MINUTES

MONTANA HOUSE OF REPRESENTATIVES
53rd LEGISLATURE - SPECIAL SESSION

COMMITTEE ON APPROPRIATIONS

Call to Order: By **CHAIRMAN TOM ZOOK**, on December 1, 1993, at 8:30 a.m.

ROLL CALL

Members Present:
Rep. Tom Zook, Chairman (R)
Rep. Ed Grady, Vice Chairman (R)
Rep. Francis Bardanouve (D)
Rep. Ernest Bergsagel (R)
Rep. 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: Sandy Whitney, 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 2
HB 5
HB 20
HB 21

Executive Action: HB 2 (not final)

HEARING ON HOUSE BILL 5

Opening Statement by Sponsor:

REP. JIM ELLIOTT, House District 51, Trout Creek, said this bill requires the Department of State Lands to solicit bids for the private operation of the state nursery program in Missoula.

The state nursery program produces trees from seedlings for conservation plantings around the state. 64% of the seedlings are used in conservation plantings. An average order is between 250 and 300 trees. 32% of the trees produced by the nursery are sold primarily to the Department of State Lands -- about 400,000 trees. Prior to the 1993 session, the cost of these trees was subsidized by $81,000 in general fund money. That money was removed in the 1993 session. The 1993-94 operating budget was $302,000. As a direct consequence of the removal of general fund money the price of the trees went up. The operating costs are covered by the increased cost of the seedlings.

The state nursery sells about 1.25 million seedlings a year which is about 10% of the production of the state of Montana. All varieties of seedlings are also available from private nurseries within the state. A poll conducted by the State Auditor in 1990, which was included in the performance audit report of lands from the forest and trust land and dated November, 1992, revealed that 54% of the people who dealt with the state nursery bought the trees because they were lower in price than those of the private nurseries.

REP. ELLIOTT felt that the key question was whether it was appropriate for the state to be in a business in direct competition with private industry which must pay taxes and cover other operating costs. He quoted from the 1992 performance audit report, p. 85, recommending that the department review overall forestry priorities.

REP. ELLIOTT stated that the bill as printed included the grounds program operated by DSL. It was never his intention to include the grounds program and he would ask for that to be amended out.

Proponents' Testimony:

Walt Kero, CPA for Lawyer Nursery, Inc., of Plains, Montana, appeared on behalf of John Lawyer. He gave a brief history of Lawyer Nursery. **EXHIBIT 1** The current state nursery has been in direct competition with Lawyer Nursery and other nurseries since their inception. The distinction between forestry, conservation, and environmental plantings is decreasing. In the future, all the markets will be closer together and there will not be room for everybody. As more and more forest land is not being harvested, there is less need for seedlings. Lawyer Nursery is capable of supplying 100% of everything the state nursery is producing. The state nursery is not only supplying products for state lands and conservation needs of farmers and ranchers, but excess products are being sold. The state nursery sells its product at less than true production cost. Its overhead, i.e. administrative payroll, land costs, capitalization costs, premiums, equipment, and other operating costs, are subsidized by the state. Being able to sell product at less than true cost amounts to subsidies by state government for the state nursery. Some farmers and ranchers buy product from the state nursery and don't always use it for the purpose for which it is intended; they use it around their house or give it to friends.

Approximately 20% of Lawyer Nursery's sales are to conservation districts, primarily in other states and Canadian provinces.

John Lawyer would be willing to put together a proposal to negotiate a transition for marketing and production for a successful takeover of the state nursery. The value of the land in Missoula is fairly high, but the value of the product is also extremely high. The state nursery has a seed orchard, which typically has a two generation cycle. The seed orchard in Missoula is in its first generation. After the second generation, the quality of the seed product goes up. Private nurseries at present would not even venture into that type of business because it is so capital intensive. It takes many years before it gets to the place where it is profitable.

If all the private nurseries in the state of Montana fail, there is the present capacity in the northwest to provide anything that the state of Montana would need for reforestation, soil conservation, and shelter belts. Given the right amount of time and passage of the bill, John Lawyer would be more than willing to make a proposal for buying the nursery intact. The proposal has nothing to do with buying state land, but just the seed facility.

Lawyer Nursery presently has on staff two PhDs, various employees with master's degrees, and an engineer. It has all the expertise needed to supply the best product at the best price. It has a payroll of $1.2 million, a substantial portion of which is in the Montana area. Privatization is a key concept in reinventing government.

<u>Opponents' Testimony</u>:

REP. TIM SAYLES, House District 61, testified that his district bordered the state nursery on three sides. He pointed out that nursery sales are primarily in state, there having been no sales to Idaho in the last two years. There are currently nine FTEs who work at the nursery. The total budget is $238,000. There are seven seasonal employees. The nursery covers 120 acres in Missoula. It is one of the last areas of open space in the Missoula valley.

REP. SAYLES did not feel it was a good idea to privatize the nursery. If the state wanted to get rid of the nursery, it would be a better idea to subdivide and sell the land. The nursery gets no general fund money. Last year, during the regular session, state lands were opened up to timber harvesting. He felt that the state needed the state nursery for replanting. He concluded by stating his strong opposition to this bill.

Mike Volesky, Montana Association of Conservation Districts, opposed the bill because privatization means increased cost for seedlings for conservation planting.

Jeff Jahnke, Department of State Lands, Forestry Division, testified that the state nursery was essential for the purpose of supporting conservation plantings. 64% of the plantings couldn't occur if the department couldn't get cheap seedlings. He stated that the department had tried to establish policies so as not to be in competition with private individuals.

Questions from Committee Members and Responses:

REP. WISEMAN stated that the state had 120 prime acres worth about $5 million. The yearly return on that land is about $300,000. He asked **REP. ELLIOTT** how much it would cost the state to buy the total number of seedlings from private industry we buy now from the nursery. **REP. ELLIOTT** didn't know.

REP. FISHER asked **REP. ELLIOTT** if the state could contract out for seedlings instead of contracting for the operation of the nursery where it is. **REP. ELLIOTT** replied that the state could do that.

REP. QUILICI asked **Mr. Kero** how many nurseries in the state would capable of bidding on this type of operation. In addition to Lawyer Nursery, **Mr. Kero** named Bitterroot Nursery and several nurseries in Kalispell which would be capable of operating the nursery.

REP. WISEMAN asked **Mr. Jahnke** how much money the state was saving by buying seedlings from the state nursery instead of the private sector. **Mr. Jahnke** said they couldn't answer that since they haven't done that. He said that the same quality seedlings would be more expensive.

REP. BARDANOUVE pointed out to **Mr. Kero** that despite competition from the state, his client, Lawyer Nursery, was very successful. **Mr. Kero** replied that Lawyer Nursery sells very little product in the state of Montana. They sell product in Idaho, Iowa, Alberta, Saskatchewan, etc. They are at a disadvantage, as are other private nurseries, in the state of Montana.

REP. DEBRUYCKER asked what the income to the schools, the city, and the county would be if the property sold. **REP. ELLIOTT** said he had not calculated that. **CHAIRMAN ZOOK** pointed out that the bill did not provide for the sale of the property. **REP. NELSON** asked if a fiscal note could be provided. **REP. ELLIOTT** said he would see to it.

REP. MENAHAN stated that many organizations, schools, etc. in his area had been supplied with free trees for reforestation. Where would they get the money to buy these trees? **REP. ELLIOTT** responded that they would be charged the same price as any private individual. **REP. MENAHAN** stated that the trees had been provided free.

REP. PECK stated that he didn't think this was a real privatization bill. The bill provides for the contracting out of the nursery to be run on tax-free land. **REP. ELLIOTT** said you could construe the bill that way. **REP. PECK** said the way he read the bill, the successful bidder would have an advantage over other private tax paying nurseries. He didn't feel this was a free market situation. He felt this was a specific piece of legislation for the benefit of an interested party.

Closing by sponsor: **REP. ELLIOTT** closed by pointing out the only similarity between himself, **Mr. Kero** and **Mr. Lawyer:** they all felt it was inappropriate for the state to compete with private industry.

HEARING ON HOUSE BILL 20

Opening Statement by Sponsor:

REP. NORM MILLS, House District 90, Billings, said this bill would privatize driver's education. The bill is not intended in any way to kill driver's education in the state of Montana. The bill removes the administration of driver's education from the Department of Education to the Department of Justice. The Department of Justice is responsible to issue driver's licenses, enforce traffic laws and driver safety, and, under this bill, to oversee driver's education. Under this bill, the Department of Justice would certify driver's education teachers and programs. It would maintain the same standards that insure insurance discounts for young drivers.

The bill would allow for private driving schools. It would allow the public schools to offer the course if they wish to do so, but there would be no state money provided. The Department of Justice would charge a fee for certification sufficient to pay for the costs involved in administering the program.

REP. MILLS pointed out that this bill would take away the liability for the program from the schools. The certified teachers and/or private schools would have to maintain their own equipment and insurance. This is not meant in any way to take away the availability of driver's education or take away the employment of driver's ed teachers; it merely makes them independent of the schools.

REP. MILLS noted that there is a waiver system in effect in the Helena schools at this time whereby when a student passes driver's education, he is eligible for a driver's license without a driving test. This system would also work under this bill, thus saving time and money.

REP. MILLS quoted from a statement by the Office of Public Instruction which said that last year $1.65 million was spent on driver's education. That amount of money would return to the general fund. His feeling is that the people of Montana want to see less government. He doesn't want the driver's ed program to die and believes this method will keep it alive and let the people pay for it. He concluded by saying that **Nancy Keenan, Superintendent of Public Instruction,** had been quoted as suggesting this program for privatization.

Proponents' Testimony:

REP. ELLEN BERGMAN, House District 26, Miles City, testified in favor of the bill, primarily because of the sizeable savings to the state. Funds have been cut in the past for this program, and rather than keep cutting funds and reducing the quality of the program, she favors privatization. She questioned the large discrepancy in cost for the program between school districts. Miles City charges $35 per student, while in Helena each student pays over $100. She said that she has a brother who teaches driver's ed in Omaha, Nebraska, which took driver's ed out of the public schools a number of years ago. Private schools there charge between $150 - $180 dollars per student.

Opponents' Testimony:

REP. DAN HARRINGTON, House District 68, Butte, testified that driver's education was one of the most important programs in the school system, with 83% of the students participating. As a driver's ed teacher himself, one of his main objections to the bill was that the teacher certification requirements were not stringent enough. He thought an average 18-year-old could meet the requirements in the bill. He said that all of the present teachers were certified teachers, most with a minor in driver's ed, and had taken additional relevant courses and seminars.

REP. HARRINGTON said that most private driving schools charged between $300 - $400. He felt that if this bill passed, it would destroy the program, making it too expensive for most students. He urged the committee to leave the driver's ed program as part of the state program. Even though some money may have to be taken from the program, he asked the committee to leave enough money in the program to keep it alive.

Dal Smilie, Chairman, Montana Motorcycle Safety Advisory Committee, testified that the bill would eliminate the motorcycle safety training program currently administered by OPI. **EXHIBIT 2** He objected to the motorcycle instructor requirements. Several excellent current instructors do not have high school diplomas. He also objected to the proposed annual licensing fee for instructors.

Jill Z. Smith-McGuire, American Bikers Aid to Education (ABATE), asked the committee to strike those portions of the bill that made changes of any kind in the Montana Motorcycle Safety and Education Program. **EXHIBIT 3**

Michael Bullock, supervisor of the driver's education program in the Helena public schools, testified in strong opposition to the bill which would dismantle a quality program which exists throughout the state, administered on a local level. The program receives excellent cooperation and leadership from OPI and the Department of Justice. In Helena last year, 518 students took advantage of driver's ed. The Helena program has 12 certified instructors who are continually upgrading their skills annually. They use vehicles no more than 2-3 years old that meet all federal safety standards. He felt that passage of this bill would dilute the quality of an outstanding statewide program.

Terry Grant, driver's education teacher, Box Elder, Rocky Boy, and Havre, said this bill would affect nearly 11,000 students of driving age throughout the state of Montana, not counting motorcycle and bicycle riders. He testified that the state program taught students to take care of their cars, showed them how to buy a car, showed them how to buy insurance, and taught them their responsibilities in the areas of drugs and alcohol. The program requires 42 hours of classroom time. He felt that private driving schools would not give as much time and the instructors would not be as qualified. **Mr. Grant** said his students on the reservations would not be able to afford to pay for the program. They would simply drive illegally.

Dean Roberts, Department of Justice, said that this bill was a surprise to his department which had several concerns. He felt that if the program was privatized, schools would get out of the business. There would no longer be local control of driver education programs. Schools now administer compensation, hours of instruction, etc. Turning this program over to the Department of Justice would require the department to administer all the education structures that are now being administered by the local school districts. He said that there would be a cost to the department who would need extra FTEs to administer the program. The department estimates that an instructor's license will have to cost between $500 - $1,000 per year which still wouldn't be enough to fund the required FTEs. He said that the people in his department were basically testers, not educators. The department would need more time to study the impact of this bill than the special session would allow.

Gail Gray, Assistant Superintendent, Department of Accreditation and Curriculum Services, Office of Public Instruction, testified that OPI was best qualified to supervise teacher certification and driver's education programs in the public schools. Her department was opposed to the transfer of this function to the Department of Justice.

The committee recessed until 11:00 a.m.

Jean Curtiss, legislative coordinator, Montana PTSA/PTA, said that her 11,000 member group had voted in 1990 to support a fully funded driver's education program, and they stand by that vote. **Ms. Curtiss** felt that a privatized program would be unaffordable for many Montana families. Not only will they be unable to afford the program, without the program, they will be unable to afford car insurance. A primary concern is the safety of youthful drivers. The National Traffic Safety Administration estimates a high quality driver's ed program can reduce the likelihood of a crash by 10-15%.

Questions from Committee Members and Responses:

REP. DEBRUYCKER asked **REP. MILLS** if all a driver's ed teacher had to do to renew his certification was to apply once every two years. **REP. MILLS** said teachers would have to be recertified every year.

REP. JOHN JOHNSON asked **REP. MILLS** for specifics about the "nationally recognized test for licensure as a traffic education teacher" referred to in the bill's statement of intent. **REP. MILLS** said he had been assured by the Legislative Council that there was such a test, but he had not yet seen one. **REP. JOHN JOHNSON** asked **Dean Roberts** if he had access to such a nationally recognized test. His understanding was that there was no such test. **REP. JOHNSON** asked **Gail Gray** if she knew of such a test. She did not, but said she would try to find out.

CHAIRMAN ZOOK asked how driver's ed teachers are certified now. **Ms. Gray** said that teachers have approximately a minor in driver's ed.

CHAIRMAN ZOOK asked **Ms. Curtiss** how much money on insurance premiums could be saved on a student who has completed driver's ed. She replied that the savings were realized as long as the student maintained a "B" average.

REP. BERGSAGEL asked **Ms. Curtiss** how much money she saved on her student driver's insurance. She said about $450 per year.

REP. WISEMAN stated that if the state got out of driver's ed, the teachers would go into business for themselves. He asked **Mr. Roberts** why it would take 3 FTEs to supervise 300 people. **Mr. Roberts** said that the bill requires the Department of Justice to set criteria, develop the program, certify the teachers, and develop standards. The department would have to conduct hearings for any person who had a problem with a driver's ed instructor. The department would need compliance specialists to monitor instructors. **REP. WISEMAN** asked why the state couldn't grandfather everyone who is teaching the course now, which would probably be 90-95% of the instructors. He felt the department's figures were too high.

REP. PETERSON asked **REP. MILLS** if he had actual knowledge of any attempts to cut out the driver's ed program. **REP. MILLS** replied that the program was on the list of possible cuts prepared by the administration. **REP. PETERSON** asked **REP. MILLS** if he was hearing enough rumors of cutting driver's education that he felt it was eventually going to happen. He said that everything that could be done to change funding from state to private would be done, if not now, sooner or later.

REP. PECK said that he supported family responsibility and privatization in principle. His concern was whether the quality control and supervision of the program would be there. **REP. MILLS** said he felt there had been a lot of testimony implying that the Department of Justice couldn't be trusted to run the driver's ed program, yet they are trusted to administer driver's license examinations. He felt we should be able to depend upon the Department of Justice to monitor the program and assure the people of Montana of qualified teachers. **REP. PECK** said he felt the bill left open the quality of instructors. **REP. MILLS** said the bill put the responsibility on the Department of Justice.

REP. FISHER asked **REP. MILLS** why the committee couldn't just cut the funding and leave the program under the supervision of OPI. **REP. MILLS** said he would be willing to accept that. His impression from reading a newspaper article quoting **Superintendent Keenan** was that OPI would rather not oversee the program. **REP. MILLS** did not care who oversaw the program; he wanted it well run and privately paid for.

Closing by Sponsor: **REP. MILLS** said that the experience of the state of Nebraska showed that privatization could work. He reiterated that it was not his intention to put the Department of Justice on trial. He felt that his bill did not stop the driver's education program; it just took the amount of money the state pays.

HEARING ON HOUSE BILL 21

Opening Statement by Sponsor:

REP. MARY LOU PETERSON, House District 1, Eureka, opened by deferring to the Department of Administration to fully explain the bill.

Proponents' Testimony:

Lois Menzies, Director, Department of Administration, said that this bill had two components: to implement the State Funds Cost Allocation Plan (SFCAP) and to increase cost coverage of the existing Statewide Cost Allocation Plan (SWCAP). **EXHIBITS 4 and 5** She noted that this plan is similar to what many departments already do on an internal basis to allocate administrative costs. The plan offers an alternative to across the board cuts in nongeneral fund agencies.

Opponents' Testimony:

Rod Sundsted, Associate Commissioner for Fiscal Affairs, Montana University System, testified that he did not like the current trend of shifting costs from the state to the agencies. The University System has more and more fixed costs and this trend gives them less flexibility.

He also brought up the fairness issue of interest earnings on agency accounts. In the University System, under this legislation, they would be transferring costs to auxiliary funds, which are basically the student accounts, and to designated funds, which are course fees, etc. The state currently keeps the interest on those designated funds. It is estimated that on the University of Montana alone, the state earns $150,000 interest per year off those designated accounts. This legislation asks the U of M to pay for approximately $50,000 worth of services. He felt that the university is already providing more in interest than any cost it would be incurring.

Jim Todd, Vice President, Administration & Finance, University of Montana, said that the proposed system is similar to a process already in place at the University of Montana. They do insure that all designated and auxiliary accounts pay their fair share of the cost of operation and administration of the institution. They are concerned about the impact on the University of Montana. The base year being used in **EXHIBIT 5** was the first year trying to reduce the number of accounts at the University of Montana.

They are concerned about the effect the cost allocation plan would have on their designated accounts. Interest earnings on those accounts go to the general fund. Auxiliary accounts accrue their own interest and should be potential candidates for inclusion in the cost allocation plan. He felt that the University should either be able to retain its interest earnings on designated accounts and proceed with the cost allocation plan, or the state should dispense with the cost allocation plan and continue to take the interest earnings.

Mr. Todd testified that the University was concerned about the early implementation of this plan. It would go into effect this year and would mean an additional $26,000 in costs to the U of M. which has not been budgeted for. They believe they would have to pass these additional costs on to the students.

Questions from Committee Members and Responses:

REP. FISHER asked **Ms. Menzies** to respond to the opponents' testimony. **Ms. Menzies** said that the legislature should look closely at the funds that do retain interest and those that do not retain interest and make an independent determination as to whether that is good public policy. She believes that issue is separate from this proposed legislation.

REP. WISEMAN asked **Ms. Menzies** why the University of Montana's costs were about 70% higher than Montana State University's. **Ms. Menzies** replied that was due mainly to SBAS transactions and is directly tied to the number of accounts the University has. She deferred to **Connie Griffith, Administrator, Accounting and Management Support Division, Department of Administration,** for further explanation.

Ms. Griffith explained that the system used by the University of Montana requires transactions to be made in a certain way. They must use approximately twice as many transactions as Montana State University. They are in the process of adjusting their accounting system so that this doubling of effort will be eliminated. **REP. WISEMAN** asked if there was an accounting department at the U of M that taught ways to be more efficient in accounting. **Ms. Griffith** replied that the problem wasn't the accounting itself, but the system's computer requirements and how it meshed with SBAS. **REP. WISEMAN** asked how long that cumbersome system had been in existence. **Ms. Griffith** was not sure.

REP. KADAS asked if the spreadsheet, **EXHIBIT 5,** was a combination of the two programs. **Ms. Griffith** said that it was strictly SFCAP. **REP. KADAS** wanted to know if there was a similar spreadsheet for SWCAP. **Ms. Griffith** said that each agency negotiates separately with their federal agency how much in direct costs they will be able to recover in their federal programs. The state does not know at this point how much that is. The amount that has come in to date is approximately $500,000. The agencies are told their total cost for SWCAP and then they negotiate with their federal agency.

REP. KADAS asked **Ms. Griffith** how cost allocation per agency is decided. **Ms. Griffith** said that each cost center had a different allocation basis. She said that for SBAS, they took the total number of transactions through SBAS for each agency and then allocated to them a budget for that agency based on their percentage of total transactions. They then allocated that total amount by funding source, i.e. general funds, federal funds, nonrecoverable funds, to determine how much would not be recovered under the plan. In the case of the transactions, they would then go to the number of transactions that were in the general fund and take a percentage out for that agency. Then, the federal special revenue and deduct that, and then any nonrecoverable funds.

REP. KADAS said then if the agency had a big budget but relatively few nongeneral fund transactions, then the agency would have a small cost allocation. If it had a small budget, but large transactions, then there would be a sizeable cost allocation. **Ms. Griffith** said for SBAS that could potentially happen. In the case of the Accounting and Financial Reporting Section, where the cost allocation was based on total expenditures, there would be a different allocation basis. **REP. KADAS** asked if it was the number of expenditures, not the total amount of expenditures that was the basis for **Ms. Griffith's** costs. She said that each center differs. **REP. KADAS** asked if what cost DOA money was dependent on the number of transactions, regardless of the size of the agency's budget. **Ms. Griffith** said that was correct. **REP. KADAS** wanted to know why they based it strictly on number of transactions as opposed to transactions as a portion of the agency's budget. **Ms. Griffith** recapped her previous explanation.

REP. KADAS asked **Mr. Sundsted** to distinguish between designated accounts and auxiliary accounts. **Mr. Sundsted** said the auxiliary accounts are based on the student accounts, i.e. housing, dining, activities. Designated accounts are generally such things as computer operations, some course fees, etc. They are like proprietary accounts. **REP. KADAS** asked when the interest on the designated accounts started flowing into the general fund. **Mr. Sundsted** said that had been occurring since before his time.

REP. ROYAL JOHNSON asked **Ms. Menzies** to further explain her response to **REP. FISHER. Ms. Menzies** said she felt that perhaps a separate policy needed to be made regarding accounts that retain their interest. The amount of interest that some accounts gives back into the general fund has no relationship to the amount of services those agencies request. **REP. ROYAL JOHNSON** felt that DOA had established charges based on the transactions from the accounts and he wondered why the department would not be willing, if the account generated interest, to deduct the amount of interest paid into the general fund from the charge against that account. **Ms. Menzies** said that she hadn't analyzed that option.

CHAIRMAN ZOOK said there was an exception for the indirect costs collected by the university system. He wondered what the indirect costs were. **Ms. Menzies** replied that her understanding was when university units negotiated with federal agencies, they kept any indirect costs they recovered. This bill maintains the status quo.

REP. ROYAL JOHNSON asked **Ms. Menzies** how the state bookkeeping system kept track of indirect costs recovered by the university system. **Ms. Menzies** deferred to **Rod Sundsted** who said they were included in the state accounting system.

Closing by Sponsor:

REP. PETERSON closed by saying costs would not always be the same. As agencies look at their costs, they'll be motivated to keep costs down.

Mr. Schenck explained the present status of HB 2. **EXHIBIT 6**

EXECUTIVE ACTION ON HOUSE BILL 2

REP. PETERSON resumed her presentation on HB 2, p. A-17, A-18, and A-19 of narrative **EXHIBIT 11 (11/30/93).** She stated that the Department of Military Affairs needed to have matching funds ready if federal funds became available. **REP. QUILICI** explained that the subcommittee cut out the general fund match, but gave the department spending authority for federal funds they could obtain without any state match.
Mr. Schenck brought up the need to keep language consistent, particularly in terms of items that are contingent on the passage of another bill. He stated that the only place the committee built the numbers into the bills in Section A that is still contingent on another bill is $6,000 placed in the Department of Justice for the prison license plate expense.

REP. BERGSAGEL explained his intent to work with the LFA to maintain consistency in the committee's work on HB 2. His intent is not to put specific line items in the bill, but to have contingency language reflecting the passage of the bill. **REP. KADAS** clarified the standard that for contingent appropriations the dollar amount would stay the same unless the bill passed and then the dollar amount would change. **REP. BERGSAGEL** said that was correct.

Motion/Vote: **REP. BERGSAGEL MOVED THAT THE COMMITTEE NOT USE A SPECIFIC AMOUNT IN HB 2 WHEN DEALING WITH CONTINGENCY LANGUAGE. Motion carried unanimously.**

REP. PETERSON stated that the committee had accepted parts of HB 21 and perhaps should look at some contingency language. **CHAIRMAN ZOOK** asked if the committee wanted to take executive action on the bill, but the consensus was to wait until the next day. **Mr. Schenck** there were two issues in regard to SFCAP. The committee had approved two of three parts of that last night. The part not approved was the allocation plan that was part of OBPP. He wondered if the committee would like to make that consistent.

Motion/Vote: **REP. KADAS MOVED TO ACCEPT THE THIRD PART OF THE SFCAP PLAN REGARDING OBPP, ITEM 1, P. A-4, EXHIBIT 11 (11/30/93), CONTINGENT UPON PASSAGE OF THE BILL. Motion carried unanimously.**

Mr. Schenck continued with the second issue in regard to SFCAP. The committee had decided to put contingency language where there was a bill pending. With regard to SFCAP, that issue impacts virtually every agency in the bill. For every one of those cost allocations, contingency language should theoretically be put in, which would double the length of the bill. **Mr. Schenck** suggested that the LFA simply put the contingency language in for the three programs funded by this, but not put the contingency language in for the paying agencies. The committee agreed that was acceptable.

Mr. Schenck explained a proposed amendment, hb000202.a10, which would strike all the contingency language from the regular session from HB 2. **EXHIBIT 6A**

Motion: REP. BARDANOUVE MOVED AMENDMENT hb000202.a10, EXHIBIT 6A.

Discussion: REP. KADAS asked if these were amendments to the gray bill or the bill in his book. **Mr. Schenck** replied that they were amendments to the bill the committee will send to the floor. He explained that the bill the committee was working from was the old bill from the last session. They were amending the bill as it came out of last session.

Vote: Motion carried unanimously.

REP. DEBRUYCKER, accompanied by LFAs **Terri Perrigo** and **Roger Lloyd,** presented Section C. He stated that subcommittee cuts for 1994 were 5.3%; for 1995, 27.9%; for a biennial total of 9.3%.

REP. DEBRUYCKER began with p. C-1 of the narrative, **EXHIBIT 11 (11/30/93).** He said that the Public Service Commission wanted an opportunity to respond to the testimony of John Campbell (11/30/93) in relation to Dick Irvin Trucking. The committee agreed to hear a brief response.

Bob Rowe, Vice Chairman, Public Service Commission, recapped the complaint of **Mr. Campbell** that the motor carrier was charging a "waiting time" charge. The commission investigated the complaint and found the carrier in violation. The commission assessed a minimal fine because it thought there were extenuating circumstances.

REP. DEBRUYCKER continued with p. C-2. He stated at this point, dealing with the Department of Fish, Wildlife and Parks, during the closing hours of the regular session there was an amendment which froze the money the snowmobilers paid in under gas taxes, and he was asked to make a motion to release that money. He deferred to **Clayton Hovesdahl** for further explanation.

Mr. Hovesdahl explained the errors in **EXHIBIT 7,** distribution of which had resulted in the above amendment during the regular session. He stated that the monies for the program are not a grant or diversion, but a refund for fuel use in off the road purposes. This is the same type of legislation that entitles farmers and ranchers to a refund for highway tax paid for off the road purposes. In 1977 and 1979 the legislature determined approximately how much refund snowmobilers were entitled to. He referred to **EXHIBIT 7,** p. 1, paragraph 5, "bonus funds" and pointed out that the bonus funds were a refund. He pointed out several other errors that the snowmobilers perceived in the exhibit. He explained the need that snowmobilers had for the money. He asked the committee to lift the cap and free up the money.

REP. KADAS asked **Mr. Hovesdahl** how much money was involved. **Mr. Hovesdahl** referred **REP. KADAS** to **EXHIBIT 7A**, the amendment adopted in the regular session.

Motion: REP. DEBRUYCKER MOVED TO STRIKE THE LANGUAGE ON P. C-6, LINES 10-12, HB 2.

Discussion: REP. KADAS said that since the money is over and above the budget of FWP, it might be able to be used in the Department of Justice.

REP. FISHER said the money was set aside for the use of the snowmobilers.

REP. GRADY agreed with **REP. FISHER.** He felt the snowmobilers badly needed the money and he felt the committee should free it up.

REP. QUILICI asked **Mr. Hovesdahl** why the amendment **EXHIBIT 7A** was adopted. **Mr. Hovesdahl** replied that the erroneous **EXHIBIT 7** was largely responsible. **CHAIRMAN ZOOK** asked **Roger Lloyd**, who had prepared the amendment, to comment. **Mr. Lloyd** remembered **SENATOR FRITZ** coming with **EXHIBIT 7** and asking him to draft an amendment, saying that because of the raise in gas tax these programs would have additional funds and he did not want them to have appropriation authority to spend that money. **SENATOR FRITZ** understood that the departments had the latitude of moving excess appropriations, in this case state special appropriations, from other programs to this program in order for them to spend additional revenue. He did not want that to happen.

REP. QUILICI asked **Pat Graham, Director, Department of Fish, Wildlife & Parks**, regarding freeing up the $675,000, what specifically the funds would be used for. **Mr. Graham** said it could be spent on anything germane to the account unless the committee decided to give spending authority to someone else. If there were spending authority for it, the money in the snowmobile account would go into equipment replacement, etc. Motorboat money would go into operation and maintenance of motorboat facilities, parks, etc. **REP. QUILICI** asked whether, even though the committee were to strike the requested language, the department would still have to get the spending authority for $675,000 to utilize the funds if it were to be spent in this biennium. **Mr. Graham** said that was correct.

REP. PECK asked **REP. DEBRUYCKER** if he had a follow up motion to grant the spending authority. **REP. DEBRUYCKER** replied that he should have.

Vote: RELEASE SNOWMOBILE FUNDS. Motion failed, 8-9, with REPS. GRADY, DEBRUYCKER, FISHER, JOHN JOHNSON, KASTEN, PETERSON,

WISEMAN, and ZOOK voting yes.

CHAIRMAN ZOOK asked **Mr. Graham** about a letter **CHAIRMAN ZOOK** had received referring to two deputy directors and an associate director. **Mr. Graham** replied that those positions had been there since before his tenure. **CHAIRMAN ZOOK** said the letter also referred to duplication of effort -- "stream protection coordinator, oil and gas coordinator, youth education coordinator, fish & wildlife program specialist, watchable wildlife program coordinator. . ." He asked if **Mr. Graham** was aware of any duplication there. **Mr. Graham** felt that each position was there for a reason and he would be glad to provide further details. He noted that his department had eliminated two special assistant positions.

REP. BARDANOUVE asked if each of the above positions represented a bureau. **Mr. Graham** said the positions were spread through the department.

REP. COBB asked **Mr. Graham** if his department could begin photocopying its newsletters on both sides of the paper to save money.

REP. FISHER noted that she didn't like the big mailings she received from FWP.

REP. DEBRUYCKER continued with the narrative, p. C-3, Department of State Lands. He noted the only item not adopted by the subcommittee was the repeal of state equalization payments.

<u>Motion</u>: **REP. BERGSAGEL MOVED THAT IF HB 10 PASSES AND APPROVES A GENERAL FUND APPROPRIATION THE LINE ITEM BE DECREASED BY $265,000 IN FY95.**

<u>Discussion</u>: **REP. BERGSAGEL** said that his motion reflected the action that was taken 11/30/93 by the committee regarding HB 10. It would affect HB 2, the gray bill, p. C-10, following line 9.

<u>Vote</u>: **Motion carried unanimously.**

REP. DEBRUYCKER continued with the narrative, p. C-5, **EXHIBIT 11 (11/30/93)**, noting that the subcommittee did not adopt the funding switch.

REP. BERGSAGEL asked why the subcommittee did not adopt that provision. **REP. DEBRUYCKER** deferred to **Mr. Lloyd,** who said that the discussion in subcommittee centered around the funding switches that had occurred in the department in previous regular sessions.

REP. KADAS said he recalled the department suggested the funding switch as an alternative to taking a general fund cut. **Mr. Lloyd** said he thought that was correct. **REP. KADAS** pointed out that the legislature would not be cutting the general fund or doing the funding switch. He felt that one or the other should be done. **REP. DEBRUYCKER** said his recollection was that the Department of Livestock had been hit so hard already that the subcommittee felt that was enough. **REP. KADAS** said he felt if the department itself had suggested the funding switch, the committee should do it.

CHAIRMAN ZOOK asked the Department of Livestock to address the issue.

John Skufca, Administrator, Centralized Services Division, Department of Livestock, said that OBPP had asked them in September to provide a 10% cut in general funds, and that was when the funding switch was suggested. When it was discussed with the subcommittee, **Mr. Skufca** had presented his trepidation and it was decided not to do any funding switches at that time. He reviewed the history of funding switches in his department. In January, 1992, the first special session, $85,000 in funding switches occurred. In July, 1992, the second special session, $250,000 in funding switches occurred. Last regular session, January, 1993, due to HB 516, an additional $550,993 funding switch for the biennium occurred. Due to **REP. KADAS'** motion in Appropriations, the department suffered another funding switch of $498,113 for that biennium. Therefore, over a period of three years, the Department of Livestock has suffered funding switches of $1,384,106.

REP. COBB asked **Mr. Skufca** which fund the switch under discussion would come out of. **Mr. Skufca** replied that fund is not a true main operating state special revenue fund. **REP. COBB** asked whether, if the money was taken, there would be enough cash flow. **Mr. Skufca** said he believed the cash flow would hold up for the current biennium. He believed, considering all the previous switches, funding would have to be adjusted in the future.

CHAIRMAN ZOOK asked **Mr. Skufca** what general fund the department presently received. **Mr. Skufca** replied they were down to 8.2% general fund without this funding switch, and they had previously been between 18 - 20% general fund.

REP. ROYAL JOHNSON asked about the $1,384,106 in funding switches in three years. He asked how much that changed total expenditure dollars in the Department of Livestock, i.e. did the department have less or more money now than three years ago. **Mr. Skufca** said that the $550,993 funding switch resulted in additional revenue. The other funding switches had a negative impact.

CHAIRMAN ZOOK asked if some of the replacement dollars were a result of increases in fees. **Mr. Skufca** said that was correct.

REP. ROYAL JOHNSON repeated his question as to whether the department had more or less money. **Mr. Skufca** replied that he couldn't really say, but he could find out. He thought he was spending more money than three years ago.

REP. PECK said that in the eleven years he had been in the legislature, this was the one department who had offered up FTEs. He said the reason **Mr. Skufca** couldn't answer **REP. JOHNSON'S** question was because the meat inspection program was new. He felt that the Department of Livestock had downsized and become more efficient as a result of the management of that department.

Mr. Skufca stated that presently with the meat inspection program there are 123 FTEs. There are 15.5 in meat inspection with around 108 FTEs prior to the action of the department three or four bienniums ago -- 1985-86. The livestock value was down. The department knew their revenues were going to be decreasing. At that point, they did offer up FTEs. They are about back up to where they were with the inclusion of the meat inspection program.

REP. KADAS agreed with **REP. PECK** that the department was efficient and well run. However, if the committee didn't take any action, the department wouldn't receive any general fund cut or any funding switches. Because of this department's fund switching ability, they have avoided some of the general fund cuts or total budget reductions that other agencies have had to deal with.

Motion/Vote: **REP. KADAS MOVED TO ADOPT THE FUNDING SWITCH, P. C-5, EXHIBIT 11 (11/30/93). Motion carried 11-7 with REPS. DEBRUYCKER, FISHER, MENAHAN, NELSON, PETERSON, QUILICI AND ZOOK voting no.**

REP. DEBRUYCKER continued with p. C-6, Department of Natural Resources. He asked **Ms. Perrigo** to comment on items #3 and 4, elimination of the Clean Coal Program. **Ms. Perrigo** said that legislation is being drafted to eliminate the Clean Coal Program.

REP. GRADY asked why item #6, a funding switch, was withdrawn by the executive. **REP. DEBRUYCKER** said that money was going to be taken from the Butte School of Mines and transferred to the Department of Natural Resources, but the proposal was withdrawn.

REP. NELSON wanted someone from the department to answer a question about postponing the lower Missouri River EIS, item #7, p. C-7. She said that she had a letter from her conservation district which was concerned that Montana was going to lose water rights.

Mark Simonich, Director, Department of Natural Resources and Conservation, stated that he didn't believe anyone in Montana would lose their water rights. The legislature in 1985 created a reservation process in Montana. At that point, they put priority dates on those reservations. Simply postponing the process won't hurt the people in the conservation district in terms of their priority date. The department feels the fear that Montana would lose its water rights to downstream states is unfounded. The department is working to prevent losing water in the operation of the dams on the main stem of the Missouri River.

REP. NELSON asked if we would be putting any of our grants in jeopardy by the postponement. **Mr. Simonich** said that eleven conservation districts did band together to coordinate their efforts. They got a bill from the regular session for money to help them in the reservation process. That money will be allocated to the conservation districts and they will be able to use it during the next biennium.

CHAIRMAN ZOOK commended **Mr. Simonich** for the elimination of some positions in the Miles City office of the DNRC. He understood that some of the people were moved, some were transferred. He wanted to see the work study plan. **Mr. Simonich** said the department had nine regional water offices around the state. The department decided, based on the work load, that positions needed to be moved from the Miles City office to more adequately handle the work load. There are currently two FTEs located there. He promised to get a copy of the work study plan.

REP. DEBRUYCKER continued with p. C-8, Department of Agriculture. He noted that the additional FTEs approved in item #2 were due to the increased grain crop and the FTEs were funded by the barn, elevator, etc. The number would fluctuate.

REP. BARDANOUVE asked for further explanation of item #4, p. C-8, pesticide program reductions. **REP. DEBRUYCKER** said this was a program where the department gave instruction about the proper use of pesticides. He deferred to **Leo Giacometto, Director, Department of Agriculture. Mr. Giacometto** said the real reductions are $20,000, the cost for an urban home owner's guide on how to use pesticides, and a little over $30,000 per year from the vertebrate pest management program, i.e. prairie dogs, ground squirrels, etc. He said the department generally puts on about 50 demonstrations per year around the state in the use of pesticide products. That will be reduced to 15-25 per year.

REP. BARDANOUVE pointed out that the department had made some major changes that didn't show up as savings. **Mr. Giacometto** said when a department reclassifies a position it goes through a process of re-evaluation. He felt that it would take six to eight months before the department got into reclassification. **REP. BARDANOUVE** asked what became of the money in the meantime. **Mr. Giacometto** said the department had made less managers, but did not give any FTEs back. People who used to be in bureau chief positions are now at lower level jobs.

REP. GRADY asked **Mr. Giacometto** where he got the money to hire the extra grain FTEs. **Mr. Giacometto** said as of today they have spent 90% of their budget for the year. They only have 10% in that account for the rest of the year. **REP. BARDANOUVE** said he understood that fees paid for the laboratory work. **Mr.**

Giacometto said the department had no shortage of funds; they just lacked the authority to spend them.

REP. KADAS asked if the nine FTEs put on because of an exceptional year would come off. **Mr. Giacometto** said that they had rounded off their additional FTEs put on during the year and chosen ten as a year round average. At the present time, seventeen additional people are working. When the number of samples drops down, people are laid off. **Mr. Giacometto** said his department is given an average of how much each FTE is worth and average over a year. Sometimes twenty-five are working, sometimes none.

REP. KADAS asked if the department had saved any money with their reorganization. **Mr. Giacometto** said it depended on how you look at saving money. They were getting more accomplished. For example, they did away with a deputy director and made that FTE a computer person, so they could get their computers up to date. He admitted that he did not return any dollars to the general fund.

REP. KADAS asked if there was anything left of the urban pesticide program. **Mr. Giacometto** said there will not be a new booklet put out. **REP. KADAS** stated that a bill was passed last session that gave pesticide regulation in urban areas to the Department of Agriculture, partly on the basis that the department had the program. The bill was the pesticide recycling act. The pesticide dealers were concerned about local jurisdiction over pesticide regulation in their areas, so they put a statutory preemption into that bill. **Mr. Giacometto** said he thought the core of that bill was to recycle pesticide containers.

REP. KADAS felt that another aspect of the bill that had been somewhat "slipped in" was that local governments couldn't regulate pesticide use in their communities. One of the reasons stated was the urban pesticide program which is now being eliminated. **Mr. Giacometto** said he felt that program was the best place for the department to cut. His department still worked with school districts and extension services.

REP. BARDANOUVE spoke to a current shortage of high protein wheat.

REP. GRADY asked **Mr. Giacometto** if the extension service put out a booklet or if the department did it. **Mr. Giacometto** replied that the department contracted with the extension service for the booklet. **REP. GRADY** asked if the extension service put out any other publications that might cover the pesticide information. **Mr. Giacometto** said there were a lot of publications on pesticide issues. **CHAIRMAN ZOOK** added that there was a lot of information on the product label.

REP. KADAS expressed his concern that the department didn't return any general fund.

<u>Motion</u>: **REP. KADAS MOVED TO REDUCE THE DEPARTMENT OF AGRICULTURE'S GENERAL FUND BY $20,000.**

<u>Discussion</u>: **REP. WISEMAN** asked **Mr. Giacometto** if there was a possibility his department could return $20,000 when their reclassification was complete. He replied that was a possibility. He said it was also possible they would need more money because some positions could be reclassified higher.

REP. GRADY objected to the motion. He felt the department had made cuts and reorganized even though they couldn't show monetary savings. He felt other departments were doing the same thing. Reorganization doesn't always save money. He felt the cut was arbitrary in nature.

REP. DEBRUYCKER objected to the motion.

Mr. Schenck said if the bill passed, he would need further clarification.

<u>Vote</u>: **Motion failed 2-15, with REPS. KADAS and PECK voting yes.**

CHAIRMAN ZOOK asked **Mr. Giacometto** what percentage of the budget the state's number one industry used. **Mr. Giacometto** said it would be less than fourteen percent of one percent of the total budget.

REP. DEBRUYCKER continued with p. C-9 of the narrative, **EXHIBIT 11 (11/30/93).**

REP. BARDANOUVE asked for clarification on item #2, p. C-9. He asked if there would be any savings from the transfer of audit/review function to OLA. **REP. DEBRUYCKER** said that action would save 8.5 FTEs. **REP. BARDANOUVE** asked where that savings showed up. **REP. DEBRUYCKER** deferred to **Ms. Perrigo,** who said if the transfer took place, the only actual savings would be $268,923 unspent proprietary fund appropriation for the Department of Commerce which is not being transferred. She said the FTEs are paid by local governments.

REP. BARDANOUVE asked **Ms. Perrigo** what became of that money. **Ms. Perrigo** said that authority has not been eliminated from the Department of Commerce's budget. **REP. BARDANOUVE** wanted to know what became of the money eventually. **Ms. Perrigo** said that the authority the department has is to get fees from the local governments. If the function is transferred, they won't get the fees. They won't have any funds to spend, even though the authority is still in the Department of Commerce. **REP. BARDANOUVE** asked whether the fees that the legislative auditor would charge will not be as much as under the Department of Commerce. **Ms. Perrigo** said that may or may not be the case. The legislative auditor has said they will contract out for more audits. She admitted that they won't charge as many fees.

CHAIRMAN ZOOK said the committee could take the authority out of the bill if it wished.

REP. KADAS clarified that there was no money just sitting in an account. His understanding was that the legislative auditor was not putting on any more FTEs but would contract the function out.

Jon Noel, Director, Department of Commerce, said that the intent of the legislative auditor is to do fewer audits with government entities than have been done in the past. The actual spending authority of the Department of Commerce should be removed from the budget because there will be no income coming in. The money will be spent by local government in the private sector.

REP. BARDANOUVE clarified that if the spending authority was removed, it would not have any impact on the department. **Mr. Noel** replied that was correct as long as the audit function was transferred.

REP. ROYAL JOHNSON asked **Mr. Noel** how many FTEs were affected in his department if neither his department nor the legislative auditor were going to do the audits. **Mr. Noel** answered that the legislative auditor would still do a number of audits. He would reduce the number of auditors by eight and one half.

REP. GRADY asked **Mr. Noel** why they were adding another bureau chief (item #7, p. C-10). **Mr. Noel** replied that they were eliminating the Business Regulatory Services administrator position who in the past was also the head of the Bureau of Weights and Measures. **REP. GRADY** asked if that employee would also would also wear two hats. **Mr. Noel** said they have eliminated three division administrators: Economic Development, Management Services, and Business Regulatory Services.

REP. KASTEN asked why item #1 wasn't adopted, since that was merely the elimination of a bureau chief and the replacement of $110,000 back into the general fund. **Mr. Noel** answered that the executive proposal was not adopted because the department had added even more cuts.

<u>Motion/Vote</u>: **REP. BARDANOUVE MOVED THAT UPON PASSAGE OF EITHER LC 27 OR LC 75 THE PROPRIETARY SPENDING OF THE DEPARTMENT OF COMMERCE BE REDUCED BY $268,923. Motion carried unanimously.**

<u>Motion/Vote</u>: **REP. GRADY MOVED TO ADOPT THE SUBCOMMITTEE RECOMMENDATIONS WITH THE CHANGES MADE BY THE FULL COMMITTEE. Motion carried unanimously.**

REP. GRADY explained the subcommittee actions regarding Section D, **EXHIBIT 11 (11/30/93).**

<u>Motion/Vote</u>: **REP. GRADY MOVED TO ACCEPT THE SUBCOMMITTEE ACTIONS**

ON SECTION D, HB 2. Motion carried 17-1 with REP. MENAHAN voting no.

REP. PECK expressed his concern about cuts in grant money to local libraries, item #2, p. D-2. He deferred to **Richard Miller, Jr., Montana State Library,** for further explanation. **Mr. Miller** gave examples of the effect of the budget cuts on various libraries. He asked the committee to restore the money for libraries, since libraries did not have other sources of funding to replace the cuts.

CHAIRMAN ZOOK asked **Mr. Miller** what kinds of reductions the libraries had taken in the last session. **Mr. Miller** said there had been a cut in the regular session of $15,957 in FY94 and $24,342 in FY95. They had already received word from OBPP that of that $15,957 cut, if the contingency fund survives, they would be getting back about $10,000. If they get back that contingency fund, they estimate they will have $22 left. They believe they will make it through FY94, but won't make it through FY95.

CHAIRMAN ZOOK asked if the $15,957 and the $24,342 were personal services. **Mr. Miller** replied that was correct. He said the other cuts were listed on p. D-2. **CHAIRMAN ZOOK** asked if the libraries had taken reductions in other areas during the regular session. **Mr. Miller** said just those things pointed out in HB 2.

REP. BERGSAGEL said he believed in 1991 there was a 46% increase in appropriations to the libraries. He said all this cut does is restore funding to the original executive budget proposed in 1993. **Mr. Miller** said that depended on how you looked at it. **REP. BERGSAGEL** said his point was that there was almost a $300,000 increase in 1991. Last session there was a $63,000 increase.

REP. PECK commented that it was about two sessions ago when **REP. BARDANOUVE** made a motion to give the libraries $1,000,000. **REP. BARDANOUVE** replied that was for the university libraries. **REP. PECK** said that showed the dedication that **REP. BARDANOUVE** had for libraries. He reiterated his concern for the libraries.

<u>Motion</u>: REP. ROYAL JOHNSON MOVED TO RESTORE THE ADDITIONAL CUTS, I.E. $18,000 IN VACANCY SAVINGS IN 1995 AND $63,957 AID IN PUBLIC LIBRARIES IN 1995.

<u>Discussion</u>: REP. ROYAL JOHNSON said he had been chairman of the task force for the Billings library since August, 1993, at which time they did a study of costs and problems. They found 42,000 users of library services in Yellowstone and surround counties. He felt that $63,957 was a small amount to spend to help many people. He said the Billings library has fewer people working than they did seven years ago. Their funds had been cut substantially.

REP. GRADY asked LFA **Sandy Whitney** to address the issue of state aid to libraries. **Ms. Whitney** said that aid was calculated on the basis of per capita and per square mile. The dollar amount of the reduction is shown as $63,957 in FY95. That is money that the local libraries have never kept. She quoted from the Budget Analysis book, **EXHIBIT 11A (11/30/93)**, P. D-6, where the per capita/per square mile general fund grants were first appropriated for the 1993 biennium at the $258,621 level, the January 1992 special session reduced the appropriation $63,957. The 1993 regular session put the amount of grants back to the original appropriation. The executive budget takes that $63,957 back out.

REP. PECK asked **Mr. Miller** to clarify. **Mr. Miller** stated that the public libraries did receive in the first year of the biennium the full amount appropriated. The $63,957 cut affects the second year of the biennium. **REP. PECK** reiterated that this would be an actual cut of what the libraries got during the first year of the biennium.

REP. BERGSAGEL asked **Mr. Miller** if the libraries had expended the $63,000 or the $790,000. **Mr. Miller** said the $258,621 (per capita/per square mile) was distributed on an annual basis. This cut proposes to reduce that by $63,957.

REP. FISHER asked **Deborah Schlesinger, Lewis and Clark Library,** to comment. **Ms. Schlesinger** said in 1989 there was a state aid program with four parts: two parts were funded. Next session funding was on the per capita/per square mile basis. What has never been funded is the statewide library card. She said the proposed cuts will seriously affect her library's operation. She emphasized that libraries had nowhere else to go for funds.

CHAIRMAN ZOOK asked **Ms. Schlesinger** if the $63,000 and the $19,000 included in the amendment were dollars the libraries had never had to spend. She replied that they had gotten this year the per capital/per square mile funding. She said if the $63,000 is cut, the libraries would not get what they had gotten in 1994. **CHAIRMAN ZOOK** said he thought there was some disagreement with that.

Mr. Miller said that the $258,621 was a biennial figure. Half of that was distributed the first year. The second year takes the second half of that money. The proposal under discussion is to reduce that second half. **CHAIRMAN ZOOK** said he didn't believe the libraries had had the money to spend before. **Mr. Miller** referred to **EXHIBIT 11 (11/30/93)**, p. D-2, where he said there was no cut proposed in state aid at the biennial level for FY94. The cut of $63,957 is listed in FY95.

REP. PECK asked **Mr. Miller** if he was saying this would cut about half of next year's planned distribution. **Mr. Miller** said that was correct. **REP. PECK** reiterated that the libraries had received half of their biennial appropriation and they were going to have to reduce that by 50%.

Ms. Whitney said the appropriation was a biennial appropriation. For the 1993 biennium, the original appropriation was $258,621. It was reduced by the special session to $194,000, which was all they had for the 1993 biennium. If the executive cut is left in place the libraries will have $194,000 for the 1995 biennium. The 1993 and 1995 biennial receipts will be the same if the executive cut is left in place. If the cut is restored, the libraries will have $63,000 more in this biennium than last biennium.

REP. PECK asked **Ms. Whitney** if the libraries would be getting next year only half of what they are getting this year. She said that was correct.

REP. GRADY stated his opposition to the motion. He believed much tougher cuts than this were coming -- in the human services area, for example.

REP. KASTEN also stated her opposition to the motion, saying that harder cuts had been made and that she would rather see local money than state money going into the libraries.

REP. PECK stated that this cut would be hurting kids, adults and the handicapped, i.e. library programs for the blind.

REP. BERGSAGEL asked for clarification on the motion: $63,000 plus $18,000? **REP. ROYAL JOHNSON** said that was the original motion, but perhaps it should be divided.

REP. JOHN JOHNSON said that city libraries were maxed out. He said that the per capita/per square mile basis for appropriations hit his area heavily. His library's funding, though small, was needed. He stated his support of the motion.

REP. QUILICI asked **Mr. Miller** regarding the vacancy savings whether there were still 28 1/2 FTE in the library commission, and how the 2% vacancy savings would affect it. **Mr. Miller** said that the vacancy savings in an agency his size are significant. During the last session the early retirement bonus passed. His agency has two people definitely going to take early retirement, and two more are possibly going to do that. Those four positions are adding $14,200 in payout for sick and annual leave. The retirement buyout will be $26,800. He stated that their services will definitely be impaired by the loss of those positions. **REP. QUILICI** stated his opposition to taking funds away from local libraries.

REP. ROYAL JOHNSON withdrew his motion.

<u>Motion</u>: **REP. ROYAL JOHNSON MOVED TO RESTORE $63,957 IN STATE AID TO LIBRARIES IN 1995.**

<u>Discussion</u>: **REP. BERGSAGEL** reminded the committee they were still going to give $760,000+ to the libraries. **REP. GRADY**

reminded the committee that the proposed cut was new money to the libraries. **CHAIRMAN ZOOK** explained his vote by saying that his grandmother and her sister started the Carnegie library in Miles City, Montana. His grandmother was librarian there for 44 years. He strongly supports libraries, but is also convinced that this is new money and he cannot support that.

<u>Vote</u>: **RESTORE $63,957 IN STATE AID. Motion failed 7-11, with REPS. FISHER, JOHN JOHNSON, ROYAL JOHNSON, MENAHAN, PECK, QUILICI, and WANZENRIED voting yes.**

<u>Motion/Vote</u>: **REP. ROYAL JOHNSON MOVED TO RESTORE $18,000 VACANCY SAVINGS TO LIBRARIES. Motion failed 4-14 with REPS. ROYAL JOHNSON, MENAHAN, PECK, and WANZENRIED voting yes.**

REP. GRADY continued his explanation of subcommittee actions on Section D.

<u>Motion</u>: **REP. GRADY MOVED AMENDMENT hb000202.a02, EXHIBIT 7B, ADDING CONTINGENCY LANGUAGE.**

<u>Discussion</u>: **REP. MENAHAN** said he felt this was an additional tax. He felt people were being charged for two plates and only getting one.

REP. KADAS disagreed. He didn't feel that the number of license plates was relevant.

REP. GRADY said he thought the committee members were debating the bill and not the amendment.

<u>Vote</u>: **AMENDMENT hb000202.a02. Motion carried 14-4 with REPS. BARDANOUVE, MENAHAN, PETERSON, and QUILICI voting no.**

<u>Motion</u>: **REP. BERGSAGEL MOVED AMENDMENT hb2-hac.ml1, EXHIBIT 7C.**

<u>Discussion</u>: **REP. PETERSON** asked for clarification. **CHAIRMAN ZOOK** said that a statutory appropriation had been discussed and they had suggested a different approach. **REP. PETERSON** asked if this was going to save $100,000 in debt service. **REP. KADAS** said it would save $100,000 in the long range process.

Rick Day, Director, Department of Corrections and Human Services, stated that this amendment was designed to follow up on the discussion on HB 13, one of a package of three bills designed to reduce bonding to complete projects at the prison that had already been approved by the long range building committee. He stated that the top two projects involved were the construction of the dairy dorm and the laundry.

<u>Vote</u>: **BERGSAGEL AMENDMENT. Motion carried unanimously.**

REP. COBB began his explanation of subcommittee actions on HB 2, Section B, **EXHIBIT 11 (11/30/93).** He began with p. B-3, Department of Labor and Industry. He noted that the subcommittee did not approve the executive proposal to eliminate the silicosis program.

REP. BARDANOUVE said he was not in favor of eliminating the silicosis program, but reminded the committee of the comment of **Dave Lewis, Director, Office of Budget and Program Planning,** that the program was poorly administered and had not been reviewed recently. **REP. BARDANOUVE** said he would like a concrete report on the program before the committee took action.

REP. COBB asked **Mr. Lewis** to comment. **Mr. Lewis** deferred to Laurie Ekanger, Commissioner, Department of Labor and Industry. **Ms. Ekanger** said some of the questions asked about the program had to do with the impact if the program were eliminated. She traced the history of the program, stating that it was enacted in 1937 as an occupational health program before the state had an occupational disease act. For forty years it provided benefits to victims of silicosis, a lung disease caused by breathing silicone particles, associated with a certain kind of hard rock mining. The Occupational Disease Act was passed in 1959 and also covered silicosis.

Until 1974, it was a program just for victims of silicosis and was administered by the Worker's Compensation Division. In 1974, the program was expanded to include widows of silicosis victims who died after 1974. There was no income or remarriage criteria for either the victims or their spouses. In 1975 the legislature expanded the program to include widows of victims who died before 1974. For those widows, the legislature added income criteria and reduced the benefits to 50%.

Thus, there are three categories of eligibility for benefits. First are victims of the disease, of which there are 18 people in the program at this time. Second are spouses whose spouse died of silicosis after 1974. People in that category receive the same benefits as victims, i.e. $200 per month with no income or remarriage criteria. Third are widows whose spouse died before 1974. People in that category can't have a taxable income of more than $6,800, can't remarry, and their benefits are $100 per month.

Questions about the program have to do with the hardship that would be caused to the 147 people who receive benefits. The department surveys the people every year to find out if the people have remarried or died. They ask the people to send a copy of their income tax returns. The department recently received the survey back, and 45 people sent tax returns, ranging from $500 per year to $3,100 per year.

The program has declined every year. Out of the 147 people, 25 live out of state. No new people have been coming for the program. The department spends about $3,000 per year administering the program. This is the first time the department has been asked to give a report on the program.

REP. QUILICI stated that before the session started OBPP said they didn't have any information on the program. He said that it appeared they did have relevant information that answered **REP. BARDANOUVE'S** question. **Ms. Ekanger** stated that the department did have statistics on trends in the program, but were not able to verify with absolute assurance that every participant was still living since they were not able to check with social security numbers. They also couldn't provide information about financial need.

REP. KADAS asked what kind of bill was dealing with this program. **Ms. Ekanger** said the bill was SB 3 and eliminated the statute dealing with the funding. **REP. KADAS** asked if consideration had been given to applying the means test to all those who were eligible. **Ms. Ekanger** said they had speculated internally about that. It would require the department to do a whole different kind of eligibility test with the people. **REP. KADAS** said they had to do a means test already with some of the people. **Ms. Ekanger** said the department was required, for the pre-1974 widows, to look at taxable income of $6,800 per year.

REP. BERGSAGEL asked, regarding the 45-47 income tax returns the department had received, if the department could break down the percentage of those who were above or below the $6,800 level. **Ms. Ekanger** said they could do that.

REP. GRADY said he had received a phone call from a constituent receiving $100 from this program who said this cut would really hurt her.

REP. ROYAL JOHNSON asked if contingency language was needed.

<u>Motion/Vote</u>: **REP. COBB MOVED TO ACCEPT THE SUBCOMMITTEE'S RECOMMENDATIONS ON SECTION B, HB 2, EXHIBIT 11 (11/30/93). Motion carried unanimously.**

REP. COBB continued Section B, p. B-7, Department of Family Services.

REP. BERGSAGEL stated regarding item #1, p. B-7, that he had read about a settlement given and proceeds delivered to Big Brothers/Big Sisters. He wondered if anyone knew the amount of that distribution.

Jim Smith, Big Brothers/Big Sisters, stated the amount of the one-time settlement was slightly over $18,000 to be distributed according to the number of matches in each of the ten programs. The Missoula program received the most money, approximately $1,800.

REP. COBB continued with the Department of Health & Environmental Sciences, pp. B-1 & 2.

REP. BARDANOUVE asked for clarification regarding item #2, p. B-1. **REP. COBB** said since the MIAMI program is supposed to save $1 million, the subcommittee took the money out of the SRS budget. Then the Department of Health reduced the MIAMI budget. Most of the subcommittee members were strongly in favor of funding the MIAMI program. The problem was the reduction of the MIAMI budget after the committee had already taken the projected $1 million savings out of the SRS budget.

REP. BARDANOUVE asked where the department had taken its cuts. **REP. COBB** replied that the department took the major cuts out of the MIAMI program, the residency program, and the end-stage renal program. They only took 2.1% out of the other general fund programs.

CHAIRMAN ZOOK referred **REP. BARDANOUVE** to a table on p. B-4 of the Budget Analysis book, **EXHIBIT 11A (11/30/93).**

<u>Motion</u>: **REP. KASTEN MOVED AMENDMENT HB000201.A04 TO HB 2, P. B-5, LINE 7, EXHIBIT 7D.**

<u>Discussion</u>: **Lisa Smith, LFA,** explained that yesterday she had had conversations with **Director Bob Robinson** and **SENATOR WATERMAN** on the MIAMI program. **Director Robinson** pointed out that subcommittee actions resulted in the MIAMI program having more money in it than the 1993 legislature had appropriated. **SENATOR WATERMAN** agreed that was the result of the subcommittee actions, and she indicated that was not what she intended.

Ms. Smith continued to explain that the 1993 legislature appropriated general fund money that is approximately $264,000 in each year of the biennium. The legislature also appropriated vacancy savings and the department has complete discretion as to where to allocate those savings. The Department of Health allocated $106,000 in vacancy savings to the MIAMI program. When the subcommittee came in, they expressed concern that the MIAMI program was not funded at the level they had anticipated. At that time **SENATOR WATERMAN** moved to add $94,000 to the 1995 appropriation so that MIAMI would be funded at approximately the level appropriated by the 1993 legislature. That was accepted by the subcommittee.

The subcommittee then decided to let the department know its intention regarding MIAMI, the rural physicians residency program, and the end-stage renal program. The subcommittee made the appropriations and said they could only be used for the purpose designated. Any funds remaining must revert and no vacancy savings could be applied.

The subcommittee, therefore, in the 1995 appropriation prevented the department from taking the vacancy savings, so it was at the level appropriated by the 1993 legislature. Then the subcommittee added $94,500 to that and increased it. **REP. KASTEN'S** amendment will take that $94,500 off and it will be back at the level appropriated by the 1993 legislature. The restrictive plan now in HB 2 would prevent the department from applying any vacancy savings to that appropriation in 1995.

REP. COBB recapped the fact that **REP. KASTEN'S** amendment restored funding to the original appropriation.

<u>**Vote**</u>**: KASTEN AMENDMENT,EXHIBIT 7D. Motion carried unanimously.**

<u>**Motion**</u>**: REP. KASTEN MOVED TO TAKE THE $106,000 THAT IS NOW IN THE BUDGET THAT THE DEPARTMENT ASKED TO BE TAKEN OUT IN ORDER FOR THEM TO GET THEIR SAVINGS IN GENERAL FUND.**

<u>**Discussion**</u>**: REP. KASTEN** stated that when the additional funds were put in for MIAMI, it was to expand the program to eastern Montana. When they went out for RFP, they found that five of the RFPs could not be funded because there were not the core services in the community needed to support this program. The money could therefore not be awarded and will be reverted if not awarded. At this time, **REP. KASTEN** wants to take that money and add it to the general fund rather than allowing the department to keep it and revert it later. The department can't use the money if it doesn't go out in RFPs. It would return to the general fund in 1995, but the money is needed now. This amendment would return the money now.

REP. WANZENRIED opposed the motion. He said testimony was also heard in subcommittee that at the time the RFPs were issued people were told there was not going to be money available. A lot of people didn't apply for that reason. Although some of the respondents didn't have the needed services available, testimony was heard that people were going to resubmit proposals.

REP. BERGSAGEL, asked the Department of Health to speak to the motion.

Bob Robinson, Director, Department of Health and Environmental Sciences, said that a conference committee in the last hours of the 1993 regular session took $190,000 from the department. **Mr. Robinson** was given authority to take it out at his discretion. He said the MIAMI program had a $170,000 base budget, a new budget from FY91-92. The legislature added $264,000 additional to serve rural Montana. The legislature added $125,000 per year for end-stage renal disease treatment and $200,000 per year for the family practice residency program which is developing in the Billings area and ultimately in eastern Montana.

In considering the $190,000 reduction, the department decided first of all to make sure they were doing the things they were statutorily required to do. MIAMI, they believed, couldn't gear up to start full bore on July 1. They weren't going to be ready because they were reviewing RFPs and making decisions on the applications for expanded counties. They believed by the end of the year they would have had $100,000 surplus in there that would have been reverted. They decided they could reduce MIAMI up front and it wouldn't hurt the program because they wouldn't have spent the money anyway. They took $25,000 out of end-stage renal disease, leaving $100,000. They reduced the rural physicians residency program, for which there was absolutely no statutory obligation, by $90,000 per year.

At that point, continued **Mr. Robinson,** they were within $57,000 of the $288,000 budget balancing/vacancy savings they had to make. He applied the rest within the statutory functions. Advocates for MIAMI came to the subcommittee and asked for MIAMI to be put back in place for FY95. Because of a maternal and child health fund balance carryover, the department has generated approximately $37,000 of federal funds that they have put into the MIAMI program, netting against the reductions, in order to work with those counties that didn't have the infrastructure so that by FY95 they could be in a position to provide the MIAMI program. **Mr. Robinson** stated that this amendment would actually prohibit any expansion of the MIAMI program.

REP. BARDANOUVE asked **Mr. Robinson** about the use of "vacancy savings" in the MIAMI program. **Mr. Robinson** said they had about $88,000 worth of vacancy savings in the budget. They had across the board 5-5 1/2% budget balancing reductions. That was different from vacancy savings. Then they had an additional $190,000 budget balancing reductions. They didn't really have vacancy savings reductions.

REP. COBB opposed the motion. He said the Medicaid budget was destroying everyone else's budget. 25-30% of all babies born in the state right now are on Medicaid.

REP. MENAHAN said he had a difficult time with cuts in the area of human services. He felt the departments took care of their own personnel in the capital city while cities in the boondocks lost people and programs. He said that his area in the last session lost over 200 employees, one fourth of all employees. He wanted to get rid of some of the people in Helena.

REP. PECK asked **REP. COBB** if it could be demonstrated that the MIAMI program saved money and lives. **REP. COBB** said data was presented in regular session that showed a reduction in low birth weight babies after the program began. **REP. PECK** asked who provided the data. **REP. COBB** thought it was a doctor.

Mr. Robinson explained that MIAMI identifies the high risk mother prior to birth of the baby. **REP. PECK** asked if **Mr. Robinson** had data that demonstrated the impact of the program. **Mr. Robinson** said the information they gave the committee stated that additional hospital costs for low birth weight babies generally run between $45,000 and $300,000 per baby. Most of that is paid for by Medicaid. This program estimates intercepting about ten of those babies per year. **REP. PECK** repeated his question. **Mr. Robinson** repeated that about ten low birth weight babies per year are not low birth weight because of the MIAMI program. He promised to bring the data to the committee.

REP. COBB suggested that the committee wait to vote on the amendment until **Mr. Robinson** brought the data.

REP. KASTEN withdrew her motion at that time.

After a one hour recess, the committee reconvened with a discussion of **EXHIBIT 8**, a summary of the MIAMI program. **REP. PECK** said that answered his question about data for the program.

Mr. Robinson stated there was additional language placed in the appropriation by **SENATOR WATERMAN** in subcommittee. It was his understanding that it was **SENATOR WATERMAN'S** intention to freeze any reductions the department had to take due to vacancy savings. If the department had to make any budget balancing reductions in FY95, they were not to apply any more to MIAMI, end-stage renal disease program or rural physicians residency program. He stated that was not the understanding of the LFA. He wanted time to get that cleared up.

CHAIRMAN ZOOK clarified that **Mr. Robinson** felt that language could freeze the department's ability to address statutory responsibilities. **Mr. Robinson** agreed and said the way the language was written was not what **SENATOR WATERMAN** intended.

Ms. Smith stated the way the language in HB 2 was written, the Department of Health could not apply any vacancy savings to these three general fund appropriations in FY95. The department has already applied vacancy savings to the FY94 appropriations, and based on discussions with counsel, because those appropriations were not restricted originally from the 1993 legislature, they couldn't go back to 1994. This language addresses the appropriations from this point forward. The **Ms. Smith** recognized **Mr. Robinson's** concerns, but said she would rather not comment on **SENATOR WATERMAN'S** intentions.

REP. BERGSAGEL asked that **REP. KASTEN'S** motion not be reinstated until after the committee had heard from **SENATOR WATERMAN.**

REP. KADAS commented, looking at the language in the bill, there were two programs besides MIAMI involved in that language, i.e. end stage renal disease program and rural physicians residency program. He suggested taking the other two programs out of the language.

REP. COBB said the department had already signed a contract for the end-stage renal program and the residency program.

Ms. Smith stated that she was not positive what the legal ramifications would be. It was her understanding that any contract signed would be subject to legislative appropriation.

REP. PECK questioned the data on MIAMI.

Motion: REP. KADAS MOVED TO CHANGE THE LANGUAGE IN HB 2, P. B-7, LINES 15 & 16 TO STRIKE REFERENCES TO 6E AND 6G, THE RURAL PHYSICIANS RESIDENCY PROGRAM AND END-STAGE RENAL DISEASE PROGRAM.

Discussion: REP. KASTEN stated that the residency program has been reduced in essence $90,000. That has been taken and will be taken in 1995. She stated that the bills were just coming in on the end-stage renal program. If the money were taken, those bills could not be paid, and she was opposed to doing that.

REP. KADAS asked **Mr. Robinson** to respond to **REP. KASTEN'S** concerns about people in the end-stage renal program who have already submitted bills for payment. **Mr. Robinson** said his intention would be to leave that $100,000 in the end-stage renal program for FY95 so the money would be there. He would take $25,000 out of FY95 and $25,000 has already been taken for FY94.

REP. KADAS asked what happens if there isn't any money in the end-stage renal disease program. **Mr. Robinson** said they would probably pay the bills out of their own pockets or perhaps the hospitals would provide some kind of service. The program was a first-come, first-served program. The program would essentially pay the deductible or self-insurance portion of the bills. **REP. KADAS** asked what happened if the people had insurance. **Mr. Robinson** said they pay a certain portion out of their pockets and the state ends up paying the bulk of that amount. When that money is gone, the state is done.

REP. JOHN JOHNSON asked about the two-year contract that had been signed for the rural physicians residency program. **Mr. Robinson** said there was escape language in the contract to allow for no funds available. He felt the department was safe from suit on that basis.

REP. KADAS restated his motion to strike the restrictive language so the department would have the option of striking the money. The only program that would be absolutely protected would be the MIAMI program.

CHAIRMAN ZOOK indicated that **SEN. WATERMAN** was in agreement with that.

Vote: STRIKE REFERENCES TO 6E AND 6G, LINES 15 & 16, HB2. Motion failed 9-9 with REPS. GRADY, BARDANOUVE, FISHER, JOHN JOHNSON, KADAS, MENAHAN, NELSON, QUILICI, and WANZENRIED voting yes.

Motion: REP. KADAS MOVED TO REDUCE FOR FY95 THE RURAL RESIDENCY PHYSICIANS PROGRAM BY $90,000 AND THE END-STAGE RENAL DISEASE PROGRAM BY $25,000, LEAVING THE PROGRAMS AT FY94 LEVELS.

Discussion: REP. KASTEN asked **Mr. Robinson** if there was a

$200,000 appropriation in FY94 and FY95 for the residency program. He stated that was correct. She asked if it was reduced $100,000 in FY94. He replied that it was reduced $90,000. She asked if the contract was on the other $110,000. He said that was correct. **REP. KASTEN** continued that now the department had $200,000 in appropriations for FY95 that in essence the department can't reduce. She clarified that the department was not taking the money from 1994. The contract was already in place for FY94, but it would be null and void for FY95.

REP. KADAS stated he didn't think it was an all or nothing project. If there was $110,000 available to fund the program, that would be what they would fund the program at. **Mr. Robinson** agreed.

Mr. Robinson then asked if the $288,000 generated by these cuts was going to be reduced or was he going to have to take another $288,000 out of the rest of the department.

Ms. Smith said her understanding at this point was that the restrictive language is staying in. The rural physicians residency program FY95 appropriation is reduced by $90,000 and the end-stage renal disease program FY95 appropriation is reduced by $25,000. After that reduction is made, no vacancy savings will be able to be applied to the FY95 appropriations.

<u>Vote</u>: **TO REDUCE FOR FY95 THE RURAL RESIDENCY PHYSICIANS PROGRAM BY $90,000 AND THE END-STAGE RENAL DISEASE PROGRAM BY $25,000. Motion carried 13-5 with REPS. ROYAL JOHNSON, PETERSON, QUILICI, WISEMAN, and ZOOK voting no.**

<u>Motion</u>: **REP. WANZENRIED MOVED AMENDMENT hb000202.a04, EXHIBIT 8A, TO MAKE THE FY95 GENERAL FUND APPROPRIATION FOR THE RURAL PHYSICIANS RESIDENCY PROGRAM A LOAN.**

<u>Discussion</u>: **REP. WANZENRIED** explained that this program was expected to be a money maker and asked **Mr. Robinson** to elaborate.

Mr. Robinson said the financial statement provided to the department by the rural physicians residency program indicates that by 1996 and 1997 that program will show net income of approximately $500,000. The hospitals that are involved will be the recipients of that money.

CHAIRMAN ZOOK asked how long the program had been in place. **Mr. Robinson** stated that it had just started. The $500,000 figure was a projection on the part of the program. **CHAIRMAN ZOOK** stated that it seemed to be a successful program, as did the MIAMI program. He suggested the committee think twice before tampering with programs proven beneficial.

REP. COBB asked whether, if the committee authorized the funds as a loan they would have to be borrowed from somewhere. **Mr.**

Robinson replied that the committee would be providing borrowed money.

REP. BARDANOUVE stated that he couldn't see where the program was so successful if it wasn't even in operation yet.

REP. WANZENRIED pointed out if the committee didn't have confidence in the projections, it probably shouldn't be giving the program any money.

REP. KASTEN asked **Jim Ahrens, President, Montana Hospital Association,** to comment on the projections. **Mr. Ahrens** stated that most residency programs are losing programs. He felt if the appropriation was a loan, the program would lose support.

REP. ROYAL JOHNSON asked to whom the loan would be made. **Mr. Robinson** said the program would be set up as a business and the loan would be made to that entity. **REP. JOHNSON** asked if the business had any assets. **Mr. Robinson** said none, other than the contributions made by the various hospitals and the state.

CHAIRMAN ZOOK asked **REP. WANZENRIED** if the purpose of the program was to get physicians into rural areas. **REP. WANZENRIED** replied that he thought so. He stated that if the committee was so concerned about the financial solvency of the operation, it shouldn't make the appropriation at all. If the program is going to be successful, there should be no problem with a loan.

Vote: TO MAKE THE FY95 APPROPRIATION FOR THE RURAL PHYSICIANS RESIDENCY PROGRAM A LOAN. Motion carried 10-8 with REPS. GRADY, BERGSAGEL, COBB, ROYAL JOHNSON, KASTEN, MENAHAN, WISEMAN, and ZOOK voting no.

Motion: REP. KASTEN MOVED TO TAKE $106,000 FROM THE MIAMI PROGRAM.

Discussion: REP. KASTEN stated that in the last session, the legislature started out with an appropriation at the current level. The current level took in many things over and above what was actually spent of $170,450. To that the legislature added new funds of $264,590, which means that the legislature gave them approximately $150,000 increase over current level. With this, they were to service eastern Montana. When the RFPs came in, the areas they extended to were Carbon, Musselshell, Golden Valley, Chouteau, Hill, Liberty, Powell, and Deer Lodge. The other five RFPs were not accepted because the counties did not have the core facilities. It has been stated that the program saves money. It was assumed that it was all due to MIAMI. **REP. KASTEN** asked if any credit should be given to Healthy Mothers, Healthy Children, Follow Me, Baby Your Baby, or the nutritional programs, etc. She asked if credit should be given to the doctors or the mothers. She stated that she was not against the MIAMI program. However, general funds were short and serious decisions were going to have to be made. Her amendment would give the legislature $106,000 more general fund to use.

REP. KASTEN stated that the committee seemed to agree with **REP. KADAS** that the Department of Health should not be able to use the funds for vacancy savings. She didn't think there was much of a possibility that core services would be instituted in counties that didn't have them. She stated that these funds would probably be reverted to the general fund and felt the committee should do it now.

REP. WANZENRIED stated that the legislature had taken savings that this program will realize out of the SRS budget. He felt there was a lot of confusion at the time the RFPs were sent out about the amount of money available. He reiterated that more organizations were going to submit proposals and the money would be committed.

REP. MENAHAN felt that the legislature was kicking the needy and protecting the greedy.

REP. KADAS stated his opposition to the motion because of the restrictive language the subcommittee had put in and because of the question as to whether the appropriation would be used or not.

Vote: TO TAKE $106,000 FROM THE MIAMI PROGRAM. Motion carried 10-8 with REPS. BARDANOUVE, COBB, JOHN JOHNSON, KADAS, MENAHAN, NELSON, QUILICI, and WANZENRIED voting no.

Motion/Vote: REP. COBB MOVED TECHNICAL AMENDMENT HB000207.A04 TO APPLY THE RESTRICTIVE LANGUAGE TO THE FY95 APPROPRIATIONS ONLY. EXHIBIT 8 Motion carried unanimously.

Motion: REP. COBB MOVED AMENDMENT hb000206.a04, EXHIBIT 8C, REQUIRING THE DEPARTMENT OF HEALTH TO CERTIFY TO OBPP AND LFA THAT ALL APPLICATIONS SUBMITTED TO THE DEPARTMENT ARE BEING PROCESSED IN A TIMELY MANNER.

Discussion: REP. COBB stated that the department had large backlogs in water quality and subdivision permits. Water quality, for example, has a current backlog of 62 renewals and 12 new applications. It will likely be mid-1994 before the department takes care of the 1993 backlog. **REP. COBB** stated that his amendment wasn't necessarily a criticism of the department but a recognition of the high turnover rate in the department due to the stressful nature of the job, resulting in the backlogs.

Mr. Robinson felt that his department was getting the permits out within the 60- or 90-day time frames.

REP. WANZENRIED said he felt that this amendment bordered on new legislation.

REP. BARDANOUVE wondered which testimony was right and which was wrong.

Mr. Robinson said the reports his department gave to the subcommittee indicated what its workload was but did not indicate that it was behind schedule on the permits.

CHAIRMAN ZOOK said he was inclined to agree with **REP. WANZENRIED.**

REP. COBB defended his amendment.

REP. BARDANOUVE said he couldn't vote on the amendment because he heard two totally opposite reports, i.e. **REP. COBB** vs. **Mr. Robinson.**

REP. KADAS said **REP. BARDANOUVE** should vote no in either case. If **Mr. Robinson** was right, the legislation wouldn't be needed. If **REP. COBB** was right, then the legislature would be making a significant policy change and moving a significant part of work supposed to be done at the state level to the county level.

Vote: TO REQUIRE THE DEPARTMENT TO PROCESS PERMITS IN A TIMELY MANNER. Motion carried 11-6 with REPS. JOHN JOHNSON, KADAS, MENAHAN, NELSON, QUILICI, and WANZENRIED voting no.

Motion: REP. KASTEN MOVED AMENDMENT hb000204.a04, EXHIBIT 8D, TO REDUCE THE APPROPRIATION FOR THE HEALTH CARE AUTHORITY.

Discussion: REP. KASTEN stated that this left the Authority in place to track what is happening and to adapt different ideas. For example, she felt the Authority shouldn't have to re-invent a single payer plan; they could use the Vermont plan.

REP. QUILICI questioned item #3 of her amendment. He reminded the committee that the chairman of the Authority, Dorothy Bradley, had testified as to the importance of public input. He agreed and felt that travel around the state was important to get public input. **REP. KASTEN** said the 50% she had cut had nothing to do with travel for the Authority or the regional boards. It would be 50% of national travel. The Authority had budgeted $31,140 to go out of state. Their travel in state was $57,400 in one year and $81,080 in another year. She stated that this would not touch the in state travel funds.

REP. QUILICI stated that her amendment didn't specifically refer to national travel. He was also disturbed by items #1 and 2, i.e. cutting three staff in FY94 and four in FY95. Even if the Authority had the money to travel around Montana, without staff, he wondered how they would disseminate the information they gathered. **REP. KASTEN** reiterated that the paragraph on the bottom of **EXHIBIT 8D** would not go into the bill language; it was merely her idea of how expenses could be cut. Her amendment does not direct the Authority to make specific cuts.

CHAIRMAN ZOOK asked, then, if the Authority would have authority to decide which areas to cut.

Ms. Smith, LFA, stated that the Authority was in no way told where they had to cut.

REP. WANZENRIED asked **Sam Hubbard, Montana Health Care Authority,** to explain the impact of this amendment on the Authority. **Mr. Hubbard** stated the bill would eliminate the Authority's ability to meet the mandates included in the statute.

REP. KASTEN stated that the Authority still would have close to $1 million in their budget.

Vote: TO REDUCE FUNDING FOR THE MONTANA HEALTH CARE AUTHORITY. Motion failed 7-11 with REPS. BERGSAGEL, DEBRUYCKER, FISHER, KASTEN, PECK, PETERSON, and WISEMAN voting yes.

REP. COBB continued presentation of **EXHIBIT 11 (11/30/93),** PP. B-4-6, Department of Social and Rehabilitation Services. He pointed out that the subcommittee accepted items #6, 7, and 12. In regard to item #17, p. B-6, **REP. COBB** pointed out that the subcommittee increased the appropriation with the hope of getting money back later. He explained that many people transferred their assets out of their name so that Medicaid would pay for their nursing home care or other services. As staff is added to help the state prevent people from moving their assets to get on Medicaid, the money saved could be used to develop alternative services, i.e. assisted living facilities, home health care, etc.

REP. COBB stated that even though the subcommittee proposed spending some new money, the legislature needed to look at how to solve the problems in the future. In regard to item #18, p. B-6, he said the department was looking to work with the Authority in bidding out entire contracts assigning people to HMOs and trying to save costs long term. He felt they were putting money up now to try and save money long term.

REP. BARDANOUVE said that every session the legislature came up with a new program to save millions and he hadn't seen any millions saved yet. **REP. COBB** had data showing an 8% decrease in emergency use with managed care as opposed to a 4% increase without managed care.

REP. MENAHAN said that over the years budgets for home health care had been slashed by the legislature, while everyone votes for Medicare which doubles and triples. He felt that the legislature would never vote for home health care because of pressure from the nursing homes. **REP. COBB** said that **Rose Hughes, Nursing Home Association,** had said her organization wasn't going to fight assisted living.

CHAIRMAN ZOOK asked **REP. COBB** if **Mr. Moses,** author of a report the committee members had received in this area, was an insurance salesman. **REP. COBB** said he did sell long term health care insurance. He felt the numbers in the report were very conservative. The report stated that as long as people could transfer assets with impunity, they didn't to buy insurance; they could get on Medicaid and the state would pay.

REP. COBB explained **EXHIBITS 9, 10,** and **11** dealing with Medicaid expenditures and growth rate. He noted that growth rates were down considerably from projections, especially in the first four months of this fiscal year, where it declined each month. The department was afraid that trend would not continue.

REP. QUILICI asked **REP. COBB** why there was a real downturn around 1989 as shown on the chart on **EXHIBIT 11. REP. COBB** deferred to **Peter Blouke, Director, Department of Social and Rehabilitation Services (SRS).**

Mr. Blouke said there was huge growth as federal mandates went in. When they quit mandating, there was a decline in the increase of the eligible, but the numbers have gone back up again. That was one of the things that made them nervous about taking 10% of 1994 and predicting out the rest of 1994 and 1995. **REP. QUILICI** asked if there had been any changes in the federal mandates from FY91 to FY93. **Mr. Blouke** said when they started going up in 1988 they mandated traditional eligibility criteria, with a number of different things they required. **REP. COBB** added that October was really good, but in November there was a $20 million increase. **Mr. Blouke** said that during the regular session, his department has historically provided an updated projection that is actually used in appropriations.

REP. KADAS asked **Mr. Blouke** to confirm that 10% of his base for FY94 had been realized. He asked if the department went back to FY93 and used that plus the 10% of FY94, what things looked like. **Mr. Blouke** replied that it was actually 10-15%, and he said they do that. They look at trends going back three or four years, recognizing that there is something that happens in those first four months. **REP. KADAS** asked if that was something happening in the last four months of the last fiscal year. **Mr. Blouke** said it was not.

REP. WISEMAN wanted to confirm that there had been numerous articles in the Wall Street Journal confirming **REP. COBB'S** observations on the decline of the growth rate as a nationwide phenomenon. He suspected that there was pressure on doctors, hospitals, drug companies, and everyone to hold costs down. He thought the trend would continue as long as the heat was on.

REP. BARDANOUVE stated he felt the medical establishment was living in fear of President Clinton's national health plan. **CHAIRMAN ZOOK** noted that President Clinton wasn't in office in 1989.

REP. COBB distributed a list of amendments to this section. **EXHIBIT 12** He stated that his list was slightly different than the Governor's package. The committee decided to go through each item individually. **REP. COBB** began with **EXHIBIT 12A**, item #1, **EXHIBIT 12**, explaining that this wasn't really a cut, since the federal government was going to begin paying the total cost of immunizations.

REP. KADAS asked if the subcommittee has considered this issue. **REP. COBB** replied that the subcommittee had neglected to consider it.

REP. BARDANOUVE wanted to know if SRS had approved this item. **CHAIRMAN ZOOK** asked **Mr. Blouke** to respond. **Mr. Blouke** said the department had mailed a letter to the subcommittee in August identifying savings the department anticipated because of changes made by Congress in the Omnibus Reconciliation Act of 1993. He added that the department concurred with **REP. COBB**.

<u>Motion/Vote</u>: **REP. COBB MOVED TO ACCEPT THE IMMUNIZATION REDUCTIONS TO BE REPLACED BY FEDERAL FUNDS, ITEM #1, EXHIBIT 12. Motion carried unanimously.**

<u>Motion</u>: **REP. COBB MOVED AMENDMENT HB000215.A09, EXHIBIT 12B, REDUCING MEDICAID DRUG EXPENDITURES BY 2 PERCENT SAVINGS THAT WOULD BE REALIZED IF THE DEPARTMENT IMPLEMENTS A DRUG FORMULARY BEGINNING IN FY95.**

<u>Discussion</u>: **REP. COBB** explained that before October 1993, states were allowed to prohibit implementation of statewide drug formularies. Implementing this formulary could realize as much as 5% savings although the department conservatively predicted a 2% savings.

REP. KADAS asked how the state would control types and costs of drugs. **Mr. Blouke** said that the state, working with consultants and pharmacists, would develop a list of drugs that would be approved for Medicaid reimbursement. Only those drugs would then be reimbursed under the Medicaid program. A claim for a drug not on the formulary would not be reimbursable. **REP. KADAS** asked what kind of criteria were used in making the list. **Mr. Blouke** replied they would do that through a contract agent. He didn't have the specific criteria but said there were professionally accepted criteria.

REP. KADAS asked how many states had formularies. **Mr. Blouke** said according to **Nancy Ellery, Administrator, Medicaid Division,** almost all other states have formularies.

Ms. Ellery stated that in 1990 Congress eliminated the ability of states to have formularies. Those who already had them were fine, but no new formularies could be developed because of a rebate program. That was changed in the last Congress, so that states who didn't have a formulary could develop one. For example, now the state can say they won't pay for hair growth products. **Ms. Ellery** continued that there were a lot of drugs that did the same thing for different prices. The state may decide to pick one drug at the lowest price.

REP. WANZENRIED asked why these proposals weren't before the subcommittee. **REP. COBB** asked him if he had gotten the letter mentioning the proposals. **REP. WANZENRIED** replied that he got the letter, but because the subcommittee didn't discuss them he thought they weren't going to be pursued. **REP. COBB** said the subcommittee was busy going over the Governor's proposals. Also, the department wasn't sure if the formulary savings were going to be 1% or 2%. **REP. COBB** wanted to make sure how much money would actually be saved. He took the blame for the lack of discussion at the subcommittee level. **REP. WANZENRIED** stated he thought the public should have an opportunity to review these changes. **REP. COBB** said he had posted a list on the bulletin board but no one testified on this issue.

Vote: AMENDMENT RE: DRUG FORMULARIES, EXHIBIT 12B. Motion carried unanimously.

Motion: REP. COBB MOVED ITEM #3, EXHIBIT 12, TO REDUCE THE GENERAL FUND APPROPRIATION BY THE $130,000 SAVINGS EXPECTED FROM UTILIZATION REVIEW. He explained that after Medicaid bills are paid, a small utilization review staff is to review the bills and decide whether they are necessary, reasonable expenses. At this time, the staff has a large backlog of at least 265 open cases, some dating back to 1987. The department plans to hire some emergency help with its existing monies to try to take care of this backlog. The department estimates savings of approximately $130,000 from this backlog in FY95.

Vote: Motion carried unanimously.

Motion: REP. COBB MOVED ITEM #4, EXHIBIT 12, TO REDUCE THE GENERAL FUND APPROPRIATION BY THE $156,312 SAVINGS IN FY95 EXPECTED UPON PASSAGE OF LC 110, SEN. WATERMAN'S BILL TO PREVENT TRANSFER OF ASSETS TO RECEIVE MEDICAID BENEFITS.

Discussion: REP. PECK stated that the Democrats felt they have had a surprise sprung on them and would like to adjourn to consider the list before voting on any more cuts. **REP. COBB** said that the remaining items were basically some of the Governor's recommendations which were voted on in subcommittee. He said items #5, 7, and 8 were all voted on in subcommittee. The only new item was #9, the Medicaid growth adjustment. **REP. PECK** said they felt the subcommittee really should have considered all the items . **CHAIRMAN ZOOK** said this was the first time he had seen the list, too. **REP. PECK** stated that made it sound even more like a one man show, even though he had a lot of respect for **REP. COBB. REP. PECK** felt the public should have an opportunity to comment on these proposals that were new. **REP. COBB** replied that there was testimony on co-insurance, dental reductions, and reducing medically needy. **REP. PECK** asked if the levels on **EXHIBIT 12** were the same levels proposed in subcommittee. **REP.**

COBB said the Governor wanted to raise the co-insurance to $200, while this was only $100. The dental groups came into subcommittee with their own recommendation. The subcommittee voted no at that time. Reducing medically needed was presented, discussed, and the subcommittee voted no at that time.

CHAIRMAN ZOOK suggested setting the rest of Section B aside to allow members of the committee to look at it overnight. He suggested proceeding with Section E. **REP. WANZENRIED** asked **REP. COBB** if **EXHIBIT 12** was everything. **REP. COBB** said there were some other AFDC amendments that were discussed in subcommittee. **REP. WANZENRIED** stated his desire to see everything at this time.

REP. KADAS stated that he had no problem working with items #1-8, **EXHIBIT 12.** He felt that many people didn't know what **REP. COBB** intended as far as item #9 and would like to put off voting on that overnight.

REP. BERGSAGEL asked **REP. COBB** if there was a problem handing out all the amendments he had. **CHAIRMAN ZOOK** said that **Mr. Schenck** felt if the committee could complete Section B tonight, the bill could go to the floor by Friday. The biggest problem would be printing.

The committee decided to try to finish Section B in committee before adjournment for the day, considering the possibility of further amending the bill on the floor.

Vote: TO REDUCE THE GENERAL FUND APPROPRIATION BY THE $156,312 SAVINGS IN FY95 EXPECTED UPON PASSAGE OF LC 110. Motion carried unanimously.

Motion: REP. COBB MOVED ITEM #5 ON EXHIBIT 12, AMENDMENT HB000204.A09, EXHIBIT 12C, TO RAISE MEDICAID CLIENT CO-INSURANCE FROM A MAXIMUM OF $66 PER INPATIENT HOSPITAL STAY TO $100 PER STAY.

Discussion: REP. KADAS asked what the per day co-payment was. **Mr. Blouke** replied that the department was changing from a co-payment to co-insurance. The change would be a $100 payment per discharge. The average hospital stay is approximately four days, so the patient would be charged $100 for those four days.

Vote: TO RAISE CO-INSURANCE. Motion carried 17-1 with REP. WANZENRIED voting no.

Motion/Vote: REP. COBB MOVED ITEM #6 ON EXHIBIT 12, AMENDMENT HB000214.A09, EXHIBIT 12D, TO ESTABLISH CO-PAYMENTS AT MAXIMUMS. Motion carried 17-1 with REP. WANZENRIED voting no.

Motion: REP. COBB MOVED ITEM #7 ON EXHIBIT 12, AMENDMENT HB000208.A09, EXHIBIT 12E, TO ELIMINATE MEDICAID COVERAGE OF ADULT DENTAL SERVICES AND DENTURES EXCEPT FOR EXTRACTIONS.

Discussion: **REP. COBB** stated that President Clinton's proposed national health care plan has no dental insurance program. The states could continue to offer it if they wish to. Under managed care at the national level it is not offered to adults.

REP. WANZENRIED asked the department to explain the difference between this proposal and the original proposal. **Mr. Blouke** said the department originally proposed to eliminate all dental and denture services to adults (not including children, pregnant women, and residents of nursing homes). When the department calculated proposed savings, they had to take into account the number of people who would go to the hospital or the emergency room. Subsequently, a group of dentists suggested that by allowing extractions there would be fewer people going to the emergency room or hospitals and there would consequently be greater general fund savings than there would by totally eliminating services.

Vote: TO ELIMINATE MEDICAID COVERAGE OF ADULT DENTAL AND DENTURE SERVICES EXCEPT FOR EXTRACTIONS. Motion carried 15-3 with REPS. QUILICI, WANZENRIED, and MENAHAN voting no.

Motion: REP. COBB MOVED ITEM #8 ON EXHIBIT 12, AMENDMENT HB000203.A09, EXHIBIT 12F, TO LIMIT MEDICAID BENEFITS FOR MEDICALLY NEEDY TO PRIMARY AND PREVENTIVE CARE.

Discussion: **REP. COBB** called the committee's attention to **EXHIBIT 13,** a discussion of the medically needy program. He stated that the big reductions were coming at the hospital level. Those who are already in a nursing home are still covered. Those over 62 by paying $15 per month, are still getting Medicare. Savings would have been reduced to $3.5 million over the biennium by putting hospital care in for the medically needy.

Ms. Ellery explained that the medically needy program is an optional eligibility group. It is a way to become eligible for Medicaid by having high medical bills. About 2/3 of the states in the country have a medically needy program. Federal regulations say if you have a medically needy program, you must provide certain benefits to certain groups. The department is proposing that for adults in the community, both disabled and elderly, the package of medically benefits will be reduced to primary and preventive care. People in nursing homes, pregnant women, and children would continue to get the full range of services provided under Medicaid.

REP. QUILICI stated that he had met with nursing home representatives before the special session and they were concerned about 170 patients who might be just barely over the income level. He ask **Ms. Ellery** what would happen to these people who were in the nursing homes right now. **Ms. Ellery** stated that **REP. QUILICI** was referring to another proposal not accepted by the subcommittee, i.e. the special income limit. That program called for eliminating medically needy coverage for people in nursing homes and replacing it with a special income limit. If a person had income more than $1,300 per month then that person would no longer be eligible for Medicaid in the nursing home. **Ms. Ellery** stated that proposal did not pass out of subcommittee.

REP. WANZENRIED asked **Ms. Ellery** if the people affected by this program could be characterized as somewhat sickly to the point where their medical bills draw their income down, disabled, and not in nursing homes. She said that was correct.

REP. KADAS recapped that 2/3 of the population under discussion was age 63 or over. He said his concern was that this proposal would drive people into nursing homes on Medicaid. **Ms. Ellery** replied that the majority of people over age 65 were eligible for Medicare, thus having an insurance program. A portion, not many, of the disabled population may be eligible for Medicare. Medicaid did cover a portion of their costs not paid by Medicare, but their primary costs were paid.

REP. KADAS asked, under the program as it now stands, which paid first. **Ms. Ellery** replied that Medicare always pays first. **REP. KADAS** said if Medicare paid first, there were still $7.6 million worth of services that are being received, most of it by elderly people who are eligible for Medicare. He asked what services they were getting that Medicare wasn't paying for. **Ms. Ellery** said the big ticket item would be hospital care. Medicare would pick up 80% of hospital care. If the people were no longer covered under the medically needy program, they would have to pay the portion that Medicare doesn't pay for.

REP. KADAS asked if a lot of the money was going for the 20% match required by Medicare. **Ms. Ellery** replied that for people on medically needy at this time, Medicaid was paying that 20% that Medicare doesn't pay for. If this cut takes effect, that would be an out of pocket expense.

REP. KADAS asked if the ultimate only option of this group was a nursing home. **Ms. Ellery** didn't think most of them would end up in a nursing home. She said it depended on the type of service they needed. Looking at everything provided before under the medically program, with this proposal 75% of the services provided before are still being provided. The big change is in the hospital area.

REP. KASTEN called **REP. KADAS'** attention to **EXHIBIT 13**, p. 2, total services for medically needy. She pointed out that drugs are a big item that Medicare doesn't usually cover. **REP. COBB** called the committee's attention to **EXHIBIT 11A (11/30/93)**, the Budget Analysis Book, p. B-20, where there was an analysis of medically needy disabled persons by county.

REP. NELSON wanted to know the effects of the proposed cuts on the mentally ill. **Kathy McGowan, Director, Montana Council of**

Mental Health Centers, said the legislation would have a significant impact on the seriously mentally ill, particularly those who spend a lot of time in the state hospital. She said many of them were just over the income limit and relied services such as personal care and day treatment to maintain themselves in a community living situation. She felt that a significant number, under the cuts, would have to back to the state hospital. **REP. NELSON** asked **Ms. McGowan** if she would suggest that current benefits be expanded. **Ms. McGowan** gave the example of 90 people in the Butte/Anaconda region who receive medically needy services and had no other alternative.

REP. MENAHAN asked if the expenses and needs of some of the people who were barely over the income limit could be worked out so they would meet the income limits. **Ms. McGowan** said if the cuts were made these people would not be eligible for a number of services that she considered preventive. She felt the state had been trying to keep mentally ill people in their communities and this would go contrary to that policy.

REP. COBB pointed out that 2.5% of total services went to community mental health, 0.3% to psychological services.

REP. BARDANOUVE expressed his concern about cutting services to the mentally ill.

REP. COBB said that the subcommittee had rejected other cuts in mental health services.

REP. PETERSON wanted to know if other mental health services covered such as needs as counseling, day treatment, etc. She noted that item #10, **EXHIBIT 11 (11/30/93)**, p. B-5, to limit the number of mental health services, was not adopted. **Ms. Ellery** said those other services were still provided, but under this proposal those in the medically needy category would no longer have the services covered.

Motion: REP. BARDANOUVE MADE A SUBSTITUTE MOTION NOT TO LIMIT MEDICAID BENEFITS FOR THE MENTALLY ILL.

REP. WISEMAN asked how much money was being discussed. **Ms. Ellery** said that the mentally ill could not be a special category in terms of benefits. The only option they had was to put those services back in the primary and preventive package. She added that those mentally ill individuals who would no longer be eligible for Medicaid could still get services in the mental health centers.

REP. WANZENRIED asked **Ms. Ellery** if people in need of mental health services were going to have access under the original motion to limit Medicaid benefits. **Ms. Ellery** said that Medicaid would not pay for those services, but they were available in the community mental health centers. Costs there are based on ability to pay. **REP. WANZENRIED** asked which services would need to be added into the primary and preventive package as per **REP. BARDANOUVE'S** motion. **Ms. Ellery** replied psychological services -- therapy and counseling. **REP. WANZENRIED** asked how long it would take to calculate lost savings if the committee adopted **REP. BARDANOUVE'S** motion. **Ms. Ellery** thought that could be done by morning.

REP. KADAS asked if the desired result could be achieved by saying that in-patient psychiatric and psychological services were included in the definition of preventive and primary care. **Ms. Ellery** said she thought it would be difficult to say that any kind of hospital services should be included in preventive and primary care. She stated that the legislature had the option of adding any services back in the package.

REP. PECK said the most important thing said in response to **REP. BARDANOUVE'S** motion is that mental health centers, available throughout the state, will provide these services at a cost based on income. He didn't feel there was a problem in the counseling, care, etc. because of the availability of these centers.

REP. BARDANOUVE asked why the services were paid for now if the people could get it for a dollar at the mental health centers. **Ms. Ellery** said the medically needy program now covers everything that Medicaid covers. This is the first effort made to restrict the package available to medically needy.

REP. BARDANOUVE withdrew his substitute motion.

REP. KADAS said, in response to **REP. PECK,** that there is a 500 person waiting list at the Great Falls mental health center. **REP. PECK** said private practitioners also have a waiting list.

Motion: **REP. WANZENRIED MADE A SUBSTITUTE MOTION NOT TO LIMIT MEDICAID BENEFITS FOR THE MENTALLY ILL (I.E. REP. BARDANOUVE'S PREVIOUS SUBSTITUTE MOTION).**

Ms. McGowan pointed out that the committee was discussing another cost shift. People who received Medicaid benefits now would go to an all general fund program (i.e. mental health centers).

REP. PETERSON asked if medically needy people were on Medicare. **Lois Steinbeck, LFA,** said that "medically needy" was a category of eligibility. If the people in that category were also aged or disabled and qualify for Medicare, they could receive Medicare. Medicaid would pay for services Medicare does not cover.

REP. GRADY stated it was hard to vote for something if the cost was not clear. He felt the committee had no idea of the cost of **REP. WANZENRIED'S** motion. He suggested that further adjustments to the section be made on the floor.

REP. WANZENRIED wanted to know if the committee was planning to close Section B tonight. **CHAIRMAN ZOOK** said a few changes could be made tomorrow, but the bill needed to go to printing so it could be debated on the floor.

Vote: SUBSTITUTE MOTION NOT TO LIMIT MEDICAID BENEFITS FOR THE MENTALLY ILL. Motion failed 5-13 with REPS. BARDANOUVE, JOHN JOHNSON, MENAHAN, NELSON, and WANZENRIED voting yes.

Vote: TO LIMIT MEDICAID BENEFITS FOR MEDICALLY NEEDY TO PRIMARY AND PREVENTIVE CARE. Motion carried 11-7 with REPS. BARDANOUVE, JOHN JOHNSON, KADAS, MENAHAN, NELSON, QUILICI, and WANZENRIED voting no.

Motion/Vote: REP. COBB MOVED AMENDMENT hb000209.a09, EXHIBIT 14, TO ALLOW MONEY TO BE USED TO HELP AFDC CLIENTS TO GET ON SSI. Motion carried unanimously.

Motion: REP. COBB MOVED AMENDMENT HB000221.A09, EXHIBIT 15, RELATING TO EPSDT PROGRAMS.

Discussion: **REP. PECK** asked what these programs were screening for. **Ms. Ellery** replied that the programs related to well child care, i.e. vision checks, hearing checks, etc. **REP. COBB** noted that the well child care programs had proven to save money by early detection of problems.

Vote: Motion carried 17-1, with REP. BARDANOUVE voting no.

Motion: REP. COBB MOVED AMENDMENT hb000225.a09, EXHIBIT 16, TO EXTEND PASSPORT TO HEALTH PROVIDER STATUS TO OUTPATIENT HOSPITALS.

Discussion: **REP. PETERSON** asked **REP. COBB** if the last three programs under discussion were ongoing at this point. **REP. COBB** replied that they were ongoing; his amendments were meant to make them better and possibly save money. **REP. PETERSON** thought this was a very productive approach.

Vote: Motion carried unanimously.

Motion: REP. COBB MOVED ITEM #9, EXHIBIT 12, TAKING $4,000,000 OUT OF THE PRIMARY CARE BUDGET PLUS FEDERAL MATCH FOR FY95 -- MEDICAID GROWTH ADJUSTMENT.

Discussion: **REP. COBB** referred to the charts in **EXHIBIT 11.** He felt that a lot of things had been done to try to control costs. Costs were down nationally. At the end of last session, the department thought the growth rate was 22 - 26%. The growth rate is down significantly from that.

REP. WISEMAN stated that a 20% growth rate had been used in developing the budget for the biennium. He asked **REP. COBB** what kind of growth rate he had used in calculating the $4,000,000 growth adjustment. **REP. COBB** said the department was predicting about 16% on a different base, and he was predicting about 14% on a different base. The question was whether the growth rate was going to be around 10-14% or was it going to be around 16%, depending on the base.

REP. WANZENRIED asked what, if any, impact the changes made so far were going to have on growth rate trends. He wanted to know if the committee was dealing with a short-term budget solution or a long-term impact on Medicaid trends. **REP. COBB** said he felt the committee had made changes that were going to lower the growth rate even more.

CHAIRMAN ZOOK stated that he didn't see how anyone could predict a growth rate chart such as that in **EXHIBIT 11. REP. WISEMAN** asked the department to respond.

Mr. Blouke said the department had staff with years in the Medicaid program. They are still projecting a need for substantial additional funds next biennium, even with the reductions just made. The department projected they would be able to make it through the biennium even with the $7,000,000 cuts. He felt the problem, when you started talking percentages instead of actual dollars, is that the percentage growth rate calculated back in the regular session was on a different base. There is more information available now about FY93 than was available then, and there are not the same numbers. He said the department had been given flexibility in the entire Medicaid budget because it has to shift budget between primary care, nursing homes, etc. because expenditures are difficult to predict. He didn't feel that the primary care budget could be isolated. Other things to be taken into consideration included nursing home services, institutions, etc.

REP. PECK reiterated that there were a lot of variables to deal with, i.e. the economy, Congress, etc. He wondered if the department's projections were any better than **REP. COBB'S. Mr. Blouke** agreed, stating that his point was with the small amount of data available, the department was not prepared to say the growth rate was going to go down that low. The legislature has said there will be no supplementals. Part of the traditional problem with Medicaid has been that it takes a long time to turn around. If the legislature makes cuts now, the department will have to move rapidly to come up with an estimated budget. **Mr. Blouke** felt better staying with a reasonable growth rate based on information provided to him.

REP. QUILICI asked what kind of federal dollars would be lost under these cuts. **Mr. Blouke** replied that if $4,000,000 in general fund was cut from the budget, there would be approximately $8,000,000 additional in federal funds cut. **REP. QUILICI** said if the department had $12,000,000 less to work with, who would not be getting the benefits. **Mr. Blouke** replied that **REP. COBB** was betting the department would not need the $4,000,000; they would revert those funds. The department felt they would need the $4,000,000, and if it was cut, the department would have to cut some services.

REP. QUILICI asked what specifically primary care services were. **Mr. Blouke** said that went back to the original list submitted to the subcommittee. The cuts on that list had already been submitted to the legislature and been rejected by the subcommittee. He said if the department was correct in its projections, they would have to cut additional services. If **REP. COBB** is correct, then there would be no change.

CHAIRMAN ZOOK stated that the alternative to what **REP. COBB** had proposed is that the services will be lost. They may survive under **REP. COBB'S** proposal.

REP. KADAS asked **REP. COBB** what would happen if his projections were wrong. **REP. COBB** said the department would have to cut or come in for a supplemental. They have to manage some of their responsibilities. **REP. KADAS** asked if the department could cut services on a list rejected by the subcommittee, since there has been a legislative vote against reducing those services. **REP. COBB** said everything that was being cut tonight was subject to a lawsuit anyway. **REP. KADAS** asked if he would be willing to include in his motion that those cuts rejected earlier by subcommittee were still open to being cut by the department if they needed to. **REP. COBB** said they had that latitude now. He stated that the department would like a cut priority list from the legislature and he had a problem with that. He wanted the department to look at management cuts and those sorts of things as well. **REP. KADAS** asked him if he could delineate what sorts of management cuts he had in mind. **REP. COBB** felt that they were management decisions that were properly left with the people hired to make them. The legislature left the department with $7 million in cuts at the end of the regular session.

REP. KADAS asked **REP. COBB** if, in his mind, the department was limited to primary care in making additional budget reductions. **REP. COBB** said he felt the law allowed the department to make cuts wherever programs were not mandatory or wherever they wouldn't be liable to suit. He felt the department could have wiped out medically needy programs without the consent of the legislature.

REP. KADAS asked **Mr. Blouke** if he felt bound by the subcommittee's actions in rejecting certain cuts. **Mr. Blouke** said the cuts were presented to the legislature and rejected. The department identified $11 million in recommended reductions. None of those were accepted in the subcommittee. He felt that determining the cuts was the joint responsibility of the legislative and executive branches.

REP. KADAS said that he felt the case **REP. COBB** was trying to make was on shaky ground and should at the least be backed up with a priority list. He felt that the elimination of these kinds of services was a policy decision.

REP. FISHER noted that the proposed $4 million cut was less than 1/2% of the department's total budget.

REP. PETERSON stated her support of an alternate priority list in the event the $4 million figure was wrong.

REP. COBB said that he had a bill to settle the mechanism to project the growth rate. That bill could include a priority list for cuts if the growth rate is larger than projected.

REP. BERGSAGEL asked if it wouldn't be advisable, in the event that bill fails and the department wants a priority list, to place that list in HB 2 so the department has the authority to make those cuts. **REP. COBB** said the department has the authority now to make cuts.

REP. BERGSAGEL said what he felt the administration was saying was because the subcommittee took action to deny their recommendations on cuts, they don't feel they have the authority to make those cuts. He suggested that the committee vote on the $4 million cut and then deal with the list.

<u>Vote</u>: **ITEM #9, EXHIBIT 12, TAKING $4 MILLION OUT OF THE PRIMARY CARE BUDGET PLUS FEDERAL MATCH FOR FY95 -- MEDICAID GROWTH ADJUSTMENT. Motion carried 14-4 with REPS. KADAS, MENAHAN, QUILICI, and WANZENRIED voting no.**

REP. BERGSAGEL presented proposed service reductions for the department. **EXHIBIT 17**

REP. COBB said he didn't think the cuts in **EXHIBIT 17** added up to $4 million. He was also concerned whether the department would feel it had authority to make other cuts if, for example, his projections were wrong and more than $4 million had to be taken out of the budget.

REP. BERGSAGEL said the department would have the authority to make the cuts in those areas that are listed here with the exception of the ones that the committee has already dealt with. Then it would have to reduce benefits for whatever amount is left. He felt that the legislature should give the department some guidance in where and how much to cut.

REP. WANZENRIED said if we were so sure the department was going to have to cut, then why not make the cuts here. He felt that was the legislature's job. **REP. BERGSAGEL** replied that he was betting **REP. COBB** was right and the cuts were not going to have to be made.

CHAIRMAN ZOOK added that the list was a backup proposal.

REP. COBB stated that he opposed the list because with what the committee had already done the proposed cuts would not add up to $4 million. He felt that the agencies always wanted more flexibility, more control, but the department didn't make the $7 million in cuts from last session -- the legislature was doing it for them. They have been given flexibility and now the department is saying it doesn't want flexibility. He felt the committee should go through **EXHIBIT 17** item by item and discuss it.

REP. PECK felt the committee should adjourn rather than get into a long discussion of **EXHIBIT 17.** He felt the list should be brought to the floor or added in the Senate. **REP. BERGSAGEL** stated that he would do that.

Motion/Vote: REP. KASTEN MOVED TO RECONSIDER THE ACTION THAT MADE THE APPROPRIATION FOR THE RURAL PHYSICIANS RESIDENCY PROGRAM A LOAN. Motion carried 13-5 with REPS. BARDANOUVE, KADAS, PECK, QUILICI, and WANZENRIED voting no.

Motion: REP. KASTEN MOVED TO STRIKE THE LANGUAGE THAT MADE THE APPROPRIATION FOR THE RURAL PHYSICIANS RESIDENCY PROGRAM A LOAN.

Discussion: REP. WANZENRIED restated his contention that if the program was going to be successful, a loan should be no problem, and if it wasn't, the legislature shouldn't fund it anyway. He opposed the motion.

CHAIRMAN ZOOK asked **REP. KASTEN** to withdraw her motion and offer it on the floor or tomorrow morning.

REP. KASTEN withdrew her motion.

ADJOURNMENT

Adjournment: 10:20 p.m.

Tom Zook

REP. TOM ZOOK, Chairman

Cathy Kelley

Cathy Kelley, Secretary

TZ/cek

HOUSE OF REPRESENTATIVES

APPROPRIATIONS COMMITTEE

ROLL CALL DATE 12/1/93

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

HR:1993
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HOUSE OF REPRESENTATIVES

APPROPRIATIONS COMMITTEE

ROLL CALL DATE 12/1/93

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

HR:1993
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HOUSE OF REPRESENTATIVES
APPROPRIATIONS COMMITTEE

ROLL CALL

DATE 12/01/93

NAME	PRESENT	ABSENT	EXCUSED
REP. ED GRADY, VICE CHAIRMAN	(After 1:00 p.m.)		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		

HOUSE OF REPRESENTATIVES

APPROPRIATIONS COMMITTEE
ROLL CALL VOTE

DATE 12/01/93 BILL NO. HB 2 NUMBER 1

MOTION: REP. ROGER DEBRUYCKER MOVED TO STRIKE THE LANGUAGE ON P. C-6, LINES 10-12, HB 2, FREEING UP SNOWMOBILE FUNDS.

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		
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
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HOUSE OF REPRESENTATIVES

APPROPRIATIONS COMMITTEE
ROLL CALL VOTE

DATE 12/01/93 BILL NO. HB 2 NUMBER 2

MOTION: REP. MIKE KADAS MOVED TO ADOPT THE FUNDING SWITCH FOR THE DEPARTMENT OF LIVESTOCK ON P. C-5, ITEM #1, EXHIBIT 11 (11/30/93).

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
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HOUSE OF REPRESENTATIVES

APPROPRIATIONS COMMITTEE
ROLL CALL VOTE

DATE 12/01/93 BILL NO. HB 2 NUMBER 3

MOTION: REP. MIKE KADAS MOVED TO REDUCE THE DEPARTMENT OF AGRICULTURE'S GENERAL FUND APPROPRIATIONS BY $20,000.

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		
REP. BILL WISEMAN		X
REP. TOM ZOOK, CHAIRMAN		X

HR:1993
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HOUSE OF REPRESENTATIVES

APPROPRIATIONS COMMITTEE
ROLL CALL VOTE

DATE 12/01/93 BILL NO. HB 2 NUMBER 4

MOTION: REP. ROYAL JOHNSON MOVED TO RESTORE $63,957 IN STATE AID TO LIBRARIES.

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
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HOUSE OF REPRESENTATIVES

APPROPRIATIONS COMMITTEE
ROLL CALL VOTE

DATE 12/01/93 BILL NO. HB 2 NUMBER 5

MOTION: REP. ROYAL JOHNSON MOVED TO RESTORE $18,000 VACANCY SAVINGS TO LIBRARIES.

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
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HOUSE OF REPRESENTATIVES

APPROPRIATIONS COMMITTEE
ROLL CALL VOTE

DATE 12/01/93 BILL NO. HB 2 NUMBER 6

MOTION: REP. GRADY MOVED TECHNICAL AMENDMENT hb000202.a02.

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	

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HOUSE OF REPRESENTATIVES

APPROPRIATIONS COMMITTEE
ROLL CALL VOTE

DATE 12/01/93 BILL NO. HB 2 NUMBER 7

MOTION: REP. MIKE KADAS MOVED TO CHANGE THE LANGUAGE IN HB 2, P. B-7, LINES 15 & 16 TO STRIKE REFERENCES TO 6E AND 6G.

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

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HOUSE OF REPRESENTATIVES

APPROPRIATIONS COMMITTEE
ROLL CALL VOTE

DATE 12/01/93 BILL NO. HB 2 NUMBER 8

MOTION: REP.MIKE KADAS MOVED TO REDUCE FOR FY95 THE RURAL RESIDENCY PHYSICIANS PROGRAM BY $90,000 AND THE END-STAGE RENAL DISEASE PROGRAM BY $25,000, LEAVING THE PROGRAMS AT FY94 LEVELS.

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

HOUSE OF REPRESENTATIVES

APPROPRIATIONS COMMITTEE
ROLL CALL VOTE

DATE 12/01/93 BILL NO. HB 2 NUMBER 9

MOTION: REP. WANZENRIED MOVED AMENDMENT hb000202.a04, EXHIBIT 8A, TO MAKE THE FY95 GENERAL FUND APPROPRIATION FOR THE RURAL PHYSICIANS RESIDENCY PROGRAM A LOAN.

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

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HOUSE OF REPRESENTATIVES

APPROPRIATIONS COMMITTEE
ROLL CALL VOTE

DATE 12/01/93 BILL NO. HB 2 NUMBER 10

MOTION: REP. KASTEN MOVED TO TAKE $106,000 FROM THE MIAMI PROGRAM.

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	

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HOUSE OF REPRESENTATIVES

APPROPRIATIONS COMMITTEE
ROLL CALL VOTE

DATE 12/01/93 BILL NO. HB 2 NUMBER 11

MOTION: REP. COBB MOVED AMENDMENT hb000206.a04, EXHIBIT 8C, REQUIRING THE DEPARTMENT OF HEALTH TO CERTIFY TO OBPP AND LFA THAT ALL APPLICATIONS SUBMITTED TO THE DEPARTMENT ARE BEING PROCESSED IN A TIMELY MANNER.

NAME	AYE	NO
REP. ED GRADY, VICE CHAIRMAN	X	
REP. FRANCIS BARDANOUVE		
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	

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HOUSE OF REPRESENTATIVES

APPROPRIATIONS COMMITTEE
ROLL CALL VOTE

DATE 12/01/93 BILL NO. HB 2 NUMBER 12

MOTION: REP. KASTEN MOVED AMENDMENT hb000204.a04, EXHIBIT 8D, TO REDUCE THE APPROPRIATION FOR THE HEALTH CARE AUTHORITY.

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

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HOUSE OF REPRESENTATIVES

APPROPRIATIONS COMMITTEE
ROLL CALL VOTE

DATE 12/01/93 BILL NO. HB 2 NUMBER 13

MOTION: REP. COBB MOVED ITEM #8 ON EXHIBIT 12, AMENDMENT HB000203.A09, EXHIBIT 12F, TO LIMIT MEDICAID BENEFITS FOR MEDICALLY NEEDY TO PRIMARY AND PREVENTIVE CARE.

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	

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HOUSE OF REPRESENTATIVES

APPROPRIATIONS COMMITTEE
ROLL CALL VOTE

DATE 12/01/93 BILL NO. HB 2 NUMBER 14

MOTION: REP. WANZENRIED MADE A SUBSTITUTE MOTION NOT TO LIMIT MEDICAID BENEFITS FOR THE MENTALLY ILL.

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

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HOUSE OF REPRESENTATIVES

APPROPRIATIONS COMMITTEE
ROLL CALL VOTE

DATE 12/01/93 BILL NO. HB 2 NUMBER 15

MOTION: REP. COBB MOVED ITEM #9, EXHIBIT 12, TAKING $4,000,000 OUT OF THE PRIMARY CARE BUDGET PLUS FEDERAL MATCH FOR FY95 -- MEDICARD GROWTH ADJUSTMENT.

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	

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HOUSE OF REPRESENTATIVES

APPROPRIATIONS COMMITTEE
ROLL CALL VOTE

DATE 12/01/93 BILL NO. HB 2 NUMBER 16

MOTION: REP. KASTEN MOVED TO RECONSIDER THE ACTION THAT MADE THE APPROPRIATION FOR THE RURAL PHYSICIANS RESIDENCY PROGRAM A LOAN.

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	

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EXHIBIT 1
DATE 12/1/93
HB 5
APPROPRIATIONS

LAWYER NURSERY, INC.

950 Highway 200 West
Plains, Montana, USA
59859-9706

TEL: (406) 826-3881
FAX: (406) 826-5700
TLX: 31-9547

December 1, 1993

Montana House Appropriations Committee
Helena, Montana

Lawyer Nursery is the largest tree nursery in the State of Montana. We are also one of the largest seedling nurseries in the United States with recognized expertise in the production of stock for planting windbreaks, shelterbelts, reforestation and wildlife habitat.

We were established in 1959 at Plains, Montana and in 1988 we expanded our business to Olympia, Washington where we have another nursery. Lawyer Nursery presently employs about 85 people in Montana including production workers, technical professionals, sales staff, management, and other skilled persons. We grow over 24,000,000 tree and shrub seedlings and transplants each year, selling our products in all 50 states Canada and Mexico.

It is very difficult to sell our nursery products in Montana due to direct, tax subsidized, unfair competition from the State of Montana. The State's nursery in Missoula constantly undermines our ability to successfully market our products in MOntana because their prices are below the cost of production. They pay no taxes, do not account for the true costs of production in their pricing, and have little or no capital or interest costs in operating the nursery.

We request that the State's nursery at Missoula be closed or privatised. Lawyer Nursery is prepared to enter into a negotiated or competative bid to purchase the nursery and to continue to operate it as a seedling nursery to meet the objectives of the State's conservation and reforestation planting programs. Should the Legislature choose instead to close the nursery and liquidate the assets, we would welcome the opportunity to competatively bid on growing and supplying the required nursery stock out of our existing Plains nursery.

Lawyer Nursery has the excess nursery capacity, production capability, management experience, marketing know-how, and financial strength to immediately assume this responsibility. We would welcome the opportunity to serve Montana in this capacity.

Respectfully submitted,

John N. Lawyer

John N. Lawyer
President

Do government nurseries play a needed role in today's economy?

by Steve and Suz Trusty

Reforestation is a noble project. Trees anchor eroding soil and provide habitat for birds and wildlife. Trees help restore abused land and protect against soil-loss caused by driving winds. They add beauty and stability to the roadside and establish a sound barrier against traffic noise.

Trees fill forests, shade parks and recreation areas, provide cool havens within cities. People respond to the beauty, majesty, serenity and poetry of trees. To walk through the hush of a tree-lined path, to view the beauty of the sun sinking into the welcoming branches of a forest, to see evergreen silhouettes etched sharply along the horizon by a glowing moon — these experiences lift our spirits and feed our souls.

It is essential for environmental survival that trees be grown for planting on private property and on government-controlled lands.

To this point there is agreement between the public and private sectors.

Controversy arises over who should grow these plants and for which uses.

Basic economic issues become a factor.

Federal and state budgets are strained to the limit. We must eliminate excess spending; weed out programs that no longer fit the purpose for which they were established. We must encourage private businesses that can employ more people and generate more tax dollars. Government should stop competing with private business, phasing out those programs which can [illegible] operated more efficiently by the private sector.

But who decides which programs go — and when they go? At what point does a program step beyond fulfilling the useful purpose for which it was created and become a source of competition to the private sector?

Here we encounter more controversy.

The U.S. Forestry Service was established in 1905 as a bureau of the Department of Agriculture. Headquarters are in Washington, DC, but the majority of employees work in localized field stations. A regional forester is in charge of the lands, resources and personnel of each of the 10 administrative regions.

The mission of the U.S. Forest Service is broken into three broad categories. First, the service administers and protects the national forests. Second, it researches management, protection and growth of forests in relation to the utilization of forest products, and to forest economics. Third, it fosters cooperation with the states and private landowners in the extension of forestry practices, in reforestation, and in the protection of forests against fire, insects and diseases.

As part of this program, federal nurseries were developed to grow the stock needed for planting. In conjunction with its tree planting programs, the forest service conducts studies and experimentation in methods of collecting seeds, methods of direct seeding, the use of transplants, and nursery production practices.

State nurseries were established with similar goals. With federal cooperation, state nurseries provided planting stock for farmers and [illegible], primarily for erosion control and reforestation projects. State nurseries also produced plants for use on state, county and municipal lands.

During the time frame of most government nurseries establishment, travel was limited and agriculture as a whole — the nursery industry included — was in its infancy. It was felt that localized supplies of quality plant materials were needed to fill a void in availability.

Technology has come a long way since then. Today's private nursery industry produces better quality plants more efficiently than ever before. Advances in mechanization, irrigation, fertilization, insect and disease control, and propagation have developed with mind-boggling speed. Computerization allows for further refinement of

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production, shipping and communication. Technology has expanded capabilities, bringing far-flung markets within easy reach.

Private nurseries have become masters of customer service. They have studied customer needs and routinely provide guidance at the pre-planting, planting, and follow-up care stages of plant purchases. Most private nurseries also guarantee the survival of nursery stock through the first season, or the first year. of growth after purchase. They understand that the only way a plant can make a positive impact on the environment is if that plant survives. For private nurseries, customer satisfaction with plant quality and company service are essential for business survival.

The Case for Change

Most government nurseries produce seedlings of conifers, hardwood trees and shrubs, not larger landscape materials. Many state nurseries do not document or follow up on the actual use of plant materials. Those one-to-two year liners could eventually end up in the landscape-size marketplace.

John Lawyer, owner, Lawyer Nursery Co., Plains, MT, said, "Many shade tree and container nursery producers don't realize the impact that hits them from state nursery sales into the private sector. A lot of stock is lined out by private individuals. What the actual bottom line is to the private nursery industry would be real valuable to know."

Government nurseries do produce seedlings for rural reforestation and the seedling portions of such projects as America the Beautiful. Pragmatically, this may be an appropriate role for governmental nurseries, supplemented by the private industry. In an ideal world, even that role would not exist. From the private nursery's view, and the philosophical view of the free enterprise system, there is no place for government-subsidized competition to any private business.

Individuals connected with private nurseries ask, if government nurseries are necessary, shouldn't we also have government grocery stores, farms, gas stations and pharmacies? Why should taxpayers subsidize a business that does nothing the private sector can't do — and do better.

It is within this technological and economic scene that the private nursery sector looks again at government nurseries. These questions are considered.

Does private industry have the capacity to produce the needed plants?

Joel Albizo, director of public relations of the American Association of Nurserymen, reports that, according to a recently completed survey conducted in cooperation with U.S. Forest Service, 105.6 million landscaped-sized specimen trees were shipped from October 1, 1990 through September 30, 1991. The study further showed that the private nursery industry can increase production and shipment by 30 percent over the next three years.

In other words, private industry is now producing plenty of trees, and has extensive production capacity as yet untapped.

Are state nurseries subsidized?

Private nurseries say, in terms of the market place, government production is subsidized by taxpayer dollars. The sale of plants to the public rightly belongs to the private sector.

"Our state nursery claims to be selling at cost. But they show no interest because there are no loans to them, yet the state has to borrow money for funding. State nurseries pay no taxes. They lease equipment

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from the government pool at $1 per year."

One nurseryman confided that their operation has given up on producing the state nursery product line. "We just can't compete. If the state nurseries have extra seedlings they just junk them, with little concern about loss, since the money for next year is there, a guaranteed line item figure in the budget. Their losses are simply taxpayers' dollars. That's definitely not true in private practice."

In Wisconsin, private sector nurseries felt that the three state nurseries were not accurately relating costs and not accurately setting prices to recover costs. They worked through the state legislature to call for an audit of the state nurseries. The audit showed that direct overhead costs were not computed in costs, so that the state was actually subsidizing production.

The Wisconsin Department of Natural Resources instructed the state nurseries to change their bookkeeping and monitoring systems so that all various costs would be computed in arriving at the selling price for seedlings. Did anything actually change? It is hard to tell.

Where is government nursery produced plant material used?

Some state nurseries face restrictions on who may purchase or be given seedlings. In some states, forestry management programs or use plans are to be submitted and approved in writing before stock is released.

The majority of states have no follow-up program to monitor actual use of plant materials — or survival rates.

Typically, state nurseries make indirect sales to the private sector. Material may be sold to an entity which in turn sells surplus stock on a retail basis. Though the price of the plants is undervalued in such sales, because of the low purchase price due to subsidized production, the entity selling at retail is still in a position to make money.

At some state and federal nurseries, overproduction is sold at auction to the highest bidder.

Quality of stock and efficiency of production methods

Quality of nursery stock naturally varies between government nurseries, as it does among private nurseries.

Survivability is an essential factor of quality plants. In the private sector, customers who are not satisfied with plant quality have the option of buying from a different nursery. When success depends on making a profit, it is essential to be cost effective. There is no line item budget appropriation waiting to carry a private nursery through the next year.

A tour of one state nursery facility brought surprise and concern to members of the private sector. Stock was of poor quality and the facility was poorly operated. They felt if the same operation tried to compete in the private sector it would not stay in business. Yet, those connected with government nurseries, taking the same tour, seemed quite content with the operation.

John Lawyer said, "We produce between 24 and 26 million plants for four salaried professionals on staff. I'd like to see a documented comparison for government nursery operations. I've heard that one federal nursery produces 11 million plants — with a staff of 50."

Are Government Nurseries Content with Limited Production?

Many state nurseries are looking at additional uses for their seedling production such as urban "islands of green" and roadside noise abatement.

A major area of discussion at the Western Intermountain Forest Nursery Association meeting held last summer in Park City, UT, concerned how forest nurseries would have to consider a change in direction to propagation of non-traditional species, as the use of seedlings for reforestation declined. Talk centered on the adjustments needed for a new demand for seedlings including more deciduous production, production for wetlands reconstruction, and production of native species.

Are government nurseries willing to cooperate with the private sector?

A major problem is that city, county and state plant order needs are supplied in advance to state nurseries, but often not to private nurseries so that resources can be allocated to produce the stock.

In most states where contract or bid systems have been opened reluctantly to the private sector, the amount of stock called for was small enough to make growing it counterproductive — and the restrictions, inspections and paperwork required were prohibitive.

In other states, the Department of Natural Resources has recognized the inefficiency of the nightmarish bid procedures and extraordinary inspection policies and is working to simplify the process.

At one point, nurserymen in Illinois found a sponsor for a specific program and added money to the state nursery appropriations bill for the outright purchase of seedlings from the private sector. The money was never spent.

The View from the State Legislature

Legislators say, it is the environmental responsibility of all to plant trees. The government should have a voice and input in establishing tree planting programs.

The state nurseries were established to provide low cost plants for such purposes as reforestation, erosion control and windbreaks to cut down on erosion. Through the state nurseries, the government takes an active part in tree planting programs.

The state already owns the nursery facility, so its programs should just continue. If we suddenly close the state nursery, will we have a dependable supply of seedling material in this state?

Depending on the current production level of private nurseries within the state, and the current difficulty in supplying seedling material to state purchasers, the answer to this question may be no, initially. The state's private nurseries will need to be assured that the demand for such material exists before production resources will be committed to it.

Legislators may say, the state nursery tells us that we have to have trees that are native to our state. If seeds are collected in our state, or in specific zones within the state, the plants they produce will be better acclimated to our climate.

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This argument is great, and there is truth in it. Unfortunately, legislators seldom *hear* all the truth. The percentage of state-collected seeds grown in many state nurseries is tiny compared to the seed ordered in from outside sources.

Private nurseries also have the capability of producing stock from state collected seeds, if there is sufficient demand for such plants.

Legislators may say, we are using prison labor at some of the state nursery properties. Working there gives the prisoners something constructive to do and occupies their time. These prisoners are costing the state money anyway, so their labor might as well be considered a no-cost contribution.

It may make sense to keep up production at state owned and operated nurseries with this arrangement. Materials produced could be used exclusively for state owned lands.

Legislators may say, look at all the state employees who would lose their jobs if the state nurseries were to close.

In any extensive cutbacks, certain individuals do lose their jobs. Some people may be transferred to other areas within the government. Some will find similar jobs within the private sector. Some may even start their own businesses.

The majority of job opportunities are created by small businesses operating within the free enterprise system.

Legislators may ask, is the private nursery industry just greedy? Do they just want to make more money? Do they care about the environment? If we close the state nursery, what's to keep private companies from drastically raising prices?

No one is more concerned about the environment than the private sector nursery people. They got into this business because they love growing and caring for plants. They are so committed they are staking their future, and that of their families, on the consumers' continued desire to buy plants.

In the free enterprise system, the law of supply and demand dictates price. If there is sufficient demand for the plants produced, competition within the private sector will keep prices in line.

Legislators may say, prove that the state nurseries are less efficient than the private sector. Supply accurate, substantiated figures. Give us documentation on tree survival rates.

It is this very accountability that the private nursery industry is seeking from government nurseries. When the legislatures demand — and get — such documentation of facts and figures, they will have the basis for decision making on the viability of the government nurseries.

Can Private Industry Cooperate with Government Agencies?

According to Ben Bolusky, AAN's director of government affairs, the AAN and U.S. Forest Service are working together on several national issues. After a decidedly rough period, the current relation is both constructive and helpful.

Open lines of communication are essential in establishing and maintaining such a relationship. The nursery industry and the state government officials responsible for state nurseries need to sit down and communicate.

Bolusky said, "It helps to understand the realities of government and the roles of both private industry and the state."

The first step is to talk face to face with — not at — each other. If further steps are needed, the AAN has developed "State and Local Government Competition with Nurseries — A Manual for Action," which provides information on how to proceed and suggests remedies to use. The type and level of unfair competition are unique within each specific situation, and require different approaches.

Comparing problems and solutions with nursery associations in other states is another highly beneficial aid to negotiations.

Areas of joint concern tend to pull state agencies and private nurseries together. Pooling resources to attack a gypsy moth invasion or urban tree decline can make each group more aware of the strengths of the others. These cooperative efforts can form the basis of a sound working relationship and perhaps ultimately to the resolution of such long-standing controversies as the need for government nurseries.

Author's profile

Steve and Suz Trusty operate Trusty & Associates out of Council Bluffs, IA. They provide a variety of services to the horticultural industry, including seminars for retailers and associations, and work with individual garden centers on merchandising, employee training and management. Their services to growers, distributors and manufacturers center on market research and public relations.

They each have more than 25 years experience in the lawn and garden industry encompassing all channels of distribution. They are regular contributors to Cenflo Inc's publications.

EXHIBIT 2
DATE 12/1/93
HB 20
APPROPRIATIONS

December 1, 1993

TO: HOUSE APPROPRIATIONS COMMITTEE
FROM: DAL SMILIE, Chairman, Montana Motorcycle Safety Advisory Committee (444-3310 w)
RE: TESTIMONY IN OPPOSITION TO HB20

HB 20 eliminates the motorcycle safety training program currently administered by OPI.

User groups volunteered $5.00 per motorcycle registration to gain a nationally certified and recognized statewide motorcycle safety education program. Based upon OPI's testimony the final bill required only $2.50 per registration. See 20-7-514, MCA.

OPI hired one FTE funded by these volunteered user funds. They took in $71,000 from a combination of this source and some workshop fees in FY93. The program utilized another $27,000 in motorcycle license endorsement fees.

The $98,000 of income provided for a very lean training program statewide. The instructors are certified by the Motorcycle Safety Foundation in Irvine, CA. The instructors received a $50 supplement for novice students and $20 for experienced students. They charged additional tuition of $20 to $60 per course.

Our goal is to provide affordable safety training to the greatest number of young riders. We graduated 413 riders in FY93, many in our target group. That was up 44% from the previous year. We taught a number of students equal to 2.3% of registered motorcycles. The national average is only 1.5% in the other 45 states that have such a program.

Death rates have lowered 20% since we started in 1990.

HB20 eliminates this program. Training is still allowed but there are no funds to make tuition affordable. There will be no funds to hire an FTE to run it. Savings to the general fund will be limited because the volunteered user fee will be returned to the user.

Another bad result of HB20 is that its requirement that instructors have a high school diploma will eliminate at least two good instructors.

The concerned user groups are ready to return to the 1995 Regular Session with a proposal to volunteer a $5 registration fee. We care about the safety of motorcyclists and are willing to put up <u>our own</u> funds to insure that new, young and even experienced riders gain valuable safety training.

Special interest groups usually want some share of some pie. We only want to be allowed to volunteer our funds for a statewide safety program that will largely benefit others. These users represent a very responsible constituency, who else volunteers funds for their program? Please leave our successful fledgling safety program alone. Do not pass HB20.

EXHIBIT 3
DATE 12/1/93
HB 20
APPROPRIATIONS

TESTIMONY IN OPPOSITION TO HB-20

JILL Z. SMITH-McGUIRE

A.B.A.T.E. LOBBYIST

Good Morning Mr Chairman and members of the Committee. My Name is Jill Z. Smith-McGuire, and I am the Volunteer Lobbyist for A.B.A.T.E of Montana. What we are is a Non-Profit Organization Dedicated to the Promotion of Motorcycle Safety. I Represent in excess of 1300 Motorcyclists today in opposition to House Bill 20.

In 1989 the motorcyclists of Montana came before the Legislature and asked you all to let us establish a motorcycle safety program in Montana. The funding for this program, known as the M.M.S.E.P., comes from the Motorcycle riders themselves by the assessment of a $ 2.50 fee onto the registration of every motorcycle. House Bill 20, would essentially, do away with our program. We have trained over 900 people to safely ride a motorcycle in the State of Montana since the programs inception in 1990. This year alone we trained 415 riders, and we did it with our own money.

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Our Program is currently administered through the Office of Public Instruction, and works very well. It is our feeling that The Department Of Justice has neither the funding nor the inclination to administrate, promote, or endorse our program. As the watchdog to our own program, we the concerned Motorcyclists not only pay the fees to administer it ourselves, but we promote and support the Program as well.

We realize that in this time of Budget Crisis in Montana, the general feeling is that every house must be cleaned. This is not one of those cases. We the Motorcyclists have assessed this fee onto ourselves, and next session, we will ask that those fees be raised, so that our program may grow stronger, and more riders may be trained to safely ride the highways in Montana.

We ask you the members of the Committee to please strike out those portions of House Bill 20 that make changes of any kind in the Montana Motorcycle Safety and Education Program. It's not broken, so let's not try to fix it.

Thank You for the opportunity to address you today.

EXHIBIT 4
DATE 12/1/93
HB 21
APPROPRIATIONS

INCREASED RECOVERY OF GENERAL FUND COSTS FOR STATEWIDE SERVICES

Prepared by Department of Administration
November 17, 1993

I. State Funds Cost Allocation Plan (SFCAP)

- Purpose: to spread costs of providing certain general government services to nongeneral fund and nonfederal fund programs

- Allocates portion of prospective costs of operating OBPP and DofA's Accounting and State Personnel Divisions

- Accounts assessed indirect costs: state special revenue, proprietary, expendable trust, pension trust

  - Accounts not assessed: general fund, federal funds, nonrecoverable funds

- Allocation based on indirect measures of workload generated by each agency in even-numbered base year

- Amounts collected deposited into state special revenue account

  - Funds to operate programs appropriated from the account

  - Unappropriated fund balance reverted to general fund

- Each agency determines from which source(s) (other than general, federal fund types) assessments will be paid

- Estimated general fund replacement:

  - $343,000 in FY94

  - $687,000 in FY95

- Expands state special revenue cost allocation plan approved by 1987 Legislature

  - Authorized recovery of costs from state special revenue accounts that retained interest earnings

- Similar to method used to fund warrant writer and state payroll programs

(OVER)

II. Statewide Cost Allocation Plan (SWCAP)

- Currently, portion of indirect costs of certain statewide services are recovered through SWCAP
- SWCAP, developed by DofA, allocates indirect costs to each state agency
- Agencies must negotiate with federal agencies from which they receive funds to recover indirect costs
- SWCAP collections for FY92: approx. $500,000
- Incentive to aggressively negotiate for recovery of indirect costs is lacking
- Under executive proposal:
  - o SWCAP collections would be deposited into same state special revenue account as SFCAP collections
    - -- Exception: indirect costs collected by units of university system
  - o Creates incentive for DofA to maximize recovery because DofA's programs are funded in part through SWCAP collections

Costs associated with SFCAP/SWCAP proposal:

- 0.25 FTE in FY94 and 0.50 FTE in FY95 and thereafter
- Duties of position:
  - o Develop annual SFCAP
  - o Assist in preparing SWCAP
  - o Assist agencies in implementing SFCAP
  - o Monitor compliance with both plans

EXHIBIT 5
DATE 12/1/93
HB 21
APPROPRIATIONS

FY94 TOTAL DISTRIBUTED COSTS
Revised 22-Nov-93

		OBPP		ACCTG & MGMT SUPP			PERSONNEL (D of A)			Subtotal	DoA	FY94
Agy#	Agency Name	PosCntl	PP/DP	SSU	APFRS	Treas	Adm/Pol	Class	LabRel	Distributed Costs	Admin	Assessment
1101	Legislative Auditor	164	282	201	59	37	900	0	0	1,643	13	835
1102	Leg Fiscal Analyst	0	0	0	0	0	0	0	0	0	0	0
1104	Legislative Council	0	232	122	48	26	0	0	0	428	3	217
1109	Legislature – Senate	0	0	0	0	0	0	0	0	0	0	0
1110	Legislature – House	0	0	0	0	0	0	0	0	0	0	0
1111	EQC	0	2	11	0	7	0	0	0	20	0	10
1112	Consumer Council	20	132	49	27	15	109	0	0	352	3	179
2110	Judiciary	82	222	189	45	178	451	0	0	1,167	9	593
2115	MT Chiro Legal Panel	0	2	4	0	3	0	0	0	9	0	5
3101	Governor's Office	1	4	7	1	0	5	5	0	23	0	12
3201	Secretary of State	63	111	207	23	34	347	307	0	1,092	9	555
3202	Comm of Pol Pract	0	0	0	0	0	0	0	0	0	0	0
3401	State Auditor's Office	52	142	93	29	16	286	253	0	871	7	443
3501	Supt. of Pub Instruct	129	338	434	72	169	707	626	0	2,475	20	1,258
3511	Billings voTech	0	71	486	15	224	0	113	0	909	7	462
3512	Butte VoTech	0	60	126	12	73	0	97	0	368	3	187
3513	Great Falls VoTech	0	218	294	45	168	0	366	0	1,091	9	554
3514	Helena VoTech	0	60	203	12	144	0	110	0	529	4	269
3515	Missoula VoTech	0	162	511	34	243	0	273	0	1,223	10	621
4107	Crime Control	17	131	123	27	46	90	80	0	514	4	261
4108	Highway Traffic Safety	2	15	29	3	5	12	10	0	76	1	39
4110	Justice	1,777	3,413	1,508	708	1,339	9,719	8,616	3,829	30,909	250	15,705
4201	PSC	2	4	13	1	4	11	10	0	45	0	23
5101	Bd of Pub Ed	10	18	41	4	17	56	50	0	196	2	100
5102	Comm of Higher Ed	0	2,441	122	414	46	3	2	0	3,028	24	1,538
5103	University of Montana	0	2,143	40,028	445	12,914	0	2,171	0	57,701	467	29,317
5104	Montana State University	0	6,197	12,372	1,286	8,703	0	5,470	0	34,028	275	17,289
5105	Montana Tech	0	373	1,081	77	634	0	279	0	2,444	20	1,242
5106	Eastern Montana College	0	1,505	4,556	312	2,375	0	1,322	0	10,070	81	5,116
5107	Northern Montana College	0	865	1,509	179	920	0	462	0	3,935	32	1,999
5108	Western Montana College	0	527	1,160	109	680	0	306	0	2,782	23	1,414
5109	Ag Exper Station	0	201	272	42	125	0	0	0	640	5	325
5110	Coop Ext Service	0	444	468	92	265	0	0	0	1,269	10	645
5111	For & Cons Exper Statn	0	0	0	0	0	0	0	0	0	0	0
5113	School for Deaf and Blind	0	40	3	6	0	0	0	0	49	0	25
5114	Montana Arts Council	8	142	243	29	81	46	41	0	590	5	300
5115	Library Commission	28	154	172	32	57	154	136	0	733	6	372
5116	Adv Council for Voc Ed	0	0	0	0	0	0	0	0	0	0	0
5117	Historical Society	41	141	670	29	519	227	201	0	1,828	15	929
5119	Fire Serv Trng School	0	0	39	1	35	0	0	0	75	1	38
5201	Fish, Wildlife & Parks	1,945	5,293	15,298	1,079	4,518	10,641	9,433	2,221	50,428	408	25,622
5301	Health	792	3,918	4,005	572	2,039	4,335	3,843	2,589	22,093	179	11,225
5401	Transportation	7,257	31,383	13,426	6,520	8,967	39,702	35,197	27,764	170,216	1,377	86,485
5501	State Lands	758	1,034	1,535	214	686	4,144	3,674	125	12,170	98	6,183
5603	Livestock	445	849	1,574	176	1,036	2,435	2,159	0	8,674	70	4,407
5706	Natural Resources	562	1,523	3,040	300	1,046	3,072	2,724	0	12,267	99	6,233
5801	Revenue	293	7,291	7,968	1,513	4,261	1,610	1,428	487	24,851	201	12,627
6101	Administration	1,138	16,009	5,836	3,378	1,728	6,224	5,517	882	40,712	329	20,685
6103	State Fund	1,044	26,709	2,562	5,541	1,415	5,709	0	4,020	47,000	380	23,880
6104	PERD	94	263	1,166	3,731	524	513	455	356	7,102	57	3,608
6105	TRS	54	142	521	2,853	316	295	262	0	4,443	36	2,257
6107	LRBP	0	1,165	555	326	95	0	0	0	2,141	17	1,088
6201	Agriculture	300	1,411	1,807	260	779	1,641	1,455	759	8,412	68	4,274
6401	Correctns & Human Serv	435	1,736	2,565	360	987	2,378	2,108	1,951	12,520	101	6,361
6501	Commerce	1,215	23,233	5,167	4,912	2,175	6,645	5,891	0	49,238	398	25,017
6602	Labor and Industry	826	1,847	1,860	361	500	4,519	4,006	3,041	16,960	137	8,617
6701	Adjutant General	0	2	18	1	16	0	0	0	37	0	19
6901	SRS	735	3,041	3,700	631	550	4,020	3,563	2,805	19,045	154	9,677
6911	Family Services	169	629	238	130	128	927	822	414	3,457	28	1,756
	TOTAL	20,458	148,270	140,187	37,076	61,868	111,933	103,843	51,243	674,878	5,459	342,898

FY95 TOTAL DISTRIBUTED COSTS
Revised 22-Nov-93

		OBPP		ACCTG&MGMT SUPP			PERSONNEL(D of A)			Subtotal	DoA	FY95
Agy#	Agency Name	PosCntl	PP/DP	SSU	APFRS	Treas	Adm/Pol	Class	LabRel	Distributed Costs	Admin	Assessment
1101	Legislative Auditor	162	279	200	59	38	915	0	0	1,653	23	1,676
1102	Leg Fiscal Analyst	0	0	0	0	0	0	0	0	0	0	0
1104	Legislative Council	0	229	122	49	26	0	0	0	426	6	432
1109	Legislature – Senate	0	0	0	0	0	0	0	0	0	0	0
1110	Legislature – House	0	0	0	0	0	0	0	0	0	0	0
1111	EQC	0	2	11	0	7	0	0	0	20	0	20
1112	Consumer Council	20	130	49	28	15	111	0	0	353	5	358
2110	Judiciary	81	219	188	46	180	459	0	0	1,173	16	1,189
2115	MT Chiro Legal Panel	0	2	4	0	3	0	0	0	9	0	9
3101	Governor's Office	1	4	7	1	0	5	5	0	23	0	23
3201	Secretary of State	63	110	207	23	35	352	312	0	1,102	15	1,117
3202	Comm of Pol Pract	0	0	0	0	0	0	0	0	0	0	0
3401	State Auditor's Office	52	140	93	30	17	290	257	0	879	12	891
3501	Supt. of Pub Instruct	127	333	433	73	171	718	637	0	2,492	34	2,526
3511	Billings voTech	0	70	485	15	227	0	115	0	912	13	925
3512	Butte VoTech	0	59	126	12	74	0	99	0	370	5	375
3513	Great Falls VoTech	0	215	293	46	170	0	373	0	1,097	15	1,112
3514	Helena VoTech	0	59	197	13	145	0	112	0	526	7	533
3515	Missoula VoTech	0	160	510	34	245	0	278	0	1,227	17	1,244
4107	Crime Control	16	130	122	28	46	92	81	0	515	7	522
4108	Highway Traffic Safety	2	15	29	3	5	12	10	0	76	1	77
4110	Justice	1,753	3,368	1,505	715	1,355	9,881	8,760	3,893	31,230	430	31,660
4201	PSC	2	4	13	1	4	11	10	0	45	1	46
5101	Bd of Pub Ed	10	17	41	4	17	57	51	0	197	3	200
5102	Comm of Higher Ed	0	2,409	122	418	46	5	2	0	3,002	41	3,043
5103	University of Montana	0	2,115	39,950	449	13,071	0	2,208	0	57,793	797	58,590
5104	Montana State University	0	6,116	12,348	1,299	8,808	0	5,561	0	34,132	470	34,602
5105	Montana Tech	0	368	1,079	78	642	0	284	0	2,451	34	2,485
5106	Eastern Montana College	0	1,486	4,547	315	2,404	0	1,344	0	10,096	139	10,235
5107	Northern Montana College	0	854	1,506	181	931	0	469	0	3,941	54	3,995
5108	Western Montana College	0	520	1,158	110	688	0	311	0	2,787	38	2,825
5109	Ag Exper Station	0	198	272	42	126	0	0	0	638	9	647
5110	Coop Ext Service	0	438	467	93	268	0	0	0	1,266	17	1,283
5111	For & Cons Exper Statn	0	0	0	0	0	0	0	0	0	0	0
5113	School for Deaf and Blind	0	40	3	6	0	0	0	0	49	1	50
5114	Montana Arts Council	8	140	242	30	82	46	41	0	589	8	597
5115	Library Commission	28	152	172	32	58	156	138	0	736	10	746
5116	Adv Council for Voc Ed	0	0	0	0	0	0	0	0	0	0	0
5117	Historical Society	41	139	668	30	525	230	204	0	1,837	25	1,862
5119	Fire Serv Trng School	0	0	39	1	35	0	0	0	75	1	76
5201	Fish, Wildlife & Parks	1,920	5,224	15,268	1,090	4,573	10,819	9,591	2,258	50,743	699	51,442
5301	Health	782	3,867	3,998	578	2,064	4,408	3,907	2,633	22,237	307	22,544
5401	Transportation	7,163	30,974	13,400	6,587	9,076	40,366	35,786	28,229	171,581	2,365	173,946
5501	State Lands	748	1,020	1,532	217	694	4,214	3,735	127	12,287	169	12,456
5603	Livestock	439	838	1,571	178	1,049	2,476	2,195	0	8,746	121	8,867
5706	Natural Resources	554	1,503	3,035	303	1,059	3,124	2,769	0	12,347	170	12,517
5801	Revenue	291	7,196	7,952	1,528	4,313	1,637	1,451	495	24,863	343	25,206
6101	Administration	1,123	15,800	5,825	3,413	1,749	6,328	5,610	896	40,744	562	41,306
6103	State Fund	1,030	26,360	2,557	5,598	1,433	5,805	0	4,087	46,870	646	47,516
6104	PERD	93	260	1,164	3,769	531	522	463	362	7,164	99	7,263
6105	TRS	53	140	520	2,883	320	300	266	0	4,482	62	4,544
6107	LRBP	0	1,150	554	330	96	0	0	0	2,130	29	2,159
6201	Agriculture	296	1,392	1,804	263	788	1,669	1,480	771	8,463	117	8,580
6401	Correctns & Human Serv	429	1,714	2,560	364	999	2,418	2,144	1,984	12,612	174	12,786
6501	Commerce	1,199	22,930	5,157	4,962	2,202	6,756	5,989	0	49,195	678	49,873
6602	Labor and Industry	815	1,823	1,856	365	506	4,594	4,073	3,092	17,124	236	17,360
6701	Adjutant General	0	2	18	1	17	0	0	0	38	1	39
6901	SRS	725	3,001	3,693	637	556	4,087	3,623	2,851	19,173	264	19,437
6911	Family Services	167	621	237	132	130	942	835	421	3,485	48	3,533
	TOTAL	20,193	146,335	139,909	37,462	62,619	113,805	105,579	52,099	678,001	9,346	687,347

EXHIBIT 6
DATE 12/1/93
HB 2
APPROPRIATIONS

HOUSE BILL 2 STATUS
General Fund As of November 30, 1993

	Subcommittee Action	House Appropations Action	Total
House Bill 2	($12,426,672)	($88,034)	($12,514,706)
Contingent on Other Bills *	(450,985)	(2,735,602)	(3,186,587)
Total	($12,877,657)	($2,823,636)	($15,701,293)

* Includes proposals adopted by the committee that require statute change and are contingent on passage of other bills. Contingency language has been entered in House Bill 2 but numbers in the bill have not been changed.

Note: Items in the "contingent" row should not be construed as reducing the general fund/SEA deficit for legislative tracking purposes. These proposals will not be "credited" for tracking purposes until the accompanying bill passes one committee of either house.

12/01/93
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OFFICE OF THE LEGISLATIVE FISCAL ANALYST
CHANGES BY HOUSE APPROPRIATIONS
As of November 30, 1993

Section/Agency	Fiscal 1994 General Fund	Fiscal 1995 General Fund	Biennium Total
SECTION A			
Legislative Council			
Eliminate PNWER funding	($29,909)	$0	(29,909)
Eliminate remaining NCSL funding	(58,125)	0	(58,125)
TOTAL	($88,034)	$0	(88,034)
SECTION B			
			0
			0
TOTAL	$0	$0	0
SECTION C			
			0
			0
TOTAL	$0	$0	0
SECTION D			
			0
			0
TOTAL	$0	$0	0
SECTION E			
			0
			0
TOTAL	$0	$0	0
SECTION F			
			0
TOTAL	$0	$0	0
TOTAL APPROPRIATIONS COMMITTEE ACTION	($88,034)	$0	(88,034)

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BUDGET MEASURES CONTINGENT ON LEGISLATION

As of: 30-Nov-1993
9:00PM

List of budget measures approved by the legislature that are included in House Bill 2 in contingency language only.
Actual amounts in House Bill 2 (gray bill) have not been changed because enabling legislation has not passed.

Agency Code	Agency Name	Bill Nbr	Description of Proposal	Fiscal 1994 General Fund	Fiscal 1994 Other Funds	Fiscal 1994 Total Funds	Fiscal 1995 General Fund	Fiscal 1995 Other Funds	Fiscal 1995 Total Funds
HOUSE BILL 2									
1102	Legislative Auditor	LC27	Audit/Review to Legislative Auditor					744,416	744,416
3201	Secretary of State	SB7	Election Bureau Reduction – Meeting	(5,000)		(5,000)			
3401	State Auditor	SB14	Automate Insurance Agent Filings				(17,500)		(17,500)
		SB14	Automate Insurance Agent Filings				(7,500)		(7,500)
		HB11	Pay & Retiree Warrants Electronically	(2,500)	(6,090)	(8,590)	(9,800)	(24,585)	(34,385)
4108	Highway Traffic Safety	HB6	Elim. $50 DUI Fee Distrib. to Counties		(300,000)	(300,000)		(300,000)	(300,000)
4110	Department of Justice	SB9	Reduce Postage Related to Single Lic.	(2,000)		(2,000)	(4,000)		(4,000)
5201	Dept. of Fish, Wildlife & Parks	LC54	Delay Lower Missouri River EIS		(46,250)	(46,250)			
5706	DNRC	LC21	Eliminate Clean Coal Program		(53,425)	(53,425)		(3,425)	(3,425)
		LC21	Eliminate Clean Coal Program	(53,425)	53,425		(3,425)	3,425	
		SB2	Postpone Lower Missouri EIS	(126,445)	(46,250)	(172,695)	(75,390)		(75,390)
5801	Department of Revenue	SB10	Recover Collection & Audit Costs	(331,000)	331,000		(331,000)	331,000	
		LC107	Streamline Property Valuation Division				(1,200,000)		(1,200,000)
6101	Department of Administration	HB21	Recover Costs of State Accounting	(168,375)	179,293	10,918	(296,841)	315,533	18,692
		HB21	Recover Costs of State Personnel	(181,828)	181,828		(320,558)	320,558	
6501	Dept of Commerce	LC27 or SB11	Transfer Audit/Review to OLA					(744,416)	(744,416)
3501	Office of Public Instruction	LC91	Eliminate Driver's Education	(65,936)		(65,936)	165,936	(110,620)	55,316
		LC36	Increase Teacher Certification Fees				(150,000)	150,000	
			SUB-TOTAL	($936,509)	$293,531	($642,978)	($2,250,078)	$681,886	($1,568,192)

Note: Items in the above list should not be construed as reducing the general fund/SEA deficit for legislative tracking purposes.
These proposals will not be "credited" for tracking purposes until the accompanying bill passes one committee of either house.

HB 2

OTHER MEASURES CONTINGENT ON LEGISLATION

List of budget measures approved by the legislature that are either contained in other legislation (not HB 2) or are revenue measures.
These measures are independent of House Bill 2 actions.

Agency Code	Agency Name	Bill Nbr	Description of Proposal	Fiscal 1994 General Fund	Fiscal 1994 Other Funds	Fiscal 1994 Total Funds	Fiscal 1995 General Fund	Fiscal 1995 Other Funds	Fiscal 1995 Total Funds
OTHER APPROPRIATION BILLS									
3501	Office of Public Instruction	LC91	Eliminate Driver's Education					(1,489,380)	(1,489,380)
			SUB-TOTAL	$0	$0	$0	$0	($1,489,380)	($1,489,380)
REVENUE/FUND BALANCE PROPOSALS									
3201	Secretary of State	SB6	Legislator Filing Fee Increase	10,080		10,080			
3202	Comm. of Political Practices	SB5	Increase Lobbyist Registration Fees				10,500		10,500
3401	State Auditor	SB14	Incr. Fees-Insurance Agent Filings				23,000		23,000
		SB8	Bad Debts to Delinquent Prop. Taxes				100,000		100,000
4107	Board of Crime Control	HB14	Crime Victims Account Fund Balance	250,000	(250,000)				
4108	Highway Traffic Safety	HB6	$50 of DUI Reinstatement Fee to GF	300,000	(300,000)		300,000	(300,000)	
3501	Office of Public Instruction	LC91	Eliminate Driver's Education				1,600,000	(1,600,000)	
5801	Department of Revenue	SB10	Recover Collection & Audit Costs				(99,000)		(99,000)
6101	Department of Administration	HB21	Federal Cost Recoveries to SSR Acct	(400,000)	400,000		(400,000)	400,000	
6107	Long Range Planning	HB4,8,13	Reduce Bonding at Prison				192,000		192,000
			SUB-TOTAL	$160,080	($150,000)	$10,080	$1,726,500	($1,500,000)	$226,500
			NET IMPACT TO GENERAL FUND DEFICIT	($1,096,589)			($3,976,578)		

Note: Items in the above list should not be construed as reducing the general fund/SEA deficit for legislative tracking purposes.
These proposals will not be "credited" for tracking purposes until the accompanying bill passes one committee of either house.

EXHIBIT 6A
DATE 12/1/93
HB 2

Amendments to House Bill No. 2
Gray Copy

For the Committee on House Appropriations

Prepared by Office of the Legislative Fiscal Analyst
November 26, 1993

1. Page A-1.
Strike: line 20 in its entirety.

2. Page A-5.
Strike: lines 23 through 25 in their entirety.

3. Page A-11.
Strike: lines 21 through 24 in their entirety.

4. Page A-21.
Strike: line 16 in its entirety.

5. Page A-24.
Strike: lines 11 through 20 in their entirety.

6. Page A-29.
Strike: line 25 in its entirety.

7. Pages A-30 and A-31.
Strike: line 2 on page A-30 through line 5 on page A-31 in their entirety and lines 7 through 11 on page A-31 in their entirety.

8. Page A-32.
Strike: line 6 in its entirety.

9. Page A-32.
Strike: line 24 in its entirety.

10. Page B-7
Strike: lines 9 and 10 in their entirety.

11. Page B-7.
Strike: line 12 in its entirety.

12. Page B-7, line 13.
Following: "with the health care commission"
Strike: ", contingent on passage and approval of Senate Bill No. 285"

hb000202.a10

13. Page B-7.
Strike: line 20 in its entirety.

14. Page B-8, line 24.
Strike: "594,200 675,200"
Insert: "0 0"

15. Page B-9, line 1.
Strike: "697,400 786,200"
Insert: "0 0"

16. Page B-11.
Strike: lines 8 through 15 in their entirety.

17. Page B-20.
Strike: lines 3 and 4 in their entirety.

18. Page B-20, line 9.
Strike: "Contingent on passage and approval of Senate Bill No. 145, the"
Insert: "The"

19. Page B-24.
Strike: line 7 in its entirety.

20. Page C-1.
Strike: lines 24 and 25 in their entirety.

21. Page C-8.
Strike: lines 9 and 10 in their entirety.

22. Page C-10.
Strike: line 14 in its entirety.

23. Page C-10.
Strike: line 18 in its entirety.

24. Page C-12.
Strike: lines 17 through 19 in their entirety.
Insert: "Item 1 contains an appropriation for $27,500 of state special revenue in fiscal 1994 and $27,500 of state special revenue in fiscal 1995 from fee revenue derived from House Bill No. 516 (now Chapter 566, Laws of 1993)."

25. Page C-12 and C-13.
Strike: line 22 on page C-12 through line 2 on page C-13 in their entirety.
Insert: "Item 2 contains an appropriation for $85,000 of state special revenue in fiscal 1994 and $85,000 of state special revenue in fiscal 1995 from fee revenue derived from House Bill No. 516 (now Chapter 566, Laws of 1993).

EXHIBIT 6M
12-1-93
HB 2

Item 4 contains an appropriation for $161,802 of state special revenue in fiscal 1994 and $164,191 of state special revenue in fiscal 1995 from fee revenue derived from House Bill No. 516 (now Chapter 566, Laws of 1993)."

26. Page C-13, line 17.
Strike: "1,138,483 1,143,057" (SSR)
Insert: "1,166,009 1,170,583" (SSR)

27. Page C-16, line 2.
Strike: "If this modification is approved, the"
Insert: "The"

28. Page C-16.
Strike: lines 11 and 12 in their entirety.

29. Page C-19.
Strike: lines 12 through 14 in their entirety.

30. Page C-19 and C-20.
Strike: line 22 on page C-19 through line 6 on page C-20 in their entirety.

31. Page C-20, line 18.
Strike: "496,206 529,678" (SSR)
Insert: "559,206 556,339" (SSR)

32. Page C-25.
Strike: lines 17 and 18 in their entirety.

33. Page D-7.
Strike: lines 4 and 5 in their entirety.

34. Page E-1, line 3.
Strike: "[the long-range planning bill]"
Insert: "House Bill No. 5 (now Chapter 624, Laws of 1993)"

35. Page E-9, line 24 through E-10, line 1.
Strike: lines in their entirety.

36. Page E-10, line 2.
Strike: "Butte,"
Following: "Great Falls"
Strike: ","

37. Page OA-6, line 4.
Following: "tax."
Strike: the remainder of line 4 and lines 5 through 7 in their entirety.

38. Page OA-6, line 8.
Strike: "(c)"
Insert: "(b)"

39. Page OA-6.
Strike: lines 10 and 11 in their entirety.

40. Page OA-6, line 12.
Strike: "(b)"
Insert: "(5)"

{Office of Legislative Fiscal Analyst 444-2986}

EXHIBIT 7
DATE 12/1/93
HB 2

Funds for off-road vehicle, snowmobile and powerboat programs do not serve most Montana recreationists and should not be increased.

Increasing Off-Road Vehicle Funds

Most Montana trail users are not being served by the Parks Dept trail programs for off-road vehicles (ORV). The most recent data on trail use by state residents is compiled in the Statewide Comprehensive Outdoor Recreation Program (SCORP-draft 1993) commissioned by the Dept. of Fish, Wildlife and Parks.

The SCORP data shows that for every ONE motorized trail user there are more than NINE non-motorized trail users.

The Parks Dept. doesn't spend a dime to improve or maintain trails for 90% of Montana trail users-hikers, equestrian and bicyclists.

In fact, the Parks Dept. ORV program may actually degrade the "quiet trail" experience the vast majority of Montana trail-users seek.

The Parks Dept intends to use the extra bonus funds it will receive to build and expand off-road vehicle use on Montana's national forests and public lands. These vehicles are excellent carriers of noxious weed seeds-such as spotted kanpweed- which find fertile ground in disturbed,eroded terrain. **One ATV can spread spotted knapweed seeds fifty miles in a day.** As mountain meadows and grasslands are replaced with noxious weeds, *wildlife loses essential habitat.*

This program is out of balance with the needs of Montana residents and wildlife. It should not be increased with higher gasoline taxes.

Increasing Snowmobile Funds

Winter trail data (SCORP- draft1993) shows that nearly twice as many Montana residents cross-country ski as snowmobile. The Parks Dept. spends $403,600. on snowmobile trails, but not a penny on cross-country ski trails. *Once again the majority of Montanans are not being served despite the fact that all of us pay gasoline taxes.*

To make matters worse, the Parks Dept. is beginning to direct the snowmobile program into environmentally sensitive areas such as the Crazy Mountains, Badger-Two Medicine, Ten Lakes Wilderness Study Area, Gallatin Range and Red Rock Lakes National Wildlife Refuge- creating serious conflicts with other users, winter range and wildlife habitat.

This program is out of balance with the needs of most Montana residents. It should not be increased.

Increaasing Motorboat Special Fund

Recreation use data on water-oriented recreation activities indicates a somewhat higher use of power boats than non-motorized craft. However the Parks Dept. spends $726,400. annually on motorboat facilities while there are no programs for non-motorized watercraft--forty percent of all boat users.

There is no need to increase funding for this program.

Already Well-Endowed

The Parks Dept. administers three programs that already receive 1,226,800. annually to promote motorized recreation— snowmobiles, off-road vehicles, and motorboats. Higher gasoline taxes will siphon another $675,200. in revenues from highway maintenance to special funds for motorized recreation.

By 1995, nearly two million dollars annually in gas tax revenues will be spent to promote motorized recreation -to the detriment of traditional trail users and wildlife habitat.

Public opinion surveys commisioned by the U.S. Forest Service show that 70% of Montanans disagree with making more areas available for motorized recreation.

**A&A Research, Dr. E. B. Eislein, August 1992- sample of 2,000 MT residents*

EXHIBIT 7
12-1-93
HB 2

Montana Resident Trail Use

SCORP DATA *

Trail Activities	(Activity Days)	
Backpacking	504,600	
Day Hiking	13,707,000	
Horseback Riding	793,800	
Mountain Bicycling	78,500	
non-motorized subtotal	*15,086,900*	*90%*
Off-Road Vehicle Riding	1,670,900	10%

* All trail use data is from Table 1, Montana Dept. of Fish, Wildlife and Parks "Statewide Comprehensive Outdoor Recreation Plan (SCORP) 1993 -published in draft Sept. 10, 1992. This report includes "an Analysis of Trends in Recreation Participation and SCORP Policy Recommendations" prepared by Susan Yuan, Theron Miller and Steve Smith of the Institute for Tourism and Recreation Research, Scool of Forestry, University of Montana. 1988 was the most recent year in which a survey of trail use was completed which is displayed in this chart.

EXHIBIT 7 A
DATE 12/1/93
HB 2

Amendments to House Bill No. 2
Reference Bill - Salmon Copy

Requested by Senator Fritz
For the Conference Committee

Prepared by Roger Lloyd
April 23, 1993

1. **Page** C-8, following line 4.

Insert: "In [this act], the department is appropriated $123,683 in fiscal 1994 and $94,571 in fiscal 1995 from accounting entity 02213 (off-highway vehicle gas tax), $411,692 in fiscal 1994 and $411,931 in fiscal 1995 from accounting entity 02407 (snowmobile fuel tax), and $615,024 in fiscal 1994 and $613,266 in fiscal 1995 from accounting entity 02412 (motorboat fuel tax). The department may not expend funds from these accounts in excess of the amounts of these appropriations."

{Office of Legislative Fiscal Analyst 444-2986}

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Fiscal Note Request, SB0257, as introduced
Form BD-15 page 2
(continued)

Snowmobiles	Boating	OHV	Amount Frozen
'94 - $80,700.	$145,200.	19,400.	
95 - 141,400.	254,500.	33,900.	
$222,100. +	$399,800. +	$53,300.	= $675,200.

EXHIBIT 7
DATE 12/1/93
SB

FISCAL IMPACT:

Expenditures:

	FY '94			FY '95		
General Operations (Pg 01)	Current Law	Proposed Law	Difference	Current Law	Proposed Law	Difference
FTE	190.08	190.08	0.00	190.08	190.08	0.00
Personal Services	$ 6,164,720	$ 6,164,720	$ 0	$ 6,184,495	$ 6,184,495	$ 0
Operating	4,912,089	4,914,589	2,500	4,650,929	4,650,929	0
Equipment	280,426	280,426	0	892,400	892,400	0
Debt Service	12,641	12,641	0	12,641	12,641	0
Total	$ 11,369,876	$ 11,371,869	$ 2,500	$ 11,740,465	$ 11,740,465	$ 0
Funding:						
State Special Revenue	$ 8,546,828	$ 8,549,328	$ 2,500	$ 8,904,517	$ 8,904,517	$ 0
Federal Special Revenue	2,823,048	2,823,048	0	2,835,948	2,835,948	0
Total	$ 11,369,876	$ 11,371,869	$ 2,500	$ 11,740,465	$ 11,740,465	$ 0

Revenues:

	FY '94			FY '95		
	Current Law	Proposed Law	Difference	Current Law	Proposed Law	Difference
Gas Tax (net of refunds)	$ 87,368,600	$100,953,000	$13,584,400	$ 87,440,900	$113,743,500	$26,302,600
Diesel Tax (net of refunds)	25,997,900	31,197,000	5,199,100	26,475,800	35,754,000	9,278,200
Total	$113,366,500	$132,150,000	$18,783,500	$113,916,700	$149,497,500	$35,580,800
Revenue Allocation:						
Highway State Special	$108,760,700	$127,292,400	$18,531,700	$109,307,200	$144,446,900	$35,139,700
Snowmobile State Special	403,600	484,300	80,700	403,900	545,300	141,400
Motorboat State Special	726,400	871,700	145,300	727,000	981,500	254,500
Aeronautic State Special	32,300	38,700	6,400	32,300	43,600	11,300
Off-Road Vehicle SS	96,800	116,200	19,400	96,900	130,800	33,900
Petro Board State Special	3,346,700	3,346,700	0	3,349,400	3,349,400	0
Total Revenue	$113,366,500	$132,150,000	$18,783,500	$113,916,700	$149,497,500	$35,580,800

SB 257

EXHIBIT 7B
DATE 12/1/93
HB 2

Amendments to House Bill No. 2
Gray Copy

For the Committee on Appropriations

Prepared by Sandy Whitney
December 1, 1993

1. Page D-6.
Following: line 22
Insert: "If House Bill No. 9 is passed and approved, the general fund appropriation in item 2 is reduced by "$243,068 in fiscal year 1994 and by $111,968 in fiscal 1995.

{Office of Legislative Fiscal Analyst 444-2986}

pass

EXHIBIT 7 C
DATE 12/1/93
HB 2

Amendments to House Bill No. 2
Gray Copy

Prepared by Office of Budget and Program Planning
November 30, 1993

1. Page D-5, following line 23.
Insert: "c. Capital Improvements and Maintenance (Biennial)
700,000" Proprietary Revenue Fiscal 1994

This amendment allows the Department of Corrections and Human Services to spend $700,000 (biennial appropriation) of proprietary revenue from the sale of goods by the institutions industries and ranch programs for capital improvements and/or maintenance in the adult correctional system.

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EXHIBIT 10
DATE 12/1/93
HB 2

Amendments to House Bill No. 2
Gray Copy

Requested by Representative Kasten
For the Committee on House Appropriations

Prepared by Lisa Smith
November 29, 1993

1. Page B-5, line 7.
Strike: "359,090"
Insert: "264,590"

This amendment reverses human services subcommittee action that increased the appropriation for DHES MIAMI program by $94,500 over the level appropriated by the 1993 Legislature.

{Office of Legislative Fiscal Analyst 444-2986}

pass

EXHIBIT 0
DATE 12/1/93
HB 2

EXECUTIVE SUMMARY

MIAMI

MONTANA'S INITIATIVE FOR THE ABATEMENT OF MORTALITY IN INFANTS

ACCOMPLISHMENTS AND RECOMMENDATIONS
December 1992

The MIAMI project supports and coordinates the public health system in Montana to more effectively serve the perinatal population. MIAMI is overseen by the Governor appointed MIAMI Advisory Council, and has four components which positively impact pregnancy and birth outcomes. They are:

→ **local projects** which provide direct services to high risk pregnant women and their infants
→ **Medicaid changes** which improve access to services
→ **Fetal and infant mortality review** which examines the causes of death
→ **Public education** regarding the need for early and continuous prenatal care

LOCAL PROJECTS/LOW BIRTH WEIGHT PREVENTION

The local projects work to decrease the incidence of low birth weight births and other poor pregnancy outcomes in their communities. MIAMI started with 4 pilot projects in 1986. In 1992 there are 10 local MIAMI projects, which are accessible to approximately 65% of the pregnant women in Montana. Client numbers have gone from 200 clients in FY 1987, to 1600 in FY 1992. The MIAMI projects target and serve high risk pregnant women.

A total of $230,750 was administered by the Montana Perinatal Program in the Montana Department of Health and Environmental Sciences during FY '92. The approximately $144 per client in state administered funds seems a small price to pay when considering the $610 - $2000 per day neonatal intensive care costs for a high risk infant. Sources of the state-administered funds includes approximately 2/3 from general funds and 1/3 from Federal Maternal and Child Health Block Grants. Counties support their projects with county MCH Block grant funds, county mill levies, local March of Dimes grants, hospital and other direct community contributions, and Medicaid Targeted Case Management.

Local MIAMI projects bill Medicaid directly for case management services for eligible clients.

Low Birth Weight Rates - In 1986, the average low birth weight rate in the pilot projects was 9.23. The low birth weight rate for the projects in FY 92 was 6.08. If MIAMI projects did not exist, and the low birth weight rate in 1600 clients remained at 9% instead of 6%, an additional 50 low birth weight babies would have been born in Montana. At an average cost of $35,675 per child for acute care costs (from the DSRS 1990 High Cost Baby Study), those 50 babies saved a potential Medicaid expenditure of $1,783,750. 28% of that cost is to the state. A conservative estimate therefore, is that **THE MIAMI PROJECTS SAVED THE STATE OF MONTANA A POTENTIAL $499,450 DURING FY 92**. Considering the state administered MIAMI project cost of $230,750, that is a substantial return on an investment.

MEDICAID OPTIONS FOR PREGNANT WOMEN

In April of 1990, Medicaid eligibility was expanded for pregnant women and children up to age six with incomes up to 133% of the federal poverty level. Reimbursement rates for obstetricians and pediatricians was increased. Presumptive and continuous eligibility, and Targeted Case Management for high risk pregnant women became available during 1991. 92% of the project clients were on Medicaid. In 1990, in Montana, $6.6 million or over half of the total Medicaid delivery budget of $11.8 million was spent on only 5 percent of the births.

Medicaid changes have contributed to the improved access of prenatal and obstetrical services in the state. In 1988, 26 counties were without obstetrical services. In 1990, 17 counties had no physicians providing obstetrical services, and in 1992, only 16 counties had no prenatal or obstetrical services. In addition, local MIAMI project reports indicate that they can typically get their high risk clients in to an obstetrical provider within 1 to 2 weeks.

FETAL/INFANT MORTALITY REVIEW

FIMR began in July 1990 with 4 pilot project sites, and has now expanded to 6 MIAMI project sites and the Billings Area Office IHS service units. The review team has identified potential policy implications regarding SIDS deaths, ultrasound studies, the incidence of fetal deaths, reporting of vital statistics, and placental examination. At the time of printing, 51 deaths had been reviewed at the state level, and an additional 46 at the local level.

Local MIAMI projects have impacted the infant mortality rate. The infant mortality rate in the four initial MIAMI project sites has decreased from 8.38 (1981-85) to 7.3 (1986-90), and the neonatal rate from 4.98 to 3.67. During the same time periods, the state infant mortality rate dropped from 9.8 to 9.7, and the neonatal from 5.33 to 5.01. The postneonatal rate, however, which is more an indicator of infant follow up and parenting efforts, has increased in both the state and project areas. This points to the need for increased efforts in services for infants and their parents.

PUBLIC EDUCATION

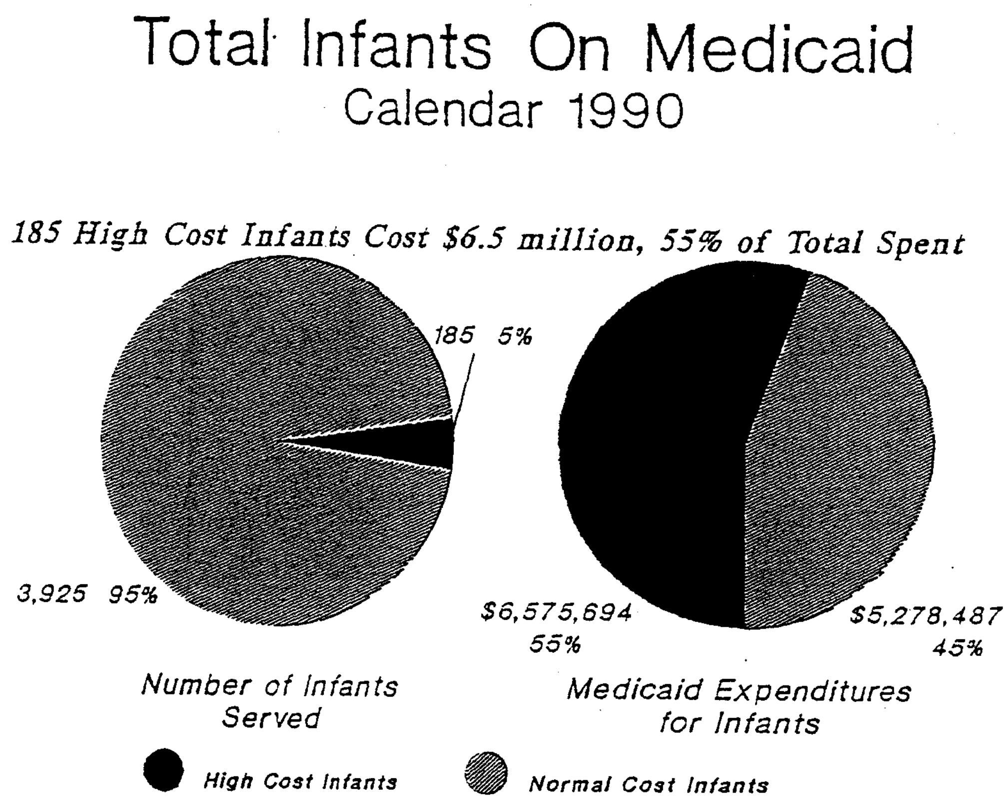
The statewide educational component is the Baby Your Baby multi-media campaign. BYB includes a 1-800 information and referral line, television news segments, public service announcements and documentaries, radio news segments, a newspaper supplement and articles, posters, brochures, incentive packets, and a community based referral system. As of November 6, 1992, 1,230 women had called the 1-800-421-MOMS number. The Baby Your Baby campaign is a successful public/private partnership. The campaign was managed by Healthy Mothers, Healthy Babies - The Montana Coalition. HmHb sought and received outside contributions of $83,000 from Community Hospitals, and $39,000 in private funding. Medicaid provided the $236,000 federal match for the donations. The total cost of the Baby Your Baby campaign was $430,000, a fraction of the two million dollars Utah spent on their similar campaign. Healthy Mothers, Healthy Babies is presently pursuing funding which would allow for continuation and expansion of the campaign to include children through two years of age.

The full text of this report is available from:

The Montana Perinatal Program
Cogswell Building, Capitol Complex
Helena, Montana 59620
(406) 444-2660

Page from MIAMI Report December 1992

Figure 1

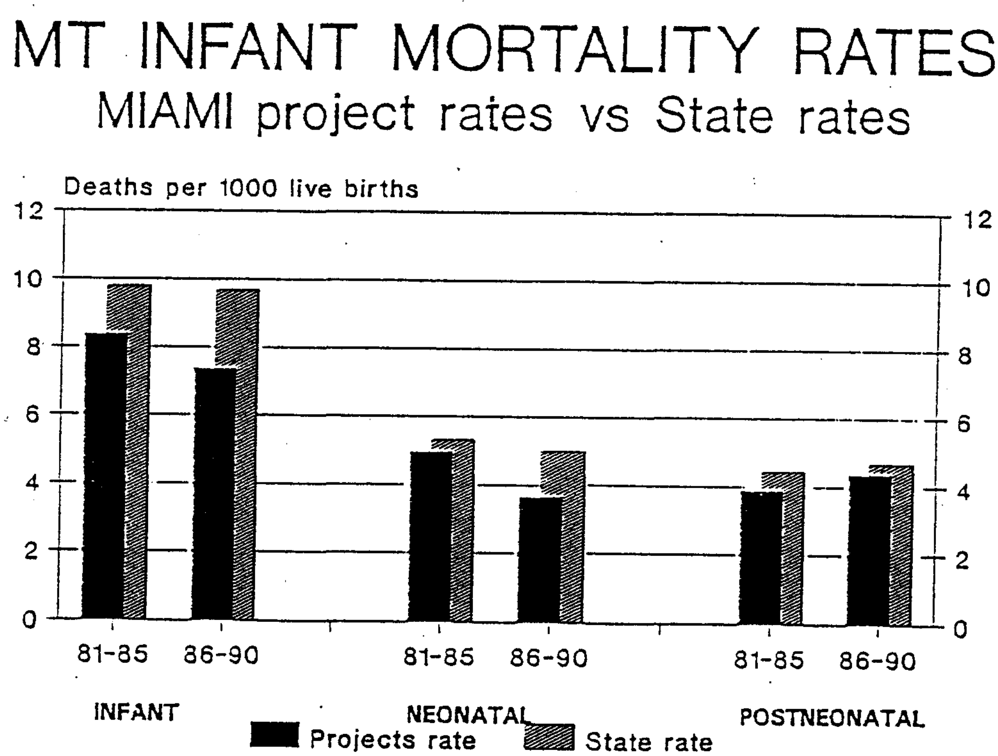


The majority of high cost births were low birth weight and could possibly have been prevented with regular prenatal care. The approximately $144 per client in state administered funds seems a small price to pay when considering the $610 - $2000 per day neonatal intensive care costs for a high risk infant. The Office of Technology Assessment has studied the potential effectiveness of prenatal care for all pregnant women living in poverty. Its findings indicate that **for every instance of low birth weight averted by prenatal care, the United State health care system saves between $14,000 and $30,000 in health care costs associated with this condition.**

The ten local MIAMI projects provide care coordination services to high risk pregnant women, with priority given to those with low incomes. Care coordination services are described in our conceptual model, and include case management, education, counseling, transportation support, and other applicable services depending on individual needs. Clients are referred to the projects by Medicaid, WIC, Family Planning, abortion counseling programs, private physicians and clinics, word of mouth, and self referral. Contractual requirements are that projects attempt to provide services to approximately 20% of the pregnant women in their county; projects presently provide services to approximately that number. The ten local MIAMI projects are located in counties where approximately 65% of the state's births occur. MIAMI project county statistics are included in Appendix B.

against the state as a whole. In Figure 4, it is apparent that the counties with projects have decreased the overall and neonatal mortality rate at a much more rapid rate than the state as a whole. The postneonatal rate, however, which is more an indicator of infant follow up and parenting efforts, has not shown similar changes. This points to the need for increased efforts in services for infants and their parents.

Figure 4



→ **Client Risk Factors** - Projects are focusing on, and serving a very high risk population. As of June 1992, 92% of the project clients were on Medicaid, and 56% of the clients were further delineated as high risk according to Medicaid case management criteria. A summary of the Intake and Outcome data collected on clients in FY 92 is in Appendix C. A few highlights from that summary are as follows:

- → 25% of the women are at medical risk for preterm labor
- → 16% experienced preterm labor during the last pregnancy
- → 51% reported financial difficulties
- → 35% smoked during the pregnancy
- → 12% had difficulties with housing including homelessness
- → 5% were being battered
- → 8% had a sexually transmitted disease during the pregnancy
- → 7% reported using alcohol

Project staff recognize that the incidence of substance abuse is likely severely under reported. Continuing education programs to the project staff during FY 1992 included information

EXHIBIT 8 A
DATE 12/1/93
HB 2

Amendments to House Bill No. 2
Gray Copy

Requested by Representative Wanzenried
For the Committee on House Appropriations

Prepared by Lisa Smith
November 30, 1993

1. Page B-7.
Following: line 14
Insert: "Funds in the fiscal 1995 appropriation in item 6e must be used for loans. Funds loaned to the rural physicians residency program must be repaid to the department according to a repayment schedule agreed upon by the department and the rural physicians residency program and must be deposited in the general fund."

This amendment makes the fiscal 1995 general fund appropriation for the rural physicians residency program a ***loan*** *that must be repaid and deposited to the general fund.*

{Office of Legislative Fiscal Analyst 444-2986}

pass 10-7

EXHIBIT 8B
DATE 12/1/93
HB 2

Amendments to House Bill No. 2
Gray Copy

For the Committee on House Appropriations

Prepared by Lisa Smith
December 1, 1993

1. Page B-7, line 15.
Strike: "Items"
Insert: "For the fiscal 1995 appropriations, items"

This amendment clarifies legislative intent that the restrictive language added to the general fund appropriations applies to the fiscal 1995 appropriations only, and not to the fiscal 1994 appropriations. Since the restrictive language was not originally included in HB 2, the amendment to restrict the appropriations can only apply prospectively. This amendment simply clarifies the intent of the amendment that added the restrictive language.

{Office of Legislative Fiscal Analyst 444-2986}

pass

EXHIBIT 8 C
DATE 12/1/93
HB 2

Amendments to House Bill No. 2
Gray Copy

Requested by Representative Cobb
For the Committee on House Appropriations

Prepared by Lisa Smith
November 30, 1993

1. Page B-7.
Following: line 20
Insert: "The department shall certify, in writing, by February 1, 1994, to the office of budget and program planning and the office of the legislative fiscal analyst that:

(1) all permit applications submitted to the department are being processed according to time limits specified in statutes and rules; and

(2) the department has implemented a procedure to notify all permit applicants of the date by which their specific application process will be completed.

It is the intent of the legislature that if the department does not meet the timeframes stipulated in statutes and rules for the review of subdivisions and water and air quality permitting, then the department is required to contract with a county or a private contractor to perform the service."

This amendment requires the department to certify to OBPP and to LFA, by February 1, 1994, that all applications submitted to the department are being reviewed and processed according to timeframes established in statute and rules, and that the department has implemented a procedure to notify all permit applicants of the date by which their specific application process will be completed. If the department can not review and process applications according to time frames established by statutes and rules, then the department must contract with counties or private contractors to perform the service.

{Office of Legislative Fiscal Analyst 444-2986}

V a20

EXHIBIT 80
DATE 12/1/93
HB 2

Amendments to House Bill No. 2
Gray Copy

Requested by Representative Kasten
For the Committee on House Appropriations

Prepared by Lisa Smith
November 30, 1993

1. Page OA-6, line 16.
Strike: "$700,000"
Insert: "$458,515"
Strike: "$650,000"
Insert: "$482,092"

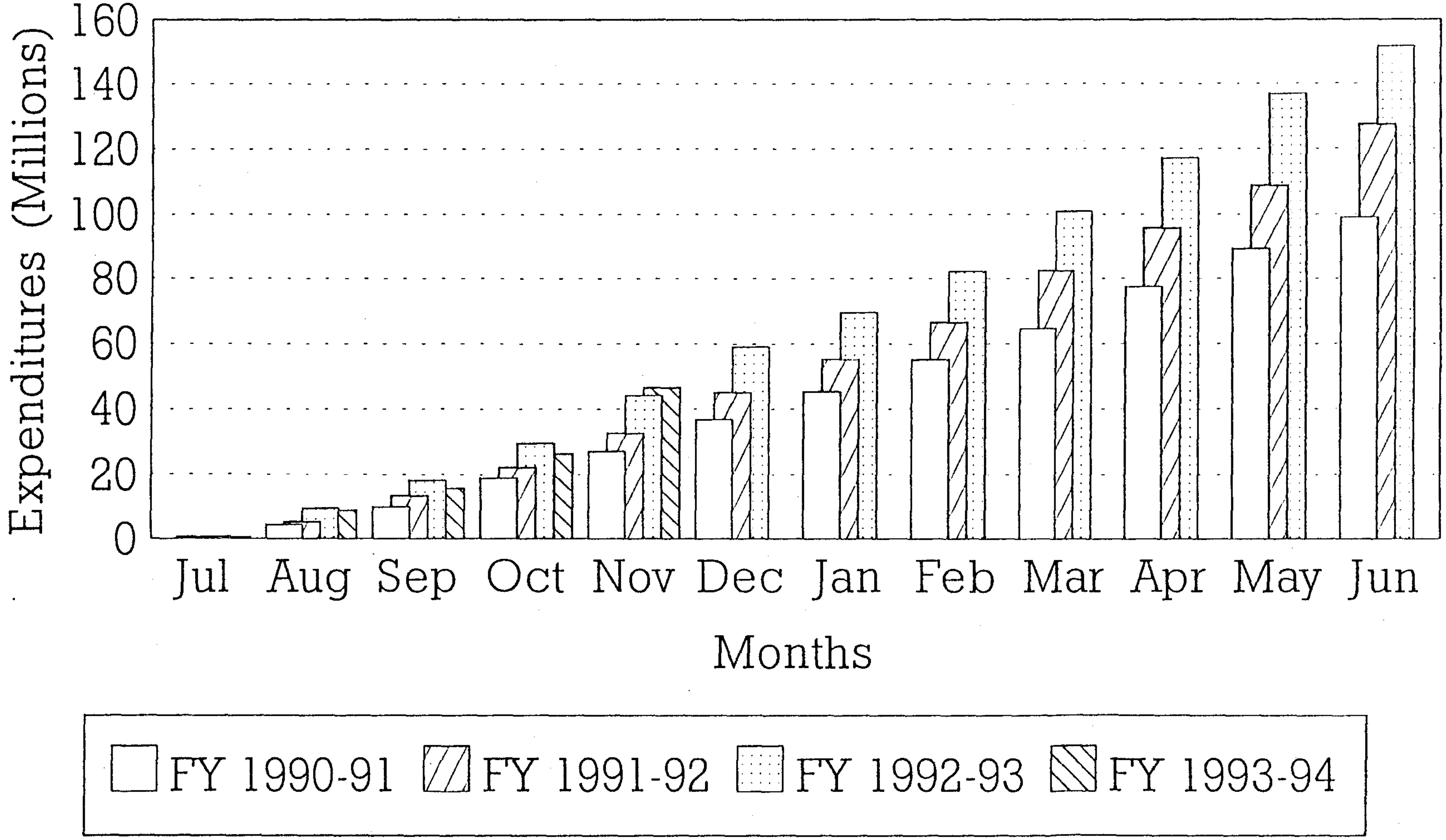
This amendment reduces the appropriation for the Health Care Authority by $291,485 in fiscal 1994 and $267,908 in fiscal 1995 from amounts appropriated by the 1993 Legislature. This amendment eliminates funding for the following: 1) 3 staff in fiscal 1994; 2) 4 staff in fiscal 1995 (leaves funding for executive director and administrative officer); 3) 50% of operational travel in both years of the biennium; and 4) 50% of contracted services in both years of the biennium.

{Office of Legislative Fiscal Analyst 444-2986}

fail

EXHIBIT 1
DATE 12/1/93
HB 2 (Sec 3)

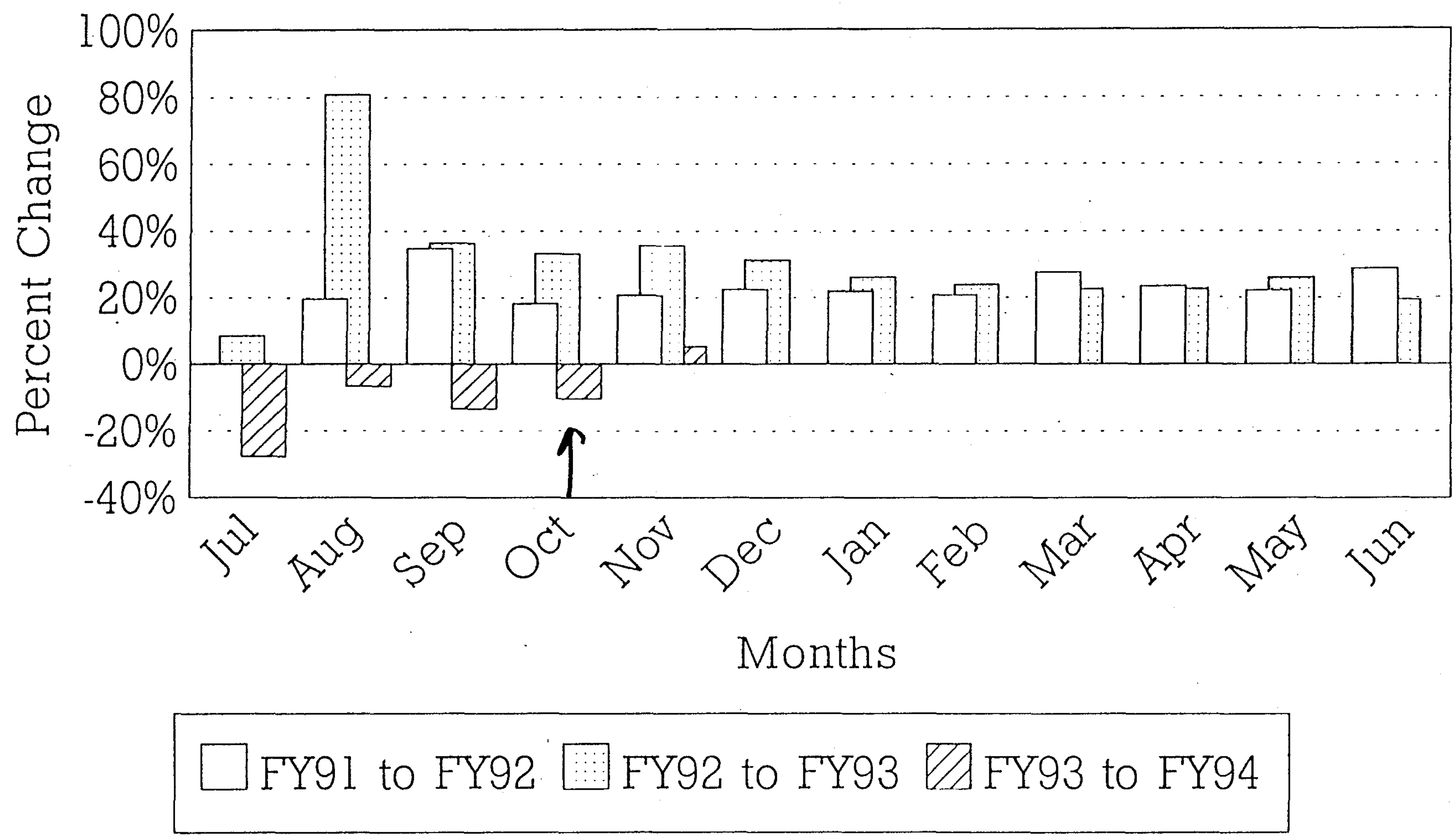
Medicaid - Federal Medical
Primary Care
Total Expenditures



Source: SRS Medical Claims Expenditures Report
* expenditures taken from Medicaid Total Report for each fiscal year

Medicaid - Federal Medical Primary Care

Percent Change Fom Year to Year



Source: SRS Medical Claims Expenditures Report

* expenditures taken from Medicaid Total Report for each fiscal year

12-1-93
HB 2
SEC. B

	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
FY 1990-91		4,370,703	9,814,699	18,755,325	27,023,998	36,761,847	45,275,316	55,045,450	64,602,437	77,498,495	89,175,217	99,023,793
FY 1991-92	699,840	5,222,888	13,222,370	22,153,502	32,578,683	44,991,791	55,150,306	66,417,851	82,404,672	95,621,741	108,782,895	127,306,175
FY 1992-93	759,340	9,440,917	18,039,254	29,494,379	44,150,917	59,008,868	69,512,302	82,234,160	100,931,166	117,115,138	136,840,748	151,676,356
FY 1993-94	549,153	8,808,153	15,611,963	26,423,904	46,459,016							

	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
FY 91 to FY 92	ERR	19.5%	34.7%	18.1%	20.6%	22.4%	21.8%	20.7%	27.6%	23.4%	22.0%	28.6%
FY 92 to FY 93	8.5%	80.8%	36.4%	33.1%	35.5%	31.2%	26.0%	23.8%	22.5%	22.5%	25.8%	19.1%
FY 93 to FY 94	-27.7%	-6.7%	-13.5%	-10.4%	5.2%							

* formula for calculating percent change from one fiscal year to next: (FY92 - FY91) / FY91

EXHIBIT 10
DATE 2/1/93
HB 2 (Sec. 3)

	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
FY 1990–91		4,370,703	9,814,699	18,755,325	27,023,998	36,761,847	45,275,316	55,045,450	64,602,437	77,498,495	89,175,217	99,023,793
FY 1991–92	699,840	5,222,888	13,222,370	22,153,502	32,578,683	44,991,791	55,150,306	66,417,851	82,404,672	95,621,741	108,782,895	127,306,175
FY 1992–93	759,340	9,440,917	18,039,254	29,494,379	44,150,917	59,008,868	69,512,302	82,234,160	100,931,166	117,115,138	136,840,748	151,676,356
FY 1993–94	549,153	8,808,153	15,611,963	26,423,904	46,459,016							

	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
FY 91 to FY 92	ERR	19.5%	34.7%	18.1%	20.6%	22.4%	21.8%	20.7%	27.6%	23.4%	22.0%	28.6%
FY 92 to FY 93	8.5%	80.8%	36.4%	33.1%	35.5%	31.2%	26.0%	23.8%	22.5%	22.5%	25.8%	19.1%
FY 93 to FY 94	−27.7%	−6.7%	−13.5%	−10.4%	5.2%							

* formula for calculating percent change from one fiscal year to next: (FY92 − FY91) / FY91

	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
FY 91 to FY 92		$852,185	$3,407,671	$3,398,177	$5,554,685	$8,229,944	$9,874,990	$11,372,401	$17,802,235	$18,123,246	$19,607,678	$28,282,382
FY 92 to FY 93	$59,500	$4,218,029	$4,816,884	$7,340,877	$11,572,234	$14,017,077	$14,361,996	$15,816,309	$18,526,494	$21,493,397	$28,057,853	$24,370,181
FY 93 to FY 94	($210,187)	($632,764)	($2,427,291)	($3,070,475)	$2,308,099							

EXHIBIT 11
DATE 12/1/93
HB 2 (Sec B)

MEDICAID EXPENDITURE COMPONENT INCREASE PERCENTAGES: TOTAL PROGRAM VS NH VS NON-NH--ACTUAL FY80-FY92; PROJ FY93 ON

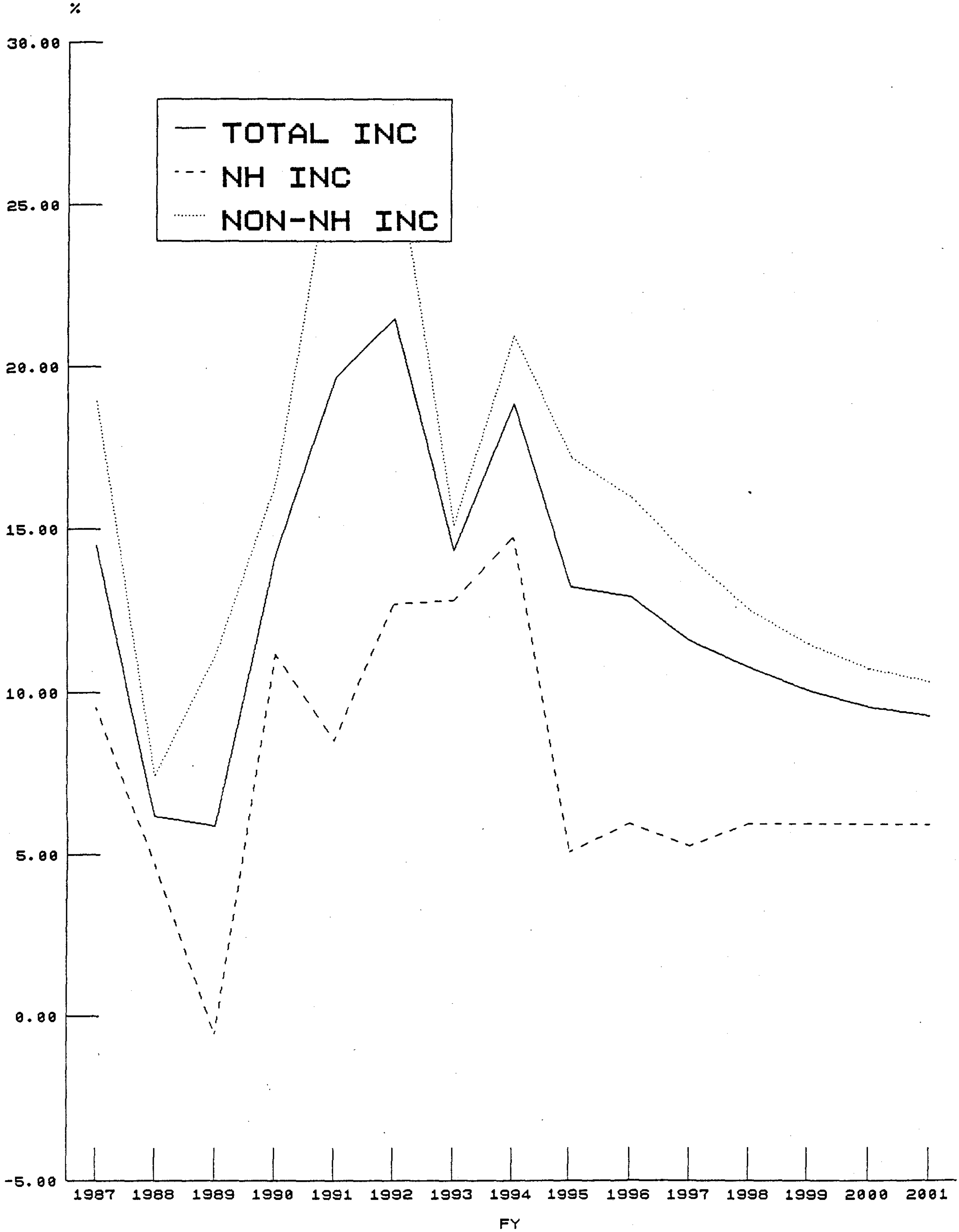
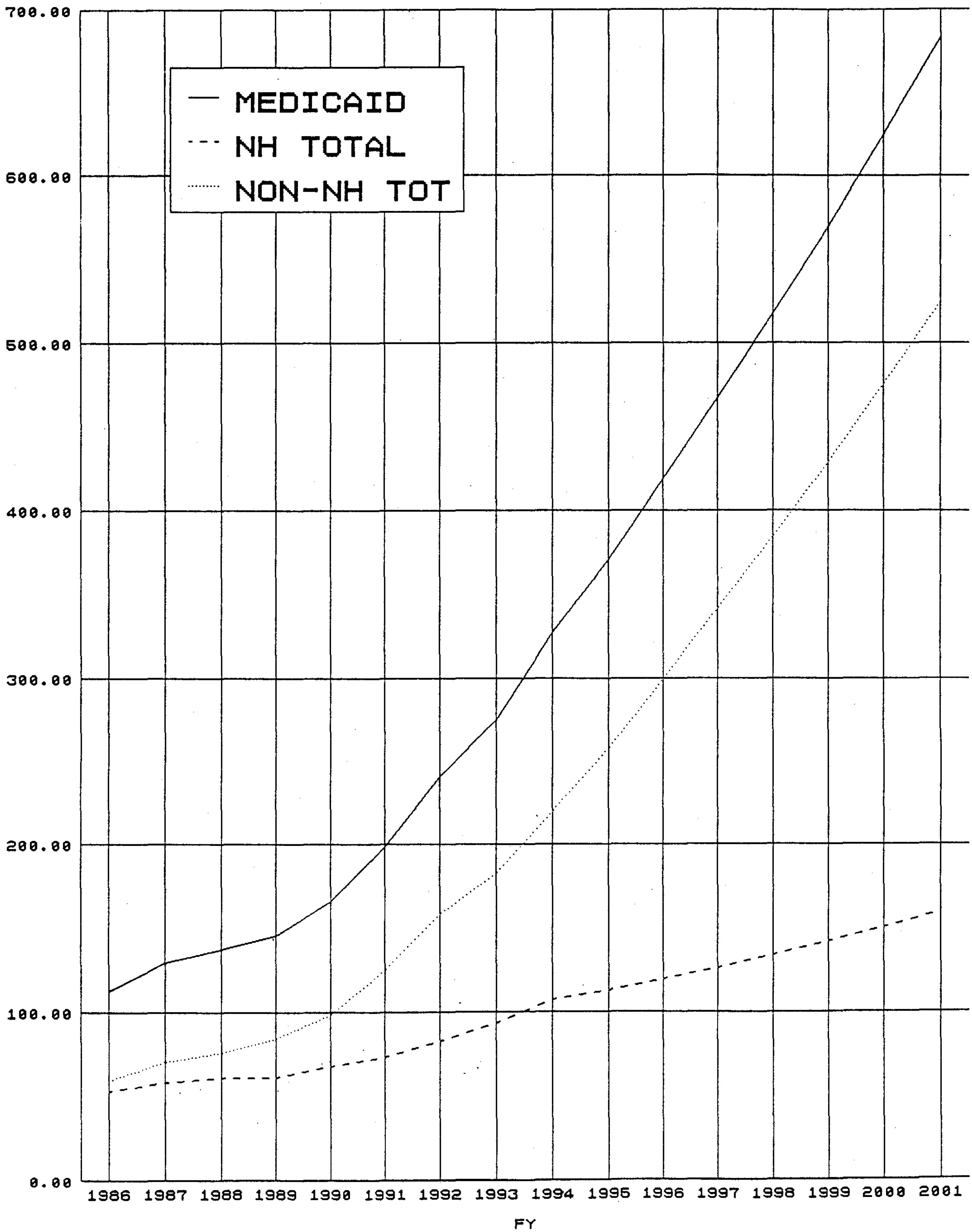


EXHIBIT 11
12-1-93
HB 2/SEC.

MEDICAID GROWTH TRENDS: NH, NON-NH AND TOTAL EXPENDITURES
DATE OF SERVICE--ACTUAL FY86-FY92; PROJECTED FY93 AND ON



Listing of CHF amendments

EXHIBIT 12
DATE 12/1/93
HB 2 (Sec. 3)

		FY 94	FY 95
pass	1. Immunization		220,000
pass	2 formularies		233,520
pass	3. Utilization review pass		130,000
pass	4. assisted living w/ amt. upon ^ LC110 - Senator Waterman's Bill		156,312
pass	5 Co-insurance	105,777	106,543
pass	6. Co-payments	40,418	93,635
pass	7 Dental reduction	295,262	692,192
pass	8 Reduce medically needy	$\underbrace{7,600,000}$	
	9 Medicaid Growth Adjustment		4,000,000
			$13,673,659

Ft 1 on list pos

EXHIBIT 12A
DATE 12/1/93
HB 2

The department has had several meetings with the Welfare Reform Team and regional welfare reform committees. It is our intent to have a welfare reform package available to the subcommittee during the November special session.

3. **a) Are there significant budget changes contained in the Omnibus Budget Reconciliation Act (OBRA 1993) recently signed by President Clinton that may affect the human service programs including any increases or decreases in anticipated federal funding? b) Are there provisions in OBRA 1993 that would allow states to make changes in the rules governing the Medicaid or AFDC programs?**

1) The following are the most significant changes contained under the OBRA 1993:

- Beginning October 1994, the federal government will fully fund all childhood immunizations. Our estimate is that for the nine months of fiscal 1995 (October 1994 through June 1995) there will be savings to the Medicaid program of approximately $760,000 of which $220,000 is general fund.

- Effective October 1993, states will no longer be prohibited from implementing state-wide drug formularies. Under a state drug formulary, the Medicaid program will be better able to control the types (and cost) of drugs paid for by the Medicaid program. However, to develop a Montana formulary and prior authorization system, the department will need to contract with an outside agent at a cost of approximately $125,000 ($32,000 general fund). We have surveyed states that had formularies prior to the prohibition included in OBRA 1990 and savings that can be attributed to use of a state-wide formulary range between 1-2 percent of total drug costs. A one percent savings on Montana's Medicaid drug expenditures would be approximately $400,000 of which $117,000 is general fund. Assuming we could implement a drug program effective January 1994 through June 1995, the net savings (less $125,000 to develop the formulary) would be approximately $275,000 of which $85,000 is general fund.

- OBRA 1993 also makes some complex changes to eligibility determination and how states may treat the applicant's resources. We have not yet been able to make a reasonable estimate of potential savings if the state were to adopt the most stringent criteria. However, we believe there is the potential for substantial long-range savings to the Medicaid program.

EXHIBIT 12-B
DATE 12/1/93
HB 2

Amendments to House Bill No. 2
Grey Bill

Requested by Representative Cobb
For the Committee on Appropriations

Prepared by Lois Steinbeck
November 26, 1993

1. Page B-13, line 21.
Strike: "49,570,401 157,747,278"
Insert: "49,336,881 157,180,798"

This amendment reduces medicaid drug expenditures by 2 percent savings that would be realized if the department implements a drug formulary beginning in fiscal 1995. This amendment reduces general fund by $233,520 and federal funds $566,480 in fiscal 1995.

{Office of Legislative Fiscal Analyst 444-2986}

#7 on Cobb list pass

EXHIBIT 12 C
DATE 12/1/93
HB 2

Amendments to House Bill No. 2
Grey Bill

Requested by Representative Cobb
For the Committee on Appropriations

Prepared by Lois Steinbeck
November 26, 1993

1. Page B-13, line 23.

Strike:	**"28,149,157**	**68,983,889**	**34,526,762**	**82,513,109"**
Insert:	**"28,043,380**	**68,724,666**	**34,420,219**	**82,254,653"**

This amendment raises medicaid client co-insurance from a maximum of $66 per inpatient hospital stay to $100 per stay. General fund medicaid benefit expenditures are reduced by: $105,777 in fiscal 1994 and $106,543 in fiscal 1995. Matching federal funds are reduced by $259,223 in fiscal 1994 and $258,456 in fiscal 1995.

{Office of Legislative Fiscal Analyst 444-2986}

4.5 on list

pass

EXHIBIT 12 D
DATE 12/1/93
HB 2

Amendments to House Bill No. 2
Grey Bill

Requested by Representative Cobb
For the Committee on Appropriations

Prepared by Lois Steinbeck
November 26, 1993

1. Page B-13, line 21.

Strike:	"45,434,019	150,997,842	49,570,401	157,747,278"
Insert:	"45,393,601	150,898,792	49,476,766	157,520,136"

This amendment reduces medicaid benefit expenditures by the amounts that would be realized if co-payments were established at the federally allowed maximum level for physicians services and occupational, speech, and physical therapy services (see following table). This amendment reduces general fund by $40,418 in fiscal 1994 and $93,635 in fiscal 1995 and federal funds by $99,050 in fiscal 1994 and $227,142 in fiscal 1995.

{Office of Legislative Fiscal Analyst 444-2986}

SAVINGS FROM ESTABLISHING CO-PAYMENTS AT MAXIMUMS

Service	Co-payment Change	Fiscal 1994 Gen. Fund	Fiscal 1994 Fed Funds	Fiscal 1995 Gen. Fund	Fiscal 1995 Fed Funds
Physician Services	$1 to $2	$36,371	$89,132	$84,259	$204,398
Psychological Services	$.5 to $1	2,812	6,892	6,515	15,805
Speech, Occupational, and Physical Therapy	$.5 to $1	1,235	3,026	2,860	6,939
Total Change		$40,418	$99,050	$93,635	$227,142

#1 on FN list

HB000214.A09

EXHIBIT 12 E
DATE 12/1/93
HB 2

Amendments to House Bill No. 2
Grey Bill

Requested by Representative Cobb
For the Committee on Appropriations

Prepared by Lois Steinbeck
November 26, 1993

1. Page B-13, line 21.

Strike:	**"45,434,019**	**150,997,842**	**49,570,401**	**157,747,278"**
Insert:	**"45,138,757**	**150,274,258**	**48,878,209**	**156,093,054"**

This amendment eliminates medicaid coverage of adult dental services and dentures, except for extractions. General fund medicaid benefit expenditures are reduced by: $295,262 in fiscal 1994 and $692,192 in fiscal 1995. Matching federal funds are reduced by $723,584 in fiscal 1994 and $1,654,224 in fiscal 1995.

{Office of Legislative Fiscal Analyst 444-2986}

EXHIBIT 12 F
DATE 12/1/93
HB 2

Amendments to House Bill No. 2
Grey Bill

Requested by Representative Cobb
For the Committee on Appropriations

Prepared by Lois Steinbeck
November 26, 1993

1. Page B-13, line 21.

Strike:	**"45,434,019**	**150,997,842**	**49,570,401**	**157,747,278"**
Insert:	**"43,932,413**	**149,259,856**	**46,129,935**	**149,207,216"**

2. Page B-13, line 23.

Strike:	**"28,149,157**	**68,983,889**	**34,526,762**	**82,513,109"**
Insert:	**"27,356,744**	**65,100,024**	**32,691,004**	**78,059,872"**

This amendment limits medicaid benefits for medically needy to primary and preventive care. General fund medicaid benefit expenditures are reduced by: $2,294,019 in fiscal 1994 and $5,276,224 in fiscal 1995 ($7.6 million over the biennium). Matching federal funds are reduced by $5,621,851 in fiscal 1994 and $12,993,299 in fiscal 1995.

{Office of Legislative Fiscal Analyst 444-2986}

7 M. Cobb [illegible]

DEPARTMENT OF SOCIAL AND REHABILITATION SERVICES
Family Assistance Division

EXHIBIT 13
DATE 12/1/93
HB 2

MEDICALLY NEEDY
(Basic Eligibility)

Medicaid is a medical assistance program provided to eligible individuals who are aged (65 or older), blind or disabled (according to Social Security criteria) or who would qualify under the Aid to Families with Dependent Children (AFDC) program (by being pregnant, or having a dependent child). To establish Medically Needy coverage under the Medicaid Program, individuals must meet both non-financial and financial criteria.

Non-financial criteria includes:

1. Providing or applying for a Social Security Number; and
2. Providing proof of U.S. citizenship or eligible alien status.

Financial criteria includes meeting established income and resource limits as follows:

RESOURCE LIMITS - January 1, 1993

Individual	$ 2,000
Couple	$ 3,000

For each additional family member add $100.

SSI-related applicants must be within the resource limit the first moment of the first day of the month in order to be eligible for any part of that month.

AFDC-related applicants must be within the resource limit as of the date of application in order to be eligible for any part of that month.

NOTE: There is no provision for eligibility to be granted with the expectation that resources will be applied to medical debts.

INCOME LEVELS -	Family Size	Monthly Income Level
(Effective 07/01/93)	1	$ 425
	2	425
	3	455
	4	484

If monthly income, less disregards*, exceeds the above standard, the individual(s) is/are eligible for Medically Needy coverage. Any amount of income, less disregards*, that exceeds the above standard becomes the Medically Needy Incurment (i.e., spend down) amount. The applicant must incur medical bills or make a cash payment equal to the incurment amount in order to have Medically Needy benefits authorized. (Medicaid will then pay for any eligible medical costs incurred in the balance of that month). Medically Needy eligibility is computed monthly.

Example - 1 person household with countable income of $500.

$500 - income
-425 - MN Income Level
$ 75 - incurment amount

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*DISREGARDS - SSI-related categories are eligible for a $20 general income disregard. $65 plus 1/2 the remainder of total gross earned income is allowed as a disregard for earned income. AFDC-related categories may receive a $90 work disregard, babysitting expense up to $175 per child over age 2 and up to $200 per child age 2 and under, and the possible use of a $30 plus 1/3 of the remaining total gross earned income disregard.

LEGIS/002
10/01/92

Number of Medically Needy Recipients By Age Group

	Under 21	22-27	28-33	34-39	40-45	46-51	52-57	58-63	over 63	Total
Recipients	172	47	106	217	215	196	238	285	2,636	4,112
% Total	4.18%	1.14%	2.58%	5.28%	5.23%	4.77%	5.79%	6.93%	64.11%	100.00%

Total Services for Medically Needy By Service Catagory

	Private Nursing	Occupational Therapy	Dialysis	Family Planning	Hospice	FQHC's	Audiology	Speech Therapy	Nurse Specialist
No. Services	3	4	6	6	6	10	11	14	14
% Total	0.02%	0.03%	0.04%	0.04%	0.04%	0.06%	0.07%	0.09%	0.09%

	Inpatient Psychiatric	Podiatry	Rural Health Clini	Lab/Xray	Eyeglasses	Hearing Aids	Rehab	Physical Therapy	County Travel
No. Services	35	37	39	41	41	43	15	17	24
% Total	0.22%	0.24%	0.25%	0.26%	0.26%	0.27%	0.10%	0.11%	0.15%

	Psychology Services	Transportation	Ambulance	Swing Bed	Social Workers	Home Health	Optometric	Case Managemen	Clinic Services
No. Services	47	58	61	80	105	137	143	311	393
% Total	0.30%	0.37%	0.39%	0.51%	0.67%	0.87%	0.91%	1.98%	2.50%

	Dental	ICF-MR	DME	Hospital	Personal Care	Physician	Drugs		TOTAL SERVICES
No. Services	417	520	521	738	1062	2,326	8,419		15,704
% Total	2.66%	3.31%	3.32%	4.70%	6.76%	14.81%	53.61%		100.00%

EXHIBIT
12-1-93
HB 2

MEDICALLY NEEDY CHANGES

CURRENT BENEFITS		PROPOSED BENEFITS EFFECTIVE JANUARY 1994
PHYSICIAN	DENTAL (INCLUDING DENTURES)	PHYSICIAN
MID-LEVEL PRACTITIONER	THERAPIES (PHYSICAL, SPEECH, & OCCUPATIONAL)	MID-LEVEL PRACTITIONER
LAB AND X-RAY	PERSONAL CARE	LAB AND X-RAY
PRESCRIBED DRUGS	DIAGNOSTIC	PRESCRIBED DRUGS
TARGETED CASE MANAGEMENT	SCREENING	TARGETED CASE MANAGEMENT
FAMILY PLANNING	PREVENTIVE	
HOSPITAL - INPATIENT & OUTPATIENT	REHABILITATIVE	
NURSING FACILITY	AUDIOLOGY (INCLUDING HEARING AIDS)	
RURAL HEALTH CLINICS	TRANSPORTATION	
FEDERALLY QUALIFIED HEALTH CENTERS	PROSTHETIC DEVICES	
HOME HEALTH	DURABLE MEDICAL EQUIPMENT	
PODIATRY	HOSPICE	
OPTOMETRIC (INCLUDING EYEGLASSES)	LICENSED PROFESSIONAL SOCIAL WORKERS & COUNSELORS	
PSYCHOLOGICAL SERVICES		
PRIVATE DUTY NURSING		
CLINIC		

NOTE: Federal regulations state that if a state chooses to have a medically needy program, it must provide all services to pregnant women, children, and persons in institutional or waiver services.

EXHIBIT 14
DATE 12/1/93
HB 2

Amendments to House Bill No. 2
Grey Copy

Requested by Representative Cobb
For the Committee on Appropriations

Prepared by Lois Steinbeck
November 26, 1993

1. Page B-17, line 4.
Following: "persons"
Insert: ", including AFDC recipients"

{Office of Legislative Fiscal Analyst 444-2986}

pass

EXHIBIT 15
DATE 12/1/93
HB 2

Amendments to House Bill No. 2
Grey Bill

Requested by Representative Cobb
For the Committee on Appropriations

Prepared by Lois Steinbeck
November 30, 1993

1. Page B-20, following line 2.
Insert: "The department and Montana universities and colleges may develop early periodic screening diagnosis and treatment (EPSDT) outreach programs and use appropriate funds to match federal funds for EPSDT outreach activities. The department may contract with universities and colleges to provide EPSDT programs by March 1994."

{Office of Legislative Fiscal Analyst 444-2986}

pa'd

EXHIBIT 16
DATE 12/1/93
HB 2

Amendments to House Bill No. 2
Grey Copy

Requested by Representative Cobb
For the Committee on Appropriations

Prepared by Lois Steinbeck
December 1, 1993

1. Page B-20, following line 2.

Insert: "The department may extend passport to health provider status to outpatient hospitals if the department determines that the status will achieve program savings, improve recipient access, or extend the passport program to currently underserved areas."

{Office of Legislative Fiscal Analyst 444-2986}

EXHIBIT 17
DATE 12/1/93
HB 2

Department Social and Rehabilitation Scrivces
Special Session 1 Proposed Service Reductions

Priority for Implementation		January 1, 1994 Implementation		March 1, 1994 Implementation		August 1, 1994 Implementation	
		General fund	Total Funds	General fund	Total Funds	General fund	Total Funds
1.	Limit Medically Needy Services	7,570,263	26,185,413	6,729,123	23,275,923	4,626,272	16,002,197
2.	Reduction in Podiatry	6,336	21,589	5,333	19,190	3,667	13,193
3.	Reduce PT, ST and OT Services	63,308	215,670	56,274	191,707	38,688	131,798
4.	Increase Copayment on Drugs	27,421	93,501	24,374	83,112	16,757	57,140
5.	Increase Family Copayment	46,981	207,190	41,761	184,169	28,711	126,617
6.	Institute Hospital Coinsurance	358,518	1,226,499	318,683	1,090,221	219,094	749,527
7.	Eliminate/Reduce Hearing aids, Audiology	10,511	35,798	9,343	31,820	6,423	21,877
8.	Eliminate/Reduce Eyeglasses, Optical	315,415	1,074,945	280,369	955,507	192,754	656,911
9.	Reduce Dental and Dentures	987,454	3,365,262	877,737	2,991,344	603,444	2,056,549
10.	Reduce Personal Care	151,023	514,671	134,243	457,485	92,292	314,521
11.	Limit Mental Health Counseling	202,400	689,499	179,911	612,888	123,689	421,361
12.	Limit Mental Health Day Treatment	300,043	1,022,124	266,705	908,555	183,360	624,631
13	Reduce Hospital Outpatient Reimbursement	474,864	1,609,710	422,101	1,430,853	290,195	983,712
14.	Delay Nursing Home Property Adjustment	466,682	1,581,972	414,828	1,406,197	285,195	966,761
15.	Nursing Home Special Income Limit	241,322	818,040	214,508	727,147	147,475	499,913
	Total Savings	$11,222,541	$38,661,883	$9,975,293	$34,366,118	$6,858,016	$23,626,707

The Facts

* These cuts now will cost the government more in the long term (and even in the short term). The current programs and services are in place because they are necessary, and to eliminate them would exacerbate the problem causing more expense to Montana's government in the long term.

* There is no need for these cuts, a mechanism is in place (only temporarily suspended) ie. HB 671. If this tax reform bill is reinstated by the people in November of 1994, these cuts will not have been necessary and will cause great expense trying to reinstate these programs or deciding what to do with the surplus.

* Over 100 of Montana's jobs will be lost (from the total proposed cuts for all agencies) , further hurting our economy.

* These cuts will effect in one or more ways over 93,000 citizens of Montana by reducing or eliminating vital services.

* There is no alternate plan for dealing with treatment for the seriously mentally ill on Medicaid. If these "clients" are not placed in the state hospital, the will be on the streets in our communities completely untreated.

* The Majority of the persons effected by the mental health cuts have a serious mental illness which could cause admittance to the state hospital and could cost the state more in expenditures than the reductions. Are we really ready to begin a new era of reinstitutionalization?

* there will be fewer available placements for mentally ill clients when the income for community mental health centers decrease.

* If Medically Needy were cut, single mothers working that are eligible in the AFDC category would have no incentive to stay off AFDC. They need medical services for their children that they cannot afford with their jobs and family make-up that has put them in their present situation.

* Those persons who would lose their Medically Needy services are primarily below the age of 21 and over the age of 63. Those who qualify between these age groups are mostly disabled.

* Medicaid clients who receive Personal Care at 40 hrs. per week are those who require the most extensive care (quadriplegics, A.L.S., M.S.). When in a nursing home environment, compared to home personal care the cost is markedly higher and the net effect will be more expenditures than costs saved by the reduction to 35 hrs. per week.

* With the $7.6 million cuts in the Medically Needy Program, hospitalization will not be covered. Inpatient hospitalization will be at $3.58 million. Who will pay for this? Will the hospitals absorb the costs, passing them on to the consumer or will the consumer pay more in insurance premium rates?

No one can afford these cuts!

HB 2

For the benefit
of all the people
who deserve better

The Facts The Facts The Facts

Prepared by
Montana Low-Income Coalition
with
Montana Human Services Foundation
Montana Catholic Conference
Montana Religious Legislative Coalition
Constituents for a Better Montana

HOUSE OF REPRESENTATIVES

VISITOR'S REGISTER

Appropriations COMMITTEE BILL NO. HB 5

DATE 12-01-93 SPONSOR(S) Elliott

PLEASE PRINT PLEASE PRINT PLEASE PRINT

NAME AND ADDRESS	REPRESENTING	BILL	OPPOSE	SUPPORT
WALT KERO PO Box 5334 MissoulA, Mt 59806	LAWYER Nursery			X
Rep. Tim Sayles	H.D. 61		X	
Mike Volesky	Mt Assoc. of Cons. Dist's		X	
Jeff Jahnke	DSC		X	
~~[illegible]~~				

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. HB 20

DATE 12-01-93 SPONSOR(S) Norm Mills

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NAME AND ADDRESS	REPRESENTING	BILL	OPPOSE	SUPPORT
DAL Smilie Helena	MMSA	HB20	✓	
Michael Bullock Helena	Drivers Ed	HB20	✓	
Terry Grant Box Elder	Driver Ed	HB20	✓	
Bill Christiansen	Citizen	HB20	✓	
[illegible]	OPI	20	✓	
Jean Curtiss	Montana PTSA/PTA	HB20	✓	
Curt Hahn	OPI	HB20	✓	
Don Waldron	MREA	HB20	✓	
Dean Roberts	Dept of Justice	HB20	✓	
Jill Z. McGuire	ABATE of Mt	HB20	✓	
Robert Othmer	Westby	HB20	✓	
Kent McMahon for A.E. Goke Highway Traffic Safety	DOJ - Highway Traffic Safety	HB20	✓	

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HOUSE OF REPRESENTATIVES

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Appropriations COMMITTEE BILL NO. HB 20

DATE 12-01-93 SPONSOR(S) Norm Mills

PLEASE PRINT PLEASE PRINT PLEASE PRINT

NAME AND ADDRESS	REPRESENTING	BILL	OPPOSE	SUPPORT
Ellen Bergman				X

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HOUSE OF REPRESENTATIVES

VISITOR'S REGISTER

Appropriations COMMITTEE BILL NO. HB 21

DATE 12-01-93 SPONSOR(S) M.L. Peterson

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NAME AND ADDRESS	REPRESENTING	BILL	OPPOSE	SUPPORT
LOIS MENZIES	DEPT. OF ADMIN.	HB 21		✓
Rod Sundsted	MUS	HB21	✓	

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