

MINUTES

MONTANA SENATE AND MONTANA HOUSE 53rd LEGISLATURE - SPECIAL SESSION

JOINT COMMITTEES OF SENATE FINANCE & CLAIMS AND HOUSE APPROPRIATIONS

Call to Order: By Senator Jacobson, Chair, on November 17, 1993,
at 12:35 p.m., Room 325.

ROLL CALL

Senate Members Present:

Sen. Judy Jacobson, Chair (D)
Sen. Eve Franklin, Vice Chair (D)
Sen. Gary Aklestad (R)
Sen. Tom Beck (R)
Sen. Don Bianchi (D)
Sen. Chris Christiaens (D)
Sen. Gerry Devlin (R)
Sen. Gary Forrester (D)
Sen. Ethel Harding (R)
Sen. Bob Hockett (D)
Sen. Greg Jergeson (D)
Sen. J.D. Lynch (D)
Sen. Chuck Swysgood (R)
Sen. Daryl Toews (R)
Sen. Larry Tveit (R)
Sen. Eleanor Vaughn (D)
Sen. Mignon Waterman (D)
Sen. Cecil Weeding (D)

Members Excused: Senator Fritz, Senator Keating

House Members Present:

Rep. Tom Zook, Chair (R)
Rep. Ed Grady, Vice-Chair (R)
Rep. Francis Bardanouve (D)
Rep. Ernest Bergsagel (R)
Rep. John Cobb (R)
Rep. Roger DeBruycker (R)
Rep. John Johnson (D)
Rep. Royal Johnson (R)
Rep. Mike Kadas (D)
Rep. Betty Lou Kasten (R)
Rep. William "Red" Menahan (D)
Rep. Linda Nelson (D)
Rep. Ray Peck (D)
Rep. Mary Lou Peterson (R)
Rep. Joe Quilici (D)
Rep. Dave Wanzenried (D)
Rep. Bill Wiseman (R)

Members Excused: Rep. Fisher

Staff Present: Clayton Schenck, Legislative Fiscal Analyst
Lynn Staley, Committee Secretary

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

Senator Judy Jacobson called to order the joint meeting of the Senate Finance and Claims Committee and House Appropriations Committee. Prior to the convening of the joint meeting, there was a presentation by Clayton Schenck, LFA, on the Budget Analysis-Special Session, November 1993. Terry Johnson, LFA, presented information relative to the Governor's Tax Relief Proposal. Dave Lewis, Budget Office, presented Governor Racicot's Property Tax Relief Proposal.

Senator Jacobson directed the committee's attention to the sheet relative to global issues (Exhibit 1). She said the first item discussed would be the state fund cost allocation plan (SFCAP) relative to charging back costs to different agencies. She noted there are three options available (Exhibit 1, item 1).

Senator Jacobson said in her opinion the best option is to assign it to general government as it deals more in that committee than others. They then could advise House Appropriations how to proceed.

Motion: Rep. Menahan moved to accept option 1 of item 1 (Exhibit 1).

Vote: Rep. Menahan's motion CARRIED UNANIMOUSLY.

Senator Jacobson said the second issue deals with implementing proposals which will require implementation of complementary legislation. (Item 2, Exhibit 1).

Senator Jacobson said her opinion is that option 2 would be the best way to deal with that. She noted there was agreement by the finance committee's management members that when the sheets come out, a bill will have had to pass a standing committee and not just a subcommittee in order to be shown on the sheet. Option 2 would be in line with that thinking.

Motion: Senator Swysgood moved to accept option 2 of item 2 (Exhibit 1).

Vote: Senator Swysgood's motion CARRIED UNANIMOUSLY.

Senator Jacobson said the next issue deals with pay plan appropriations for positions funded in HB 2 that were made in HB 198. She said the question is if that should cause an adjustment in pay plan allocations and at what stage.

Senator Jacobson said it was her opinion and that of Mr. Schenck that that could be best dealt with in the conference committee at the end of the special session when an entire budget is before the legislature.

Rep. Menahan asked for an estimate of the figures.

Senator Jacobson said at this time there are only 100 FTE recommended, although she is not aware if the subcommittees will go further than that. At this time, it is a negligible amount.

Senator Aklestad said in the past the subcommittees have been aware of the fiscal impact on their individual budgets. He felt they should have the ability to look at those figures and not have it left entirely to the free conference committee.

Senator Jacobson felt the issue is more at what point in the process the adjustment is made in HB 2. There is some concern they will have to continue working with the pay plan as each subcommittee works. This would allow discussion in subcommittee with the total adjustment being made at the end when final figures will be available, the result being the LFA will not continually have to change the pay plan figures during the special session.

Rep. Kadas said he was unclear what was being discussed relative to the pay plan bill.

Mr. Schenck said it is addressing the pay plan issue and rather than having subcommittees doing different things, the question is if the subcommittee should deal with the pay plan issue or if it should be dealt with at all in terms of adjusting it or if it should be dealt with globally at some time later in the process.

Rep. Kadas said since it deals with the pay plan which is a minimal amount of money, it should be dealt with in the conference committee.

Rep. Royal Johnson indicated his agreement with Senator Aklestad on the issue. When the issue comes to the floor, the decision can be made.

Senator Jacobson said the pay plan is not being dealt with on the floor. HB 2 is dealt with on the floor. This is simply an adjustment to the pay plan which was in HB 198. HB 2 will have the adjustments. The increase in the pay plan is minimal in the second half of the second year of the biennium.

Motion: Rep. Kadas moved that the conference committee deal with the pay plan issue.

Vote: Rep. Kadas' motion CARRIED.

Senator Jacobson said the next issue deals with the budgeting

system and each FTE being individually budgeted. (See item 4, Exhibit 1).

Senator Jacobson stated her support for option 1 to allow the use of the calculations. If a position is identified by number, the salary and benefit level can be quickly identified.

Motion: Senator Waterman moved to accept option 1, item 4 (Exhibit 1).

Vote: Senator Waterman's motion CARRIED UNANIMOUSLY.

Senator Jacobson discussed item 5 (Exhibit 1) relative to discussion of subcommittee action for consideration by the House Appropriations Committee. She noted that Speaker Mercer would like to use option 2, production of a gray bill rather than subcommittee summary sheets.

Motion: Senator Swysgood moved to accept option 2, item 5 (Exhibit 1).

Vote: Senator Swysgood's motion CARRIED UNANIMOUSLY.

Senator Jacobson said the next item (item 6) deals with technical amendments. She felt in the interest of time, House Appropriations Committee could deal with option 1 and bring before the committee one technical amendment to pull out contingency language.

Motion: Rep. Bardanouve moved to accept option 1, item 6 (Exhibit 1)

Vote: Rep. Bardanouve's motion CARRIED UNANIMOUSLY.

Rep. Bardanouve questioned if HB 2 would be subject to review by the House Appropriations Committee and open for amendments to any part of the bill.

Senator Jacobson said as far as Senate Finance and Claims Committee, it would be open. Rep. Zook said it will also be open in House Appropriations Committee.

Senator Jacobson said item 7 (Exhibit 1) would be skipped in the interest of time.

Senator Jacobson discussed item 8 (Exhibit 1), relative to the issue of amendments to other appropriations bills being made.

Senator Aklestad said he would be reluctant to putting it all in HB 2.

Senator Jacobson said the issue is connecting all cat and dog bills into one bill since it is flowing through the same committee. She added that she is not talking about technical

amendments or amendments to bills costing money.

Relative to a question from Rep. Bergsagel, Mr. Schenck said there was an effort made in the July 1992 special session to consolidate those bills that are in the executive budget balancers. Many involve fund transfers. He noted there was agreement between the Budget Office and the LFA several weeks ago to do this, and they now want the opinion of the joint appropriations committees.

Rep. Kadas said if there is an appropriation attached to a cat and dog bill, it should stay with the cat and dog bill. If there needs to be a change in HB 2 because of the passage of a bill, it would be done in sections A through F, and not at the end of section F. He questioned why another section should be added to the bill.

Jane Hamman, Budget Office, said if we are amending a cat and dog bill that stood alone from the last session, there are two separate bills in the executive budget that are recommended to be added to HB 2 at the end for amendment by the special session. They are HB 5, the cash appropriations only; and HB 145, the cash appropriations for the health authority. The introduced version of HB 2, after A through E, would add another section as Section F in long range building to amend HB 5 and a third section to amend HB 145. That is all that would become a part of HB 2.

Rep. Kadas questioned what section HB 145 deals with and if that change could be done by the human service subcommittee in Section B.

Ms. Hamman said it is not appropriated in HB 2. There is no reason the subcommittee can't review it and make a recommendation, but the recommendation would be in section 3 or section 4 of HB 2 instead of section B.

Rep. Kadas said if it does not require a statutory change and can be done in HB 2, the particular subcommittee should deal with it.

Ms. Hamman said they agree with that.

Rep. Bardanouve said in his opinion if it is a separate bill, it should live or die on its own.

Senator Jacobson said that cat and dog bills being introduced right now are not those being discussed, but cat and dog bills from the last session that are being amended in the special session. There doesn't seem to be a good place for them except at the end of HB 2.

Senator Aklestad questioned that we should establish a precedence of rolling amendments into a bill that might not have a subject directly involved in that bill.

Motion: Senator Aklestad moved that option 2, item 8 (Exhibit 1) be accepted which includes only HB 2 amendments in HB 2.

Senator Jacobson asked where Senator Aklestad would suggest the amendments be put as there is no bill.

Senator Aklestad said while he was not sure of the answer, he would suggest that the subcommittees dealing with them pursue that issue.

Rep. Bergsagel said it is his understanding there is not a vehicle to address HB 5 or the health care authority unless this is rolled into HB 2.

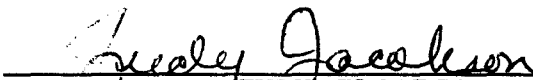
Senator Jacobson said that is correct. She is not suggesting it be rolled in, but that it be added to the end of HB 2. The issues will stand alone and be printed alone.

Substitute Motion: Rep. Bergsagel made a substitute motion to accept option 1, item 8 (Exhibit 1).

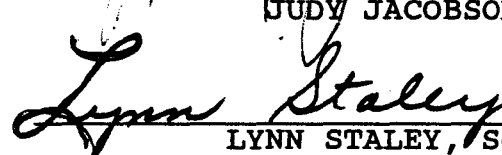
Vote: Rep. Bergsagel's substitute motion CARRIED.

ADJOURNMENT

Adjournment: 1:10 p.m.



JUDY JACOBSON, Chair



LYNN STALEY, Secretary

JJ/LS

ROLL CALL

SENATE COMMITTEE FINANCE & CLAIMS

DATE 11/17/93

NAME	PRESENT	ABSENT	EXCUSED
SENATOR JACOBSON	✓		
SENATOR FRANKLIN	✓		
SENATOR AKLESTAD	✓		
SENATOR BECK	✓		
SENATOR BIANCHI	✓		
SENATOR CHRISTIAENS	✓		
SENATOR DEVLIN	✓		
SENATOR FORRESTER	✓		
SENATOR FRITZ			✓
SENATOR HARDING	✓		
SENATOR HOCKETT	✓		
SENATOR JERGESON	✓		
SENATOR KEATING			✓
SENATOR LYNCH	✓		
SENATOR SWYSGOOD	✓		
SENATOR TOEWS	✓		
SENATOR TVEIT	✓		
SENATOR VAUGHN	✓		
SENATOR WATERMAN	✓		
SENATOR WEEDING	✓		

Attach to each day's minutes

ROLL CALL

HOUSE

~~SENATE~~ COMMITTEE APPROPRIATIONS

DATE 11/17/93

NAME	PRESENT	ABSENT	EXCUSED
REP. ZOOK	✓		
REP. GRADY	✓		
REP. BARDANOUVE	✓		
REP. BERGSAGEL	✓		
REP. COBB	✓		
REP. DE BRUYCKER	✓		
REP. FISHER			✓
REP. JOHN JOHNSON	✓		
REP. ROYAL JOHNSON	✓		
REP. KADAS	✓		
REP. KASTEN	✓		
REP. MENAHAN	✓		
REP. NELSON	✓		
REP. PECK	✓		
REP. PETERSON	✓		
REP. QUILICI	✓		
REP. WANZENRIED	✓		
REP. WISEMAN	✓		

Attach to each day's minutes

November 17, 1993

Exhibit 1
12-17-93

To: Members of the Senate Finance and Claims and House Appropriations Committees

From: Clayton Schenck *Clay Schenck*
Legislative Fiscal Analyst

Subject: Global Issues

Several appropriations issues impact each appropriations subcommittee. The purpose of this worksheet is to summarize these issues and provide options for consideration by the Senate Finance and Claims and House Appropriations committees (the joint committee) in order to ensure consistency of action.

1. Fixed Cost Adjustments

The Executive Budget includes several adjustments to fixed costs that impact most or all state agencies, including: 1) a change in capitol complex rent charges; 2) a decrease in computer charges; and 3) establishment of a state fund cost allocation plan (SFCAP).

Issue: How will decisions regarding approval or rejection of these adjustments be made in order to ensure consistency of application to all agencies?

Option 1: Assign all fixed cost issues to the General Government (computer charges and SFCAP) or Natural Resources and Conservation (rent) subcommittees for recommendation to the House Appropriations Committee (HAC).

Option 2: Approve or reject the fixed cost issues within the joint committee.

Option 3: Defer action, present to House Appropriations Committee.

2. Proposals Requiring Legislation

Implementation of some proposals will require implementation of complementary legislation.

Issue: How will changes in House Bill 2 that are dependent upon the passage of other bills be made?

Option 1: Subcommittees make recommendations regarding the proposal. Build all changes requiring legislation into the House Bill 2 line-items, and include contingency language striking the change if the legislation does not pass.

Option 2: Do not include the changes requiring legislation in HB 2 line items, but include contingency language enacting the change if the legislation does pass.

Option 3: Make no recommendations or adjustments to HB 2 until required legislation passes.

Two issues arise from the potential elimination of FTE positions as a result of legislative action: pay plan adjustments and quantification of FTE reductions.

3. Pay Plan Adjustments

Pay plan appropriations for positions funded in House Bill 2 were made in House Bill 198. Allocations of these appropriations among agencies and programs was made by the Office of Budget and Program Planning (OBPP) in agency operational plans. Adjustment of total pay plan appropriations when adjustments in FTE are made would require amendment of House Bill 198.

Issue: Should the elimination or addition of FTE cause an adjustment in pay plan allocations? At what stage in the legislative process should it be addressed?

4. Quantification of FTE Reductions

Within the budgeting system, each FTE is individually budgeted by using two factors: 1) actual budgeted salary, and 2) related benefits. Benefits are calculated through the use of formulae. Adjustment of funding due to addition or elimination of specific FTE requires a methodology for determining what level of funding will be adjusted.

Issue: How should adjustments to each budget be calculated when FTE are added or eliminated?

Option 1: Specify the actual FTE, and allow the budgeting system to calculate the total reduction in funding for that specific FTE.

Option 2: Specify an estimated level of funding to be reduced or added.

5. Use of Preliminary Appropriations Bill by HAC

HAC action produces the second reading copy of the general appropriations bill (House Bill 2) for consideration by the House Committee of the Whole. Consequently, no formal bill exists that incorporates subcommittee recommendations for consideration by House Appropriations Committee. House Appropriations Committee has two options for discussion of subcommittee recommendations:

1) use of subcommittee summary sheets; or

2) production of a "gray" bill. The gray bill is configured like a formal bill, with line numbers and line items. This configuration allows standard bill amendments. In order to produce a gray bill, the subcommittees must complete their recommendation by the end of the week of November 19.

Issue: Does the House Appropriations Committee wish to have a "gray" bill available for use and consideration when reviewing subcommittee recommendations?

6. Technical Amendments

House Bill 2 includes several items, such as contingency language items from the 1993 regular session, that are either no longer necessary or require correction. Elimination or correction is accomplished through the use of amendments which are purely technical in nature.

Issue: How and by whom will all necessary technical amendments be considered?

Option 1: Construct one all-encompassing technical amendment for presentation to and consideration by House Appropriations Committee.

Option 2: Assign consideration of relevant technical amendments to each subcommittee for recommendation to House Appropriations Committee.

7. Large Program Adjustments and "Budget Balancing Reductions"

With a few exceptions, each agency's appropriated general fund was reduced by 0.5 percent by the 1993 legislature. This reduction was appropriated in a "budget balancing reduction" line item.

Issue: Should adjustments be made to the "budget balancing reduction" line item when large reductions are made to programs?

8. Location of Amendments

While House Bill 2 is the general appropriations act, there are several other appropriations bill (cat and dog bills) that may require amendment.

Issue: Where should amendments to other appropriations bill be made?

Option 1: Include amendments to all appropriations adjustments in HB 2.

Option 2: Include only HB 2 amendments in HB 2.

DATE 11/17/93~~SENATE~~ COMMITTEE ONFinance. Claims
House Appropriations

BILLS BEING HEARD TODAY: _____

Name	Representing	Bill No.	Check One Support Oppose
Bob Anderson	MSBA		
Judy Albright	HOUSE MINORITY		
Jeff Weldon	S. D. 27		
Brad Martin	MT. Debra Party		
Nancy LaGrand	DBPP		
Cornie L. Gifford	DO of Admin		
LOIS MENZIES	DOF A		
Dave Ashley	D of Admin		
PATRICK A. CHENOVICK	JUDICIARY		
Gloria HERMANSON	MT Cultural Advocacy		
Dellie Schlesinger	MT CULTURAL ADV		
Quiana McBeale	HD #56		
Dennis M. Taylor	JUSTICE		
Janice May	Justice		
Paula C. Bulkfield	Bozeman Public Schools		
Emily Swanson	HD 79		

VISITOR REGISTER

PLEASE LEAVE PREPARED STATEMENT WITH COMMITTEE SECRETARY

