

MINUTES

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

COMMITTEE ON APPROPRIATIONS

Call to Order: By **CHAIRMAN TOM ZOOK**, on November 29, 1993, at
1:30 p.m.

ROLL CALL

Members Present:

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

Members Excused: None

Members Absent: None

Staff Present: Clayton Schenck, Legislative Fiscal Analyst
Cathy Kelley, Committee Secretary

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

Committee Business Summary:

Hearing: HB 1
HB 7
HB 11
HB 13
HB 14
HB 19

Executive Action: HB 1 Do Pass
 HB 11 Do Pass
 HB 13 Do Not Pass
 HB 14 (not final)

HEARING ON HOUSE BILL 1

Opening Statement by Sponsor:

REP. HARRIET HAYNE, House District 10, Dupuyer, opened for sponsor CHAIRMAN TOM ZOOK, House District 25, Miles City, and explained that this bill appropriated money for the operation of the first special session of the 53rd legislature.

Informational Testimony:

Bob Person, Executive Director, Legislative Council, explained that he was asked to budget for salaries for the House and Senate for eighteen legislative days. Mr. Person explained various areas that were budgeted for, including salaries, meetings in August and November, Legislative Council, legislative publications, printing and distribution, information office, Legislative Fiscal Analyst, etc. EXHIBIT 1

Proponents' Testimony:

None

Opponents' Testimony:

None

Questions From Committee Members and Responses:

None

Closing by Sponsor: CHAIRMAN ZOOK closed.

HEARING ON HOUSE BILL 7

Opening Statement by Sponsor: REP ED GRADY, House District 47, Canyon Creek, took the chair while sponsor, CHAIRMAN TOM ZOOK, explained that this bill deals with the term "current level." He believes that the way the term is used in present state government budgeting is confusing, not only to the public, but also to many legislators. He doesn't believe it presents a true picture of the state budget. Some bureaucrats and some legislators use the term in a political way and that adds to the confusion.

Rather than including fixed costs and inflation in the "current level," they can be added by subcommittees if they are justified in subcommittees. Everyone would know how much and why. Last session this committee voted for a number of cuts. Most of them were real. Some were reductions in increases. The general public doesn't always realize which is which. If someone were asked what their "current level" of mortgage payment or monthly paycheck was, they would not say that it's what they expect to receive during the next two years. It's a term that needs to be changed.

Proponents' Testimony:

Dave Lewis, Director, Office of Budget and Program Planning, said that he supported this bill last time it was heard in committee. He believes that part of the public's lack of faith in government is generated by the way we build our budgets and the way we talk about budgets. Last session's budget compromise basically involved reductions from the current level spending of roughly \$99 million. The legislature did a tremendous job of accomplishing that, but the end result was that we appropriated slightly more than the agencies had to spend in the previous biennium.

Mr. Lewis said that everyone went out and talked about cutting \$99 million from the current level and the reaction from the public was that they'd been had, because in fact, total spending increased slightly from the previous biennium. He believes that the legislature should change "current level" to looking at things the same way everyone else does when they consider their own home budgets.

Mr. Lewis said that Montana stole this concept from the State of Arizona around 1977. In the 1975 session, the legislature passed an experiment with zero based budgeting. The end result was way more paper and way more data than the state could really use. We were looking at budgets from other states to find another way to approach this problem and we came up with the idea of the "current level"/"modified level" approach where in effect changes to the base were presented as modifications to the current level. The attention of the subcommittee was on those changes. Certainly there has been and always will be review of the current level base, but in fact the extra documentation of the performance budgeting aspect is mainly concentrated on changes to that base.

Mr. Lewis reminded the committee that we undertook that change approximately 15 years ago knowing that we were going to go back and make some further changes in the features of that system. A part of that original proposal that exists today in statute was that growths in spending that came from enrollment growths, case load growths, etc. are considered "current level." Those are the big dollars in our state budget. That has caused real problems as far communicating with the public what we're actually dealing

with.

He believes we would all be better served by going back and talking about base being "how much money did you have in the last biennium" and talking about any changes to that base as specific modification packages that would be analyzed and discussed from the perspective of changes to that budget.

Robert Natelson, Montanans for Better Government, agreed with **CHAIRMAN ZOOK** that to a person not immersed in it, the definition of "current level" is indeed confusing.

Because of his travel around the state during the past few months, he can testify that there is very widespread dissatisfaction with the definition of "current level." A lot of people see it as deceptive. They don't understand why a \$100,000,000 cut, for example, isn't really a cut from what we spent last biennium rather than a cut from rate of increase. Because of its misleading nature, it does cause more problems than it solves.

A few years ago, Congress had to deal with the issue of truth in lending. It did so by passing a law providing that all consumer lending would carry an APR (annual percentage rate) calculated according to one particular formula, not because the other formulae that had been used were without merit, but simply because a single APR formula which the public could better understand would have greater public acceptance. This bill essentially ties in the definition of "current level" with something that people are familiar with.

Mr. Natelson asked members of **Montanans for Better Government** who were present to stand up to signal their support.

James Tutwiler, Montana Chamber of Commerce, said that the chamber has been visiting with the business community throughout Montana during the last 45 days. They have been in 121 Montana communities and talked to 400-450 business people. Taxation and government spending have certainly been two of the hottest topics of conversation. It is their view that HB 7 will be of service if it can clarify exactly what government is spending and how it is tracked.

Opponents' Testimony:

None.

Questions From Committee Members and Responses:

REP. COBB asked **Mr. Lewis** if the agencies wouldn't be encouraged under this bill to spend every dime that first year and not revert anything because that would be its base. If it didn't, its appropriation would be automatically cut. Secondly, now that money can be moved from the second year to the first year, he

questioned whether that would encourage an agency to see if it might anticipate any extra money the second year and move that to the first year because that would increase their expenditure budget?

Mr. Lewis answered the second question first. Line 20, p. 5, says, "The current funding level for an agency may not exceed the total of actual expenditures from appropriations authorized by the legislature in the first year of the prior biennium and actual appropriations by the legislature for the second year of the prior biennium. He believes that takes care of REP. COBB'S concern about moving between fiscal years, because the bill talks about biennium totals.

Regarding the first question, Mr. Lewis did not believe there was any more incentive to spend more in the first year of the biennium than there is now. Agency budgets are based at the present time on spending in the first year of the biennium. Agencies look at their actual expenditures plus inflation.

Mr. Lewis mentioned another bill being introduced in the Senate by SEN. BROWN that provides some incentives for agencies to save money in the first year of the biennium by giving them some abilities to move balances and provide employees incentives for suggesting improvements. His office recognizes that the incentive now is to spend all the money that first year. They are going to propose some solutions to that problem in this bill in the Senate. He doesn't think this bill changes the current situation.

REP. KADAS asked CHAIRMAN ZOOK if the mechanism here was that actual expenditures from the first year of the biennium will be used to derive current level for the first year of the coming biennium, and appropriated amounts for the second year of the biennium will be used to derive current level amounts for the second year of the coming biennium.

CHAIRMAN ZOOK said that was the way he read the bill.

Closing by Sponsor:

CHAIRMAN ZOOK shared a press release that the Governor just put out regarding this bill. He likened it to a man who had four helpings of turkey last Thanksgiving. This year he decides that his current level of eating will be eight portions, the amount necessary to achieve the same level of satisfaction as 1992. His family protests, however, so with great fanfare about reducing caloric intake, the man announces that he is cutting his current level eating to six portions. That looks like a 25% percent cut, but it's really a 50% increase.

CHAIRMAN ZOOK feels that "current level" as we use it today is simply not an accurate definition.

HEARING ON HOUSE BILL 11Opening Statement by Sponsor:

REP. BILL WISEMAN, House District 33, Great Falls, said this bill is brought at the request of the State Auditor and Governor Racicot. It is supported also by the boards of the Public Employees Retirement System (PERS) and the Teacher's Retirement System (TRS).

REP. WISEMAN said that this bill will save money for the state and bring all state employees into the 21st century. He was perhaps asked to carry the bill because he is a satisfied user of the electronic deposit system. Out of perhaps a thousand paychecks he has received, none have been late or deposited incorrectly. It is time for the State of Montana to do the same thing for all of its employees. Currently about half of the employees of the State of Montana and retirees do utilize electronic deposits.

Proponents' Testimony:

Mark O'Keefe, State Auditor, administrator of insurance and securities, and director of the payroll system of the state, said that the legislation before the committee was developed in a joint process with the Office of Budget and Program Planning the State Auditor's office. It is supported by PERS and TRS. Essentially what this legislation does is require state employees and those who get retirement checks from PERS and TRS to use electronic fund transfer (EFT).

Under current law, employees and retirees have the option of having their pay or retirement benefits transferred to their banks electronically. Slightly more than half take advantage of this opportunity. The bill would apply EFT to all employees and retirees.

The current warrant writing process is a very expensive, time-consuming process, not just for the State Auditor's office but for the agencies they service, the PERS, the TRS, and the State Treasurer as well.

The current process brings the check full circle from the Auditor's office, through the banks, back to the State Treasurer, and into a microfilm system where it is saved. Under this system, it would be a clean, electronic fund transfer.

Right now, the state spends about 10.8 cents to issue a warrant. EFT costs about 4.6 cents. In the case of retirement warrants, mailings cost 27.3 cents for each check sent out. If retirement advices are sent out once a year when changes occur, over 100,000 pieces of mail can be eliminated, saving the state over \$27,000.

Currently we are issuing about 110,000 payroll warrants annually

and an additional 130,000 PERD in teacher's retirement warrants. By mandating EFT for these warrants, the state can reduce the cost of making these payments. 28% of the cost saved from EFT will go directly to cut general fund expenses. Utilizing this technology will eventually eliminate over 200,000 warrants a year, and because the procedure already exists, implementation costs nothing.

Total projected savings of this EFT requirement is difficult to estimate because of the various levels of state government involved in the processing system. In the State Auditor's warrant writing program, estimated savings amount to \$35,500 per year. General fund savings for fiscal year 1994 would be \$2,500; in fiscal year 1995, \$9,800. In addition, agencies would be billed \$6,090 less in 1994 and \$24,585 less in fiscal year 1995.

Mr. O'Keefe said that the bottom line with this bill is that they have taken a look at how they deal with payroll because of the wishes of their subcommittee and have looked at ways to try and eliminate the number of warrants they put out. EFT for payroll is one way that they came up with to deal with that problem.

Linda King, Administrator, Public Employees Retirement Division, testified on behalf of the Public Employees Retirement Board who wants to go on record in support of electronic transfer of retirement benefits.

She said they currently estimate there are about 14,500 retirees who will be receiving benefits by the beginning of fiscal year 1995. They assume, based on current averages, that half of those will already be on electronic deposit; the other half will be on paper warrants. Because this bill allows the board to make exceptions to issue paper warrants if electronic transfer would be a hardship for individuals (i.e. if their bank does not take electronic transfer or if the person does not have a bank) they support the bill.

The savings that they expect, assuming that about 90% of retirees would be on electronic transfer, would save enough mailing costs that they would be able for the first time to print and mail advices to retirees of their retirement benefits. Right now they don't have the money in the budget and they can't tell retirees what is being withheld for income taxes, state taxes, insurance premiums, etc. Whenever they have benefit changes, which happens about four times a year, they have to phone for an explanation, which is a hardship for the individuals as well as the office. PERD sees this as a way of providing a faster and safer deposit of retirement benefits, as well as providing better information to retirees.

David Senn, Executive Director, Teacher's Retirement System, says his organization supports electronic fund transfers for a lot of reasons. When their members were asked why they didn't use EFT

today (and they have only about 2,100 out of 7,000 members using EFT), they said it was because they didn't receive any information -- they don't know how much has been deposited in their bank, how much has been withheld, or what changes in withholding or insurance premiums have been made.

With EFT of retirement benefits, any time there is a change in the net amount, TRS will send them an advice. TRS anticipates now that there will be about four changes a year. The costs will eat up most of the savings, but not all of it. Even if it costs them money, TRS thinks it would be a good idea to go EFT. They issue hundreds of duplicate warrants every year because the members lose them.

There will be necessary exceptions. Some people live in places that do not accept EFTs. Some retirees live out of country. Some have social events tied to cashing their paper warrants. They are not going to want to give up receipt of that paper warrant. It will be hard to convince them.

John DenHerder, retired state employee, President of the Montana Public Employees Retired Association, and the Montana Pension Security Coalition, said that on state warrants, there is a stub which says "cost of living adjustment." Each time there is a benefit paid, loss, or tax paid we get a cost of living adjustment. He hasn't received a cost of living adjustment yet!

The other side of the coin is that there have been several cases recently where a beneficiary has passed away and continued to receive several thousands of dollars of benefits. By electronic transmission, that savings facility incurs the liability.

Opponents' Testimony:

George Hagerman, Director, Montana Council 9, AFSCME, said his organization opposes this legislation because it's mandatory and it should be addressed under the correct department.

Tom Schneider, Montana Public Employees Association, asked the committee to consider an amendment to allow a person who doesn't want to deal with EFT (i.e. doesn't want to open either a checking or savings account) could petition someone (i.e. State Auditor, their own payroll agency, or whoever) and not have to be forced into opening up a financial account.

Questions From Committee Members and Responses:

REP. NELSON asked Mark O'Keefe whether there would be any loss of interest revenue to the state from this proposal. Mr. O'Keefe said there would be slight losses in interest which occur because right now when the state writes a check it continues to draw interest until the check is deposited. They have no real concern about the loss of that interest in that they don't think it's a large amount. They think the savings from the cost reductions in

the program will offset that interest loss in the long run.

REP. GRADY asked Mr. O'Keefe to comment on Mr. Schneider's proposed amendment. Mr. O'Keefe said his problem with that proposal is that EFT is voluntary right now and only half the people are on the system. The savings reflected in the fiscal note only come about if the program is mandatory. If people opt out of the system, those savings disappear. If the committee puts that amendment into the bill, it will change the fiscal impact. For example, in Mr. O'Keefe's agency, about 68%-69% of the people are on EFT. When the people who weren't on EFT were asked what they thought of the idea, all but two said, "Well, if I have to do it, I'll do it." Two said, "We absolutely don't want it. We like getting that paycheck." Mr. O'Keefe felt that this would probably hold true for the other agencies -- about 5%-8% of the people won't want to do it. If we were to have such a proposed amendment, we'd have to adjust the fiscal note accordingly.

Closing by Sponsor:

REP. WISEMAN reiterated that he had been using EFT for years and can't imagine anyone not taking advantage of the service. His understanding is that in the state of Montana, there are only two towns that don't have banking facilities that provide for EFT, i.e. Stanford and Belt.

HEARING ON HOUSE BILL 13

Opening Statement by Sponsor:

REP. ED GRADY, House District 47, Canyon Creek, opened by deferring to Rick Day, Director of the Department of Corrections and Human Services. He said the department is in the middle of some critical improvement projects at the men's prison in Deer Lodge which impact security and services to other institutions. Their ability to complete these projects is of paramount importance. HB 13 is one of a three-package piece of legislation designed to allow the department to reduce its bonding authority at the men's prison. In addition, it will result in this biennium in general fund savings of \$192,000. This package of legislation did receive the unanimous support of the Long-Range Planning Committee.

This bill will allow the department to essentially reinvest the profits of the ranch, produced by staff and inmates, into the business. It will provide an additional incentive for those operations to be profitable and people in those environments to see the fruits of their labors.

Mr. Day thinks the bill will allow the department to have long term gain in dealing with the problems in the corrections system -- problems often unanticipated.

Opponents' Testimony:

REP. BARDANOUVE said this is one more example of removal of control of appropriation from the legislative process. He feels that the legislature has tried to reduce the number of statutory appropriations and the way things are handled now with legislative review and money available is sufficient. He does not like to see another statutory appropriation and feels that the committee should not give away the legislative right to review these appropriations.

Questions From Committee Members and Responses: None.

Closing by Sponsor:

REP. GRADY said that he was somewhat surprised at REP. BARDANOUVE because he also sits on the ranch advisory committee with REP. GRADY. Ranchers know that in order to stay in business they have to put back almost everything they make. The prison ranch isn't any different. A number of years ago, that ranch was losing money and costing the general fund. Today, due to some good management and a good advisory committee, the ranch is in the black. The people who run the ranch have to have the flexibility to have the dollars when they need them. If people don't know that they have available the money they need, it takes away their incentive to do the job -- and they are doing their job. This is a good piece of legislation.

HEARING ON HOUSE BILL 14**Opening Statement by Sponsor:**

REP. JOE QUILICI, House District 71, Butte, explained that this is a bill that takes \$250,000 out of the innocent victims of crime bill which gives benefits to innocent victims of crime. He never thought he'd be carrying this kind of legislation because he has strongly supported that bill, but tough times are ahead, and everyone must help balance the budget. This bill gives \$250,000 to the general fund. It caps the victims' fund at \$500,000. That fund, with the federal funds, is adequate to sustain the program. His concern was that if federal funds were withheld we would not be able to adequately fund this program. He asked for new section 3 of the bill which says that if federal funds are withheld, this bill would terminate.

Proponents' Testimony:

Ed Hall, Executive Director, Board of Crime Control, said they put forth this proposal reluctantly because it does have perception problems, i.e., that we are taking money away from victims. The board and REP. QUILICI consider it one of the most significant ways that the board can contribute to solving the state's financial problems. Secondly, this fund has been robbed two or three times in the past. They thought that this proposal

for a one-time transfer and a cap might keep the fund from being raided again. As long as federal funds keep coming in, the fund has more than enough funds to meet the demands placed upon it. They do not anticipate a great excess over the \$500,000 cap.

In FY93, the actual expenditures for crime victims' compensation were \$535,449. The revenue that came into the state special revenue account was \$497,000, so that the account was in the red at that point in 1993 and he projected that would happen in 1994 and 1995. The difference was made up in two ways: \$118,000 in federal revenue and \$21,000 collected from restitution and subrogation. With those two additional sources of revenue the board projects to be able to meet the demand that the victims place on the budget in future years. There is a cap of \$25,000 on what each victim may receive in benefits.

In the future, if the number of victims continues to rise and if medical costs continue to increase, the board may need to come back and ask the legislature to remove the cap and generate some additional sources of revenue. EXHIBIT 2

Opponents' Testimony: None.

Questions From Committee Members and Responses:

REP. BARDANOUVE asked that the language in section 3 be rewritten. The language in section 3 says that if there are no federal funds, the program terminates. That would be a permanent termination. There may be some years that we have federal funds and other years that we don't.

REP. WANZENRIED asked Ed Hall how much money has been ordered in restitution that had not been paid to the victims. Mr. Hall had no firm figures. The last figures that he had seen reflected a restitution around \$11,000. REP. WANZENRIED asked if he could give an approximate percentage. Mr. Hall said that he would guess they were collecting restitution around 10%. REP. WANZENRIED asked how we would go about increasing that percentage of collections. Mr. Hall said that they had no resources at the board to increase restitutions. Some states have a restitution officer.

REP. KASTEN asked REP. QUILICI why he hadn't signed the fiscal note, i.e., if there was anything he didn't agree with. REP. QUILICI said that he didn't see anything he didn't agree with.

REP. QUILICI said that he had the same question as REP. WANZENRIED, but unless we had a restitution officer or something similar there was no real solution.

Closing by Sponsor:

REP. QUILICI hoped that this would be the last time we would be dipping into this fund.

HEARING ON HOUSE BILL 19Opening Statement by Sponsor:

REP. ERNEST BERGSAGEL, House District 17, Malta, said that HB 19 has two purposes: it eliminates the state clean coal program and establishes a state buildings maintenance program for seven years.

Regarding the elimination of the clean coal program, the legislature adopted three bills in an effort to position the state to receive federal Department of Energy clean coal technology demonstration funding: Chapter 722, Laws of 1991, Chapter 793, Laws of 1991, and Chapter 515, Laws of 1993. Montana has not been and will not be selected by the Department of Energy to receive such funding. Therefore, the purpose of this bill is to repeal the clean coal statutory provisions and to establish and permanently plan the termination of the work of the Department of Natural Resources and Conservation in Eastern Montana College Clean Coal Center.

HB 2 repeals the DNRC savings of \$56,850. Because those funds were appropriated in HB 2, the termination is effective immediately. Section 5 on p. 5 of this bill shows that the \$500,000 appropriation for Eastern Montana College for the Clean Coal Center is reduced to \$470,000. This recommendation is based on actual expenditures in 1992 and 1993 and 1994 to date. This bill provides for resources and assets to be transferred to Montana Tech. The \$30,000 savings in the local impact account will be deposited in the general fund.

The 52nd and 53rd legislatures authorized a total of \$55 million in coal severance tax for clean coal technology demonstration purposes. First, Chapter 722, Laws of 1991 instructed the State Treasurer to transfer \$5 million per year to the clean coal technology demonstration fund, beginning fiscal year 1992, up to a total of \$30 million. Chapter 515, Laws of 1993 amended those provisions to transfer \$5 million each year to clean coal upon request of DNRC. While funding applications were pending, the DNRC did not request transfer of funds. Therefore for purposes of recommending an amount for maintenance of state-owned buildings, the bill requests \$10 million -- \$5 million for 1992 and \$5 million for 1993 of the coal severance tax authorization of clean coal, to be considered for maintenance projects.

Second, Chapter 515, Laws of 1993 authorizes a \$25 million clean coal technology demonstration loan. This \$25 million plus the \$10 million equals the \$35 million recommended for building maintenance at \$5 million per year for seven years, starting in 1994. The related clean coal provisions are repealed in section 8 of this bill.

Regarding the establishment of the seven-year maintenance plan for the state-owned buildings, first, section 4 and section 6 of

this bill will require a 3/4 vote of the members of each house to transfer \$35 million from the coal severance tax trust fund to the long range building account. The legislators recognized the tremendous need for the maintenance funds last session when they added \$2.6 million in general fund to help fund priority, safety, and maintenance projects. State agencies requested a total of \$191 million in the 1995 biennium. Section 10 of this bill would save the \$2.6 million in general funds and section 6 (2) would replace the general fund for the remaining projects with coal severance tax.

The balance of the \$10 million for the 1995 biennium is authorized for the projects in section 6, beginning on p. 7. In preparing recommendations, the budget office and the architecture and engineering division sent to agencies the list of the \$183 million requested but not funded and asked the agencies to review priorities and requested costs. The most critical needs are recommended for funding in this bill. Architecture and engineering has prepared a schedule for each of these recommended projects, projecting when the assigned work would be completed, when the construction work would commence, etc. Section 3 (3) on p. 5 requires that the coal severance tax transferred to long range building must be invested in the long term and the interest raised deposited to the general fund, just as if the money remained in the trust fund.

Based on the A & E schedules and the current interest earnings, the total amount of interest is now projected to be \$148,700 during the 1995 biennium. The executive budget balance sheet originally used \$175,000 in reducing interest earnings. The Governor's proposal is to spend the remaining coal severance tax transferred to long range building at \$10 million in the 1997 biennium, \$10 million in the 1999 biennium, and \$5 million in the 2001 biennium.

Before we make an expenditure from the coal trust, we have to ask ourselves if it justifies going after an account that we set up for future earnings for our children. REP. BERGSAGEL believes that it is important that we maintain our buildings for the state. It is imperative that this legislature take care of what we have before it takes on any additional expenditures for new buildings. He deferred to a number of proponents with some graphic examples of the needs in the state of Montana.

Proponents' Testimony:

Dave Lewis, Director, Office of Budget and Program Planning (OBPP), reiterated some of the concerns about the investment that we have in our facilities in Montana. We have tens of millions of dollars in buildings, and we have recognized for many years that we do have a major deferred maintenance problem. There needs to be work done to maintain that investment. This proposal addresses a portion of the coal trust that the legislature had agreed to set aside for another purpose in the past -- the MHD

facility in Billings. Since it appears at this time that project as far as the federal government is concerned is not going to happen, OBPP wanted to come back and talk to the legislature about the problem of deferred maintenance and using that money.

Mr. Lewis stated that this is a very complex bill because of all the funds and sub-funds that had to be addressed. Jane Hamman of OBPP has worked extensively on this bill. OBPP does think it is a high priority for the state to take care of the investment we have in these buildings.

Tom O'Connell, Administrator, Architecture & Engineering Division, Department of Administration said he was here as a spokesman for over 2,300 constituents who couldn't be here. Those 2,300 constituents are the state buildings at the University of Montana, Montana State University, Warm Springs, the prison, etc. -- all the facilities throughout the state. Those buildings contain over 19,000,000 square feet and are worth about \$1.2 billion.

Mr. O'Connell explained EXHIBIT 3, a "Capital Construction Program Fact Sheet," which showed long range building program requests and revenue. If those requests don't get funded here, there is no other source of revenue.

He presented EXHIBIT 4 to illustrate on a comparative personal basis how much money an individual would have for yearly maintenance on a property worth \$80,000 as a residence -- \$71.

Two sessions ago the Northern Montana College gymnasium was before the legislature for some funding. He recommended very highly at that time that the legislature do something. He showed pictures to demonstrate the result of lack of maintenance at that time. There is now a safety hazard for the state of Montana.

Mr. O'Connell stated that what we are trying to do today to maintain state facilities is like cleaning the Capitol building with a toothbrush -- we'll never get it done.

Jim Whaley, Design Bureau Chief, Architecture and Engineering Division, Department of Administration, presented EXHIBIT 5, a list of priority recommendations for coal severance tax funding. He took all of the projects that were requested last biennium during regular session and evaluated those projects for deferred maintenance. He sent that list to the agencies and asked for their input. He then combined the agency requests and came up with this list.

Mr. Whaley stated that because the legislature addressed some of the needs of the university system last session, the Board of Regents did not request a lot of the funding that the individual units had requested. This list reflects those projects unfunded on the Regents' list. The Commissioner of Higher Education came in subsequently with an amended list which his department hasn't

had time to look at. He is confident that those projects would be looked at seriously during the next regular session of the legislature if this bill should pass. Mr. Whaley spent some time explaining the list.

SEN. CHET BLAYLOCK said that his position is "wishy-washy" on this bill, but he thinks it is something we have to do. He takes a lot of pride in the coal tax trust fund, i.e., setting aside money for the future needs of the young people of the state. It has grown to approximately \$500 million and the interest off that money is what helps fuel our government. This bill takes some of that money. If it passes, we spend the money for a worthwhile purpose -- to maintain state buildings. The Capitol building, for example, is falling apart.

His concern is that if we break into the trust this time to fix the buildings (and there are \$200 million worth of requests out there), whether we will break into it again. We could eat up the \$500 million in five or six sessions and it would all be gone.

He believes we have failed in our citizenship responsibilities to maintain our buildings the way we should. If we don't do the job now, it will cost more later.

He reminded the committee that in 1985 the legislature had set their budget depending upon \$26 a barrel oil. Then the price of oil went way down. Every dollar the price of oil dropped cost the state \$3 million a year. The state was soon \$100 million in a hole. The legislature came back in special session and stole the educational trust fund -- \$85 million. That money is no longer there. He voted for that and regrets it to this day.

REP. DICK SIMPKINS said his position has always been that the coal tax money should only be used to increase the value of the stock owned by the people of the state of Montana. We are doing that by repairing the buildings. A whole new policy needs to be established for the maintenance of the buildings.

He presented **EXHIBIT 6** which shows information relating to the completion of the southwestern portion of the Great Falls Vocational-Technical Center. It also shows rent paid for the MSU Extension Service and Northern Montana College Northwest By-Pass. He believes we should be getting out of rented buildings and into buildings we will maintain. He would like the committee to allocate \$500,000 to finish this building to expand educational opportunities in the second largest city in the state. He feels they can borrow the additional funds needed and pay it back from \$60,000 yearly rent paid by agencies now occupying rented facilities in ten years.

He feels that there is a trend away from everyone attending four year schools with a higher need for students with technical skills which they can obtain at a two-year institution.

He gave the example of the Milwaukee Railroad going out of business because they transferred from their maintenance accounts to make payroll. They went bankrupt because of deterioration from lack of maintenance. When BN bought the railroad, they estimated that the repair costs to the lines was twice as much as they anticipated. That is what is happening to state buildings. We are transferring money from our maintenance accounts to maintain operations, and eventually those buildings will be bankrupt.

Rick Day, Director, Department of Corrections and Human Services appeared as the director of one of the agencies responsible for the maintenance of a number of state facilities needing repairs. He has observed the need firsthand.

Mark Simonich, Director of the Department of Natural Resources and Conservation supported the bill for different reasons. The clean coal program is currently administered by the Department of Natural Resources. His department offered the \$56,000 that they currently get to administer this program. The big push in recent years has been toward the MHD facility and that program is not going to happen. He doesn't feel that the department will be very active in this program in the future, so they want to offer up all the funds they currently receive to administer that program.

Jeff Baker, Commissioner of Higher Education, supported the bill from the perspective of having toured the campuses of the various units of the university system. He testified that the needs were not just superficial, but in many cases got down to the structural integrity of the buildings.

Bob Lashaway, MSU Department of Facility Services, testified as to the importance of the problem of deferred maintenance. Last year they deferred replacing a \$3,500 steam valve on a boiler; it scoured off asbestos around the boiler, and they were left with a \$150,000 asbestos clean-up project which had to be done on an emergency basis. He believes we must keep up with maintenance as it occurs. Ohio State University has created a model that tells us that 2 1/2 - 3 1/2 % of our building replacement value should be spent on maintenance every year. If we look at most of the facilities in Montana and reach an average of \$90 per square foot replacement cost, we have about \$2.25 per square foot. MSU has taken steps to address the maintenance problem by performing a facilities inventory, assessing the systems and prioritizing the projects. They have thousands of individual maintenance projects that come out of this system. Currently they project \$33 million worth of deferred maintenance in their buildings and about another \$10 million in infrastructure. The funding level of \$5 million per year, \$10 million per biennium this bill proposes is not enough to cover all the needs but it is a good first step.

Mr. Lashaway told how Michigan State University went through a process where the legislature listened to their needs and gave

them \$25 million. They started spending money with no real priority list and were soon back at the legislature. MSU and the U of M need a reasonable amount of money over a longer period of time rather than in one big chunk.

Opponents' Testimony:

REP. BOB RANEY stated that no one can argue the need for maintenance, but the question is how you fund the needs. He does not believe the coal tax trust fund is the way to fund the needs. Stealing from the trust is immoral. The money was put aside for the trust fund, not for building maintenance, education, etc. Today roughly 10% of our general fund comes from the coal trust. As you begin eroding the trust, it may only be \$35 million now, but at the end of seven years, that \$35 million represents a loss to the general fund of interest of nearly \$5 million a year. As government has grown, so has the trust and so has the money coming from it. It has lowered the need to go to the people for taxes.

Building maintenance is an ongoing need that should be funded by ongoing revenue. This bill will not pass the House of Representatives -- there are 26 representatives who will vote no on this bill or any bill that takes from the trust. To move this bill forward in its present form is a waste of time.

REP. RANEY said there are ways to get the money, but first we need to determine how much money we have to have. The Milwaukee Railroad went bankrupt not because of deferred maintenance, but because of profit taking which required that the maintenance be deferred. The same thing has been going on in building maintenance because the administrations in years gone by and administrators in years gone by have not maintained the buildings as was their charge. They made the mistake. He asked why a trust should bear the mistakes of past administrators and past failures of this body to address the problems. REP. RANEY said that he had that alternative source and would present it tomorrow if the committee so desired.

Scott St. Arnold did not stand in opposition, but he questioned the wisdom in such dire times of taking money to spend in this way. He believes the time to do needed changes and maintenance is when we can do it not at the expense of children, of the poor, and of the sick. He asked the committee to look at priorities.

Questions From Committee Members and Responses:

REP. KADAS asked a question on section 5 where appropriations are reduced from \$750,000 and also reduced from \$500,000. This bill is reducing them \$30,000. He wanted to know whether those appropriations were biennial appropriations and if there is only \$30,000 left.

Jane Hamman, Office of Budget and Program Planning, said that the

\$750,000 appropriation was adopted originally for the Laws of 1991, amended in 1993 and then it is being amended here again. There have been actual expenditures at the Eastern Clean Coal Center for three fiscal years and there is only \$470,000 left.

REP. KADAS asked what the difference was between the \$750,000 and the \$500,000. Ms. Hamman said that in subsection (1) there is a total appropriation of \$720,000 from the local impact account as provided in subsection (2). Then subsection (2)(a) is the portion of that \$720,000 that is for Eastern, and in (2)(b) is the amount for DNRC. She said it was somewhat confusing.

REP. KADAS asked if she was saying that of the \$500,000 going to Eastern, all but \$30,000 has been spent. Ms. Hamman said that was correct.

REP. KADAS said that the heart of the issue was where you get the money to solve the maintenance problem. He asked if you take the money from here now, what will happen in seven years after this act expires. REP. BERGSAGEL said he has no idea.

REP. KADAS said it seems obvious that at that point, this revenue source will have become not only the deferred maintenance fund but the maintenance fund. In order to continue maintaining state buildings, we'll have to continue stealing the flow. The trust will stop growing as a significant source of revenue to the general fund. It will decrease over time as inflation makes that portion smaller and smaller. We are essentially appropriating principal. It is not a sound fiscal policy. If we really believe we have a problem with deferred maintenance, we ought to fund it out of ongoing funds. We don't have to raise taxes to do it; we can cut other funds if we think that is appropriate.

REP. BERGSAGEL said that he has the same concerns that REP. KADAS has. When we run out of the \$35 million, there is no more money. REP. RANEY is right that the possibility of getting a 3/4 vote is virtually impossible. We somehow have to bring to the legislature the issue of maintenance for the buildings of the state of Montana. He feels we would rather build new buildings than take care of what we have.

REP. BERGSAGEL said he has looked at numerous options: charging agencies a fee of 2 cents per square foot for maintenance; using the \$6.2 million of arts money; having a student bonding program (i.e. citizens of Montana would purchase bonds so that we could build buildings and provide maintenance -- somehow provide incentive for parents to invest in their children's future in the university system. He has looked at suggesting that we have insurance companies be required to make investments equal to their assets and having them build the buildings and lease them to the state of Montana.

The fact is that we appropriate a budget and the agency takes a look at it and takes care of its immediate needs first.

REP. KADAS said that the legislature was here to cut somewhere in the neighborhood of \$50, \$60, or \$70 million dollars. What he hears REP. BERGSAGEL saying is that we can't take \$5 million a year and line item it for deferred maintenance. REP. BERGSAGEL did not agree. He believes we can cut another \$5 million a year, but the question is where will we get it and where will we get the votes for it. He will look at anything.

REP. BARDANOUVE said that since there is considerable opposition to a portion of this bill, he would suggest that consideration be given to having a separate bill in the clean coal technology area -- if you want to repeal that legislation -- and then include the transfer to the long range maintenance fund in a separate bill. He believes we really have two incompatible things here -- one thing a person might be for and another thing the same person might be against. We won't have a clear choice. He thinks there should be a separation of the legislation.

REP. BERGSAGEL recognized that the potential of getting a 3/4 vote was daunting.

REP. WISEMAN asked Tom O'Connell regarding his pictures from Eastern Montana College if we have learned anything from dumb mistakes in the past. Mr. O'Connell said that the building was constructed before he was born. He said that mistakes will always be made. REP. WISEMAN asked Mr. Whaley to further explain various items on Exhibit 5, priority recommendations for coal severance tax funding, which he did.

REP. GRADY asked REP. RANEY if maintaining university buildings, the Capitol building, etc. wasn't doing something for the future generations of this state. REP. RANEY said that was stealing from them. For 100 years this building had been maintained with ongoing revenue. There was no coal tax trust to fall back on. REP. GRADY asked REP. RANEY if he really believed that these buildings would continue to stand without deteriorating and coming to a point where we wouldn't be able to maintain them if we didn't do something. REP. RANEY said that he was not opposed to maintaining the buildings. He wants the maintenance funded by ongoing revenue. REP. GRADY asked REP. RANEY if he did or did not say that maintaining these buildings isn't protecting future generations. REP. RANEY says the argument is the source of revenue. The trust money is there to stay forever.

REP. GRADY would like REP. RANEY to come to the committee with his ideas before action is taken because the state is in a financial crisis and like everyone else looks to their savings account to get through the crisis. He doesn't know what other alternatives REP. RANEY has.

REP. ROYAL-JOHNSON tried to break the discussion down into two separate issues: one is covered in section 5 -- removing the clean coal technology system from Eastern Montana College to Montana Tech. He asked whether that was at the request of the

commissioner's office. REP. BERGSAGEL said that was correct. REP. ROYAL JOHNSON asked why, if that has cleared the Board of Regents, the legislature is responsible for making those kinds of changes? Mr. Baker said this situation resulted from a breakdown in communication between his office and the budget office. One of his staff members was asked if, in fact, this was shut down, what we should do? The answer was that we shouldn't let this just die. We should move those archives, those records, to Montana Tech so that they should be kept in place. That communication didn't get across the point that it wasn't designed to move the whole program.

REP. ROYAL JOHNSON said that that particular part of the bill resulted as an attachment to the MHD bill of the last session where that money (\$500,000) was left over and they had the right to extend it in this biennium. REP. JOHNSON said that section 5 of this bill suggests that we move money from one place to another. The MHD bill in original form in the last session came through without this particular provision in it. That was added later in committee where they added an amendment to the bill that would transfer money that would have been expended in 1993 to the 1995 biennium. Ms. Hamman said that was correct. REP. JOHNSON said that really it had nothing to do with taking money out of the clean coal technology for MHD, which is a major portion of this bill. Ms. Hamman said that was her understanding.

Ray Beck, Administrator, Conservation and Resource Development Division, Department of Natural Resources and Conservation, which administrates the clean coal program, asked REP. JOHNSON to repeat his question. REP. JOHNSON said when the original MHD bill was offered in the last session which allowed by simple majority to make a loan to MHD, that was the crux of the bill. Sometime during the session it was amended to include some monies left in the clean coal technology act which was set up in 1989 or 1991 that was not completely spent at Eastern. At which time they said, rather than spend it all before the year ends -- the biennium ends in July of 1993 -- we'd like you to move this money so we can spend it in the next biennium. He asked if that was correct. Mr. Beck said he was not sure.

REP. ROYAL JOHNSON asked REP. BERGSAGEL if this bill took a 3/4 vote to make this transfer even though the original bill only took a simple majority because in fact it was going to be a loan. REP. BERGSAGEL said that was correct. REP. JOHNSON asked why he put section 5 in this bill. REP. BERGSAGEL said that the intent is to terminate the funding for the Eastern Montana College money, move the file cabinets, chairs, etc. to Butte to Montana Tech. Of all the monies appropriated -- \$750,000, \$500,000 -- all of that money has been expended except \$30,000. We're going to take the \$30,000, put it into the general fund, and then move the filing cabinets, etc. to Butte. REP. JOHNSON asked if he was asking the legislature to make that decision -- to move this program from Eastern Montana College to Butte? REP. BERGSAGEL said that you could assume that. He is also asking the

legislature to take the \$30,000 currently in the clean coal program and put that into the general fund.

REP. ROYAL JOHNSON asked REP. BERGSAGEL why we would use the clean coal technology monies. Since that program is probably not going to happen, why wouldn't we just go ahead to the coal trust and do this in the form of a borrowing, which also takes a 3/4 vote, and ask that the units who want to borrow this money put it in their budgets to pay it back. There is a billion dollars in this state in the fund that currently is paying 2.7%. If the legislature were to allocate \$25 million toward the use of this and then coal money is only invested in fixed income except for very small portions -- if we would take that money and invest it in the state in this way, then with a 3/4 vote we could do that. We could move this money from clean coal. If we took \$25 million, we could make a real dent in the kind of needs that this state has currently. His point is that we could make a real dent in what we need to do by having available \$25 million during this biennium. The 1995 legislature can consider the program and make another \$25 million or more as long as it's paid back, because then we don't short the coal trust, we don't short the schools, the people who are beneficiaries of the coal trust income, etc. REP. JOHNSON asked REP. BERGSAGEL if he had considered that.

REP. BERGSAGEL said that he had, but again it takes a 3/4 vote, just as this does. The prospects of a 3/4 vote are daunting. He looked at doing something similar to the Treasure State Endowment. We would just funnel the interest off a certain amount of the coal trust fund, again, a 3/4 vote. The interest that is generated from \$35 million or \$55 million would perhaps be around \$1 million. \$1 million does not address the need for maintenance in our state facilities.

REP. ROYAL JOHNSON agreed with REP. BERGSAGEL. He felt that we ought to consider making the borrowing with a 3/4 vote. That seemed to him to be as easy as what we're doing here. We ought to make a meaningful contribution to what we need -- we agree on that. He felt even SEN. TOWE will agree with that. If we pay them anything more than \$63 million they have at 2.7%, the coal tax trust will be ahead, the schools will be ahead, etc.

REP. BERGSAGEL said that he had already considered that. We could take a look at the budgets of the university system. If they want to borrow \$1 million, they would have to come up with \$1 million in principal plus the interest associated with that \$1 million in borrowing. They're going to tell us that they don't have the money to do that. We can debate whether they do in fact have the money to do that. If the Department of Family Services needs to do the work at Pine Hills, it will cost them X amount of dollars. They're going to come back and say they don't have the money. That's why he decided to go after the coal trust, because they don't have the money and they can't repay a loan.

REP. ROYAL JOHNSON said that if you gave these people the option,

you would find that they would do it. Witness the fact that MSU will build a \$15 million building and the University of Montana will build a \$20 million building and they have worked out a way to pay for it. He thinks that is the direction we ought to go.

REP. BERGSAGEL said that he hadn't been here very long, but the more things change, the more they stay the same. What we're going to find is that they will come in and want to change the way we set up this program. They're going to say they don't have the money to pay it back, so would we just give it to them. If we're going to recognize that they might not have the money and default on the loan, then let's just give them the money.

REP. QUILICI reminded REP. BERGSAGEL that when the legislature allocated this \$35 million during the last session, it was with the understanding that it was a loan -- with the understanding that it would have to be paid back. We wanted some kind of a guarantee. He asked REP. BERGSAGEL if he had looked into getting this as a loan to repair and maintain these buildings. REP. BERGSAGEL said that he had. Again, it needs a 3/4 vote. He said that he was willing to hear any better ideas.

REP. QUILICI wondered whether if the legislature allocated \$35 million in these funds to the clean coal technology program and it only took a majority vote and there was a guarantee of paying it back, there is some way we could have a majority vote on this and guarantee paying this back, maybe at a little better interest.

REP. KADAS said that we wrestled with the exact same issue when we provided a loan for the Clark Fork cleanup. The difficulty is that we can't provide a loan to a private entity. That requires a 51% majority. However, if we provide an inter-entity loan within the government, then it is seen as an appropriation, because there is an appropriation involved and that requires a 3/4 vote.

REP. PETERSON asked whether any of the \$500 million we have invested (and she understands most of it is out of state) is being used to repair buildings in some other state?

REP. ZOOK said that Mr. Lewis would know the answer. He said he believed that it has even been invested outside the country.

REP. BARDANOUVE said that this coal trust issue seemed to come up every session.

REP. KASTEN said that REP. BERGSAGEL had indicated that this was for maintenance and yet the fiscal note also shows \$705 million of new construction moved up into this biennium. REP. BERGSAGEL deferred to Jane Hamman who said that was simply a matter of semantics. In long range building, construction and maintenance were used interchangeably. She said it really is the list of projects that we have been discussing all afternoon.

Closing by Sponsor: REP. BERGSAGEL closed by welcoming any new ideas. Legislators have numerous responsibilities -- social, educational, and responsibilities for maintaining those buildings that they have approved for construction. It has been demonstrated by the administration how important they deem this to be by their willingness to put out a memo to go after the coal trust recognizing that this is a formidable problem that we need to address. REP. BERGSAGEL encouraged the committee to take a look at REP. RANEY'S ideas before taking executive action on this bill.

EXECUTIVE ACTION ON HOUSE BILL 1

Motion/Vote: REP. GRADY MOVED HB 1 DO PASS. The motion carried with REP. DEBRUYCKER voting no.

EXECUTIVE ACTION ON HOUSE BILL 11

Motion: REP. ROYAL JOHNSON MOVED HB 11 DO PASS.

Discussion: REP. QUILICI asked about a suggested amendment by AFSCME or some such group. They had some concerns with the bill. He asked REP. WISEMAN what happens with state employees who don't have a bank account. REP. WISEMAN said he couldn't imagine anyone not having some sort of bank account. He said they should open one.

REP. BARDANOUE asked if the state couldn't issue a warrant upon request. REP. QUILICI said that was his next question. REP. ZOOK said he didn't understand it that way. Retirees could request a warrant, but not state employees. REP. PECK referred the committee to line 19 where it refers to "employees who live in a geographical area that does not have a financial institution that is acceptable to the employee." REP. WISEMAN said he felt that would cover employees who lived in Stanford or Belt which do not have an institution that accepts electronic deposits. He would say to other state employees to open an account. REP. QUILICI asked then if other state employees would have to open a bank account and REP. WISEMAN said yes.

REP. WANZENRIED asked Tom Crosser, Administrator of the Fiscal Management and Control Department of the State Auditor's office, to respond to this concern.

Mr. Crosser said that his office was responsible for the issuance of state warrants. The issue of whether or not it would be mandatory for state employees to open a bank account relates to the availability of the bank in the area they are working in. They could apply to the department for an exclusion if there was no bank available. If there was a bank available, they would be required to open either a savings or checking account.

REP. PECK said that line 20 says "except for employees who live in a geographical area that does not have a financial institution

that is acceptable to the employee." The employee can say that none of them are acceptable to him and the state would have to send him a warrant. REP. ZOOK said that you had to start up a few lines to get the full gist of that.

REP. QUILICI asked Mr. Crosser whether, if some state employees didn't have a bank account and didn't want a bank account, they could file with the department and ask for a paper warrant. Mr. Crosser said that the reason they put this bill in was to try and eliminate the number of warrants; 2/3 of his budget relates specifically to generating paper warrants. If he can't eliminate those warrants, he can't reduce the costs reflected in the budget cuts approved by the subcommittee. The more people who come in and apply for exceptions to the EFT provision, the less he will be able to cut out of his budget. The language was added at the request of the Department of Administration to allow some flexibility to provide for unusual circumstances where people have a hardship and would request paper warrants. To the extent that happens, they won't be able to cut their budget.

REP. BARDANOUVE said that there will only be a very minor number of people wanting exceptions. Mr. Crosser said that was what they were hoping for.

REP. WISEMAN said that if we opened this gate, there would be 7,000 - 8,000 people who would say there is not an acceptable lending institution or they didn't have a bank account. We will have done nothing.

REP. GRADY said that he had a problem with forcing people to open an account. He would be for passing this bill out and addressing the problem on the floor. He talked to Tom Schneider who wanted to talk to Mark O'Keefe and he thinks there could be something worked out.

Vote: HB 11 DO PASS. The motion carried on a roll call vote 13-5 with REPS. GRADY, DEBRUYCKER, MENAHAN, NELSON, and QUILICI voting no.

EXECUTIVE ACTION ON HOUSE BILL 13

Motion: REP. GRADY MOVED HB 13 DO PASS.

Discussion: REP. BARDANOUVE said that he believed the committee was moving the wrong way. Montana has the highest statutory appropriations in the nation. Montana legislators have less control over appropriations than any state in the union. REP. ZOOK said he believed it was the second highest.

REP. KADAS said that his understanding was the way these funds are handled currently is under state special and thus receive review. If we pass this bill, then the appropriation of the funds won't receive review.

Rick Day said that anything above the appropriation could be moved to maintenance or capital improvement projects within the corrections system. It is not a blanket license to spend whatever they want.

REP. KADAS asked if there wasn't then great incentive for the department not to ask for appropriation of the state special so that it had a large balance that could be appropriated at its discretion. **Mr. Day** said absolutely not. He couldn't see what advantage they would have in concealing something like that. The amount they ask for in appropriations is for daily operations. The amount they're talking about here is just directed toward capital improvements and maintenance. The amount above the appropriation will be directed to capital improvements and maintenance. **REP. KADAS** asked why they couldn't just do that -- the regular appropriations process that they use with the state special. **Mr. Day** said that his understanding was that in order to allow them to expend those funds they had to have the statutory appropriation.

REP. ZOOK asked if he understood **Mr. Day** to say that these monies would not fit the criteria for a budget amendment. **Mr. Day** said that was his understanding. They had originally proposed to request the two things he just talked about through the budget amendment process. As he understands it, the technical difference is that this isn't really new money. Consequently, it doesn't fit the technical requirements of the budget amendment process. That was brought to their attention by the LFA so they chose to withdraw it. They brought it before their subcommittee. Had the special session not been here, they would not have had the ability to receive those projects absent some other form of funding.

REP. PECK said that he did not know who made the determination that it would not be subject to budget amendment, but he suggested that it would be subject to budget amendment. The money is not anticipated at the time the legislature is in session and putting that budget together. We do the same thing in the university system. We underestimate the amount of money that will be available from the six mill levy. They come in and budget amend that and use that money. He doesn't see that this is that much different. Because there is more revenue than was anticipated by the legislature, it should qualify as a budget amendment.

REP. BARDANOUVE said that this bill shouldn't even be before them. It has nothing to do with balancing the budget or solving budgetary problems. It creates more problems in the long run.

Clayton Schenck said that in regard to the budget amendment issue, he believed that part of the problem might be that state specials don't come under the emergency criteria, but **Sandy Whitney**, the analyst for that area, might be able to give a more complete answer.

Ms. Whitney said that the budget amendment criteria now provide that money such as federal funds that could not have been anticipated by the legislature can be budget amended. Proprietary funds such as this aren't monies that fall under emergency categories. They really weren't monies that were unknown at the time the session met because there were analyses that showed the fund balances were there at that time.

REP. PECK asked how we could justify the Board of Regents spending excess six mill if we underestimate that. **Ms. Whitney** said she couldn't speak for the university system. Her analysis said that the proprietary funds at the ranch did not fit the budget criteria.

REP. PECK said that the budget amendment law applies to all agencies, and we have always allowed budget amending of those excess funds by the university system. He feels that it is the same principle if we mis-allocate or mis-estimate the money that is being raised off the ranch or other activities. **Ms. Whitney** said that **REP. PECK** was saying that the money in the university system may have not been estimated correctly. In the case of the ranch, they knew that those funds were there. In fact, they took \$605,000 of those funds and allocated them to the dairy dorm instead of transferring them to the general fund.

REP. PECK did not agree with that. He said the ranch does not know what their profit is until they take the livestock to market and do other sales things. He believes the legislature is estimating in that case, also. **Ms. Whitney** said that was correct, but they had estimates that said that sort of cash balance was available. Based on that, they said this money could have been considered by the legislature. Never mind that the need could not have been anticipated; the funds were there and therefore did not qualify for the budget amendment process.

REP. BARDANOUVE said that he didn't agree that the money was there because the money they were talking about came this fall. It wasn't there last April. **REP. ZOOK** asked him if he agreed then with **REP. PECK** that it was unexpected money. **REP. ZOOK** was inclined to agree.

REP. KADAS said that the point brought by the bill is to allow the agency more flexibility. He said that all the other agencies are going to ask for the same flexibility. He believes that we are giving away so much of our budgeting authority by continuing to provide these statutory appropriations that we will have little left to do. He realized that they could use some more flexibility, but at some point we have to draw the line.

REP. ZOOK said that the question boiled down to whether this qualified for a budget amendment or not, and many of the legislators feel that it does. **Clayton Schenck** said that the legislature sets the rules on that.

REP. GRADY said that he thought they were getting away from the intent of the legislation -- to keep that money where it was raised. The money for the ranch is raised through management of that ranch. The ranch and the industry program is there to keep the prisoners busy. The ranch was losing money for years. Now, by good management, some luck with the price of cattle, etc., the ranch is in the black. A lot of money needs to be spent on it (i.e. a new dairy dorm, a lagoon system, etc.). He sees nothing wrong with that money staying where it came from -- through statutory appropriation which guarantees it to be there. He didn't see a problem with the bill.

REP. BERGSAGEL said that the fiscal note said that we would save about \$100,000 in debt service and with the language in HB 5 that will help us build those buildings for the university system.

REP. PECK asked REP. GRADY why, if they had a cash balance and they had needs at the ranch, it didn't go through the appropriations process like everybody else. If they've got the need and they've got the funds, he didn't think it would be too difficult to get the bill through to do these things. What this bill is saying is that they want the ability to make these decisions outside of the legislature if they generate the money. If that is started, everybody who has fees, etc. would want the same ability. He thought this would create a bad precedent.

REP. KADAS asked REP. BERGSAGEL whether, if the legislature were to pass this bill, they would save this much money because of his subcommittee's actions. He also asked whether, in the process of HB 2, the legislature makes changes in this budget, it will allow them to do this without passing this bill. Those savings would be available as well, he thought. REP. BERGSAGEL said that was correct.

REP. QUILICI asked Sandy Whitney whether she had trouble with the budget amendment process specifically because the amount of money provided was an estimate. He asked if her office had estimated the amount of money coming in from the industry programs. Ms. Whitney said she had run a spreadsheet that shows an analysis of the ranch proprietary account. As of the end of last session, they estimated approximately \$1 million would be available as a cash balance in that account. That is after taking out \$605,000 for the dairy farm.

When the department came in for budget amendments for \$220,000 for hay and feed supplement and money for the lagoon and the same, her office said they didn't think that fit completely within the budget criteria and suggested that they bring it to the committee. The committee then put that money directly into HB 2. That would be available for this committee's consideration of HB 2. After that money is taken out, Ms. Whitney's office estimates there will be between \$600,000 and \$700,000 fund balance at the end of fiscal 1994 and at the end of fiscal 1995 in the ranch account. In the industries account, they estimate

something less than \$500,000 in 1994 and \$600,000 in 1995. That is the money considered for statutory appropriation.

REP. QUILICI said that it seemed to him that they could go through this with the budget amendment process right now without this type of legislation. Then the legislature would have a total handle on those funds. Ms. Whitney said when the legislature is in session, there is no problem with them coming for a direct appropriation. The question really is if they have something come up between legislative sessions, how they can get authority to spend the money? If they really can't budget amend, the only other way they could get authority is to have a statutory appropriation.

REP. BERGSAGEL asked Rick Day what would happen if the legislature didn't pass this bill. If it does not pass, there is \$6 million in bonding authority that we had talked about reducing. If this doesn't pass, his understanding is that we'll have to address bonding issues.

Mr. Day said that the proposal here was actually one part of a three-part package of legislation. This is one of the most important pieces to allow the department to use those excess funds in the ranch account to go toward their building projects to reduce bonding authority. Without the ability to move those funds as they become available, they cannot reduce that bonding authority.

He said that a question had been raised about whether a pro-ration would work. The answer was essentially yes if they knew the dollar amount and could access the funds. The issue is that they don't know for sure until they get into year end to see what the total dollar amount of the funds available to divert to those projects are. They know what the projects are, but they could be talking about a \$350,000 appropriation today and they may do better at the ranch and have \$400,000 available to move to those projects. With the combination of these three projects available this year, they are still going to be short on getting them done. They will have to delay pieces of the projects, i.e. reduce the size of the dairy dorm or delay some of the equipment installation in the laundry which goes to serving several institutions. Mr. Day said that they need to have the ability as the funds come in to acquire that equipment and get it into service. They are trying to take advantage of the availability of those funds because it is somewhat unpredictable to invest in those systems to allow us to reduce the bonding authority. The budget amendment issue is really a secondary issue.

REP. ZOOK asked Mr. Day whether, if this legislature made the appropriation large enough, it would do what they are desiring to do. Mr. Day said that was correct and that was obviously up to the legislative body, but the statutory appropriation would reduce the paperwork for all parties. They would still have to account for the money, and it would still be restricted to those

specific areas.

REP. PECK said that although Mr. Day didn't see a difference, he saw a very distinct difference. One is that the agency under this bill has a statutory appropriation for the revenue they realize, and they can do what they want in terms of capital expenditures and maintenance. Without this bill, they have to come through the appropriations process and stand review like every other agency. Mr. Day agreed.

REP. ZOOK said that there was a desire on the part of many legislators to give agencies more flexibility, but he was not sure they wanted to do that at the expense of statutory authority.

VOTE: HB 13 DO PASS. The motion failed on a roll call vote 7-11 with REPS. GRADY, BERGSAGEL, COBB, DEBRUYCKER, KASTEN, PETERSON, and WISEMAN voting yes.

EXECUTIVE ACTION ON HB 14

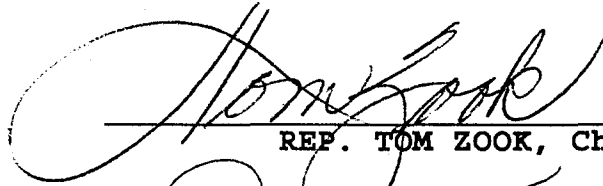
Motion: REP. QUILICI MOVED HB 14 DO PASS.

Discussion: REP. BARDANOUVE reiterated that he was serious about his proposed amendment. The present language says that in any period where there were no federal dollars, the act was repealed. He wanted language that said the act would not be permanently repealed. New section 3 says "Section 53-9-109(2) terminates if the governor certifies to the secretary of state that federal crime victims compensation funds will not be awarded... ." He asked whether that means only for a two-year period or whether it terminates permanently? Clayton Schenck said that the way he reads the language, it would terminate permanently.

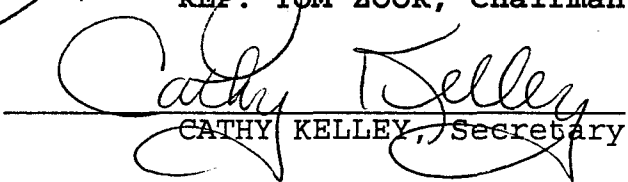
REP. QUILICI said what he thought REP. BARDANOUVE was saying was that in the event, for example, federal funds were there for FY94, fine. But what if they cut the funds in fiscal 1994 and the funds were back in fiscal 1994, was it terminated even though the funds came in the second part of the biennium. REP. QUILICI agreed that section 3 should be rewritten. The committee agreed to set the bill aside until some new language could be prepared.

ADJOURNMENT

Adjournment: 5:45 p.m.



REP. TOM ZOOK, Chairman



CATHY KELLEY, Secretary

TZ/cek

HOUSE OF REPRESENTATIVES
APPROPRIATIONS COMMITTEE

ROLL CALL

DATE 11/29/93

NAME	PRESENT	ABSENT	EXCUSED
REP. ED GRADY, VICE CHAIRMAN	X		
REP. FRANCIS BARDANOUVE	X		
REP. ERNEST BERGSAGEL	X		
REP. JOHN COBB	X		
REP. ROGER DE BRUYCKER	X		
REP. MARJORIE FISHER	X		
REP. JOHN JOHNSON	X		
REP. ROYAL JOHNSON	X		
REP. MIKE KADAS	X		
REP. BETTY LOU KASTEN	X		
REP. WM. "RED" MENAHAN	X		
REP. LINDA NELSON	X		
REP. RAY PECK	X		
REP. MARY LOU PETERSON	X		
REP. JOE QUILICI	X		
REP. DAVE WANZENRIED	X		
REP. BILL WISEMAN	X		
REP. TOM ZOOK, CHAIRMAN	X		

HR:1993
wp.rollcall.man
CS-09



HOUSE STANDING COMMITTEE REPORT

November 30, 1993

Page 1 of 1

Mr. Speaker: We, the committee on Appropriations report that House Bill 1 (first reading copy -- white) do pass.

Signed: _____

Tom Zook
Tom Zook, Chair

Committee Vote:
Yes 17, No 1

11-30-93
2:50

AC _____
20924SC.Hcr



HOUSE STANDING COMMITTEE REPORT

November 30, 1993

Page 1 of 1

Mr. Speaker: We, the committee on Appropriations report that **House Bill 11** (first reading copy -- white) do pass.

Signed: _____

Tom Zook
Tom Zook, Chair

Committee Vote:
Yes 13, No 5

11-30-93
2:50

AC
20926SC.Hcr



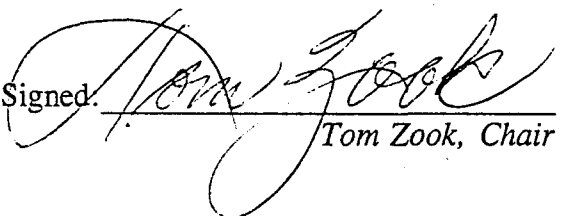
HOUSE STANDING COMMITTEE REPORT

November 30, 1993

Page 1 of 1

Mr. Speaker: We, the committee on Appropriations report that House Bill 13 (first reading copy -- white) do not pass.

Signed.


Tom Zook, Chair

Committee Vote:
Yes 7, No 11

JD
11-30-93
2:50

AC _____
20929SC.Hcr

HOUSE OF REPRESENTATIVES

APPROPRIATIONS COMMITTEE
ROLL CALL VOTE

DATE 11/29/93

BILL NO. HB 11

NUMBER _____

MOTION: REP. ROYAL JOHNSON MOVED HB 11 DO PASS.

NAME	AYE	NO
REP. ED GRADY, VICE CHAIRMAN		X
REP. FRANCIS BARDANOUVE	X	
REP. ERNEST BERGSAGEL	X	
REP. JOHN COBB	X	
REP. ROGER DE BRUYCKER		X
REP. MARJORIE FISHER	X	
REP. JOHN JOHNSON	X	
REP. ROYAL JOHNSON	X	
REP. MIKE KADAS	X	
REP. BETTY LOU KASTEN	X	
REP. WM. "RED" MENAHAN		X
REP. LINDA NELSON		X
REP. RAY PECK	X	
REP. MARY LOU PETERSON	X	
REP. JOE QUILICI		X
REP. DAVE WANZENRIED	X	
REP. BILL WISEMAN	X	
REP. TOM ZOOK, CHAIRMAN	X	

HR:1993

wp:rlclvote.1an

CS-11

HOUSE OF REPRESENTATIVES

APPROPRIATIONS COMMITTEE
ROLL CALL VOTE

DATE 11/29/93

BILL NO. HB 13

NUMBER _____

MOTION: REP. ED GRADY MOVED HB 13 DO PASS.

NAME	AYE	NO
REP. ED GRADY, VICE CHAIRMAN	X	
REP. FRANCIS BARDANOUVE		X
REP. ERNEST BERGSAGEL	X	
REP. JOHN COBB	X	
REP. ROGER DE BRUYCKER	X	
REP. MARJORIE FISHER		X
REP. JOHN JOHNSON		X
REP. ROYAL JOHNSON		X
REP. MIKE KADAS		X
REP. BETTY LOU KASTEN	X	
REP. WM. "RED" MENAHAN		X
REP. LINDA NELSON		X
REP. RAY PECK		X
REP. MARY LOU PETERSON	X	
REP. JOE QUILICI		X
REP. DAVE WANZENRIED		X
REP. BILL WISEMAN	X	
REP. TOM ZOOK, CHAIRMAN		X

HR:1993

wp:rlclvote.man

CS-11

APPROPRIATIONS

EXHIBIT

DATE

HB

1
11/29/93
1

House of Reps Budget Printed:

53rd Legislature SS1 26-Nov-93

BUDGET SUMMARY BY RESPONSIBILITY CENTER

Legislator Salary and Expenses	247,585
Attache Salaries	111,204
Legislative Operations & Eqpt	8,365
Caucus and Start-Up	27,305

Total Budget	394,459
--------------	---------

Senate
53rd Legislature SS1

Printed:
26-Nov-93

BUDGET SUMMARY BY RESPONSIBILITY CENTER

Legislator Salary and Expenses	111,983
Attache Salaries	60,572
Legislative Operations & Eqpt	6,205
Caucus and Start-Up	26,899

Total Budget	205,659
--------------	---------

Legislative Council Feed Bill Program Budget

3rd Legislature -- SS1

Summary of Responsibility Centers

Bill Print and Distribution	\$77,619
Legislative Publications	\$16,550
Legislative Information and Telephones	\$30,046
Total Council Feed Bill	\$124,215

Legislative Fiscal Analyst Feed Bill Program Budget
53rd Legislature -- SS1

FISCAL ANALYSIS

PERSONAL SERVICES

None

OPERATING EXPENSES

Other Services

Printing P & G \$9,140 Budget Analysis/Appropriations Rpt

Computer Services D of A \$3,000

Total Other Services \$12,140

Communications

Postage & Mailing \$700

Total Communications \$700

TOTAL OPERATING EXPENSES \$12,840

TOTAL FISCAL ANALYSIS \$12,840

Crime Victim Compensation

Revenue and Total Expenditures

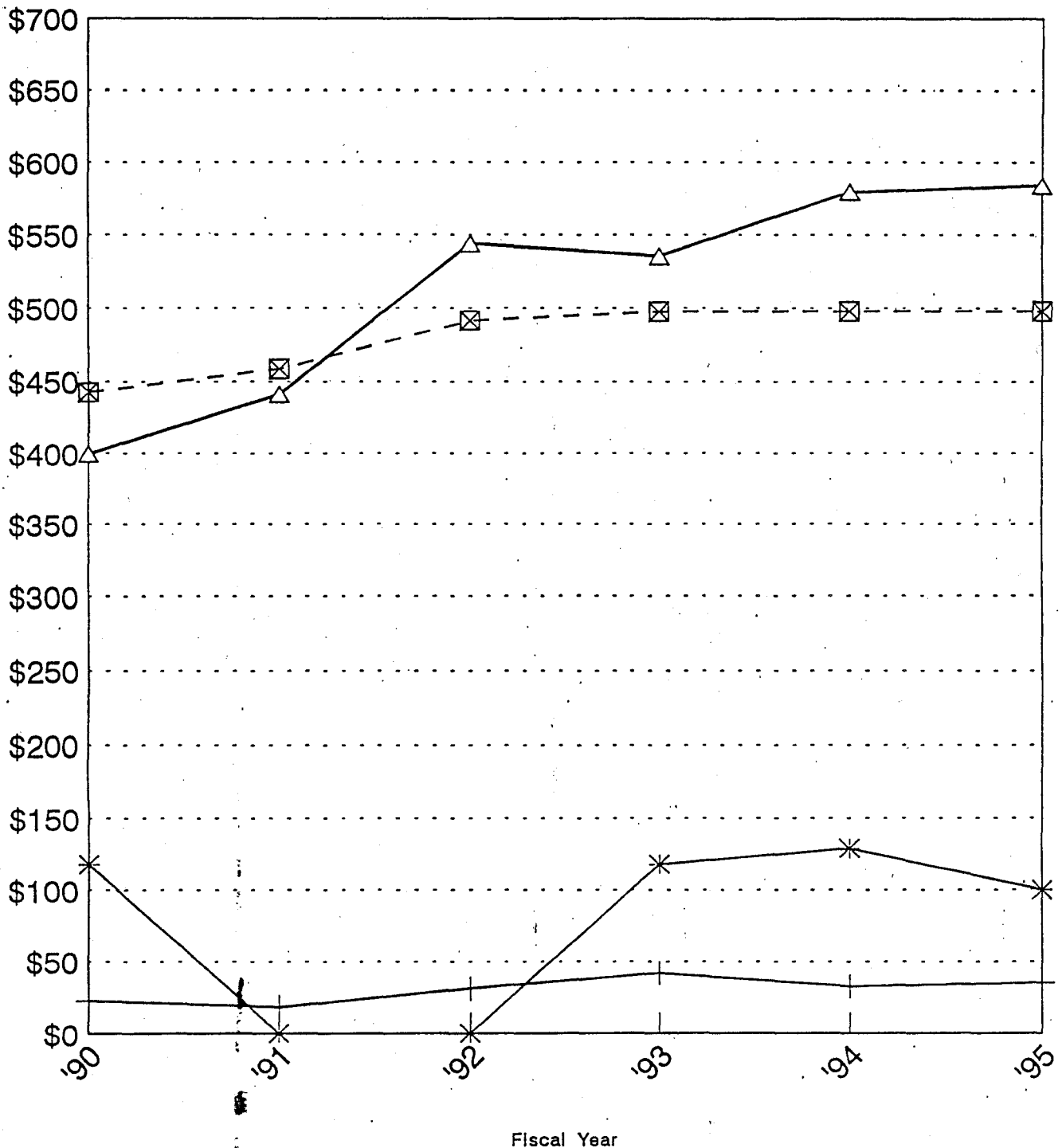
EXHIBIT

DATE

HB

2
11/29/93
4

Thousands \$



☒ JP Fines + Restitution * Federal △ Expenditure

Crime Victim Compensation Data

Year	JP Fines	Restitution/ Subrogation	Federal	Total Expenditures
90	\$442,518	\$22,883	\$118,000	\$399,504
91	\$458,412	\$18,360	\$0 ¹	\$441,106
92	\$491,424	\$31,125	\$0	\$543,994
93	\$497,630	\$41,656	\$118,000	\$535,449
94 ²	\$498,000	\$32,370	\$129,000	\$578,939
95	\$498,000	\$35,000	\$100,000	\$583,600

Notes:

The graph of these numbers shows that crime victim compensation expenditures have exceeded revenue from Justice of the Peace (JP) fines since 1992. The difference has been made up by receipt of federal funds from the Victim of Crime Assistance Act (VOCA). The federal funds are derived from fines and penalties and states are eligible to receive grants at up to 40% of the state expenditures for victims (depending on how much is in the federal account).

Subrogation and Restitution also make up a smaller portion of the difference.

It is imperative that the proposed 'cap' on the fund be limited should federal funds not be available. **Without federal funds, the crime victims funds would not have a sufficient fund balance to avoid going in the red.** The lifting of the cap should federal funds not be available is needed so that the fund balance could grow to help minimize the shortfall over time.

Other Facts:

Claims received by the Board of Crime Control have risen each year since 1989 to almost 500 per year in '92 and an estimated 550 in '93.

The number of claims awarded benefits has also risen each year since 1989 to about 275 per year while at the same time the number of claims denied benefits has decreased since 1990 to about 140 in 1992.

The average payment per claim is about \$1,500 and is increasing. It increased 21% from \$1,200 in 1991 to \$1,500 in 1993 (fiscal years).

¹ Montana not eligible for federal funds for '91 & '92

² '94 and '95 are estimated.

Comment:

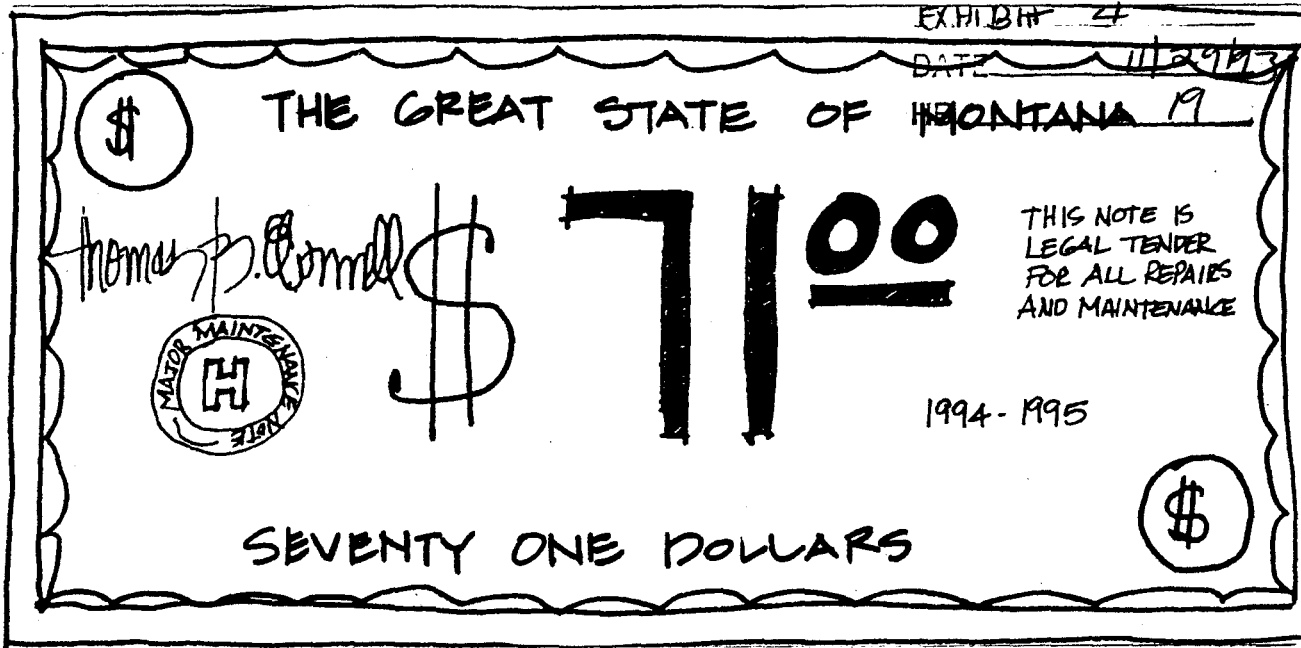
Transferring funds and putting a 'cap' on the crime victims fund is an awkward proposition. The transfer of \$250,000 is the most significant manner by which the Board of Crime Control can assist the state in the crisis facing the Legislature in Special Session. While the transfer and 'cap' may be of immediate assistance, there may well be a time in the future when the Board of Crime Control must seek to raise the cap and/or seek additional revenues from fines and penalties to cope with increased victims costs. Those increased costs may come from two sources: 1. An increase in the number of victims of violent crime; and, 2. An increase in the cost of medical treatment.

CAPITAL CONSTRUCTION PROGRAM
FACT SHEETLong Range Building Program
1985 Biennium - 1995 Biennium
(Millions)

<u>Biennium</u>	<u>Long Range Building Program Fund</u>	<u>Other Cash Projects</u>	<u>LRBP Bonds</u>	<u>Other Bonds</u>	<u>Total Program</u>
1984-1985	\$10.87	\$15.69	\$36.36	\$3.08	\$ 65.90
1986-1987	\$10.52	\$20.12	\$ 0.00	\$8.55	\$ 39.19
1988-1989	\$ 6.24	\$11.44	\$ 0.00	\$0.00	\$ 17.69
1990-1991	\$ 5.51	\$18.20	\$ 0.00	\$3.54	\$ 27.25
1992-1993	\$ 8.03	\$64.21	\$61.26	\$8.67	\$142.17
1994-1995	\$ 5.72	\$30.68	\$ 9.97	\$3.20	\$ 49.57

LRBP Requests/LRBPF Revenue
1985 Biennium - 1995 Biennium

<u>Biennium</u>	<u>Total Requests</u>	<u>LRBPF Requests</u>	<u>LRBPF Revenue</u>
1984-1985	\$118 million	\$ 95 million	\$10.87
1986-1987	\$171 " "	\$136 " "	\$10.52
1988-1989	\$160 " "	\$145 " "	\$ 6.24
1990-1991	\$188 " "	\$150 " "	\$ 5.51
1992-1993	\$318 " "	\$242 " "	\$ 8.03
1994-1995	\$239 " "	\$191 " "	\$ 5.72
1996-1997	\$ Unknown	\$200 " "(est.)	\$ 3.00 (est.)



APPROPRIATIONS

EXHIBIT 5
DATE 11/29/93
HB 19

PRIORITY RECOMMENDATIONS FOR COAL SEVERANCE TAX FUNDING 1995 BIENNIUM

<u>No.</u>	<u>Project and Agency</u>	<u>Amount</u>
1.	Repair and Improve Heating and Ventilation System, STARC Armory, Dept. of Military Affairs	184,800
	Upgrade the ventilation systems on the two subgrade levels of the Montana National Guard STARC Armory in Helena thus reducing environmental health risks for the employees working in the building.	
2.	Infirmary Upgrade, Montana State Prison	350,000
	Renovate the X-Ray, Medical Records and Pharmacy areas to correct deficiencies noted in the O'Brien Report.	
3.	Floor Repairs, Dept. of Corrections & Human Services	145,400
	Center for the Aged 65,400	
	Montana Developmental Center 80,000	
	Replace deteriorated tile floors at the Center for the Aged to alleviate unsanitary conditions. Repair uneven, and spalling warehouse floor at MDC to eliminate tripping hazards.	
4.	Replace Office of Public Instruction Rooftop HVAC Units, Department of Administration	130,000
	Replace HVAC units which are no longer serviceable due to unavailability of replacement parts.	
5.	Kitchen Upgrades Statewide, Dept. of Military Affairs	136,500
	Upgrade kitchens in four armories that were built in the late 50's at Billings, Malta, Kalispell, and Butte. Replace antiquated equipment and work surfaces to meet current health standards and to allow continued use of kitchens.	
6.	Roof Replacement for Bldgs 102 & 104, Montana Developmental Center	250,000
	Repair/replace roofs to prevent damage to structures and contents.	
7.	Roof Replacement, Capitol Complex, Dept. of Administration	219,500
	Commerce Building 57,000	
	Scott Hart Building 50,000	
	Cogswell Building 112,000	

Replace or repair roofs and reflash parapets on three (3) capitol complex buildings in order to protect the structure and valuable contents.

8. **Central Heating Plant Improvements, Montana State University** 855,000

This project was partially funded during the last special session. This project would complete the renovation of the heating plant and bring it up to current central heating plant standards.
9. **Structural Repairs Brockman Center, Northern Montana College** 300,000

Repair concrete that has spalled to the point the reinforcing steel is exposed to the elements and structural integrity is diminished. The project will repair the concrete and prevent further deterioration.
10. **Limestone Repair on Vet's Pioneer (Historical Society) Building** 218,000

Replace limestone panel anchors which are failing thus creating a threat of the panels detaching and falling from the face of the building.
11. **Replace Water Main/Repair Boiler & Heating System, Swan River Boot Camp, DCHS** 186,250

The project will replace deteriorating water lines and connect the Administration and Food Service buildings to the wood fired boiler currently serving the Lodge Building. Utilization of the wood heating system will increase since the boiler has additional capacity.
12. **Steam & Condensate Tunnel, Montana State University** 1,000,000
(Requested at \$2,368,000)

Replace steam and condensate lines that are beyond repair and extend the campus utility tunnel system to provide safe and more dependable utility distribution to the campus buildings.
13. **Replace Plains Unit Office Fire Dispatch Center, Dept. of State Lands** 270,000
(Deleted in January 1992 Special Session)

Construct a new office building/despatch center to replace an existing unsuitable mobile home that is approaching the end of its useful life.
14. **Replace Windows, Cowan Hall, Northern Montana College** 300,000

Replace the 1949 single-pane steel sash windows to conserve energy and provide a more comfortable environment for the occupants.

15. Receiving Hospital Window Replacement, Montana State Hospital, DCHS 175,000
Replace aluminum framed, single pane, windows which are warped and no longer close properly. Replacement is the most viable means to improve patient comfort because the manufacturer is out of business and parts are no longer available.
16. Capitol Complex Improvement Projects, Dept. of Administration 2,000,000
Requested:
Window Replacement in Complex 1,459,940
Copper Dome Repair 50,000
Upgrade Electrical Systems 500,000
Rewire Capitol Building 900,000
Interior Painting 150,000
TOTAL 3,059,940

Initiate various maintenance projects at the Capitol Complex to preserve its infrastructure ensure a efficient and safe environment for workers.
17. Fire Code Compliance, Eastern Montana College 365,000

Install a fire supression system in the Liberal Arts Building and make other modifications to comply with current fire codes and provide a safer environment for occupants.
18. Repair Projects, Dept. of State Lands 100,000
Requested:
Water Treatment System, Forestry 3,000
Pave Parking Lots, Forestry 30,000
Replace Fuel Tanks, Forestry 20,000
Firefighters Bunkhouse, Swan River 15,000
Replace Floor Joists, Stillwater 18,000
Replace Roofs, Olney, Libby, Kal, Swan 18,000
Repair Wall and Roof, Equipment DC 11,000
Furnace and Exhaust Fan, EDC Paint B 14,000
Bury Hazardous Power Lines, Clearwater 1,500
Improve Entries and Access, Statewide 14,000
Replace 28-year Old Tank, Anaconda 8,000
Warehouse Insulation, Equipment DC 4,000
TOTAL 156,500

Complete various maintenance and repair projects for facilities statewide to meet codes, federal regulations and maintenance requirements.
19. Paving Projects, Dept. of Corrections and Human Services 324,550
Requested:
Columbia Falls Veteran's Home 34,900

ASPHALT ROAD SEAL

Seal roads and path to prevent further deterioration and erosion.

Eastmont Human Services Center

29,075

CHIP SEAL AND/OR RESURFACE PARKING LOTS AND ROADS

Provide parking lot and road maintenance to prevent further deterioration of paving.

Montana State Hospital

1,314,610

PAVING STREETS & SIDEWALKS

Repair/rebuild streets and sidewalks campus wide to provide adequate and safe means for vehicular and pedestrian traffic on the Warm Springs and Galen Campuses.

TOTAL

1,378,585

TOTAL RECOMMENDED

7,510,000

GREAT FALLS VOCATIONAL-TECHNICAL CENTER
 INFORMATION RELATING TO COMPLETION OF
 SOUTHWESTERN PORTION OF FACILITY EXHIBIT 6

DATE 11/29/93
 HB 19

MSU EXTENSION SERVICE, WESTGATE MALL

1,857 square feet

Rental basis is \$9.75 per square foot, includes utilities

Annual rental amount = \$18,105.75

NORTHERN MONTANA COLLEGE, NORTHWEST BY-PASS

12,000 square feet

Rental is based on a three year lease:

FYE 93	—	\$40,000
FYE 94	—	\$42,000
FYE 95	—	\$44,000

Additional expenses include insurance and utilities.

COMPLETION OF SOUTHWESTERN PORTION OF FACILITY, VOTECH CENTER

Approximately 10,000 square feet of unfinished area that could be
 converted into two separate floors of approximately 8,000 square feet
 per floor or 16,000 total square feet.

Costs of Completion	\$950,000
---------------------	-----------

General Information

Utility costs at Great Falls VoTech	\$.89 per square foot on an annual basis
-------------------------------------	---

Borrowing Information

Funds Borrowed	\$1,000,000	\$1,000,000	\$1,000,000
Term	20	15	10
Interest Rate	4.00%	4.00%	4.00%
Annual Payment	73,582	89,941	123,291

HOUSE OF REPRESENTATIVES
VISITOR'S REGISTERAppropriations

COMMITTEE

BILL NO. ~~1137~~

DATE

11/29/93

SPONSOR(S)

Rep. Tom Zook~~PLEASE PRINT~~~~PLEASE PRINT~~~~PLEASE PRINT~~

NAME AND ADDRESS	REPRESENTING	SUPPORT	OPPOSE
Judy Bolton		✓	
G. W. Nebert DEPT LODGE		✓	
Robert Lashaway	MSU		
DAVE THOMAS		✓	
William A. RICHARDS		✓	
Darryl Meyer		✓	
Alvin Hoff	MT. Education Com		
ROBERT G. NATELSON, 113 Lincolnwood Mpls. MBG.		✓	
Conor Tom	PUB 6934 GTF MT	✓	
David McCannel	Montana's for BG	✓	
J. M. Rice	Montana's for BG	✓	
MARLOS BATES	MT. For BETTER GOV	✓	
Ken BATES	" " " "	✓	
JOHN SKOLIVAS	" " " "	✓	

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

**HOUSE OF REPRESENTATIVES
VISITOR'S REGISTER**

Appropriations COMMITTEE BILL NO. SB 7
DATE 11/29/93 SPONSOR(S) Rep. Tom Look

PLEASE PRINT

PLEASE PRINT

PLEASE PRINT

[illegible]

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

HOUSE OF REPRESENTATIVES
VISITOR REGISTER

Appropriations COMMITTEE BILL NO. 11311
DATE 11/29/93 SPONSOR(S) Rep. Bill Wiseman

~~PLEASE PRINT~~~~PLEASE PRINT~~~~PLEASE PRINT~~

NAME AND ADDRESS	REPRESENTING	SUPPORT	OPPOSE
^{P.O. Box 5356} Serge Hagerman ^{Helen} 59404 From Conn	AFSCME		✓
Clark A. Davis	MBG		
Brad Griffin 318 N. L.C.G. Helena	MT Retail Assoc.		
G. M. Dennyison	The U of M		
Tom Schneider	MPEA	— amend —	
LINDA KING PERD	Pub Empl. Ret. Board	✓	
David Searcy TRS	Teachers' Retirement	✓	
W. O. K.	St. Audry's	✓	
John M. Dea Herder	Assoc MT Ret Pub Empl AMRPE	✓	
11	PEPSCO Pub Empl Pens Security Coalition	✓	
C. Age Mcnaman	Retirees State Empl	✓	
Greg Quisell	Dist 92		✓
KRISTE OCHENSKI	SELF	✓	

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

HOUSE OF REPRESENTATIVES
VISITOR'S REGISTER

Appropriations COMMITTEE BILL NO. 11314
 DATE 11/29/93 SPONSOR(S) Rep. Joe Quilici

~~PLEASE PRINT~~~~PLEASE PRINT~~~~PLEASE PRINT~~

NAME AND ADDRESS	REPRESENTING	SUPPORT	OPPOSE
Ed Hall	MB CC	—	

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

HOUSE OF REPRESENTATIVES
VISITOR'S REGISTER

Appropriations COMMITTEE BILL NO. 19
 DATE 11/29/93 SPONSOR(S) Rep. Ernest Bergsagel

~~PLEASE PRINT~~~~PLEASE PRINT~~~~PLEASE PRINT~~

NAME AND ADDRESS	REPRESENTING	SUPPORT	OPPOSE
Debra Fulton	DOA		
BRENDA HASLAM	DOR		
Ron Smith	DOR		
Jim WHALEY	A/E		
Allan Stricker	DMA		
Chris Danning	Dept Military Affairs		

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