	35,497,474	31,075,236	(4,422,238)	(8,844,476)									
5105 Mont College Of Min Sc & Tech	8,740,472	9,449,261	8,516,676	(932,585)	8,732,398	9,056,191	8,507,278	(548,913)	(1,481,498)									
5106 Eastern Montana College	10,903,843	10,699,997	9,679,183	(1,020,814)	10,911,803	10,688,888	9,668,074	(1,020,814)	(2,041,628)									
5107 Northern Montana College	5,716,306	5,949,753	5,452,942	(496,811)	5,690,294	5,922,078	5,425,267	(496,811)	(993,622)									
5108 Western Montana College	3,051,975	3,615,048	3,282,955	(332,093)	3,027,657	3,592,477	3,260,385	(332,092)	(664,185)									
5109 Agricultural Exper Station	7,935,807	7,917,607	7,226,947	(690,660)	7,970,583	7,952,147	7,263,780	(688,367)	(1,379,027)									
5110 Cooperative Extension Service	2,809,745	2,776,333	2,786,119	9,786	2,812,612	2,778,794	2,788,897	10,103	19,889									
5111 Forestry & Cons Exper Station	747,363	698,643	702,762	4,119	749,241	700,182	702,782	2,600	6,719									
5113 School For The Deaf & Blind	2,845,515	2,828,728	2,501,854	(326,874)	2,810,193	2,797,695	2,470,432	(327,263)	(654,137)									
5119 Fire Services Training School	259,841	259,375	251,466	(7,909)	269,883	237,286	230,853	(6,433)	(14,342)									
Totals	171,927,000	175,477,557	165,007,980	(10,469,577)	166,884,137	171,189,064	157,867,799	(13,321,265)	(23,790,842)									
Percent of Total General Fund	34.64%	34.51%	35.69%	22.72%	33.08%	33.05%	33.81%	26.04%	24.47%									

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	Fiscal 1994	Fiscal 1994	Fiscal 1994	Fiscal 1994	Fiscal 1994	Fiscal 1994	Fiscal 1995	Fiscal 1995	Fiscal 1995	Fiscal 1995	Fiscal 1995	Fiscal 1995	Fiscal 1995	Fiscal 1995	Fiscal 1995	95 Biennium
Summary																
General Government & Highways	60,416,940	61,634,995	55,262,394	(6,372,601)	59,785,319	61,225,545	54,016,197	(7,209,348)	(13,581,949)							
Human Services	162,406,064	165,568,597	149,012,391	(16,556,206)	174,701,278	178,479,978	161,356,877	(17,123,101)	(33,679,307)							
Natural Resources	19,944,509	21,450,859	14,494,899	(6,955,960)	19,954,220	21,348,695	14,435,237	(6,913,458)	(13,869,418)							
Institutions & Cultural Education	81,609,000	84,305,410	78,583,425	(5,721,985)	83,132,614	85,778,283	79,185,010	(6,593,273)	(12,315,258)							
Education	171,927,000	175,477,557	165,007,980	(10,469,577)	166,884,137	171,189,064	157,867,799	(13,321,265)	(23,790,842)							
All Committees	496,303,513	508,437,418	462,361,089	(46,076,329)	504,457,568	518,021,565	466,861,120	(51,160,445)	(97,236,774)							

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General Government & Highway									
1101 Legislative Auditor									
1102 Legislative Fiscal Analyst									
1104 Legislative Council	54,668				78,808				
1109 Legislature-Senate									
1110 Legislature-House									
1111 Environmental Quality Council									
2110 Judiciary									
3101 Governors Office	219,400				119,400				
3201 Secretary Of States Office	32,500		2,500	2,500	32,500				2,500
3202 Commissioner Of Political Prac									
3401 State Auditors Office	7,378				11,241				
4107 Crime Control Division									
4108 Highway Traffic Safety									
4110 Department Of Justice	(6,086,742)		1,034,720	1,034,720	(6,367,825)		954,658	954,658	1,989,378
5401 Department Of Transportation	100,000		100,000	100,000					100,000
5801 Department Of Revenue	780,971		45,000	45,000	828,366		90,000	90,000	135,000
6101 Department Of Administration	147,400				34,947				
6701 Adjutant General	161,103		2,974	2,974	51,157				2,974
Totals	(4,583,322)		1,185,194	1,185,194	(5,211,406)		1,044,658	1,044,658	2,229,852
Percent of Total General Fund	87.94%	NA	10.66%	10.66%	73.68%	NA	14.92%	14.92%	12.30%

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Human Services									
5301 Dept Health & Environ Sciences			589,590	589,590			589,590	589,590	1,179,180
6602 Labor & Industry	90,412		90,412	90,412	88,046		88,046	88,046	178,458
6901 Dept Social & Rehab Services	(2,464,350)		1,908,052	1,908,052	(2,529,981)		2,611,318	2,611,318	4,519,370
6911 Department Of Family Services	1,565,102		6,285,510	6,285,510	1,509,407		2,013,601	2,013,601	8,299,111
Totals	(808,836)		8,873,564	8,873,564	(932,528)		5,302,555	5,302,555	14,176,112
Percent of Total General Fund	15.52%	NA	79.81%	79.81%	13.18%	NA	75.71%	75.71%	78.23%

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	Fiscal 1994	Fiscal 1994	Fiscal 1994	Fiscal 1994	Fiscal 1994	Fiscal 1994	Fiscal 1994	Fiscal 1994	Fiscal 1995	Fiscal 1995	Fiscal 1995	Fiscal 1995	Fiscal 1995	Fiscal 1995	Fiscal 1995	Fiscal 1995	95 Biennium	
Natural Resources																		
4201 Public Service Regulation	302,880								2,880									
5201 Dept Of Fish, Wildlife & Parks	294,083								303,459									
5501 Department Of State Lands	244,705	66,705	30,478	66,705	30,478	19,590	1,794	35,821	221,445	43,445	30,512	1,794	33,903	109,654	43,445	30,512	110,150	
5603 Department Of Livestock	30,478	30,478	19,590	30,478	19,590	1,794	35,821		30,512	30,512							60,990	
5706 Dept Nat Resource/Conservation	19,590	19,590	1,794	19,590	1,794				60,667	1,794					1,794		19,590	
6201 Department Of Agriculture	60,667	1,794	35,821	1,794	35,821				(345,513)	33,903					33,903		3,588	
6501 Department Of Commerce	(340,610)																69,724	
Totals	611,793	154,388	154,388	154,388	154,388	1.39%	1.39%	NA	273,450	109,654	109,654	1.57%	1.57%	109,654	109,654	1.57%	264,042	
Percent of Total General Fund	-11.74%								-3.87%								1.46%	

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Institutions & Cultural Education									
5114 Montana Arts Council									
5115 Library Commission	63,426				53,434				
5117 Historical Society	7,534,571		382,269	382,269	11,795,001		395,178	395,178	777,447
6401 Dept. Corrections & Human Ser									
Totals	7,597,997		382,269	382,269	11,848,435		395,178	395,178	777,447
Percent of Total General Fund	-145.78%	NA	3.44%	3.44%	-167.52%	NA	5.64%	5.64%	4.29%

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Education									
3501 Office Of Public Instruction	406,411		434,911	434,911	45,673		45,673	45,673	480,584
3511 Billings Vo Tech									
3512 Butte Vo Tech									
3513 Great Falls Vo Tech									
3514 Helena Vo Tech									
3515 Missoula Vo Tech									
5101 Board Of Public Education									
5102 Commissioner Of Higher Ed	(10,137,800)		87,824	87,824	(14,798,200)		87,824	87,824	175,648
5103 University Of Montana	1,638,258				1,638,258				
5104 Montana State University	102,894				102,894				
5105 Mont College Of Min Sc & Tech	167,431				167,431				
5106 Eastern Montana College									
5107 Northern Montana College	84,656				84,656				
5108 Western Montana College	114,460				114,460				
5109 Agricultural Exper Station									
5110 Cooperative Extension Service									
5111 Forestry & Cons Exper Station									
5113 School For The Deaf & Blind									
5119 Fire Services Training School	(405,997)				(405,997)				
Totals	(8,029,687)	NA	\$22,735	\$22,735	(13,050,825)	NA	151,497	151,497	674,232
Percent of Total General Fund	154.06%	NA	4.70%	4.70%	184.52%	NA	2.16%	2.16%	3.72%

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Summary									
General Government & Highways	(4,583,322)	1,185,194	1,185,194	8,873,564	(5,211,406)	1,044,658	1,044,658	1,044,658	2,229,852
Human Services	(808,836)	8,873,564	8,873,564	8,873,564	(932,528)	5,302,555	5,302,555	5,302,555	14,176,119
Natural Resources	611,793	154,388	154,388	154,388	273,450	109,654	109,654	109,654	264,042
Institutions & Cultural Education	7,597,997	382,269	382,269	382,269	11,848,435	395,178	395,178	395,178	777,447
Education	(8,029,687)	522,735	522,735	522,735	(13,050,825)	151,497	151,497	151,497	674,232
All Committees	(5,212,055)	11,118,150	11,118,150	11,118,150	(7,072,874)	7,003,542	7,003,542	7,003,542	18,121,692

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General Government & Highways

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	Budget	Level	Action	Ovr(Und)	Budget	Level	Action	Ov(Un)	Ov(Un)
	Fiscal 1994	Fiscal 1994	Fiscal 1994	Fiscal 1994	Fiscal 1995	Fiscal 1995	Fiscal 1995	Fiscal 1995	95 Biennium
HUMAN SERVICES									
5301 Dept Health & Environ Sciences	3,048,388	3,282,665	3,212,352	(70,313)	3,035,848	3,333,718	3,199,619	(134,099)	(204,412)
6602 Labor & Industry	1,189,213	712,925	815,185	102,260	1,158,411	684,044	784,788	100,744	203,004
6901 Dept Social & Rehab Services	119,393,384	124,513,490	116,362,942	(8,150,548)	130,577,779	136,082,495	130,028,492	(6,054,003)	(14,204,551)
6911 Department Of Family Services	37,966,243	37,059,517	37,495,476	435,959	38,996,712	38,379,721	32,646,533	(5,733,188)	(5,297,229)
Totals	161,597,228	165,568,597	157,885,955	(7,682,642)	173,768,750	178,479,978	166,659,432	(11,820,546)	(19,503,188)
Percent of Total General Fund	32.91%	32.56%	33.35%	21.98%	34.94%	34.45%	35.17%	26.77%	24.65%

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	Budget Fiscal 1994	Level Fiscal 1994	Action Fiscal 1994	Ovr(Und) LFA Fiscal 1994	Budget Fiscal 1995	Level Fiscal 1995	Action Fiscal 1995	Ov(Un) LFA Fiscal 1995	Ov(Un) LFA 95 Biennium
Natural Resources									
4201 Public Service Regulation	2,418,620	2,181,463		(2,181,463)	2,091,902	2,163,649		(2,163,649)	(4,345,112)
5201 Dept Of Fish, Wildlife & Parks	715,318	423,055	384,517	(38,538)	718,003	423,055	389,551	(33,504)	(72,042)
5501 Department Of State Lands	9,250,110	9,366,447	8,393,374	(973,073)	9,273,775	9,333,646	8,372,207	(961,439)	(1,934,512)
5603 Department Of Livestock	768,052	571,650	454,297	(117,353)	782,171	576,859	445,861	(130,998)	(248,351)
5706 Dept Nat Resource/Conservation	3,810,151	5,202,795	3,346,796	(1,855,999)	3,819,543	5,172,850	3,338,970	(1,833,880)	(3,689,879)
6201 Department Of Agriculture	1,142,580	991,105	532,668	(458,437)	1,091,654	951,362	461,029	(490,333)	(948,770)
6501 Department Of Commerce	2,451,471	2,714,344	1,537,635	(1,176,709)	2,450,622	2,727,274	1,537,273	(1,190,001)	(2,366,710)
Totals	20,556,302	21,450,859	14,649,287	(6,801,572)	20,227,670	21,348,695	14,544,891	(6,803,804)	(13,605,376)
Percent of Total General Fund	4.19%	4.22%	3.09%	19.46%	4.07%	4.12%	3.07%	15.41%	17.20%

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Institutions & Cultural Education

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	Fiscal 1994	Fiscal 1994	Fiscal 1994	Fiscal 1994	Fiscal 1994	Fiscal 1994	Fiscal 1994	Fiscal 1994	Fiscal 1995	Fiscal 1995	Fiscal 1995	Fiscal 1995	Fiscal 1995	Fiscal 1995	Fiscal 1995	Fiscal 1995	95 Biennium	
Education																		
3501 Office Of Public Instruction	53,272,356	47,078,407	49,776,855	2,698,448	47,936,257	43,350,357	42,579,096	(771,261)	1,927,187									
3511 Billings Vo Tech	1,236,752	1,160,487	1,214,510	54,023	1,184,120	1,140,355	1,194,378	54,023	108,046									
3512 Butte Vo Tech	1,471,662	1,132,188	1,271,869	139,681	1,447,184	1,103,478	1,243,160	139,682	279,363									
3513 Great Falls Vo Tech	1,532,038	1,447,084	1,698,658	251,574	1,500,782	1,424,227	1,675,801	251,574	503,148									
3514 Helena Vo Tech	2,002,734	1,896,332	1,922,930	26,598	1,975,127	1,870,850	1,897,449	26,599	53,197									
3515 Missoula Vo Tech	2,109,839	1,993,618	2,030,105	36,487	2,081,920	1,970,397	2,006,884	36,487	72,974									
5101 Board Of Public Education	117,855	115,601	108,100	(7,501)	115,731	113,667	105,968	(7,699)	(15,200)									
5102 Commissioner Of Higher Ed	1,006,774	11,524,860	10,815,372	(709,488)	(3,770,865)	11,429,765	10,563,405	(866,360)	(1,575,848)									
5103 University Of Montana	25,170,150	29,526,530	25,305,945	(4,220,585)	25,303,963	29,562,756	25,342,171	(4,220,585)	(8,441,170)									
5104 Montana State University	33,005,736	35,407,705	30,985,467	(4,422,238)	33,123,879	35,497,474	31,075,236	(4,422,238)	(8,844,476)									
5105 Mont College Of Min Sc & Tech	8,907,903	9,449,261	8,516,676	(932,585)	8,899,829	9,056,191	8,507,278	(548,913)	(1,481,498)									
5106 Eastern Montana College	10,903,843	10,699,997	9,679,183	(1,020,814)	10,911,803	10,688,888	9,668,074	(1,020,814)	(2,041,628)									
5107 Northern Montana College	5,800,962	5,949,753	5,452,942	(496,811)	5,774,950	5,922,078	5,425,267	(496,811)	(993,622)									
5108 Western Montana College	3,166,435	3,615,048	3,282,955	(332,093)	3,142,117	3,592,477	3,260,385	(332,092)	(664,185)									
5109 Agricultural Exper Station	7,935,807	7,917,607	7,226,947	(690,660)	7,970,583	7,952,147	7,263,780	(688,367)	(1,379,027)									
5110 Cooperative Extension Service	2,809,745	2,776,333	2,786,119	9,786	2,812,612	2,778,794	2,788,897	10,103	19,889									
5111 Forestry & Cons Exper Station	747,363	698,643	702,762	4,119	749,241	700,182	702,782	2,600	6,719									
5113 School For The Deaf & Blind	2,439,518	2,828,728	2,501,854	(326,874)	2,404,196	2,797,695	2,488,432	(309,263)	(636,137)									
5119 Fire Services Training School	259,841	259,375	251,466	(7,909)	269,883	237,286	230,853	(6,433)	(14,342)									
Totals	163,897,313	175,477,557	165,530,715	(9,946,842)	153,833,312	171,189,064	158,019,296	(13,169,768)	(23,116,610)									
Percent of Total General Fund	33.37%	34.51%	34.96%	28.45%	30.94%	33.05%	33.35%	29.82%	29.22%									

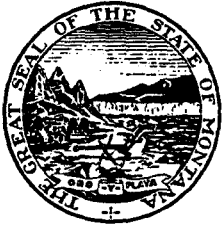
Office of Legislative Fiscal Analyst

General Fund Appropriation Summary By Agency

Run Date and Time : 04/08/93 02:06 PM

Current & Modified Levels	Executive Budget	LFA Total Level	Legislative Action	Legislature Ovr(Und) LFA	Executive Budget	LFA Total Level	Legislative Action	Legislature Ovr(Un) LFA	Legislature Ovr(Un) LFA
	Fiscal 1994	Fiscal 1994	Fiscal 1994	Fiscal 1994	Fiscal 1995	Fiscal 1995	Fiscal 1995	Fiscal 1995	95 Biennium
Summary									
General Government & Highways	55,833,618	61,634,995	56,447,588	(5,187,407)	54,573,913	61,225,545	55,060,855	(6,164,690)	(11,352,097)
Human Services	161,597,228	165,568,597	157,885,955	(7,682,642)	173,768,750	178,479,978	166,659,432	(11,820,546)	(19,503,188)
Natural Resources	20,556,302	21,450,859	14,649,287	(6,801,572)	20,227,670	21,348,695	14,544,891	(6,803,804)	(13,605,376)
Institutions & Cultural Education	89,206,997	84,305,410	78,965,694	(5,339,716)	94,981,049	85,778,283	79,580,188	(6,198,095)	(11,537,811)
Education	163,897,313	175,477,557	165,530,715	(9,946,842)	153,833,312	171,189,064	158,019,296	(13,169,768)	(23,116,610)
All Committees	491,091,458	508,437,418	473,479,239	(34,958,179)	497,384,694	518,021,565	473,864,662	(44,156,903)	(79,115,082)

EXHIBIT _____
DATE 4/14/93
HB 2-3



TERESA OLCOTT COHEA
LEGISLATIVE FISCAL ANALYST

STATE OF MONTANA
Office of the Legislative Fiscal Analyst
STATE CAPITOL
HELENA, MONTANA 59620
406/444-2986

EXHIBIT 4
DATE 4/16/93
HB 2

April 12, 1993

TO: Legislative Leadership

FROM: Terry W. Johnson *TWJ*
Principal Fiscal Analyst

RE: Recommended Revenue Estimate Revisions

On January 5, 1993 the Revenue Oversight Committee adopted major economic assumptions for the 1995 biennium and the associated revenue estimates for fiscal years 1993, 1994, and 1995. These assumptions and corresponding revenue estimates were formally adopted when House Joint Resolution 3 (HJR3) was introduced on January 15.

Since this time, I have been monitoring revenue collections and other pertinent data on a regular basis. Monthly accounting reports through March 31 indicate revenue growth slightly stronger than anticipated under HJR3. This trend is supported by the following actual data, which is now available.

- * Three quarters of fiscal 1993 withholding data;
- * Three quarters of calendar 1992 oil severance tax price and production data;
- * Calendar 1992 coal severance tax price and production data;
- * Calendar 1992 non-farm wage and salary jobs data;
- * Three quarters of non-farm wage and salary income data;
- * Calendar 1992 U.S. consumer price index data; and
- * Wharton Econometrics March 1993 Short-Term Forecast.

Based on the above data, I am recommending the revenue estimate revisions as shown in Table 1. Since time constraints did not allow me to analyze all general fund and school equalization account (SEA) revenue sources, my emphasis was on the ten largest general fund sources and the seven largest SEA sources. For fiscal 1993, the revenue estimates for these sources account for over 90 percent of the total amount estimated.

Table 1 summarizes the recommended revisions by revenue source for the general fund and SEA. As shown in the table, the recommended revisions are \$10.4 million in fiscal 1993, \$5.7 million in fiscal 1994, and \$3.2 million in fiscal 1995. The total revision for the three year period is \$19.3 million or a 0.72 percent increase above HJR3 revenue estimates. These revisions amount to 1.12, 0.67, and 0.36 percent change from the original estimates contained in HJR3 for fiscal 1993, 1994, and 1995, respectively.

With the end of the legislative session rapidly approaching, I felt it was important to provide leadership with an update on current revenue trends and revenue estimates for the 1995 biennium. Please let me know if I can be of further assistance.

TJ3F:lt:ll4-12.mem

EXHIBIT 4
DATE 4/16/93
HB 2

Table 1
Recommended Revenue Estimate Revisions
Figures In Millions

EXHIBIT 4
DATE 4/16/93
HR 2 Revision 2 Revision 2
Fiscal 1995 Total

	HJR 3 Fiscal 1993	Revision Fiscal 1993	Revision Fiscal 1994	Revision Fiscal 1995	Revision Total
<u>General Fund Sources Reviewed</u>					
Individual Income Tax	\$221.018	\$3.561	\$3.151	\$3.254	\$9.966
Corporation Income Tax	42.897	2.209	2.451	0.800	5.460
Long Range Bond Excess	48.121	0.874	0.883	0.614	2.371
Coal Trust Income	39.608	3.549			3.549
Insurance Premiums Tax	22.648	0.636	0.628	0.662	1.926
Oil Severance Tax	16.815				
Interest on Investments	16.475	(3.378)	(2.320)	(2.367)	(8.065)
Coal Severance Tax	14.260	(0.607)	(0.223)	(0.210)	(1.040)
Video Gaming Net Income Tax	11.019	(0.408)	(0.371)	(0.400)	(1.179)
Institutions Reimbursements	15.893				
Total GF Reviewed	\$448.754	\$6.436	\$4.199	\$2.353	\$12.988
Total General Fund	\$527.151	\$527.151	\$468.642	\$484.094	\$1,479.887
<u>School Equalization Sources Reviewed</u>					
Individual Income Tax	\$100.303	\$1.616	\$1.684	\$1.739	\$5.039
Corporation Income Tax	19.320	1.032	1.145	0.374	2.551
Coal Trust Income	6.990	0.626			0.626
Coal Severance Tax	4.713	(0.202)	(0.165)	(0.156)	(0.523)
Statewide Property Tax	202.019				
Interest & Income	39.847	1.995			1.995
US Mineral Leasing	22.040	(1.148)	(1.115)	(1.120)	(3.383)
Total SEA Reviewed	\$395.232	\$3.919	\$1.549	\$0.837	\$6.305
Total School Equalization	\$400.684	\$400.684	\$391.637	\$400.698	\$1,193.019
Total GF & SEA Reviewed	\$843.986	\$10.355	\$5.748	\$3.190	\$19.293
Total GF & SEA	\$927.835	\$927.835	\$860.279	\$884.792	\$2,672.906
Total Percent Change		1.12%	0.67%	0.36%	0.72%

Approximate General Fund Balance Status

04/16/93

9:00 AM

LFA Ending Cash Balance (4/12 Status) (\$24.449)

TRANS Revenue Adjustment \$4.000

Net Cash Balance (\$20.449)

Recent Legislative Action:

HB 667 Senate Amendments \$39.849

HB 198 Senate Amendments \$1.400

HB 591 Senate Tax Amendments \$2.000

Current Cash Balance (\$63.698)

	<u>House</u>	<u>Senate</u>	<u>Difference</u>
HB 2 General Fund	951,757,269	947,343,901	(4,413,368)

* Ignores MSDB teacher cost, which is unfunded due to amendment conflict.

EXHIBIT
DATE 4/16/93
HB 5

HOUSE OF REPRESENTATIVES

APPROPRIATIONS

COMMITTEE

ROLL CALL VOTE

DATE 4/16/93 BILL NO. SB 402 NUMBER MOTION: Rep. Kadas moved SB 402 off the Table

Motion failed 5 - 12

NAME	AYE	NO
REP. ED GRADY, V, CHAIR		X
REP. FRANCIS BARDANOUVE		X
REP. ERNEST BERGSAGER		X
REP. JOHN COBB		
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 WANTZENREID		X
REP. BILL WISEMAN		X
REP. TOM ZOOK, CHAIR		X
	5	12

HOUSE OF REPRESENTATIVES
VISITOR REGISTER

Appropriation COMMITTEE BILL NO. _____
DATE 4/16/93 SPONSOR(S) _____

PLEASE PRINT

PLEASE PRINT

PLEASE PRINT

NAME AND ADDRESS	REPRESENTING	SUPPORT	OPPOSE
Steve Schumacher Box 121 Malta, MT			

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