

MINUTES

MONTANA SENATE 53rd LEGISLATURE - REGULAR SESSION

FREE CONFERENCE COMMITTEE ON HOUSE BILL 002

Call to Order: By Senator Judy Jacobson, Chair, on April 19, 1993, at 4:20 p.m., Room 325.

ROLL CALL

Members Present:

Senator Judy Jacobson, Chair
Senator Harry Fritz
Senator Gary Aklestad

Rep. Tom Zook
Rep. Linda Nelson
Rep. Ernest Bergsagel

Members Excused: None

Members Absent: None

Staff Present: Terry Cohea, Legislative Fiscal Analyst

FREE CONFERENCE COMMITTEE - HOUSE BILL 2

Senator Jacobson, Chair, advised the free conference committee members that most amendments relative to HB 2 being considered this day are technical amendments for bills that have passed both houses and been signed by the Governor.

SECTION A - AMENDMENTS

Motion: Rep. Zook moved to amend Section A-2 (Exhibit 1).

Rep. Zook said the language in the amendment appropriates approximately \$16,000 general fund to the Legislative Fiscal Analyst (LFA) for the study required in SB 378. The funds represent the unspent balance of a 1993 biennium general fund appropriation for legislative contingencies in the office of the LFA.

Rep. Zook said it is his understanding there is \$18,000 in a contingency fund.

Terry Cohea, LFA, said that was correct.

Rep. Zook concluded that the legislative finance committee is being asked to perform this large study and there is no money to do it without the appropriation.

Vote: Rep. Zook's amendment motion (Exhibit 1) CARRIED with Rep. Bergsagel opposed.

Motion: Senator Fritz moved to amend Section A-5 (Exhibit 2).

Chair Jacobson said the amendment would incorporate the passage and approval of HB 278 into HB 2 by eliminating the appropriation in the Judiciary for the District Court Criminal Reimbursement Program, and would make it a statutory appropriation.

Rep. Zook said this amendment runs counter to the idea that approximately 70 percent of our money is statutorily appropriated already. While these are necessary funds, it causes no harm to have it run through committee.

Chair Jacobson said whether the conference committee passes this or not, it will not run through committee because the bill has already passed and been signed by the Governor so it is a statutory appropriation. The amendment moves it into the correct fund.

Vote: Senator Fritz' amendment motion (Exhibit 2) CARRIED with Senator Aklestad and Rep. Zook opposed.

Motion: Senator Fritz moved to amend Section A-7 (Exhibit 3).

Chair Jacobson said the amendment eliminates contingency language for the Governor's Office regarding SB 270, which has been passed and approved.

Vote: Senator Fritz' amendment motion (Exhibit 3) CARRIED UNANIMOUSLY.

Chair Jacobson said the next amendment has Rep. Zook's name on top of it. She stated amendments coming from the Office of Budget and Program Planning (OBPP) carry Rep. Zook's name.

Rep. Zook said he had no problem with that. In order to have the amendments drafted, OBPP had to have someone present the amendment.

Discussion: Chair Jacobson said the next amendment is Section A-22 (Exhibit 4).

Rep. Zook said SB 168 revised the method in which agricultural land in class 3 is valued. The Department of Revenue will require 9.50 FTE in fiscal 94 and 2.40 FTE in fiscal 95 to review approximately 12,100 irrigation systems and conduct follow-up reviews for an additional 3,000 systems.

Chair Jacobson said the additional \$65,091 was not shown in the fiscal note of SB 168 and she questioned why additional funds and FTE's are being requested when they were not included in the fiscal note.

Rep. Zook said he would like to have someone from the Department of Revenue address this.

Ken Morrison, Department of Revenue (DOR), said SB 168 was amended several times, and there were phase-in programs added more extensively than in the original bill. As the DOR became aware of those, there were additional costs associated with administering SB 168. That is why they were not in the fiscal note as it came through the process. They have carefully looked at the figures and consulted with OBPP and LFA and explained the information to them. No issues have been raised with DOR on the figures.

Rep. Bergsagel asked the DOR if this is eight additional employees that they have been authorized.

Mr. Morrison said these are not positions that are currently authorized. They are additional positions that will be temporary during the coming biennium and will not go beyond that time. They are to help with the new provisions of SB 168 that require the DOR to identify specific information on irrigation properties throughout Montana. He added there is a new water user's committee called for in SB 168 that they are requesting funding for.

Rep. Bergsagel stated his opinion that no FTE's are required to do this work.

Senator Aklestad questioned if SB 168 mandated that the DOR go through this many systems.

Mr. Morrison said under the current system for valuing agricultural land, DOR is not required and does not identify specific information relative to irrigated lands. However, SB 168 is now asking for that for the first time. It will be extensive work. He felt there would be disagreements between DOR and the landowners as irrigation systems are identified and costs associated with the systems. That is what the funding will be used for.

Senator Aklestad said while he realizes they will have that job with SB 168, he is concerned with the number of systems they feel must be reviewed. He felt the same conclusion could be reached with a sampling of systems within the project.

Mr. Morrison said SB 168 mandates that DOR identify a cost for each acre of irrigated property in the state. They have looked at files on the irrigated properties which is where they derived the figure on properties they would have to look at. He

concluded that each property would have to be looked at.

Motion: Rep. Zook said for purposes of a vote, he would move to amend Section A-22 (Exhibit 4).

Vote: Rep. Zook's amendment motion (Exhibit 4) FAILED UNANIMOUSLY.

Motion: Rep. Zook moved to amend Section A-27 (Exhibit 5).

Rep. Zook said this is a language amendment. The Department of Administration requests the amendments to include OBPP in allocating the personal services contingency account.

Vote: Rep. Zook's amendment motion (Exhibit 5) CARRIED UNANIMOUSLY.

Motion: Rep. Zook moved for purposes of discussion Section A-28 (Exhibit 6).

Rep. Zook informed the free conference committee that he had not yet had an opportunity to review any of the proposed amendments.

Chair Jacobson asked Dave Lewis to address the amendment.

Dave Lewis, Director, OBPP, said they were asked this morning to have sponsors on all proposed amendments so packets could be printed by LFA. He said he was not able to contact Rep. Zook at that time regarding the amendments, but subsequently got the agreement of Rep. Zook to have his name on the amendments and to offer them to the free conference committee. If there had been more time, OBPP would have had the agencies talk to committee members for specific sponsors.

Mr. Lewis said most of the amendments in their packet are tied to legislation which has been passed and signed by the Governor, and are tied to fiscal notes on the legislation.

Mr. Lewis stated the workers' compensation fraud investigation and prosecution and the Montana safety culture act were two parts of the workers' compensation package passed by the legislature and signed by the Governor. This is for the authority to spend the workers' compensation funds to implement those pieces of legislation.

Senator Aklestad questioned if SB 164 had not gone far enough through the process to be heard in Senate Finance and Claims.

Chair Jacobson said that was correct. She said Senator Harp had this and other amendments on the Senate floor. At that time, they were asking members not to offer amendments if the bills had not passed, so this amendment was withdrawn.

Ms. Cohea said relative to the green sheet distributed by LFA

which is a summary of all FTE and funding that the OBPP has requested in the packet, 32 FTE total are being asked to be added in the Workers' compensation section. The FTE are in Justice, Labor, and the State Fund.

Rep. Bergsagel said with FTE being added in the Department of Justice, he wondered if FTE investigation people are being removed from Labor and Workers' Compensation.

Dan Gengler, Governor's Office, said it is adding 4.50 FTE in the State Fund and is not reducing FTE in any of the other agencies.

Senator Aklestad questioned if there could be priorities set with regard to this.

Mr. Lewis said although no one is present from the State Fund to discuss this, they have been called and will have a representative at the conference committee meeting shortly for questions directed to them.

Mr. Lewis said it was his understanding that one of the priorities was to increase the amount of fraud investigation. That was the objective of the bill passed by the legislature, and the objective of the extra FTE is to increase the amount of fraud investigation.

Chair Jacobson stated her opinion if the bills are going to work, funding will be required or they cannot be expected to do the type of fraud investigation that the legislature has asked them to do.

Rep. Bergsagel questioned the Attorney General regarding the \$900,000 in his department.

Joe Mazurek, Attorney General, said there is currently one investigator. There would be two additional FTE criminal investigators, and in addition there would be one special prosecutor for prosecuting workers' compensation fraud. There would be one time money for making space and equipment for the workers being added.

When questioned by Rep. Zook if these are people that will work out of the Department of Justice on a contract, Chair Jacobson said that was correct.

Rep. Zook said he was previously informed that the Department of Labor was the agency having investigators.

Mr. Mazurek said he could not advise the conference committee what was in the Department of Labor. The Department of Justice has contracted to provide fraud investigation services to the State Fund.

Vote: Rep. Zook's amendment motion (Exhibit 6) CARRIED

UNANIMOUSLY.

Motion: Rep. Zook moved for purposes of discussion to amend Section A-28 (Exhibit 7).

Rep. Zook said this amendment is relative to SB 163 which establishes the Montana Safety Culture Act requiring the Department of Labor and the State Fund to implement programs to promote work place safety.

Mr. Lewis said this is part of an effort to educate people on work place safety. The fiscal note called for the funding and number of FTE. SB 163 has been passed and signed by the Governor.

Chair Jacobson said the Department of Labor's costs are in HB 2.

Senator Aklestad questioned if it is in HB 2, is it appropriating money for SB 163.

Chair Jacobson said similar to the last amendment, part of it is and part is not.

Vote: Rep. Zook's amendment motion (Exhibit 7) CARRIED UNANIMOUSLY.

Chair Jacobson said currently that is all the amendments to Section A. The sections will not be closed because there are bills currently going through the process, and amendments will later be offered for those.

SECTION B - AMENDMENTS

Motion: Rep. Zook moved for purposes of discussion to amend Section B-3 (Exhibit 8).

Chair Jacobson said this amendment deals with SB 284 relative to underground tank installer permit.

Ray Hoffman, Administrator, Centralized Services Division, Department of Health (DHES), said SB 284 extends permit authority to DHES for the underground storage tank program. The money requested in SB 284 is state special revenue funds that are received from individuals receiving licenses. He added that DHES looked very carefully to see whether or not they would need the additional authority associated with it, but because of the permitting process decided it would be impossible within the existing budget.

Rep. Bergsagel said he did not understand Mr. Hoffman.

Mr. Hoffman said SB 284 has nothing to do with FTE. It is the authority required to operate the permitting program.

When questioned by Rep. Nelson, Mr. Hoffman said this is the fee the people pay to operate the program, meaning if DHES did not have their fees to pay it, there is no way DHES could operate it.

Senator Aklestad stated DHES is already operating a program in this area.

Mr. Hoffman said this would extend the permitting authority. The last session that passed this had sunsetted it, and the funding for the program is not included within the department's budget. DHES is required to come back before the legislature and ask for authority to continue it.

Senator Aklestad questioned why they did not come before the subcommittee or the HB 2 free conference committee.

Mr. Hoffman said it was put in a specific Senate bill, SB 284. Once it was sunsetted, the total law authorizing this type of permitting had been excluded. Another bill that was not a budgetary bill had to go in its place.

When questioned by Rep. Zook regarding the permitting process, Mr. Hoffman said the person requesting the permit must have certain educational material that they have to pass before they are permitted to remove the tanks. It also advises them who to notify if they find environmental contamination when removing the tank, as well as standards that EPA has in effect for underground storage tanks.

Rep. Zook felt the burden is put on the applicant and not on the DHES.

Mr. Hoffman said that is why they are only requesting \$11,500 of the permitting authority and \$10,500. As shown by the dollars, it is not a massive program.

Vote: Rep. Zook's amendment motion (Exhibit 8) FAILED.

Motion: Rep. Zook moved for purposes of discussion to amend Section B-3 (Exhibit 9).

Chair Jacobson said this has to do with hazardous waste management permit fees.

Mr. Hoffman said the amendment adds funding for the implementation of HB 592 which requires DHES to establish a hazardous waste management permit fee program. HB 592 brought into effect certain rules and regulations that the state would be putting forth to individuals that generate hazardous waste materials. The fee is based upon a charge to the industry that generates this hazardous waste.

Rep. Bergsagel said he assumes DHES already has a hazardous waste department and questioned why it could not be absorbed in their

current operation.

Mr. Hoffman said when HB 592 was put in, the fiscal note was very specific in relationship to what would be required if DHES would implement such a program. He added that DHES has grown significantly in the last few years, but the growth is based upon mandates by the federal government in relation to environmental and health needs, as well as mandates by the legislature in relationship to controls DHES must implement to protect the state's citizens. Without additional FTE, the programs received will be hollow without adding the resources necessary. He concluded that the industry supported the program and fees that would be charged to them.

Rep. Bergsagel questioned why it would take two FTE to develop a fee system.

Mr. Hoffman said they talked not only about a fee program to bring fees in but also a regulatory program in relationship to monitoring the industry.

Senator Aklestad said some work is already being done in this area.

Mr. Hoffman said when HB 592 went through the system, it was specific on permit fee program for the generation of the hazardous waste. The Department currently does not do it because if the laws were already on the books and DHES issued a permit fee for the generation of the hazardous waste, they would be doing that. DHES does not provide that type of system for the permitting of the generation of hazardous waste. The industry felt there had to be safeguards reviewed by DHES.

Senator Aklestad questioned how many waste facilities they currently review and permit.

Mr. Hoffman said he would have someone in the department that is knowledgeable in that area address that, and the committee would be given that information.

Senator Aklestad said he would like to have the information before acting on the amendment.

Withdrawing of Motion: Rep. Zook withdrew the amendment to Section B-3 (Exhibit 9).

Motion: Rep. Zook moved for purposes of discussion Section B-16 (Exhibit 10).

Chair Jacobson said she assumed the amendment is making a technical correction to the section of the code which governs AFDC. It does not involve any money, but does involve how the department is able to administer the AFDC-UP program.

Rep. Bergsagel said he did not agree with that. He said the insertion would show that implementation must take place no later than July 1, 1994, and it says they may do something after that.

Chair Jacobson asked Mr. Blouke to address the amendment.

Peter Blouke, Director, Department of Social and Rehabilitative Services (SRS), said it does postpone the implementation date for the unemployed parent requirement. This is a program that was modeled after something currently being done in Utah where they have two FTE assigned solely to this particular program. Although it says Montana does not have to have it in place until July 1, 1994, it is the intent to move as rapidly as possible. They felt it would be impossible to implement in a reasonable fashion by the beginning of the fiscal year. There also were concerns that they could not require all unemployed parent primary earners to participate in the JOBS programs because there is not sufficient federal or general funds to provide the services to all unemployed parents and then meet the mandated federal requirement target for other populations within the AFDC group.

Rep. Bergsagel said there are numerous JOBS programs, and he felt these should be coordinated to help people find jobs and get off welfare.

Mr. Blouke said the amendment requires that SRS take the primary earner and the spouse in the UP program and require each to participate in some sort of JOBS training program. It will require a fair amount of monitoring because there is an evaluation of whether they participate in the program. It will require changes to the computer data system that is operated to monitor the program. They currently are in the process of coordinating with agencies in trying to get people into the JOBS program, but they would like the time and flexibility to do it efficiently, given the available resources.

Vote: Rep. Zook's amendment motion (Exhibit 10) FAILED.

Chair Jacobson said that is all the amendments today for Section B, but the section will remain open.

SECTION C - AMENDMENTS

Motion: Rep. Zook moved for discussion purposes Section C-22 (Exhibit 11).

Chair Jacobson said these are all state special revenue accounts within the Department of Commerce, and they do not include adding additional FTE. They deal with HB 241, SB 89 and SB 218.

Rep. Bergsagel said he would like to have HB 241 explained.

Jim Kembel, Administrator of Public Safety, Department of Commerce, said HB 241 is a new licensing program creating a five person board to process licenses of 900 laboratory technicians.

Vote: Rep. Zook's amendment motion (Exhibit 11) CARRIED UNANIMOUSLY.

Motion: Senator Fritz moved to amend Section C-26 (Exhibit 12).

Chair Jacobson said the amendment strikes contingency language before SB 161 has passed.

Vote: Senator Fritz' amendment motion (Exhibit 12) CARRIED UNANIMOUSLY.

SECTION E - AMENDMENTS

Motion: Rep. Zook moved to amend Section E-10 (Exhibit 13).

Chair Jacobson said the amendment recommends that information regarding personnel continue to come to the LFA and OBBB whether or not RERS is maintained during the 1995 biennium.

Rep. Zook in supporting the amendment said the RERS program is in place, and it is important that they report to more than just the finance committee. It should also go to OBPP. The RERS program has not been in effect that long. He realizes the university system does not especially like it, but it now has been reduced to quarterly reporting and would not place a large burden on the university system to furnish the information.

Chair Jacobson said the Senate removed all the money in the Commissioner's Office for the RERS program. Nothing was done to the unit's money, but the money from the Commissioner's office was removed.

Rep. Zook said the Commission is exempt from reporting in this amendment, as well as the community colleges.

Vote: Rep. Zook's amendment motion (Exhibit 13) FAILED WITH SENATORS JACOBSON AND FRITZ OPPOSED.

Chair Jacobson said with no further amendments, the free conference would recess.

(FREE CONFERENCE COMMITTEE RECESSED - APRIL 19, 1993 - 5:20 P.M.)

(FREE CONFERENCE COMMITTEE RECONVENED - APRIL 20, 1993 - 3:15 P.M.)

Chair Jacobson said the free conference committee would reconvene and begin with amendments to Section A.

SECTION A - AMENDMENTS

Motion: Rep. Zook moved for purposes of discussion to amend Section A-7 (Exhibit 14).

Chair Jacobson said this amendment restores funding for the Mental Disabilities Board of Visitors to the executive budget level.

Chair Jacobson said the amendment reflects the request of the executive budget but does not reflect the subcommittee's work. The subcommittee came out with \$144,000 the first year and \$147,000 the second year. She asked Mr. Lewis if he had any objection to changing the numbers to reflect what the subcommittee had recommended.

Mr. Lewis said no, the objective was to point out that without the appropriation, the Board of Visitors could not accomplish their mission.

Chair Jacobson said she had an amendment that reflects the subcommittee's action (Exhibit 15).

Withdrawal of motion: Rep. Zook withdrew his amendment to Section A-7 (Exhibit 14).

Motion: Senator Fritz moved to amend Section A-7 (exhibit 15).

Senator Fritz said the amendment restores funding for the Mental Disabilities Board of Visitors to the level approved by the General Government Subcommittee.

Vote: Senator Fritz' amendment motion (Exhibit 15) CARRIED UNANIMOUSLY.

Motion: Senator Fritz moved to amend Section A-10 (Exhibit 16).

Chair Jacobson said the amendment adds \$556,504 state special revenue and 6.0 FTE in the 95 biennium to the insurance program in the State Auditor's Office to implement SB 430.

Rep. Zook said it is funding for a new program. He noted it is financed by insurance agent fees, and anybody that buys insurance pays those fees.

Chair Jacobson said it is a new program. SB 430 has passed the House and Senate but has not yet been signed by the Governor. It is her understanding from Mr. Lewis that the Governor will sign the bill.

In a question from Senator Aklestad, Chair Jacobson said the amendments have her name on them because they did not come through the OBPP. They are from an elected official's office.

Vote: Senator Fritz' amendment motion (Exhibit 16) FAILED.

Motion: Senator Fritz moved to amend Section A-10 (Exhibit 17).

Chair Jacobson said the amendment provides the State Auditor's Office an additional \$10,000 general fund in each year of the 95 biennium to implement and administer provisions of HB 273. The bill requires the Insurance Commissioner to establish rules governing auto glass insurance policies and to conduct hearings regarding complaints related to those practices.

Rep. Zook questioned why these amendments are coming before the committee at this time.

Chair Jacobson said in Senate Finance and Claims Committee when amendments were offered either in committee or on the Senate Floor that had not passed both houses, the sponsors were asked to withhold the amendment.

Rep. Zook said this was never brought out in House Appropriations, and the need for the appropriation was never discussed with him.

Chair Jacobson said each of the bills carried a fiscal note indicating the need for the money and the FTE's as they moved through the process.

Rep. Zook said he is surprised that a lot of the amendments are coming forward now. He concluded that it is a mistake on the part of agencies and departments to do it this way.

Chair Jacobson stated that the agencies and departments had no choice. The amendments were brought forth to Senate Finance and Claims. The LFA was questioned as to whether the bill was in the House or Senate. On the Senate floor, bills were withdrawn until final action was taken. It is wrong to put contingency language on bills that may or may not pass if it can be done more cleanly in conference committee.

Rep. Zook said a lot of contingency language was eliminated in House Appropriations.

Senator Aklestad agreed with Chair Jacobson as to the process that Senate Finance and Claims went through relative to bills going through the full process before the appropriation was dealt with.

Senator Aklestad questioned the amount of additional work pertaining to HB 273. He felt all departments had been given more latitude in this legislative session than any other session in moving monies from one year to the other and one area to the other. Regarding the total state budget, he would have a hard time voting to give additional monies when he hoped all departments would prioritize their work.

Chair Jacobson stated her opinion if we have passed bills starting a new program that has been signed by the governor in which there is no funding that the programs will not take place.

Chair Jacobson questioned Rep. Zook if it would be his intention as the packet of amendments are gone through this day that he will turn down any amendments funding bills that have passed and do not as yet have the funding in them.

Rep. Zook said not necessarily.

Chair Jacobson said her feeling is if that is the way this will begin, the conference committee should just scan through all the amendments dealing with this department and go to other amendments.

Rep. Zook said that is not his intention, but that he is voicing a small complaint he feels obligated to do. He concluded that he would deal with each amendment as it is presented.

Vote: Senator Fritz' amendment motion (Exhibit 17) FAILED.

Motion: Rep. Nelson moved to amend Section A-14 (Exhibit 18, Exhibit 19).

Rep. Nelson said the amendment restores 16.25 FTE and funding for drivers' license services in 42 counties from the general fund. She said without this amendment, it would be very hard in the rural areas, especially with the older population.

Senator Fritz asked Rep. Nelson if she would consider withdrawing the amendment for the day. He said he had investigations going on with the Office of Public Instruction and the Motor Vehicle Division where some of the activities would be taken care of by school teachers that conduct the drivers' education courses.

Withdrawal of Motion: Senator Nelson moved to withdraw amendment to Section A-14 (Exhibits 18, 19).

Motion: Senator Fritz moved to amend Section A-15 (Exhibit 20).

Senator Fritz said the amendment is necessary to coordinate HB 2 with the requirements of legislation that has passed both houses. It is relative to HB 222, revising licensing requirements for businesses that sell, install, or service certain fire protection equipment.

Withdrawal of motion: Senator Fritz withdrew his motion to Section A-15 (Exhibit 20).

Senator Fritz said with regard to many House bills that come to the conference committee with the fiscal notes providing information relative to the cost of implementation, people should not be surprised by the bottom line.

Motion: Rep. Zook moved to amend Section A-18 (Exhibit 21).

Rep. Zook said HB 539 requires the Department of Transportation (DOT) to collect special fuels tax at the distributor level rather than the retail level. The DOT requires additional budget authority for the necessary modifications to the motor fuels collection system. These are one time costs and would not be continued into the 1997 biennium.

Chair Jacobson questioned if this was to fund data processing equipment.

Mr. Lewis said that is correct.

Chair Jacobson asked if this would fall in the category of allowing the DOT to absorb the cost.

Rep. Zook said it probably could be absorbed there. This is budget authority.

Chair Jacobson said it is from the highway account for computer modification for this program.

Vote: Rep. Zook's amendment motion (Exhibit 21) FAILED.

Motion: Rep. Zook moved to amend Section A-28 (Exhibit 22).

Rep. Zook said HB 511 requires the Department of Labor to develop and maintain a data base to generate management information on Montana Workers' Compensation system.

Vote: Rep. Zook's amendment motion (Exhibit 22) FAILED.

Motion: Rep. Zook moved to amend Section A-28 (Exhibit 23).

Rep. Zook said SB 381 provides penalties for employer misrepresentation of information regarding employees for workers' compensation purposes. The Department of Labor plans to fund this new program from workers' compensation assessments in fiscal 94. In fiscal 95 and later, the program would be funded from fines and penalties.

Senator Fritz stated he was having trouble with amendments which implement workers' compensation reform. There may be some duplication in the State Fund and in the Department of Labor in terms of personnel and budget allocations involved. He would like to have consideration of the workers' compensation amendments delayed until he could look into the situation and determine if money is being spent twice for the same purpose.

Withdrawal of motion: Rep. Zook withdrew the amendment to Section A-28 (Exhibit 23).

Motion: Rep. Zook moved to amend Section A-29 (Exhibit 24).

Rep. Zook said the Public Employees Retirement Division (PERS) projects costs of \$42,500 associated with HB 517 which provides incentives for early retirement of PERS members.

Vote: Rep. Zook's amendment motion (Exhibit 24) CARRIED with Senator Aklestad opposed.

Motion: Rep. Zook moved to amend Section A-29 (Exhibit 25).

Rep. Zook said the Teachers Retirement Division (TRS) projects costs of \$5,750 associated with Senate amendments to HB 517 providing early retirement for TRS members.

Senator Fritz pointed out these are one time costs to implement the window which terminates at the end of this year.

Vote: Rep. Zook's amendment motion (Exhibit 25) CARRIED with Senator Aklestad opposed.

Chair Jacobson said that is all the amendments to Section A in the packet for this day.

SECTION B - AMENDMENTS

Motion: Rep. Zook moved to amend Section B-2 (Exhibit 26).

Rep. Zook stated the amendment adds funding for the implementation of HB 567 that requires air quality permits for commercial medical waste incinerators. He asked someone from DHES to address the amendment.

Jan Sensibaugh, Air Quality Bureau, DHES, said she will do the permitting of these facilities.

Rep. Bergsagel questioned how many commercial medical waste incinerators there are in the state.

Ms. Sensibaugh said there currently is one permitted that is on hold. They are aware of another one that is coming in for a permit in the next couple of months.

When questioned by Rep. Bergsagel how the first one was permitted without the 1 FTE, Ms. Sensibaugh said it was permitted under a different statute that did not have nearly the requirements as the new one. Because of HB 567, the permit will have to be reissued under the new statute. The bill has been expanded to include hazardous waste incinerators not included in the original bill, which are Holnan, Ash Grove and Ross Electric.

In a question from Rep. Bergsagel regarding the agency doing the permit and number of employees, Ms. Sensibaugh said it was the Air Quality Bureau that currently has 20 employees. The new FTE would be in the permitting section of the Air Quality Bureau, and

there are five employees in the permitting section.

Rep. Bergsagel questioned what function the 20 employees in the Air Quality Bureau perform.

Ms. Sensibaugh said there is the permitting section, inspections, compliance and enforcement. They do ambient air monitoring, data implementation plan development for those areas exceeding the federal air quality standards.

Rep. Bergsagel asked if the federal government had any type of program that oversees hazardous waste sites in Montana.

Ms. Sensibaugh said they do not for the air quality bureau.

Senator Aklestad questioned if an environmental impact statement (EIS) was required when a facility is permitted.

Ms. Sensibaugh said they have to go through some sort of environmental review. With the public concern over the facilities and the expanded requirements, they most likely will be doing EIS on the facilities. When questioned by Senator Aklestad as to length of time for an EIS, Ms. Sensibaugh said depending on the size of the facility, it can take from six months to over a year.

Senator Aklestad questioned if the individuals that already permitted the one facility are currently in the air quality bureau.

Ms. Sensibaugh said they were.

Senator Aklestad asked if those same individuals should be able to permit another facility.

Ms. Sensibaugh said the staff permits a lot of facilities. That person does not just permit these type facilities but all permitted air quality facilities in Montana. While there are only five facilities that she is aware of, there have been permitted over 150 facilities last year with that staff.

Senator Aklestad said in light of the public awareness pertaining to the cement kilns in Montana, he assumed it would take over a year to have a complete EIS on the facility. He asked why an additional FTE is needed when the actual permitting will probably not be completed until a later date.

Ms. Sensibaugh said the permitting process will be concurrent with the EIS process. The person issuing the permit will be involved in developing the EIS which will be labor intensive.

Senator Aklestad asked if she is talking about one facility separate from the cement kilns.

Ms. Sensibaugh said both of the cement kilns will come in with

their permit applications sometime this year, so they are looking at having five facilities coming in with their permit applications under HB 567 this year.

Vote: Rep. Zook's amendment motion (Exhibit 26) FAILED.

Motion: Rep. Zook moved to amend Section B-3 (Exhibit 27).

Rep. Zook said the amendment adds funding for the implementation of HB 592 which requires DHES to establish a hazardous waste management permit fee program.

Senator Aklestad questioned the difference in this amendment and the previous amendment (Exhibit 26).

Roger Thorvilson, DHES, said they are different bureaus in DHES.

Rep. Bergsagel questioned how many waste sites there are in Montana.

Mr. Thorvilson said depending on what Rep. Bergsagel meant by sites, there are 12 facilities that currently require permits. There are approximately 350 sites in Montana that create hazardous waste, which are called generator sites. There are also smaller ones that are not required to register with DHES. He added of the 12 facilities, some are captive facilities that has its own facility to treat, store and dispose. In some cases, they are generated, treated and disposed of in Montana by the same facility. In other cases, a facility may treat its waste and ship it elsewhere for disposal.

Rep. Zook questioned how many FTE's currently are in the hazardous waste program.

Mr. Thorvilson said there are just under 15 FTE's in the hazardous waste program.

Senator Aklestad asked if all 12 of the facilities are active.

Mr. Thorvilson said no, in the hazardous waste program, there are permit requirements that extend even after a facility closes if there is still hazardous waste there. Of those 12, 5 are active operating facilities on a day to day basis. The remaining 7 are facilities that are either closed in the sense they no longer accept hazardous waste or are undergoing closure due to regulatory requirements.

When questioned by Senator Aklestad if 12 were active at one point in time, Mr. Thorvilson said they were.

Senator Aklestad asked if an inactive unit takes as much time and effort by DHES to check as an active unit.

Mr. Thorvilson said it may, depending on the circumstances. A

requirement is called corrective action in that if there are past practices that are impacting or have the potential to impact the environment, the facility must go through an assessment and corrective action to remedy the situation. That action may equal or exceed the type of activity applied to a new facility.

Senator Aklestad questioned how many of the seven facilities are closing down for financial or economic reasons.

Mr. Thorvilson said probably in most cases, they close because of economic decisions. In a few cases, companies go out of business. He added that of those that have gone through or are undergoing closure, most are in the category that hazardous waste still exists on the site. Probably one or two of them would have gone through clean closure where essentially there is no hazardous waste left.

Senator Aklestad said of the seven inactive, there is no apparent problem with two of those, and the other five are not actively engaged in receiving hazardous waste. DHES efforts would be less than dealing with an active waste facility. He does not think an additional 2 FTE are required.

Senator Fritz said the committee has a feeling it is being "snookered" by the amendments, that the new FTE and increased spending are being somehow slipped in HB 2, and maybe we were not aware of the implications when the bills passed the legislature. He felt action should be delayed on the bills until the LFA presents the original fiscal notes so the conference committee can see the implications of these measures as they passed through the legislature.

Chair Jacobson said a fiscal note can be questioned, and she hoped the committee would review questions relative to the amendments being presented so there would not have to be another hearing on the bills. She advised the conference committee to discuss the funding of the programs with sponsors of the bills in question.

Rep. Bergsagel said the committee had the responsibility of balancing the budget. The reason for the conference committee was that agreement was not reached on the amount of money being spent. From the perspective of the House, there is too much money in this budget.

Chair Jacobson said these are amendments asked for by OBPP and being offered by Rep. Zook. They are House bills by House Republicans and if Rep. Bergsagel does not want to fund them, Chair Jacobson said she had no problem with that.

Rep. Bergsagel said in defense of OBPP, they are suggesting these are bills that have passed and they are responsible to make the committee aware of the implications. He said from his perspective, he is not agreeing with some of them.

Senator Aklestad said he is not attacking the subject of some of the bills, but because of the budget crunch that the legislature is dealing with, he would hope the agencies can work within the budget they have.

Chair Jacobson said with regard to the amendment being discussed (Exhibit 27), HB 592 implemented a permit fee so someone is paying a fee for a program that we are not going to fund or give spending authority for. Therefore, the legislature would have imposed a fee on the people that will pay the fee because HB 592 has passed. She added, however, that the program that the fee is being paid for is not funded.

Rep. Bergsagel said his objection is to the additional FTE from the DHES. He said he is not suggesting there cannot be the program, but that it can be accomplished with the number of people they currently have.

Chair Jacobson asked Mr. Lewis to address the issue regarding charging fees to certain users and then not having the spending authority to utilize it.

Mr. Lewis said all three are special revenue funds that are fee driven. The people paying the fee expect to get a permit.

Rep. Bergsagel said he could propose amendments to have the program and administer it but not requiring additional FTE.

Chair Jacobson asked Mr. Lewis if they could pass the appropriation without passing the ability for them to increase FTE.

Mr. Lewis said if they have the spending authority and it is specified that they are not to hire people, their only option is to contract. He questioned that they could contract people at this rate of pay. That issue would have to be discussed with the program administrator.

Withdrawal of Motion: Rep. Zook withdrew his motion to amend Section B-3 (Exhibit 27).

Rep. Zook also withdrew his proposed amendments to Section B-4 (Exhibit 28), Section B-9 (Exhibit 29) and Section B-9 (Exhibit 30).

Motion: Rep. Zook moved to amend Section B-9 (Exhibit 31).

Rep. Zook said SB 223, revising child labor laws, has passed the House and the Senate. The amendment increases spending authority for the Department of Labor and Industry for its costs related to SB 223, including 0.50 FTE and related operating and equipment expenses.

Vote: Rep. Zook's amendment motion (Exhibit 31) CARRIED with

Rep. Bergsagel opposed.

Motion: Senator Fritz moved to amend Section B-12 (Exhibit 32).

Chair Jacobson said the amendment reduces the UI administrative discretionary grants appropriation in HB 2 by the amount spent from the dislocated worker program provided for in HB 3.

Vote: Senator Fritz' amendment motion (Exhibit 32) CARRIED UNANIMOUSLY.

Motion: Senator Fritz moved to amend Section B-17 (Exhibit 33).

Chair Jacobson said the amendment removes the contingency language in HB 427, the county de-assumption bill.

Vote: Senator Fritz' amendment motion (Exhibit 33) CARRIED UNANIMOUSLY.

Motion: Senator Fritz moved to amend Section B-20 (Exhibit 34).

Chair Jacobson said the amendment deletes language related to HB 309 and SB 40.

Vote: Senator Fritz' amendment motion (Exhibit 34) CARRIED UNANIMOUSLY.

Motion: Rep. Nelson moved to amend Section B-20 (Exhibit 35).

Rep. Nelson said the amendment prohibits SRS from spending funds unless it applies for a waiver from federal regulations to reimburse freestanding inpatient psychiatric hospitals for youth under 21 years of age under the diagnostically-related group system. She asked Jack Casey to address the amendment.

Jack Casey, Administrator, Shodair Hospital, said because of action taken by the legislature, the inpatient psychiatric program for youth under the age of 21 has been eliminated; and the rule of one is eliminated except for those in custody of Department of Family Services. What is left is psychiatric treatment in general hospitals with psychiatric units under a diagnostic related grouping system of reimbursement. For a diagnosis, Medicaid will pay a certain dollar amount. Under federal regulation, freestanding inpatient hospitals are precluded from participating in a DRG reimbursement system. This amendment (Exhibit 35) will require SRS to apply for a waiver so that the freestanding facilities can treat kids, Medicaid kids and get reimbursement in the same way as other hospitals under the DRG system. He concluded there is no fiscal impact or FTE associated with the amendment.

Rep. Zook asked if the Department will not request this permit.

Mr. Casey said it will require the SRS to apply for it. It

doesn't mean they have to get it, but they have to apply for it.

Rep. Zook questioned if SRS can do it without this language.

Mr. Casey said they could, but they may choose not to.

Rep. Zook asked if Mr. Casey had difficulty with the department's decision in that regard.

Mr. Casey said they have not gotten into any of that yet.

Rep. Bergsagel questioned if Mr. Casey had asked the department.

Mr. Casey said in response to a question that came before the Senate, Peter Blouke sent a letter stating that reimbursement was not allowed. Bob Olson from the Montana Hospital Association asked Nancy Ellery, SRS, and he was told that they would not request this waiver.

Rep. Zook said he assumed SRS had good reasons for that. He asked if someone would like to speak to that issue.

Dave Lewis, OBPP, said he had discussed this with Mr. Blouke. Mr. Blouke's concern was if this language might say that only Shodair could get reimbursement for inpatient psychiatric services. Mr. Lewis added that Mr. Blouke would be available to discuss this issue shortly.

Withdrawal of motion: Rep. Nelson withdrew her amendment motion to Section B-20 (Exhibit 35) until Mr. Blouke was present with some background information.

SECTION A - AMENDMENT

Chair Jacobson said there was an additional amendment to Section A in the packet of amendments that was inadvertently skipped over, and she would like to revert to that amendment.

Motion: Senator Fritz moved to amend Section A-14 (Exhibit 36).

Chair Jacobson said the amendment implements provisions of HB 609, transferring the liquor and public assistance investigation functions from the Department of Revenue to the Department of Justice. The bill requires the transfer of 12 FTE to the Department of Justice.

Senator Fritz said the ultimate impact of this transfer will be to produce some efficiencies in the criminal investigation division and actually save money and FTE in government.

Chair Jacobson said this is coordinating HB 2 so the money will show up in the proper account.

Vote: Senator Fritz' amendment motion (Exhibit 36) CARRIED UNANIMOUSLY.

SECTION B - AMENDMENTS

Chair Jacobson said the committee would now continue with amendments to Section B.

Motion: Rep. Zook moved to amend Section B-21 (Exhibit 37).

Rep. Zook said the amendment removes the restriction on the use of federal funds for local ombudsman services for the elderly.

Chair Jacobson said when the bed tax bill was dealt with in the Senate, there was an amendment offered to take some of the money for use in the ombudsman program. There was objection by the nursing home. Subsequently another amendment was offered in its place to use federal funds and we would not have to get into the bed tax funds.

Hank Hudson, Director, DFS, said the bill with the restrictive language of \$60,000 takes federal money currently in the budget to spend on the ombudsman program. The department supports the new amendment which takes the restrictions off the money. The ombudsman program is a very worthy program. To restrict the use of the federal money for that program would require them shifting that money out of programs for which the money is currently used for a program that may be equally as worthy and important. He concluded by stating his support for the proposed amendment.

Chair Jacobson said the amendment offered by Senator Keating led the Senate Finance and Claims Committee to believe there was available money, and the committee was prepared to take a certain amount of money from the bed tax to be used for the ombudsman program. It was portrayed that the money was available for use and it was not necessary to take it out of the bed tax, which the Finance and Claims committee did. She concluded that the Finance and Claims committee may feel there were discrepancies that they were unaware of.

Senator Aklestad said the Finance and Claims committee was told of the great importance of the ombudsman program and that it should have funding, which effort was supported by the department. He asked Ms. Cohea to comment regarding the funding, and also if the dollars could be used for any purpose and we would not necessarily track them.

Ms. Cohea said that was correct, it would be in the main program line and all reference to the ombudsman would be removed from the bill.

Senator Aklestad said he would like to have the legislature track these dollars. He added that the department first said it is a very important program and now that they have the money, they

want to have a little flexibility.

Rep. Bergsagel questioned if the program would be eliminated with this amendment.

Chair Jacobson said the \$60,000 is an expansion of the ombudsman program. This would not eliminate the ombudsman program by eliminating the language.

Senator Christiaens said currently ombudsmen are working and doing these type of inspections in nursing homes without reimbursement for their travel, lodging, food, et cetera. The amendment was allowing them to be reimbursed for some of the expenses that are required under federal law for nursing home inspections to make sure the patients receiving treatment are getting what they need and that there are no problems. He added that his original amendment was for \$60,000. The department with a different amendment came in and said the funding was there from other funds.

Rep. Bergsagel questioned if there are monies from somewhere else to fund the program.

Senator Christiaens said when the amendment was passed in Senate Finance and Claims, the money was going to be coming from the budget of DFS. The ramifications were not realized at that time.

Rep. Zook said this amendment adds money to the budget.

Chair Jacobson said the amendment is taking some of the federal funds and putting them into the ombudsman program. There will be no extra money spent.

When questioned by Rep. Zook regarding the figures shown on the amendment, Ms. Cohea said page B-21, lines 22 and 23 would be stricken and they provide an appropriation of \$60,000 per year. That \$60,000 would be taken out of there and put in the program line, so the net effect of the amendment is zero.

Rep. Bergsagel asked Mr. Hudson if it is a good program that should be funded.

Mr. Hudson said it is a very good program and needs to be funded, however, the funding now is coming out of other very good programs. He said he is in support of the proposed amendment as it will strike the restrictive language.

Vote: Rep. Zook's amendment motion (Exhibit 37) CARRIED.

When questioned by Senator Aklestad about the effect of the motion, Chair Jacobson said we are taking the language out. The ombudsman program will not be expanded. There will be no funds for it in HB 2. She felt it was misrepresented in the Senate and Finance Claims Committee.

**FURTHER DISCUSSION ON SECTION B-20 (EXHIBIT 35) THAT HAD BEEN
WITHDRAWN BY REP. NELSON**

Chair Jacobson said we would revert to Section B-20, the motion by Rep. Nelson regarding the inpatient psychiatric hospitals. She asked Peter Blouke to address the amendment.

Peter Blouke, SRS, said after talking to staff, he learned that they can apply for a waiver. They would have to go through a fairly complex process to determine what the DRG would be in the freestanding inpatient psychiatric hospitals. He is concerned if this is done by virtue of the fact that the beds are there, the beds will be used and they may end up with more kids in inpatient youth psychiatric hospitals than the legislature initially intended when they reduced the money. It is difficult at this time to project the fiscal impact of the amendment. It will have an impact on the general fund and medicaid budgets.

Chair Jacobson asked Mr. Blouke if it is his understanding that they are asking to be on a level playing field with other hospitals that provide psychiatric care for children.

Mr. Blouke said that is correct.

Chair Jacobson questioned if those beds would not be more appropriate than in the wing of a hospital that treats a multitude of things.

Mr. Blouke said he is not prepared to answer that question specifically because it varies from hospital to hospital. He is concerned if beds are available, there will be the economic pressure that exists in all hospitals to use the bed, which may result in a higher utilization of inpatient psychiatric hospital beds than we would otherwise have.

Chair Jacobson said if the beds are not available, the kids cannot be admitted.

Mr. Blouke said there will be alternatives sought.

Chair Jacobson said we are now down to the question if the people that have the facilities in the state get to play on an even playing field with the hospitals in the state. She felt that is the least that can be done for those people even though it could cause additional money being spent. She concluded it is a fairness issue.

Mr. Blouke said it is a decision for the legislature.

Chair Jacobson stated to the committee that Mr. Blouke is saying if the beds are not available, someone will have to find another way of dealing with these children. She questioned how many beds

are available for the children.

Mr. Casey said there are 20 beds available in the state.

Senator Aklestad said it was his understanding from the testimony relative to this that the department was going to do all it could to place the children in facilities other than this more expensive setting.

Chair Jacobson stated her opinion that the legislature has given the department that directive to create a community setting.

Chair Jacobson asked Jim Smith who works in youth placement to address the issue.

Jim Smith, Montana Residential Child Care Association, said another setting contemplated by the subcommittee was in community general hospitals. Instead of having a child in treatment for up to 30 days which is the type of program that Shodair offered, the community hospitals would be subject to diagnostic related groups and children could only be kept in treatment for five to twelve days, which is the DRG limit for youth psychiatric care in a general hospital. The subcommittee left \$2 million in the budget to serve children in this and other alternative type settings. Shodair Hospital wants to be on a level playing field with other hospitals, which is the thrust of the amendment. It would allow Shodair to participate and treat children under a DRG system. It is a reasonable amendment that would signal to the facilities that Montana still wants to do business with them. If we want zero psychiatric beds for children, eliminate the \$2 million that the subcommittee left.

Senator Aklestad asked Mr. Blouke to discuss the costs related to this.

Mr. Blouke said he did not think the application for the waiver is the cost being concerned with. He is concerned if this is opened up that it will expand the number of available beds for inpatient psychiatric youth care, as well as a concern if the beds are available and being used and the money is not available to develop some of the other alternatives. At this time, they cannot project the fiscal impact of this. It is their best guess that it will have an impact on the Medicaid budget.

Chair Jacobson said they now have \$2 million to deal with, and she asked Mr. Blouke what would happen when the \$2 million is gone.

Mr. Blouke said if it is an entitlement program and they do not have a mechanism for controlling it, they would have to come to the legislature for a supplemental which is contrary to what the current administration is attempting to do.

When questioned by Chair Jacobson how this is an entitlement

program, Mr. Blouke said if they are Medicaid eligible and there is a certified Medicaid provider available and a determination that it is medically necessary, SRS has to provide the service just as they have to provide any other Medicaid service.

Chair Jacobson questioned how that would increase the beds; would they have to be placed out of state if beds are not available in state.

Mr. Blouke said no, it is his understanding of the discussions relative to this issue that they want to restrict the number of inpatient psychiatric hospital beds available so they can work towards developing the community continuum. The more beds that are available, the more pressure to use the beds.

When questioned by Rep. Zook as to charges per day in various facilities, Mr. Blouke said he could get that information for the committee.

Mr. Casey said St. Peter's Hospital would not have a charge for little kids in Helena since they do not accept them. Shodair charges \$535 a day. A survey done in Montana shows they are averaging \$920 a day in all other facilities of general hospitals. The way cost reporting is done is very expensive because equipment that some general hospitals have is spread across all units of the hospital.

Rep. Bergsagel asked Mr. Hudson to explain his proposal for a community based system.

Mr. Hudson said the community based system is a continuum of services. While today there may be 20 beds currently taking young people, as part of the planning underway to make this change, they have discussed the capacity and potential for four hospitals around the state having beds available for people of all ages. The next step is residential treatment which is a less restrictive setting than a hospital but still a medical facility. There is also therapeutic group homes, therapeutic foster care homes which are not medical facilities. To supplement those, they have services for families. There is outpatient mental health services currently covered under Medicaid. Another component of a community based system is a crisis stabilization approach. Towards the end is basic family support services which work with families to assist them in dealing with emotionally disturbed children. He wanted to point out that while they pay hospitals like Shodair and Rivendell by the day, general hospitals are paid a set amount which is the DRG, and that is the limit of the state's liability regardless of how long the child stays in the facility.

Chair Jacobson said the amendment being offered would restrict the reimbursement to the DRG level. She is concerned that we have encouraged these people to come into our state to provide the services for our children. Although we are trying to do

community based services, we are leaving them out of the picture and ignoring them. She said there are not beds available in some cities.

Rep. Bergsagel said it was his understanding from the subcommittee that they want to pay more attention to preventive maintenance than they did to care, hopefully alleviating the most expensive end and in many cases the least productive end. He feared if this type of amendment is approved where it is made easy to put them into facilities, we could jeopardize the community based system where the individuals are cared for before they get into this situation.

Mr. Hudson said what we jeopardize if we allow another approximately 100 hospital beds to be reimbursed under the DRG system is the Medicaid budget in SRS. The \$2 million that has been given to DFS to develop community based services is not where the matching money is for the hospitals.

Motion: Rep. Nelson said since she earlier withdrew her motion, she would now move to amend Section B-20 (Exhibit 35).

Vote: Rep. Nelson's amendment motion (Exhibit 35) FAILED.

Chair Jacobson informed the committee that is all the amendments dealing with Section B this day.

SECTION C - AMENDMENTS

Motion: Senator Fritz moved to amend Section C-2 (Exhibit 38).

Senator Fritz said the amendment is requested by the Public Service Commission. It would eliminate the vacancy savings requirement in the Commission as it applies to the salaries of the commissioners, except the salary of the chairman.

Rep. Zook questioned how a vacancy savings could be taken from elected officials.

Chair Jacobson said it is reversing it; it was taken.

Rep. Zook said in the House they gave it up in return for a rate analyst being put in.

Chair Jacobson said they now want it back.

Vote: Rep. Fritz' amendment motion (Exhibit 38) FAILED.

Motion: Rep. Zook moved to amend Section C-5 (Exhibit 39).

Rep. Zook said this deals with HJR 24 urging landowners, outfitters, sports persons and government to work together to solve identified problems. It is license fund dollars.

Vote: Rep. Zook's amendment motion (Exhibit 39) CARRIED with Senator Fritz and Rep. Bergsagel opposed.

Motion: Rep. Zook moved to amend Section C-11 (Exhibit 40).

Rep. Zook said the first amendment deals with HB 652 regarding timber sale revenue to the Department of State Lands. The second part of the amendment implements SB 424 which establishes an advisory council to the Board of Land Commissioners for attaining full market value of leases of state school trust funds.

Motion/Vote: Senator Fritz moved to segregate the amendments. The first vote would be for items 1 and 2, and then there would be another vote on items 3 and 4. Motion CARRIED UNANIMOUSLY.

Rep. Zook asked Ms. Cohea to discuss amendments 1 and 2 relative to the timber sale revenue.

Ms. Cohea said HB 652 takes money that previously had been put in the school trust and places it in the school equalization account. That has some net interest costs but the impact of the bill is about a positive \$6.5 million. The second part of the bill would take money that would flow into the common school trust and instead use it to fund people that would get state lands ready for harvesting. There would be no increased harvest in the 95 biennium. The increased revenue would be due to the payment of 20 percent of the contract price within the 95 biennium. The Senate put on an amendment to sunset the bill at the end of the 95 biennium. It is 4.5 FTE in 94 and 6 FTE in 95.

Rep. Fritz said this is more people than was requested in committee. He asked if there was a fiscal note for the bill.

Senator Fritz felt we should hold amendments 1 and 2 until the fiscal note is discussed. He added amendments 3 and 4 deal with reimbursement for expenses of the members of an advisory committee.

Rep. Zook said he is agreeable to holding action on amendments 1 and 2 until the fiscal note is reviewed.

Vote: Rep. Zook's amendment motion to Section C-11 and C-12 (items 3, 4 of Exhibit 40) CARRIED with Rep. Bergsagel opposed.

Motion: Rep. Zook moved to amend Section C-15 (Exhibit 41).

Rep. Zook said the amendment implements SB 280 dealing with the state water plan. It provides \$35,467 in fiscal 94 and \$34,767 in fiscal 95 of state special revenue for operations which includes 1 FTE in each fiscal year.

Rep. Zook said item 2 amendment deals with a recently completed compact between Montana and the federal government dealing with

federal reserved water rights in Yellowstone Park. It has an appropriation of \$9,708 of state special revenue. He said the state special revenue is RIT funds.

Motion/Vote: Senator Fritz said they are two amendments dealing with two different bills, and he would move amendment 1 and 2 be segregated so a vote can be taken on each amendment.
Motion CARRIED UNANIMOUSLY.

Senator Aklestad said relative to item 1 of the amendment, out of \$99 million that we are cutting, there has been approximately \$30 million of fees inserted and cut \$57 million of general fund. He felt there were many FTE's added last time, and he questioned where the money will come from.

Chair Jacobson said Senator Aklestad is correct.

Vote: Rep. Zook's motion to amend item 1 of Section C-15 (Exhibit 41, amendment 1) FAILED with Senator Fritz and Rep. Zook in favor of the motion.

Rep. Zook's motion to amend item 2 of Section C-15 (Exhibit 41, amendment 2) CARRIED with Senator Aklestad and Rep. Bergsagel opposed.

Motion: Senator Fritz moved to amend Section C-17 (Exhibit 42).

Ms. Cohea said the contingency language states if HB 616 is passed, \$50,000 from the reclamation and development state special revenue is added to the bill. Since HB 616 is passed, it takes it out of language and puts it in the numbers in the bill.

Vote: Senator Fritz' amendment motion (Exhibit 42) CARRIED with Rep. Bergsagel opposed.

Motion: Senator Fritz moved to amend Section C-26 (Exhibit 43).

Chair Jacobson said the amendment removes language to add \$10,000 to the Board of Outfitters if HB 82 is not passed and approved. HB 82 has been signed by the Governor so the contingency language is no longer necessary.

Vote: Senator Fritz' amendment motion (Exhibit 43) CARRIED UNANIMOUSLY.

Chair Jacobson advised the conference committee that there are no further amendments to discuss at this time. She recessed the free conference committee.

(FREE CONFERENCE COMMITTEE RECESSED - APRIL 20, 1993 - 5:00 P.M.)

(FREE CONFERENCE COMMITTEE RECONVENED - APRIL 23, 1993 - 10:20 A.M.)

Chair Jacobson said the free conference committee on HB 2 would reconvene.

SECTION B - AMENDMENTS

Motion: Rep. Bergsagel moved to amend Section B-16 (Exhibit 44).

Rep. Bergsagel said the amendment requires that the AFDC-UP program be in place no later than January 1, 1994.

Vote: Rep. Bergsagel's amendment motion (Exhibit 44) CARRIED with Senator Fritz opposed.

SECTION A - AMENDMENTS

Motion: Rep. Bergsagel moved to amend Section A-1 (Exhibit 45).

Rep. Bergsagel said the first amendment adds a biennial state special revenue appropriation of \$1,200 to the Legislative Auditor's office to implement SJR 28. The second amendment adds contingency language to the Legislative Auditor's office stating that the appropriation for SJR 28 is contingent upon passage of SJR 28.

When questioned by Senator Aklestad regarding the intent of the amendment, Ms. Cohea said the fiscal note attached to the amendment requests the Legislative Auditor to do an audit of the Hard Rock Bureau. The Auditor is requesting personal service funds for the time spent doing the audit.

Vote: Rep. Bergsagel's amendment motion (Exhibit 45) CARRIED with Senator Aklestad opposed.

Motion: Rep. Bergsagel moved to amend Section A-1 (Exhibit 46).

Rep. Bergsagel said the amendment is relative to HB 13 to revise workers' compensation laws. The Legislative Auditor is required to do the work and they do not have actuaries on staff so they would contract. This amendment adds \$35,000 of state special revenue each year to the Legislative Auditor's office to implement HB 13.

When questioned by Senator Fritz relative to the figures in the fiscal note, Ms. Cohea said the second page of the fiscal note shows that the Legislative Auditor's office would get \$35,000 per year.

Vote: Rep. Bergsagel's amendment motion (Exhibit 46) CARRIED UNANIMOUSLY.

SECTION D - AMENDMENTS

Motion: Rep. Bergsagel moved to amend Section D-7 (Exhibit 47).

Rep. Bergsagel said in HB 5 there has been tentative agreement on the construction of the Veterans' Home in Glendive. The Home will be built as scheduled but private operators will operate it. To assist in getting a private contractor to take over the facility, it is necessary to expend approximately \$325,000 for start-up costs. This amendment will add \$325,000 of state special revenue cigarette tax authority.

Vote: Rep. Bergsagel's amendment motion (Exhibit 47) CARRIED UNANIMOUSLY.

SECTION C - AMENDMENTS

Motion: Senator Fritz moved to amend Section C-2 (Exhibit 48).

Chair Jacobson said the Public Service Commission is asking us to return the vacancy savings for all elected officials except the chairman.

Senator Aklestad questioned if the money is special revenue.

Chair Jacobson said it is all special revenue.

Senator Fritz said these are salaries of elected officials which are exempted in other agencies of government.

Chair Jacobson said in this case the Public Service Commission was treated differently than other elected officials which is a reason this amendment has to be looked at again.

Rep. Zook questioned if the previous amendment had a different rate applied in the reductions.

Senator Fritz said this is the corrected amendment. The earlier version inserted a higher percentage.

Rep. Zook said he is concerned that they be treated the same as others, and he would like clarification to be sure that is the case; that this figure represented an application on the elected officials' salaries only.

Ms. Cohea said at this time, the legislature applied five percent vacancy savings to all positions in state government, which was the original motion made in House appropriations. Through the process, the following have been exempted from the five percent: judiciary elected officials, the county attorneys. At this point the Governor, the Superintendent of Public Instruction, and some elected officials in larger agencies are still subject to it.

Rep. Zook questioned if not all elected officials received that application to their salaries.

Chair Jacobson said not the ones in the larger offices, such as OPI and the Governor's Office. This is a small agency, similar

to the judges, that it would be much more difficult in these agencies.

Rep. Zook asked if this figure represents the application of the five percent efficiency reduction on the elected officials' salaries in the Public Service Commission only and not on the full personal services category.

Ms. Cohea said the amendment (Exhibit 48) removes vacancy savings in the Senate and the personal services reduction efficiencies in the House on four of the five elected officials in the Public Service Commission. There would still be the five percent reduction applied to the chairman's salary.

Chair Jacobson said that was voluntary on the part of the chairman.

Vote: Senator Fritz' amendment motion (Exhibit 48) CARRIED with Senator Aklestad opposed.

SECTION D - AMENDMENTS

Discussion on Section D-8, line 10, (Exhibit 49)

Chair Jacobson said the amendment to Section D-8, line 10 (Exhibit 49) was requested by Senator Beck regarding the Montana State Prison. This would increase the cap from 850 to 950 inmates. She said there is no additional money included in the amendment.

Rep. Zook said he saw a fiscal note regarding what the extra money amounted to which is a sizeable increase in general fund. Although he understands the concerns of Senator Beck relative to this issue, he is reluctant to question the judgment of the Department of Corrections; therefore, he would resist the motion.

Chair Jacobson withdrew the amendment (Exhibit 49).

Chair Jacobson said with no further amendments at this time, the free conference committee would recess.

(FREE CONFERENCE COMMITTEE RECESSED - APRIL 23, 1993 - 10:45 A.M.)

(FREE CONFERENCE COMMITTEE RECONVENED - APRIL 24, 1993 - 4:15 P.M.)

Chair Jacobson reconvened the free conference committee on HB 2 and asked for additional amendments.

SECTION A - AMENDMENTS

Motion: Rep. Bergsagel moved to amend Section A-1 (Exhibit 50).

Rep. Bergsagel said he previously put in \$35,000 special revenue so that the Legislative Auditor could audit Workers' Compensation. That funding was included in HB 13 for that audit. He said he would like to rescind the action authorizing the amendment for HB 13. It would be the amendment offered on April 19, 1993 for Page A-1, line 5.

Vote: Rep. Bergsagel's amendment motion (Exhibit 50) CARRIED UNANIMOUSLY.

Motion: Senator Fritz moved to amend Section A-14 (Exhibit 51).

Chair Jacobson said the amendment would restore 16.25 FTE and fund the drivers' license services in 42 counties. It also includes a funding switch for the Motor Vehicle Division in the second year of the biennium. The increase in the highways special revenue appropriation is \$2.0 million in fiscal 1995, while there is a decrease in general fund of \$1,174,374 for the biennium.

Senator Fritz said the amendment also includes language asking the Motor Vehicle Division to consult with OPI to involve student drivers' education teachers in the examination process. He added that it promises some long range savings.

Senator Aklestad said while he agrees with restoring some of the drivers' license service funding, he has a problem with the funding mechanism in taking it out of the gas tax. It is taking gas tax that was supposedly going to build roads. He added in the last regular session, the legislature increased all the drivers' licenses by approximately \$4.00, which was purposely done to retain the stations around Montana. Unfortunately, that money was put into the general fund which he felt was one area where earmarked money would have been beneficial. He concluded while he would support the amendment, he did not agree with the funding switches.

Chair Jacobson said she appreciated the position of Senator Aklestad and others that felt that way. She added that other amendments being presented will also require compromise.

Rep. Bergsagel in agreeing with Senator Aklestad, said although he had difficulty with the approach in using gas tax in this fashion, he would support the amendment.

Vote: Senator Fritz' amendment motion (Exhibit 51) CARRIED UNANIMOUSLY.

SECTION BOILER PLATE - AMENDMENTS

Motion: Rep. Bergsagel moved to amend Section BP-2 (Exhibit 52).

Rep. Bergsagel said the amendment would cut 1/2 of 1 percent across the board for agencies. It will generate \$1.9 million in revenue or reduce expenditures by that amount.

Chair Jacobson stated the following exceptions are carried in the amendment: medical assistance and family assistance in SRS, the Department of Corrections and Human Services, and the Montana university system with the exception of the Office of Commissioner of Higher Education.

When questioned by Rep. Bergsagel, Ms. Cohea said Rep. Bergsagel wants to substitute amendment 1 of the exhibit (Exhibit 52) for amendment 4. Amendment 4 would take approximately \$380,000 out of the air quality bureau general fund. The substitute takes \$380,000 general fund out of the DHES but allows DHES to allocate it. Amendments 5 through 7 remove the general fund for the Montana Conservation Corps in the Department of Fish, Wildlife and Parks.

Rep. Bergsagel said he would offer the DHES amendment in a separate amendment motion. He said his present motion includes amendments 1, 2, 3, 5, 6, 7 of the exhibit (Exhibit 52).

Vote: Rep. Bergsagel's amendment motion for amendments 1, 2, 3, 5, 6, 7 (Exhibit 52) CARRIED UNANIMOUSLY.

SECTION B - AMENDMENT

Motion: Rep. Bergsagel moved to amend Section B-6, line 10 (Exhibit 53).

Rep. Bergsagel said the amendment deals with the air quality bureau of DHES which is a vacancy savings amendment and generates \$380,000.

Vote: Rep. Bergsagel's amendment motion (Exhibit 53) CARRIED UNANIMOUSLY.

SECTION A, B, C, D - AMENDMENTS

Motion: Senator Fritz moved to amend Section A, B, C, D (Exhibit 54).

Chair Jacobson said the amendment carries with it all bills that had fiscal notes that are still outstanding. It includes the Eastern Drug Task Force but changes the name to the Drug Task Force. It includes the two sales tax amendments that are needed which is by way of a loan from the proceeds and the reimbursement for local governments. She added the committee had previously seen the amendments. Some had been offered and failed and some had been awaiting action. She asked Mr. Lewis if he was in agreement that the amendment included necessary revisions.

Mr. Lewis said he was in agreement.

Senator Aklestad said he would not concur in the amendment. It is incorporating approximately 25 different bills in one motion. Many of the bills have been passed in one form or another by the legislature. We are adding approximately 50 to 60 FTE's in the motion. Additional general fund is being added to the budget. Also, instead of having \$8.4 million of special revenue with the motion relative to the gas tax that increased by approximately \$2.2 million, there was approximately \$10.6 million other special revenues in this motion. He asked Ms. Cohea if his figures were correct.

Ms. Cohea said the administration of the sales tax adds \$10.2 million to the amendment. The total in the amendment is \$1.1 million of general fund and all funds of \$16.9 million state special, \$242,000 of federal, \$2 million of proprietary funds for \$20.9 million.

Senator Aklestad said he was not even considering the sales tax portion of it. He indicated his concern regarding budgeting in this manner and added that the taxpayers of the state are being short-changed; also, the legislature is not doing their job properly when handling a budget bill like this.

Rep. Zook said he understands the frustration that people feel when actions such as this take place, but he felt for the most part reality was faced. He added that he sees this as a compromise arrived at by people charged with that responsibility. He concluded that the conference committee is acting in a responsible manner in settling this issue in this manner.

Chair Jacobson said she understands the concerns of Senator Aklestad, but what is presently before the committee is implementation of bills that have passed this legislative session. She added with the inclusion of this amendment (Exhibit 54), HB 2 will be about \$2.5 million lighter in the general fund area.

Vote: Senator Fritz' amendment motion (Exhibit 54) CARRIED with Senator Aklestad opposed.

SECTION C - AMENDMENTS

Motion: Senator Fritz moved to amend Section C-8 (Exhibit 55).

Senator Fritz said the amendment limits the expenditures of some off-highway vehicle gas tax money in the account.

Chair Jacobson asked Senator Fritz if the amendment is leaving them at current level.

Senator Fritz said that is the intention of the amendment; it is limiting the expenditures to current level. The county generated money about twice as fast as it was intended. The money will stay in the fund, and it will be there next session.

Rep. Bergsagel questioned why a limitation is being placed on it if it is not being spent.

Senator Fritz said it limits expenditures to current level. The fund is building up much faster.

Chair Jacobson said if we don't put this on, they can spend it all. She added that Senator Fritz is saying they can probably live on current level budget, and this is money they did not expect to be coming in this quickly.

Chair Jacobson asked if there was anyone from the audience that would like to address the issue (NO RESPONSE).

Vote: Senator Fritz' amendment motion (Exhibit 55) CARRIED UNANIMOUSLY.

Chair Jacobson said there would be a brief recess.

(BRIEF RECESS)

Chair Jacobson reconvened the free conference committee on HB 2.

Motion: Rep. Nelson moved to amend Section C-15 (Exhibit 56).

Rep. Nelson said this amendment adds \$25,000 of general fund for the Soda Butte Creek Water Plan. It would provide financial and technical assistance to the water users and landowners in the Soda Butte Creek drainage area near Cooke City and Silvergate in adopting a conservation or water distribution plan, including but not limited to the purchase and installation of measurement devices to measure actual water use. It is in reference to HB 692, sponsored by Rep. Wanzenried.

Senator Aklestad, in opposing the amendment, felt a precedent would be set in that other people would be coming in relative to this in other sessions. He added the systems themselves should try to do something along this line if they so desire.

Chair Jacobson agreed with the comments of Senator Aklestad, adding it probably should have gone into one of the water development grant programs. She added that there was some discussion about taking it out of the new groundwater study which she did not want to do, so she agreed to look at general fund.

Rep. Zook asked if Rep. Wanzenried agreed with the amendment.

Rep. Nelson said Rep. Wanzenried originally requested the amendment. She asked if Don Allen would comment relative to this, as he had asked Rep. Nelson to introduce the amendment before the free conference committee.

Don Allen, Wood Products Association, said this came as a result of the passing of HB 692. People from the affected area felt the

only way they could prove that they had more water available for future development than what could be allowed under the compact is if the conservancy district could set up the installation of measuring devices. It would be a one time appropriation. After that they would apply for RIT grant money, and they think that would be a top priority in the future under the water grant applications. They need an early start before the grants can be available in two years. They think it would be important for them to be able to develop the property and the property would not lose its current value.

Vote: Rep. Nelson's amendment motion (Exhibit 56) FAILED with Representatives Nelson and Zook in favor of the motion.

SECTION E - AMENDMENTS

Motion: Rep. Zook moved to amend Section E-10 (Exhibit 57).

Rep. Zook said the amendment asks that the university system report the data on their personal services and program number, responsibility center, salary, benefits, fund type, FTE, position title and position type. It asks that the information be reported to the LFA and OBPP, whether or not the RERS system is maintained during the 1995 biennium.

Senator Fritz questioned if this information is currently available on the state budget computer system.

Taryn Purdy, LFA, said it is not. This would have information by specific position. The SBAS information is total expenditures for all personal services. When questioned by Chair Jacobson if it would be once a year, Ms. Purdy said for budgeting purposes, it would be for once a year. It would require actual expenditures to be reported twice a year.

Chair Jacobson questioned the necessity of doing it twice a year.

Ms. Purdy said it would be helpful to have it twice a year.

Senator Fritz questioned the additional time and expense in addition to the normal reporting procedures this would impose upon the university system.

Ms. Purdy said the university system would be in a better position to know what those costs would be. They have certain systems currently in place which has information like this, and she felt it would be a situation of adjusting their reporting to get the information. It would not be equal to the current cost of RERS which is very expensive and is a totally different system.

Senator Fritz stated there is no appropriation in the amendment.

Rep. Zook said that was correct.

Senator Aklestad questioned if the amendment was asking for yearly data.

Rep. Zook said that was correct.

Chair Jacobson asked if Commissioner John Hutchinson would have an idea of the costs relative to this.

John Hutchinson, Commissioner of Higher Education, said he did not have this identified in terms of specific costs. He stated that as a result of the work this session, the Commissioner's Office has suffered a significant cut. They have lost one of their fiscal people and may lose additional positions. HB 2 in its current form requires that the campuses make their cuts initially and in a greater percentage in the administrative area and that they do everything possible to protect the instructional area. He added it is an oversimplification to say that all of this information is currently available and that it can simply be done now. It will require considerable additional work to prepare these type reports.

Chair Jacobson asked if the Commissioner could give a ballpark dollar figure.

Mr. Hutchinson said he could not. He said he would have to take a look at it, but he presently does not have that figure in place.

Rep. Bergsagel asked Commissioner Hutchinson if he objected to the amendment.

Mr. Hutchinson said they are pleased with the current requirement in HB 2 that asks his office to look at and develop in concert with the interim postsecondary education committee a system and mechanism that would give the legislature the required information. They have no objection to doing that, and it would be their preference to do that rather than the language in the proposed amendment.

Rep. Bergsagel asked Commissioner Hutchinson if that is a no answer.

Commissioner Hutchinson said that is a no.

Chair Jacobson said we are trying to balance a concern that OBPP and LFA have about needing information with trying not to financially overburden anyone by taking the RERS program off. She questioned Rep. Zook if he would be agreeable to doing this once a year rather than twice a year.

Rep. Zook said he would agree to that. He said one of the problems the legislature has with the university is communication

and the difficulty in getting what they consider accurate information. He noted this sometimes creates resentment. He felt it is in the best interests of the university to provide this information and added that he does not think the university system has suffered substantially from the action that this legislature has taken. There is a strong possibility that the university will have more spending authority than they had in the last biennium.

Senator Aklestad stated his support of the amendment. He felt this would not require the university to do anything that the departments are not asked to do. If the university is run in a business-type fashion, they should have this information and it should be made available to the legislature.

Regarding the reporting, Senator Fritz said the amendment says each January 1 and fiscal year end. He felt this is asking for it twice a year.

Rep. Zook said the amendment states November 1, 1993 and each year thereafter.

Chair Jacobson asked Ms. Purdy to explain what the amendment would do.

Ms. Purdy said it asks for budgeted position data once a year. It also asks for actual expenditures twice a year, once on January 1 and again in fiscal year end June 30.

Rep. Bergsagel asked if the university system currently does this.

Commissioner Hutchinson said as he understands it, they do not have it in the level of detail being required here that makes it available in a ready fashion. They have it on the campuses, but it is not collected in this level of detail that is easily formatted and presented. It would take some work to get this.

Vote: Rep. Zook's amendment motion (Exhibit 57) CARRIED with Senator Jacobson opposed.

Motion: Rep. Zook moved to amend Section E-13 (Exhibit 58).

Rep. Zook said this amendment caps tuition. It limits the increase in tuition revenues to a 4 percent increase over the current tuition rates and enrollment to date. He concluded it is beneficial to have something like this in place.

Senator Fritz spoke against the amendment, adding that one of the things the legislature was trying to accomplish is awarding agencies and departments a good deal of executive and managerial flexibility. This amendment moves in entirely the opposite direction and denies the managers of the university system all flexibility.

Rep. Zook said in the last biennium, the university after two special sessions wound up with about \$600,000 more in spending authority than they had after the regular session. In the budget amendment bill, they came in with about \$5 million more additional dollars in tuition.

Chair Jacobson said they were only \$4 million over last year when they started, and the legislature made them take \$22 million in cuts.

Rep. Zook said in the last legislative session, the total spending authority for the university system was \$414.5 million dollars.

Chair Jacobson said although she did not dispute Rep. Zook's figures, she felt it was a shame that we continue to put more and more of the burden onto the students regarding tuition.


Vote: Rep. Zook's amendment motion (Exhibit 58) FAILED with Senators Jacobson and Fritz opposed.

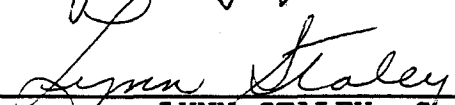
EXECUTIVE ACTION ON FREE CONFERENCE COMMITTEE - HB 2

Motion/Vote: Rep. Bergsagel moved that the free conference committee report on HB 2 BE ADOPTED. Motion CARRIED with Senator Aklestad opposed.

ADJOURNMENT

Adjournment: 5:00 P.M., April 24, 1993


JUDY JACOBSON, Chair


LYNN STALEY, Secretary

JJ/LS

ROLL CALL

COMMITTEE

HOUSE BILL 2

DATE _____

$$\frac{4/19, 4/20,}{4/23, 4/24/93}$$

$4/23, 4/24/93$

[illegible]

FO8

Attach to each day's minutes

Amendments to House Bill No. 2
Reference Copy - Salmon

Requested by Representative Zook
For the Conference Committee

Prepared by Terri Perrigo
April 16, 1993

Exhibit 1

Carried

1. Page A-2.

Following: line 5

Insert: "Of the amount appropriated as item 1a, legislative contingencies, to the office of the legislative fiscal analyst in section 1, Chapter 17, Special Laws of July 1992, amending section 1, Chapter 13, Special Laws of January 1992, amending section 1, Chapter 815, Laws of 1991, any unexpended funds up to \$16,000 are reappropriated to the analysis and review program (program 01) within the office of the legislative fiscal analyst. The funds reappropriated to the analysis and review program are appropriated for the 1995 biennium for expenses associated with the review required in Senate Bill No. 378."

This language appropriates approximately \$16,000 general fund to the Legislative Fiscal Analyst for the study required in Senate Bill 378. These funds represent the unspent balance of a 1993 biennium general fund appropriation for legislative contingencies in the Office of the Legislative Fiscal Analyst.

{Office of Legislative Fiscal Analyst

444-2986}

Amendments to House Bill No. 2
Reference Bill (Salmon Copy)

Requested by Sen. Jacobson
For the Free Conference Committee

Prepared by Jon Moe
April 14, 1993

Exhibit 2
Carried

1. Page A-5, lines 20 and 21.
Strike: lines 20 and 21 in their entirety

Renumber: subsequent subsections

LFA will adjust totals.

This amendment would incorporate the passage and approval of House Bill No. 278 into House Bill 2 by eliminating the appropriation in the Judiciary for the District Court Criminal Reimbursement Program. This eliminates, from HB 2, \$2,869,541 general fund in fiscal 1994 and \$2,869,542 general fund in fiscal 1995 because this program is statutorily appropriated in HB 278.

{Office of Legislative Fiscal Analyst

444-2986}

**Amendments to House Bill No. 2
Reference Copy**

**Requested by
For the Free Conference Committee**

**Prepared by Clayton Schenck
April 13, 1993**

*Exhibit 3
Carried*

**1. Page A-7, line 25 through A-8, line 1.
Strike: page A-7, line 25 through page A-8, line 1 in their entirety**

This amendment eliminates contingency language for the Governor's Office regarding Senate Bill 270. Senate Bill 270 has been passed and approved.

{Office of Legislative Fiscal Analyst

444-2986}

Amendments to House Bill No. 2
Reference Bill (Salmon Copy)

Representative Tom Zook
For the Free Conference Committee

April 15, 1993

Exhibit 4
Failed

1. Page A-22, following line 19.

Insert: "b. SB 168 -- Agricultural Land Valuations (Restricted)"
"265,111" [FY94 General Fund]
"65,091" [FY95 General Fund]

SB 168 revised the method in which agricultural land in class 3 is valued. The Department of Revenue will require 9.50 FTE in FY94 and 2.40 FTE in FY95 to review approximately 12,100 irrigation systems and conduct follow-up reviews for an additional 3,000 systems. These costs are considered one-time and would not continue into the 1997 biennium.

SB 168 has been enrolled as Chapter No. 267.

Prepared by the Office of Budget and Program Planning

Amendments to House Bill No. 2
Reference Bill (Salmon Copy)

Representative Tom Zook
For the Free Conference Committee

April 15, 1993

*Exhibit 5
Carried*

1. Page A-27, line 20.
Following: "department"
Insert: "and the Office of Budget and Program Planning"
2. Page A-27, line 23.
Following: "department"
Insert: "and the Office of Budget and Program Planning"
3. Page A-28, line 5.
Following: "department"
Insert: "and the Office of Budget and Program Planning"
4. Page A-28, line 7.
Strike: "department"
Insert: "governor"

The Department of Administration requests these amendments to include OBPP in allocating the personal services contingency account. OBPP is included because it is in a position to evaluate agency requests and to coordinate the submission of the necessary budget documents.

The amendment requires the governor, rather than the department, to submit periodic reports to the Legislative Finance Committee. Since the governor will allocate these funds, his office is in a better position to report on the allocation of these funds.

Prepared by the Office of Budget and Program Planning

Amendments to House Bill No. 2
Reference Bill (Salmon Copy)

Representative Tom Zook
For the Free Conference Committee

April 15, 1993

Exhibit 6

carried

1. Page A-28, following line 22.

Insert: "f. SB 164 -- Workers' Compensation Fraud Investigation and
Prosecution" --
"542,202" [fiscal 1994 proprietary]
"361,749" [fiscal 1995 proprietary]

SB 164 creates a workers' compensation fraud investigation and prosecution office in the Department of Justice and a workers' compensation fraud prevention and detection unit in the State Fund. The State Fund requires additional budget authority for 4.50 FTE in FY94 and in FY95, and associated operating and equipment costs. The State Fund will also require budget authority to contract with the Department of Justice for fraud investigation and prosecution services (Department of Justice costs are already appropriated in HB 2).

SB 164 has been enrolled as Chapter No. 296.

Prepared by the Office of Budget and Program Planning

Amendments to House Bill No. 2
Reference Bill (Salmon Copy)

Representative Tom Zook
For the Free Conference Committee

April 15, 1993

Exhibit 7

Carried

1. Page A-28, following line 22.
Insert: "f. SB 163 -- Montana Safety Culture Act"
"456,478" [fiscal 1994 proprietary]
"364,724" [fiscal 1995 proprietary]

SB 163 establishes the Montana Safety Culture Act requiring the Department of Labor and the State Fund implement programs to promote workplace safety. The State Fund requires additional budget authority for 6.00 FTE in FY94 and 8.00 FTE in FY95, and associated operating and equipment costs. The State Fund will also require budget authority for payment of the State Fund's share of additional workers compensation assessments associated with the Department of Labor's costs of implementing SB 163 (Department of Labor costs are already appropriated in HB 2).

SB 163 has been enrolled as Chapter No. 295.

Prepared by the Office of Budget and Program Planning

AMEND HOUSE BILL 2, Reference Copy

Free Conference Committee

April 19, 1993

Representative Tom Zook

Exhibit 8 failed

1. Page B-3, line 17.
Following: line 16
Insert: "j. SB 284 -- Underground Tank Installer Permit
11,500 10,500" State Special Revenue

Explanation: This amendment adds funding to extend permit authority to the DHES for individuals who install, repair, modify or close an underground storage tank. It extends underground storage tank law to all physical parts of the underground storage tank and fittings.

Prepared by the Office of Budget and Program Planning.

T:\PC07\HB2-FCC.AMD
[amendmt #6 for PC07]

AMEND HOUSE BILL 2, Reference Copy

Free Conference Committee

April 19, 1993
Representative Tom Zook

Exhibit 9

withdrawn

1. Page B-3, line 17.
Following: line 16
Insert: "j. HB 592 -- Hazardous Waste Management Permit Fees
126,240 121,240" State Special Revenue

Explanation: This amendment adds funding for the implementation of HB592 which requires DHES to establish a hazardous waste management permit fee program. The fees will be used by DHES to determine if hazardous waste facility permits should be issued. This will require 2.00 FTE plus operating costs.

Prepared by the Office of Budget and Program Planning.

T:\PC07\HB2-FCC.AMD
[amendmt #5 for PC07]

AMEND HOUSE BILL 2, Reference Copy

Free Conference Committee

April 19, 1993
Representative Tom Zook

Exhibit 10
failed

1. Page B-16, line 15.
Following: "(2)"
Strike: "(C)"
2. Page B-16, line 15.
Following: "PROGRAM."
Strike the remainder of line 15 and line 16 in their entirety
Insert: "This policy may:"
3. Page B-16, line 19.
Following: line 18
Insert: "Implementation must take place no later than July 1, 1994. The department may provide exceptions if participation is not economically beneficial to the state or if services would be more appropriately targeted to other groups of AFDC recipients."

Explanation: This amendment makes a technical correction to the section of code which governs AFDC and provides flexibility to the department in administering the AFDC-UP program in the most effective and efficient manner.

Prepared by the Office of Budget and Program Planning.

T:\PC07\HB2-FCC.AMD
[amendmt #3 for PC07]

AMEND HOUSE BILL 2, REFERENCE COPY

Free Conference Committee

Department of Commerce
April 15, 1993

Representative Tom Zook

*Exhibit 11
Carried*

1. Page C-22, line 10.
Strike: "2,996,577 2,897,055" [state special]
Insert: "3,033,318 2,931,296" [state special]

Explanation: This amendment reflects the fiscal impact and passage of the following bills:

- HB241 - License clinical laboratory science practitioners.
\$28,000 in FY94 and \$26,000 in FY94 of state special revenue.
- SB089 - Revise Board of Medical Examiners rules and physician assistant-certified rules.
\$1,400 in FY94 and FY95 of state special revenue.
- SB218 - Regulating out-of-state mail service pharmacies.
\$7,341 in FY94 and \$6,841 in FY95 of state special revenue.

2. Page C-22, Line 8.
Strike: "1,084,395 1,090,235" [proprietary]
Insert: "1,115,910 1,114,196" [proprietary]

Explanation: This amendment reflects the fiscal impact and passage of SB217 - suspend professional and occupational licenses for failure to pay child support. \$31,515 in FY94 and \$23,961 in FY95 of proprietary funds.

Amendments to House Bill No. 2
Reference Copy - Salmon

For the Conference Committee

Prepared by Terri Perrigo
April 13, 1993

*Exhibit 12
carried*

1. Page C-26.

Strike: line 24 in its entirety

This amendment strikes contingency language in the department of Commerce stating if Senate Bill 161 does not pass \$34,377 of general fund is added to the Microbusiness Development program. Senate Bill 161 has been passed and approved by the governor so this language is no longer necessary.

{Office of Legislative Fiscal Analyst

444-2986}

Amendments to House Bill No. 2, Reference Copy

Free Conference Committee

April 16, 1993
Representative Tom Zook

Exhibit 13
failed

1. Page E-10, lines 17 through 20.

Following: "AVAILABLE"

Strike: the remainder of line 17 through "INFORMATION." on line 20

Insert: "to the legislature and the governor. The Montana University System (except the Office of the Commissioner of Higher Education and the Community Colleges) shall provide the following information electronically to the Legislative Fiscal Analyst and the Office of Budget and Program Planning:

1. Beginning October 1, 1993 and each quarter thereafter, the actual personal services data. This data must tie to the actual expenditures as recorded on SBAS.
2. Beginning October 1, 1993 and each year thereafter, the budgeted personal services data. This data must tie to the operating plan as approved by the Board of Regents.

This personal services data shall include, but not be limited to the following for each position number: program number, responsibility center, salary, benefits, fund type, FTE, position title and position type. The initial submission of this information shall be reviewed and approved by the Joint Committee on Post-secondary Education Policy and Budget for accuracy, consistency and accessibility."

This amendment recommends that information regarding personnel continue to come to the LFA and OBPP whether or not RERS is maintained during the 1995 biennium.

Prepared by Office of Budget and Program Planning

t:\pc04\hb2-fccle-hi-ed.amc

AMEND HOUSE BILL 2, SALMON COPY

Free Conference Committee

Representative Tom Zook
At the Request of OBPP
April 19, 1993

1. Page A-7, line 8.
Strike: " 75,000
Insert: "154,356

75,000"
153,032"

Exhibit 14
Withdrawn

This amendment restores funding for the Mental Disabilities Board of Visitors to the executive budget level. The amendment will reinstate 1.00 FTE (executive director) and will add back operating expenses for the state advocacy program for persons with developmental disabilities and mental illnesses, on-site reviews of local mental health centers and state institutions, and base administrative expenses for the Board itself.

The Board of Visitors has assessed the impact on operations if funding is not restored for the program. The direct impacts include:

1. Elimination of the Helena office including the executive director and executive assistant (1.50 FTE).
2. Eliminate oversight of relocation efforts and follow-up of transfers associated with the closure of Galen.
3. Reduce travel by the Board to perform onsite reviews of treatment programs, effectively eliminating outside review of treatment programs at Warm Springs (except for the long-term care unit), community mental health centers, and the Rivendell facilities, and the behavioral programs at the Montana Developmental Center and Eastmont.
4. Eliminate responses to approximately 40-60 patient and public complaints per month currently handled by the Helena office staff.

Prepared by the Office of Budget and Program Planning

Amendments to House Bill No. 2
Reference Copy

Requested by Senator Jacobson
For the Free Conference Committee

Prepared by Clayton Schenck
April 15, 1993

1. Page A-7, line 8.

Strike: "75,000"

Insert: "144,765"

75,000"
147,063"

LFA will adjust totals.

This amendment restores funding for the Mental Disabilities Board of Visitors to the level approved by the General Government Subcommittee. This amendment would reinstate 1.0 FTE (Executive Director) plus operating costs for the state advocacy program (for persons with developmental disabilities and mental illnesses), on-site reviews of local mental health centers and state institutions, and board administrative costs.

{Office of Legislative Fiscal Analyst

444-2986}

Amendments to House Bill No. 2
Reference Copy

Requested by Senator Jacobson
For the Free Conference Committee

Prepared by Clayton Schenck
April 19, 1993

Exhibit 16
Filed

1. Page A-10, following line 11. -

Insert: "c. SB 430 -- Insurance Regulatory Program Accreditation
287,432 269,052" [state special revenue]

LFA will adjust totals.

This amendment adds \$556,504 state special revenue and 6.0 FTE in the 1995 biennium to the Insurance program in the State Auditor's Office to implement Senate Bill 430. Senate Bill 430 establishes a program for accreditation of Montana's insurance regulatory program. Funding for the new program is financed by an increase in insurance agent fees, deposited to the state special revenue fund.

{Office of Legislative Fiscal Analyst

444-2986}

*4/20 - In Senate
3rd reading. House amendments concurred*

**Amendments to House Bill No. 2
Reference Copy**

**Requested by Senator Jacobson
For the Free Conference Committee**

**Prepared by Clayton Schenck
April 16, 1993**

*Exhibit 17
failed*

1. Page A-10, following line 11. -

**Insert: "c. HB 273 -- Auto Glass Insurance Practices
10,000 10,000" [general fund]**

LFA will adjust totals.

This amendment provides the State Auditor's Office an additional \$10,000 general fund in each year of the 1995 biennium to implement and administer provisions of House Bill 273. This bill requires the Insurance Commissioner to establish rules governing auto glass insurance practices and to conduct hearings concerning complaints related to those practices.

Office of Legislative Fiscal Analyst

444-2986}

*4/20 In House
3rd reading free conference committee report adopted*

Amendments to House Bill No. 2
Reference Copy

Requested by Representative Nelson
For the Free Conference Committee

Prepared by Clayton Schenck
April 15, 1993

Exhibit 18

Withdrawn

1. Page A-14, line 12.

Strike: "4,586,320

3,477,573"

Insert: "4,999,155

3,890,364"

LFA will adjust totals.

This amendment restores 16.25 FTE and funding for drivers' license services in 42 counties, from the general fund. Currently, 18.25 FTE perform these services. The amendment increases general fund by \$412,835 in fiscal 1994 and \$412,791 in fiscal 1995, or \$825,626 for the biennium.

{Office of Legislative Fiscal Analyst

444-2986}

Amendments to House Bill No. 2
Reference Copy

Requested by Representative Nelson
For the Free Conference Committee

Prepared by Clayton Schenck
April 15, 1993

Exhibit 19
Withdrawn

1. Page A-14, line 12.

Strike: "4,586,320" 3,477,573"

Insert: "4,792,738" 3,683,968"

2. Page A-14, line 13.

Strike: "1,122,103" 2,244,207"

Insert: "1,328,520" 2,450,603"

LFA will adjust totals.

This amendment restores 16.25 FTE and funding for drivers' license services in 42 counties, with 50% of the funding from general fund and 50% from highways special revenue. Currently, 18.25 FTE perform these services. The amendment increases appropriations of general fund by \$412,813 and highways special revenue state special revenue by \$412,813, with a total increase in funding of \$825,626 for the biennium.

{Office of Legislative Fiscal Analyst

444-2986}

Amendments to House Bill No. 2
Reference Copy

Requested by Senator Fritz
For the Free Conference Committee

Prepared by Clayton Schenck
April 16, 1993

*Exhibit 20
with drawn*

1. Page A-15, following line 4.

Insert: "d. HB 222 -- Fire Protection Equipment Licensing Program
88,200 82,300" [State Special Revenue]

LFA will adjust totals.

This amendment is necessary to coordinate House Bill 2 with the requirements of legislation that has passed both houses of the legislature.

House Bill 222 revises licensing requirements for businesses that sell, install, or service certain fire protection equipment. This amendment adds funding for 2.0 FTE, including a deputy fire marshal and a clerical position to provide the following duties as required: a) administer examinations to individuals who install or service equipment; b) administer the annual renewal of endorsements based on required continuing education and training; c) license businesses selling, servicing, or installing fire protection equipment; and d) provide inspections as necessary. Funding will be provided by new licensing and endorsement fees.

{Office of Legislative Fiscal Analyst

444-2986}

4/20 - Signed by Governor

Amendments to House Bill No. 2
Reference Bill (Salmon Copy)

Representative Tom Zook
For the Free Conference Committee

Exhibit 21

April 15, 1993

failed

1. Page A-18, following line 4.
Insert: "I. HB 539 -- Tax Special Fuel at Distributor Level (Restricted)"
"104,000" [FY94 State Special Revenue]
2. Page A-21, following line 20.
Insert: "Item 11 is contingent upon passage and approval of House Bill
No. 539."

HB 539 requires the Department of Transportation to collect special fuels tax at the distributor level rather than the retail level. The department requires additional budget authority for the necessary modifications to the motor fuels collection system. These costs are considered one-time costs and would not be continued into the 1997 biennium.

At the time this amendment was prepared, HB 539 had been returned to the House.

*4/20 - Returned to House
Signed by Speaker*

Prepared by the Office of Budget and Program Planning

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Amendments to House Bill No. 2
Reference Bill (Salmon Copy)

Representative Tom Zook
For the Free Conference Committee

April 15, 1993

Exhibit 22

Filed

1. Page A-28, following line 22.
Insert: "f. HB 511 -- Workers' Compensation Data Base System"
"251,906" [fiscal 1994 proprietary]
"152,355" [fiscal 1995 proprietary]
2. Page A-29, following line 3.
Insert: "Item 1f is contingent on passage and approval of House Bill No. 511."

HB 511 requires the Department of Labor to develop and maintain a data base to generate management information on Montana's workers' compensation system. The State Fund will require additional budget authority for: 1) system modifications required to provide the required data to the Department of Labor; and 2) payment of the State Fund's share of additional workers compensation assessments associated with the Department of Labor's costs of implementing HB 511.

At the time this amendment was prepared, HB 511 had been returned to the House.

Prepared by the Office of Budget and Program Planning

4/20 signed by Speaker

Amendments to House Bill No. 2
Reference Bill (Salmon Copy)

Representative Tom Zook
For the Free Conference Committee

April 15, 1993

Exhibit 23
withdrawn

1. Page A-28, following line 22.
Insert: "f. SB 381 -- Underinsured Employers"
"86,905" [fiscal 1994 proprietary]
2. Page A-29, following line 3.
Insert: "Item 1f is contingent on passage and approval of Senate Bill No. 381."

SB 381 provides penalties for employer misrepresentation of information regarding employees for workers compensation purposes. The Department of Labor intends to fund this new program from workers compensation assessments in FY94; in FY95 and thereafter, the program would be funded from fines and penalties. The State Fund will require budget authority to pay its share of the additional assessments.

At the time this amendment was prepared, SB 381 was signed by the Senate president.

4/20 - Transmitted to Governor

Prepared by the Office of Budget and Program Planning

Amendments to House Bill No. 2
Reference Bill (Salmon Copy)

Representative Tom Zook
For the Free Conference Committee

April 15, 1993

*Exhibit 24
carried*

1. Page A-29, following line 9.
Insert: "b. HB 517 -- PERS Retirement Incentives (Restricted)"
"42,500" [FY94 Other Funds]
2. Page A-29, following line 16.
Insert: "Item 1b is contingent on passage and approval of House Bill No. 517."
3. Page A-29, line 16.
Following: "items 1"
Strike: "and 1a"
Insert: ", 1a and 1b"

The Public Employees Retirement Division projects costs of \$42,500 associated with HB 517 which provides incentives for early retirement of PERS members. The Public Employees Retirement Division would be required to notify PRS members of the early retirement benefits. Additional computer processing would be required for calculation of retirement benefits. PERD also anticipates the need for 1.00 temporary FTE and 700 hours overtime to respond to inquiries and PRS members electing to exercise the early retirement option. These costs are considered one-time costs and would not be continued in the 1997 biennium.

At the time this amendment was prepared, HB 517 had been scheduled for third reading in the Senate.

*4/20 In House
Senate amendments concurred*

Prepared by the Office of Budget and Program Planning

Amendments to House Bill No. 2
Reference Bill (Salmon Copy)

Representative Tom Zook
For the Free Conference Committee

April 15, 1993

Exhibit 25
Carried

1. Page A-29, following line 23.
Insert: "c. HB 517 -- TRS Retirement Incentives (Restricted)"
"5,750" [FY94 Other Funds]
2. Page A-30, following line 5.
Insert: "Item 1c is contingent on passage and approval of House Bill No. 517 with amendments to include the Teachers Retirement System."
3. Page A-30, line 5.
Following: "1a,"
Strike: "AND 1B"
Insert: "1b and 1c"

The Teachers Retirement Division projects costs of \$5,750 associated with Senate amendments to HB 517 which provides incentives for early retirement of TRS members. The Teachers Retirement Division would be required to notify TRS members of the early retirement benefits. The Teachers Retirement Division also anticipates the need for overtime to respond to inquiries and TRS members electing to exercise the early retirement option. These costs are considered one-time costs and would not be continued into the 1997 biennium.

At the time this amendment was prepared, HB 517 had been scheduled for third reading in the Senate.

4/20 In House
Senate amendments concurred

Prepared by the Office of Budget and Program Planning

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AMEND HOUSE BILL 2, Reference Copy

Free Conference Committee

April 19, 1993
Representative Tom Zook

*Exhibit 26
passed*

1. Page B-2, line 22.
Following: line 21
Insert: "c. HB 567 -- Commercial Medical Hazardous Waste
Incinerators
61,620 57,170" State Special Revenue

Explanation: This amendment adds funding for the implementation of HB567 which requires air quality permits for commercial medical waste incinerators. DHES is required to adopt rules, issue permits and implement a program to meet the provisions of HB567. This will require 1.00 FTE plus operating costs.

Prepared by the Office of Budget and Program Planning.

T:\PC07\HB2-FCC.AMD
[amendmt #4 for PC07]

4/20 Signed by Speaker

AMEND HOUSE BILL 2, Reference Copy

Free Conference Committee

April 19, 1993

Representative Tom Zook

Exhibit 27

with trace

1. Page B-3, line 17.
Following: line 16
Insert: "j. HB 592 -- Hazardous Waste Management Permit Fees
126,240 121,240" State Special Revenue

Explanation: This amendment adds funding for the implementation of HB592 which requires DHES to establish a hazardous waste management permit fee program. The fees will be used by DHES to determine if hazardous waste facility permits should be issued. This will require 2.00 FTE plus operating costs.

Prepared by the Office of Budget and Program Planning.

T:\PC07\HB2-FCC.AMD
[amendmt #5 for PC07]

4/20 - Chapter 341

AMEND HOUSE BILL 2, Reference Copy

Free Conference Committee

April 19, 1993
Representative Tom Zook

Exhibit 28

Withdrawn

1. Page B-4, line 9.
Following: line 8
Insert: "h. HB 388 -- Water Quality Fees
769,892 51,248 777,388 51,529"
State Special/Proprietary Fund

Explanation: This amendment requests funds for the implementation of HB388 which authorizes DHES to administer the national pollutant discharge elimination system wastewater discharge permit program. The bill directs the department to collect fees to offset program costs for issuing permits and monitoring activities and provided for notice of a fee assessment. It will require 8.00 FTE and operating costs.

Prepared by the Office of Budget and Program Planning.

T:\PC07\HB2-FCC.AMD
[amendmt #7 for PC07]

4/20 Retired to House

AMEND HOUSE BILL 2, REFERENCE COPY

Free Conference Committee
April 16, 1993
Representative Tom Zook
At the Request of OBPP

Exhibit 29
with drawn

1. Page B-9, following line 19.
Insert: "d. SB381 -- Underinsured Employers"
"133,701" [fiscal 1994 state special revenue]
"116,991" [fiscal 1995 state special revenue]
2. Page B-11, following line 24.
Insert: "Item 4d is contingent on passage and approval of Senate Bill No. 381."

Explanation: This amendment increases spending authority for the Department of Labor and Industry for its costs related to SB 381 including 3.00 FTE and related operating expenses, and adds language that makes this appropriation contingent on the passage and approval of SB 381. This bill has been signed by the Speaker of the House and the President of the Senate.

4/20 - Transmitted to Governor

Prepared by the Office of Budget and Program Planning

AMEND HOUSE BILL 2, REFERENCE COPY

Free Conference Committee
April 16, 1993
Representative Tom Zook
At the Request of OBPP

*Exhibit 30
with Brown*

1. Page B-9, following line 19.
Insert: "d. HB511 -- Workers' Compensation Data Base System"
 "360,163" - [fiscal 1994 state special revenue]
 "223,316" [fiscal 1995 state special revenue]
2. Page B-11, following line 24.
Insert: "Item 4d is contingent on passage and approval of House Bill No. 511."

Explanation: This amendment increases spending authority for the Department of Labor and Industry for its costs related to HB 511 including 2.00 FTE and adds language that makes this appropriation contingent on the passage and approval of HB 511.

4/20 - Signed by Speaker

Prepared by the Office of Budget and Program Planning

AMEND HOUSE BILL 2, REFERENCE COPY

Free Conference Committee
April 16, 1993

Representative Tom Zook
At the Request of OBPP

Exhibit 3

Conried

1. Page B-9, following line 19.

Insert: "d. SB 223 -- Revising Child Labor Laws"

"27,087"	- [fiscal 1994 state special revenue]
"20,927"	[fiscal 1995 state special revenue]

Explanation: As of April 5, SB 223 has passed the House and the Senate. This amendment increases spending authority for the Department of Labor and Industry for its costs related to SB 223 including 0.50 FTE and related operating and equipment expenses.

4/20 - signed by Governor

Prepared by the Office of Budget and Program Planning

Amendments to House Bill No. 2
Reference Copy

Requested by Senator Jacobson
For the Conference Committee

Prepared by Lisa Smith
April 15, 1993

Exhibit 32

carried

1. Page B-12, line 6.

Following: "(1)"

Strike: "The amount of"

Insert: "(a) Up to"

2. Page B-12.

Following: line 7

Insert: "(b) The appropriation in subsection (1)(a) must be reduced by the amount expended for state employees in the dislocated worker program from the appropriation provided for in House Bill No. 3."

3. Page B-12, line 8.

Following: "(2)"

Strike: "The amount of"

Insert: "(a) Up to"

4. Page B-12.

Following: line 8

Insert: "(b) The appropriation in subsection (2)(a) must be reduced by the amount expended for nonstate workers in the dislocated worker program from the appropriation provided for in House Bill No. 3."

{Office of Legislative Fiscal Analyst

444-2986}

This is a technical amendment that reduces the UI Administrative Discretionary Grants appropriation in House Bill 2 by the amount spent from the Dislocated Worker Program provided for in House Bill 3 (the supplemental bill).

HB 3 In House State Amendment Concurred 3rd reading

Amendments to House Bill No. 2
Reference Copy - Salmon

Requested by Senator Jacobson
For the Conference Committee

Prepared by Lois Steinbeck
April 20, 1993

Exhibit 3-

carried

1. Page B-17.

Strike: line 4 in its entirety

2. Page B-19, line 9.

Following: "County"

Strike: "contingent on passage and approval of House Bill No. 427"

This amendment removes language in House Bill 2 that will not be needed due to passage and approval of House Bill 427 ("de-assumption" of county welfare programs). House Bill 427 deletes the statute that requires general assistance payment levels to be established in the general appropriations act. House Bill 427 has passed third reading in the House.

{Office of Legislative Fiscal Analyst

444-2986}

Amendments to House Bill No. 2
Reference Copy - Salmon

Requested by Senator Jacobson
For the Conference Committee

Prepared by Lois Steinbeck
April 20, 1993

*Exhibit 34
carried*

1. Page B-20.
Strike: line 6 in its entirety
Strike: line 10 in its entirety

This amendment deletes language related to House Bill 309 (payment of medically needy incurment to be eligible for medicaid) and Senate Bill 40 (closure of acute care facilities at Galen) which have been passed and signed by the governor. House Bill 309 is Chapter 230 and Senate Bill 40 is Chapter 361.

{Office of Legislative Fiscal Analyst

444-2986}

Amendments to House Bill No. 2
Reference Copy - Salmon

Requested by Representative Linda Nelson
For the Conference Committee

Prepared by Lois Steinbeck
April 20, 1993

*Exhibit 35
Withdrawn
and later failed*

1. Page B-20, following line 4.

Insert: "In order to expend funds from item 6, the department shall apply by September 1, 1993, for any appropriate or necessary waivers from federal medicaid requirements in order to allow existing, freestanding inpatient psychiatric hospitals devoted exclusively to serving individuals under 21 years of age to receive DRG reimbursement for inpatient psychiatric services for individuals under 21 years of age. The DRG reimbursement made to freestanding inpatient youth psychiatric hospitals may be no more than the DRG reimbursement made to hospitals for inpatient psychiatric care for eligible youth."

Explanation: This amendment prohibits the Department of Social and Rehabilitation Services from spending funds unless it applies for a waiver from federal regulations to reimburse freestanding inpatient psychiatric hospitals for youth under the age of 21 under the DRG system. (DRG stands for diagnostically-related group.) DRG reimbursement provides a set payment for a procedure or service. This amendment requires the reimbursement to freestanding youth psychiatric hospitals to be the same as the reimbursement to hospitals for inpatient psychiatric care for eligible youth.

{Office of Legislative Fiscal Analyst

444-2986}

Amendments to House Bill No. 2
Reference Copy

Requested by Senator Jacobson
For the Free Conference Committee

Prepared by Clayton Schenck
April 16, 1993

Section A

*Exhibit 36
carried*

1. Page A-14, following line 10.

Insert: "b. HB 609 -- Transfer Liquor Investigation Function
314,770 318,973" [Proprietary funds]

2. Page A-15, following line 4.

Insert: "d. HB 609 -- Transfer Public Assistance Investigation Function"
"113,747" [Federal] "56,983" [Proprietary] "112,427" [Federal] "45,580"
[Proprietary]

3. Page A-16, line 1.

Strike: "24,781 24,848"
Insert: "38,980 39,075"

4. Page A-21, line 23.

Strike: "117,894 551,931 112,427 544,821"
Insert: " 4,147 180,178 0 180,268"

5. Page A-22, line 21.

Strike: "57,539 58,072"
Insert: "43,340 43,845"

6. Page A-23, lines 9 through 13.

Strike: lines 9 through 13 in their entirety

LFA will adjust totals.

This amendment implements provisions of House Bill 609, transferring the liquor and public assistance investigation functions from the Department of Revenue to the Department of Justice. House Bill 609 has passed both houses. The bill requires the transfer of 12.0 FTE to the Department of Justice. This amendment eliminates the funding for the 12.0 FTE and the investigation functions in the Department of Revenue and places 8.0 FTE and the liquor investigation function in the Gambling Control Division, and places 4.0 FTE and the public assistance investigation functions in the Law Enforcement Services Division. Funding has

AMEND HOUSE BILL 2, Reference Copy

Free Conference Committee

April 19, 1993
Representative Tom Zook

Exhibit 37
carried

1. Page B-21, line 9.
Strike: "4,864,477" 4,874,985" Federal special revenue
Insert: "4,924,477" 4,934,985" Federal special revenue
2. Page B-21, following line 21.
Strike: lines 22 and 23 in their entirety
3. Page B-23, following line 16.
Strike: lines 17 and 18 in their entirety

LFA will adjust totals.

Explanation: This amendment removes the restriction on use of federal funds for local ombudsman services for the elderly.

Prepared by the Office of Budget and Program Planning.

T:\PC07\HB2-FCC.AMD
[amendmt #1 for PC07]

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

Requested by Senator Fritz
For the Free Conference Committee

Prepared by Roger Lloyd
April 19, 1993

*Exhibit 38
failed*

1. Page C-2, line 3.

Strike: "80,800" 80,981"

[state special]

Insert: "71,021" 71,192"

[state special]

LFA will amend totals.

This amendment removes the vacancy savings (\$9,779 in fiscal 1994 and \$9,789 in fiscal 1995) from the personal services of the Department of Public Service Regulation's elected officials.

{Office of Legislative Fiscal Analyst

444-2986}

AMEND HOUSE BILL 2, REFERENCE COPY

Free Conference Committee
Department of Fish, Wildlife and Parks
April 16, 1993

Exhibit 39
canv

Representative Tom Zook

1. Page C-5, line 21.
Following: Line 20
Insert: "e. HJR 24 - Landowner, Outfitter, Sportsmen groups
(Biennial) 25,000" [state special]

House Joint Resolution 24 urges landowners, outfitters, sportspersons, and government to work together to solve identified problems. The Governor's Office will coordinate the project, and the Department of Fish, Wildlife and Parks will provide the administrative assistance. License revenues will be used to fund the \$25,000 biennial cost.

4/20 - Returned to House

AMEND HOUSE BILL 2, REFERENCE COPY

Free Conference Committee
Department of State Lands
April 16, 1993
Representative Tom Zook

Exhibit 40
Amendments
3 x 4
Carried

1. Page C-11, line 17.
Following: line 16
Insert: "b. HB652 -- Timber Sale Revenue for Program Costs
(Restricted)
312,000 312,000" [state special]

2. Page C-12, line 4.
Following: line 3.
Insert: "Item 4b is contingent on passage and approval of
House Bill No. 652."

skipped

4/20 - In House 3rd reading Senate amendments concurred

This amendment implements HB652 (which allocates a percentage of state land timber sale revenue to the Department of State Lands timber program) and provides \$312,000 per year for operations and funding of 4.50 FTE in FY94 and 6.00 FTE in FY95.

-
3. Page C-11, line 11.
Following: line 10.
Insert: "a. SB424 -- Advisory Council to the Board of Land
Commissioners
23,780 7,612" [general fund]

4. Page C-12, line 3.
Following: line 2.
Insert: "Item 3a is contingent on passage and approval of
Senate Bill No. 424."

carried

This amendment implements SB424 (which establishes an advisory council to the Board of Land Commissioners for attaining full market value of leases of state school trust funds) and provides the funds to reimburse the members of the advisory council in accordance with substantive law.

1/20 In Senate 3rd reading
House amendments concurred

AMEND HOUSE BILL 2, REFERENCE COPY

Free Conference Committee
Department of Natural Resources and Conservation
April 15, 1993
Representative Tom Zook

Exhibit 41

item 1 failed
item 2 carried

1. Page C-15, line 24.
Following: line 23
Insert: "h. SB280 -- Implement a Portion of the 1992 State
Water Plan
35,467 34,767" [state special]

failed

This amendment implements Senate Bill 280 (which involves a portion of the 1992 State Water Plan - Integrated Water Quantity and Quality Management recommendations) and provides \$35,467 in FY94 and \$34,767 in FY95 of state special revenue for operations which includes 1.00 FTE in each fiscal year.

~~4/20~~ Transmitted to Governor

2. Page C-15, line 24.
Following: line 23
Insert: "h. Yellowstone National Park Controlled Groundwater
Area (Biennial)
9,708" [state special]

carried

The State of Montana and the federal government have recently completed negotiations on a compact for federal reserved water rights in Yellowstone Park. The compact includes the formation of a controlled groundwater area for those portions of Montana immediately adjacent to the park. In order to establish the controlled groundwater area and in agreement with the Department of Interior, the Department of Natural Resources and Conservation will begin to establish, administer, and enforce the controlled groundwater area. The Department of Interior, subject to a congressional appropriation, will reimburse the state for operating costs. RIT (state special revenue) funds are being requested and will be reimbursed upon receipt of federal funds.

Amendments to House Bill No. 2
Reference Copy - Salmon

For the Conference Committee

Prepared by Terri Perrigo
April 13, 1993

*Exhibit 42
carried*

1. Page C-17.

Strike: lines 12 and 13 in their entirety

2. Page C-15.

Following: line 7

Insert: "f. HB 616 -- Clean Coal (Biennial)
50,000" state special revenue

This amendment strikes contingency language regarding House Bill 616, and adds \$50,000 of RIT reclamation and development state special revenue funds to administer the clean coal technology program.

*4/20 - In House
3rd Reading State Amendments
concur*

{Office of Legislative Fiscal Analyst

444-2986}

Amendments to House Bill No. 2
Reference Copy - Salmon

For the Conference Committee

Prepared by Terri Perrigo
April 13, 1993

*Exhibit 43
carried*

1. Page C-26.

Strike: lines 22 and 23 in their entirety

This amendment removes language to add \$10,000 to the Board of Outfitters if House Bill 82 is not passed and approved. House Bill 82 has been signed by the governor so the contingency language is no longer necessary.

{Office of Legislative Fiscal Analyst

444-2986}

Amendments to House Bill No. 2
Reference Copy - Salmon

Exhibit 44

Requested by Representative Bergsagel
For the Conference Committee

Prepared by Lois Steinbeck
April 21, 1993

carried

1. Page B-16, line 15.

Following: "PROGRAM"

Insert: "no later than January 1, 1994"

This amendment requires that the AFDC-UP program be in place no later than January 1, 1994.

{Office of Legislative Fiscal Analyst

444-2986}2

Amendments to House Bill No. 2
Reference Copy - Salmon

Exhibit 45

Requested by Representative Bergsagel
For the Conference Committee

Prepared by Terri Perrigo
April 19, 1993

Carried

1. Page A-1.

Following: line 5

Insert: "a. SJR 28 -- Legislative Audit Request -- Hard-Rock
Bureau (Biennial)
1,200 " state special revenue

LFA will amend totals.

This amendment adds a biennial state special revenue appropriation of \$1,200 to the Legislative Auditor's office to implement SJR 28.

2. Page A-1.

Following: line 15

Insert: "Item 1a is contingent upon passage of Senate Joint Resolution 28."

This amendment adds contingency language to the Legislative Auditor's office stating that the appropriation for SJR 28 -- Legislative Audit Request -- Hard Rock Bureau is contingent upon passage of SJR 28.

{Office of Legislative Fiscal Analyst

444-2986}

9/21 cln House - 3rd reading considered

STATE OF MONTANA - FISCAL NOTE
Form BD-15

In compliance with a written request, there is hereby submitted a Fiscal Note for SJR028, as introduced.

DESCRIPTION OF PROPOSED LEGISLATION: A joint resolution of the Senate and the House of Representatives of the State of Montana requesting the Legislative Auditor to conduct a performance audit of the Hard Rock Bureau, Reclamation Division, Department of State Lands; requesting the Legislative Auditor to include a detailed analysis of certain bureau functions in the auditor's scheduled biennial financial-compliance audit of the bureau; and requiring a report of the results of both audits be submitted to the 54th Legislature.

ASSUMPTIONS:

Office of the Legislative Auditor:

1. A performance audit of the Hard Rock Bureau would be incorporated into the current performance audit schedule and other required work would be reprioritized by the Legislative Audit Committee.
2. The analysis to be included in the biennial financial-compliance audit will increase the audit scope requiring an additional 40 hours to complete the audit. The additional hours will be billed at the standard \$30 per hour rate (40 x \$30 = \$1,200).
3. The current level revenue estimate for legislative audit fees (state special revenue) includes \$25,000 estimated nonbudgeted revenue. The increased revenue attributable to this resolution is shown in FY94.

Department of State Lands:

4. Audit fees for the additional financial-compliance audit work by the Legislative Auditor will be included in the audit appropriation in HB2 (General Appropriations Act) for the department.
5. No additional costs will be incurred by the Hard Rock Bureau, Reclamation Division, or the department in connection with the audit work other than the audit fees assessed by the Legislative Auditor.

FISCAL IMPACT:

Department of State Lands-Central Management:

	FY '94			FY '95		
	Current	Proposed	Difference	Current	Proposed	Difference
Expenditures						
Operating (legislative audit fees)	46,504	47,704	1,200	0	0	0
Funding						
General Fund	46,504	47,704	1,200	0	0	0
Office of Legislative Auditor:						
Revenue						
State Special Revenue	1,331,066	1,332,266	1,200	1,225,719	1,225,719	0

David Lewis 3-29-93
DAVID LEWIS, BUDGET DIRECTOR DATE
Office of Budget and Program Planning

Steve Doherty 3/29/93
STEVE DOHERTY, PRIMARY SPONSOR DATE

Fiscal Note for SJR028, as introduced

Amendments to House Bill No. 2
Reference Copy - Salmon

Exhibit 46

Requested by Representative Bergsagel
For the Conference Committee

carried

Prepared by Terri Perrigo
April 19, 1993

1. Page A-1.

Following: line 5

Insert: "a. HB 13 -- Revise Workers' Compensation Laws
35,000 35,000"

(state special revenue)

LFA will amend totals.

This amendment adds \$35,000 of state special revenue each year to the Legislative Auditor's office to implement House Bill 13.

2. Page A-1.

Following: line 15

Insert: "Item 1a is contingent upon passage and approval of House Bill No. 13."

This amendment adds contingency language to the Legislative Auditor's office stating the appropriation for HB 13 -- Revise Workers Compensation Laws is contingent upon passage and approval of HB 13.

{Office of Legislative Fiscal Analyst

444-2986}

4/21 - in free conference committee

(continued)

FISCAL IMPACT:

	FY '94	FY '95	Difference
	Current Law	Proposed Law	Difference
Legislative Auditor			
Expenditures:			
Contracted Services	0	35,000	35,000
(State Special Revenue)			
State Fund			
Expenditures:			
FTE	221.25	239.25	18.00
Personal Services	6,103,718	6,963,220	859,502
Operating Expenses	3,915,756	3,986,976	71,220
Equipment	326,100	396,035	69,935
Benefits	153,014,525	153,014,525	0
Transfers	2,709,300	2,709,300	0
Debt Service	134,256	134,256	0
Total	166,203,655	167,204,312	1,000,657
Revenues:			
Premiums (Proprietary)	\$181,500,000	\$190,700,000	\$9,200,000
Office of the Governor (or designated agency)			
Expenditures:			
Premium/Claims Administration	0	400,000,000	400,000,000
(State Special Revenue)			
Contract Review & Analysis			
(Proprietary Revenue)			
Total	\$181,500,000	\$208,850,000	\$27,350,000

EFFECT ON COUNTY OR OTHER LOCAL REVENUES OR EXPENDITURES:

Any county or local government insured through the State Fund will experience a rate increase.

LONG-RANGE EFFECTS OF PROPOSED LEGISLATION:

A rate increase will remain in effect until a 25% surplus has been established.

STATE OF MONTANA - FISCAL NOTE
Form BD-15

In compliance with a written request, there is hereby submitted a Fiscal Note for HB0013, second reading.

DESCRIPTION OF PROPOSED LEGISLATION:

This bill generally revises workers' compensation law, permitting the governor to contract for private sector liquidation and management, clarifying compensability of mental stress claims, providing for gubernatorial appointment of the board and executive director at the pleasure of the governor, revising the State Fund's budget and funding procedures, exempting the State Fund from the provisions of the Montana Administrative Procedure Act for purposes other than ratemaking, requiring notification to claimants, and providing statutory and temporary appropriations.

ASSUMPTIONS:

Legislative Auditor:

1. The Legislative Auditor would contract with outside services for actuarial examination of State Fund rates.
2. The State Fund would be billed for the costs of the contracted actuarial examination.

State Compensation Mutual Insurance Fund:

1. The State Fund will not be subject to statutory accounting procedures. If the State Fund were subject to statutory accounting procedures, costs would be incurred for system modifications and staff training.
2. The State Fund will generate a surplus of \$50 million over a ten year period requiring a rate increase equivalent to approximately \$9.2 million per year. The projected rate increase takes into consideration an estimated \$42 million unfunded liability.
3. The State Fund's administrative budget would increase to the level approved by the Board of Directors. The SCMIF board has authorized the State Fund to spend no more than 10% of earned premium for administration. The estimated administrative expenditures under the proposed legislation would be 7.4% and 7.2% of earned premium in FY94 and FY95, respectively. Increased administrative costs shown below are relative to the appropriations currently contained in HB2.
4. Rates are estimated by the actuary assuming a reserve for administration of between 8-10% of earned premium. Insofar as the estimated expenditures for administration under the proposed legislation is less than that amount, the increased expenditures for administration is assumed to have no impact on premiums.
5. Premium income for FY93 through FY95 is estimated at \$165 million, \$181.5 million, and \$199.7 million, respectively. Earned premium is estimated to remain constant at approximately \$200 million through FY 2003.

Office of the Governor

1. The terms of any contract the Governor may enter into with a private sector entity to liquidate the claims of the old fund and to manage claims of the new fund cannot be defined until such terms are negotiated. The fiscal impact of such a contract, per se, is therefore outside the scope of this fiscal note.
2. The Governor's Office would require funding in FY93, continuing into FY94, for the costs of contracting for a thorough review and analysis of any proposals received from interested parties.
3. The Governor's Office, or agency designated by the Governor to administer a contract, would require an appropriation for the payment of premium and claims administration costs. The proposed legislation limits this amount to \$400 million. Funding for payment of premium and claims administration costs would be from the workers' compensation payroll account.

(continued)

DAVE LEWIS, BUDGET DIRECTOR
Office of Budget and Program Planning

DATE

STEVE BENEDICT, PRIMARY SPONSOR

DATE

Fiscal Note for HB0013, second reading

Dave Lewis 3.24.93

3-25-93

HB 13 #2

AMEND HOUSE BILL 2, REFERENCE COPY

Free Conference Committee
April 16, 1993

Representative Tom Zook
At the Request of OBPP

Exhibit 47

Carried

1. Page D-7, line 21.
Following: line 20
Insert: "a. Eastern Montana Veterans' Nursing Home Start-Up
325,000" [FY95 State Special Revenue]

Explanation: This amendment will add \$325,000 of state special revenue cigarette tax authority which may be needed in FY95 for the Department of Corrections and Human Services to purchase up-front equipment, supplies and materials before a private vendor will operate the proposed Eastern Montana Veterans' Nursing Home in Glendive. The funding source is the portion of the cigarette tax redirected from the long-range building account to veterans, but not yet appropriated in Hb2.

Construction currently is authorized in HB5, but no start-up funds are authorized in either bill. A companion amendment to HB5 would clarify legislative intent that construction will require an agreement with a private vendor. The original budget included a \$1.04 million general fund appropriation for the state DCHS operating budget in FY95, but those funds are not available and are not expected.

Without this amendment, the Glendive nursing home could be built and stand empty.

Prepared by the Office of Budget and Program Planning

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

Requested by Senator Fritz
For the Free Conference Committee

Prepared by Roger Lloyd
April 19, 1993

*Exhibit 48
carried*

1. Page C-2, line 3.

Strike: "80,800

80,981"

[state special]

Insert: "71,021

71,192"

[state special]

LFA will amend totals.

This amendment removes the vacancy savings (\$9,779 in fiscal 1994 and \$9,789 in fiscal 1995) from the personal services of the Department of Public Service Regulation's elected officials.

{Office of Legislative Fiscal Analyst

444-2986}

MEMORANDUM

April 20, 1993

EX 48

TO: Terry Cohea
Legislative Fiscal Analyst

FROM: Roger Lloyd
Associate Fiscal Analyst

RE: PSC amendments to HB2 on the House Floor

On the House floor, Representative's Rice amendment to restore 1.00 rate analyst (\$36,304 and \$36,350) failed. Then Representative's Quilicy amendment to exempt the elected officials from vacancy savings (\$12,297 and \$12,310) passed. However, the next day the House moved to reconsider the action on Representative Quilicy's amendment and subsequently Representative Quilicy's motion to strike the amendment (passed the previous day) to exempt the elected officials from vacancy savings passed. Representative Quilicy then moved to reinstate 1.00 FTE rate analyst which passed (\$36,304 and \$36,350). Representative Quilicy noted that the reason he "withdrew" the vacancy savings amendment and offered the 1.00 FTE rate analyst was that the agency needed the FTE more than the vacancy savings.

April 20, 1993

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Amendments to House Bill No. 2
Reference Copy - Salmon

Requested by Senator Jacobson
For the Free Conference Committee

Prepared by Sandy Whitney
April 21, 1993

Exhibit 49
withdrawn

1. Page D-8, line 10.
Following: the second "to"
Strike: "850"
Insert: "950"

2. Page D-8, lines 10 and 11.
Following: "inmates." on line 10
Strike: "Item" on line 10 through "inmates." on line 11

{Office of Legislative Fiscal Analyst

444-2986}

Amendments to House Bill No. 2
Reference Copy - Salmon

Requested by Representative Bergsagel
For the Conference Committee

Prepared by Terri Perrigo
April 19, 1993

Exhibit 50
carried

1. Page A-1.

Following: line 5

Insert: "a. HB 13 -- Revise Workers' Compensation Laws
35,000 35,000"

(state special revenue)

LFA will amend totals.

This amendment adds \$35,000 of state special revenue each year to the Legislative Auditor's office to implement House Bill 13.

2. Page A-1.

Following: line 15

Insert: "Item 1a is contingent upon passage and approval of House Bill No. 13."

This amendment adds contingency language to the Legislative Auditor's office stating the appropriation for HB 13 -- Revise Workers Compensation Laws is contingent upon passage and approval of HB 13.

{Office of Legislative Fiscal Analyst

444-2986}

4/21 in free conference committee

passed 4-23

and securing all bonds, notes, or other obligations, as due, that have been authorized and issued pursuant to the laws of Montana. Agencies that have entered into agreements authorized by the laws of Montana to pay the state treasurer, for deposit in accordance with 17-2-101 through 17-2-107, as determined by the state treasurer, an amount sufficient to pay the principal and interest as due on the bonds or notes have statutory appropriation authority for the payments. (In subsection (3): pursuant to sec. 7, Ch. 567, L. 1991, the inclusion of 19-6-709 terminates upon death of last recipient eligible for supplemental benefit; and pursuant to sec. 18, Ch. 748, L. 1991, the inclusion of 22-3-811 terminates June 30, 1993.)"

NEW SECTION. SECTION 12. APPROPRIATION. THERE IS AN APPROPRIATION OF \$35,000 FOR EACH FISCAL YEAR OF THE BIENNIUM BEGINNING JULY 1, 1993, TO THE LEGISLATIVE AUDITOR'S OFFICE FOR CONTRACTED SERVICES FOR THE DUTIES REQUIRED TO BE PERFORMED PURSUANT TO [SECTION 20 10 8] TO BE PAID BY THE STATE FUND FROM THE FUNDS APPROPRIATED IN [SECTION 22 10 10].

SECTION 13. SECTION 39-71-606, MCA, IS AMENDED TO READ:
 "39-71-606. Insurer to accept or deny claim within thirty days of receipt -- notice of denial -- notice to employer. (1) Every insurer under any plan for the payment of workers' compensation benefits shall, within 30 days of

Amendments to House Bill No. 2
Reference Copy

Requested by Senator Jacobson
For the Free Conference Committee

Prepared by Clayton Schenck
April 23, 1993

Exhibit 51
Carried

1. Page A-14, line 12.

Strike: "4,586,320 3,477,573"

Insert: "4,999,155 1,890,364"

2. Page A-14, line 13.

Strike: "2,244,207"

Insert: "4,244,207"

3. Page A-16, line 18.

Following: "1994."

Insert: "The department shall also prepare a plan by July 1, 1994, in consultation with the superintendent of public instruction, to have driver's license examinations of students conducted, under the supervision and direction of the department, by local school district staff of traffic education programs administered by the superintendent of public instruction."

LFA will adjust totals.

This amendment restores 16.25 FTE and funding for drivers' license services in 42 counties. Currently, 18.25 FTE perform these services. The amendment increases the total appropriation for the Motor Vehicle Division by \$412,835 in fiscal 1994 and by \$412,791 in fiscal 1995, with a total increase in funding of \$825,626 for the biennium.

This amendment also includes a funding switch for the Motor Vehicle Division, reducing general fund and increasing highways special revenue funds. The increase in the highways special revenue appropriation is \$2.0 million in fiscal 1995, while there is a decrease in general fund of \$1,174,374 for the biennium.

Further, this amendment adds language that would require the Department of Justice and the Superintendent of Public Instruction to develop a plan for the administration of drivers' license examinations by local driver education programs.

If implemented, this approach could lead to reductions in general fund expenditures for state administered examinations.

{Office of Legislative Fiscal Analyst

444-2986}

Amendments to House Bill No. 2
Reference Copy

Requested by Representative Bergsagel
For the Conference Committee

Prepared by Lisa Smith
April 23, 1993

Exhibit 52

Carried

without amendment
4

1. Page BP-2, following line 20.

Insert: "NEW SECTION. Section 12. Budget balancing reductions of general fund. The amounts shown for budget balancing reductions reduce each agency's general fund appropriations by 1/2 of 1% with the following exceptions: medical assistance and family assistance in the department of social and rehabilitation services, the department of corrections and human services, and the Montana university system, with the exception of the office of the commissioner of higher education."

2. Page BP-2, line 4.

Following: "SAVINGS."

Insert: "AND BUDGET BALANCING REDUCTION. (1)"

3. Page BP-2, line 7.

Following: "adjusted."

Insert: "(2) The amounts shown for budget balancing reductions reduce each agency's total general fund appropriation. The agency, with the approval of the approving authority, as defined in 17-7-102, shall determine the proportional share of the amount to be applied to each program and reduce that program's expenditure authority accordingly."

4. Page B-2, line 14.

Strike: "369,843 370,766"

Insert: "176,531" general fund, fiscal 1994

"177,454" general fund, fiscal 1995

This amendment eliminates general fund in the Air Quality Bureau (AOB) of Department of Health and Environmental Sciences (\$193,312 in each year of the biennium, a total of \$386,624).

This reduction leaves \$1,752,715 and \$1,751,446 of appropriation authority in the AOB in fiscal years 1994 and 1995, respectively. This authority is as follows:

	<u>FY94</u>	<u>FY95</u>
state special revenue	561,038	669,312
federal funds	<u>1,191,677</u>	<u>1,082,134</u>
total	<u>\$1,752,715</u>	<u>\$1,751,446</u>

5. Page C-5, line 22.

Strike: "389,738 394,791" (general fund)

Insert: "318,249 323,125" (general fund)

6. Page C-9.

Following: line 20

Strike: "Item 6 contains \$500,000 from federal funds and \$71,489 from general funds in fiscal 1994 and \$500,000 from federal funds and \$71,666 from general funds in fiscal 1995 appropriated for the Montana conservation corps."

7. Page C-9, line 23.

Strike: "this"

Insert: "the Montana conservation corps"

Items 5, 6, and 7 removes 1.30 FTE and \$71,489 general fund in fiscal 1994 and \$71,666 general fund in fiscal 1995 from the Montana Conservation Corps Program in the Department of Fish Wildlife and Parks.

{Office Budget and Program Planning

}

Office of Legislative Fiscal Analyst
Impact of 1/2 of 1 Percent Cut
General Fund With Exclusions *

Agcy Code	Agency Name	HB2 Fiscal 1994	Proposed Cut 1994	HB2 Fiscal 1995	Proposed Cut 1995	HB2 Fiscal 94-95	Proposed Cut 94-95
1101	Legislative Auditor	1,306,821	6,534	1,291,061	6,455	2,597,882	12,989
1102	Legislative Fiscal Analyst	825,376	4,127	851,562	4,258	1,676,938	8,385
1104	Legislative Council	1,987,659	9,938	2,146,476	10,732	4,134,135	20,670
1111	Environmental Quality Council	277,908	1,390	279,226	1,396	557,134	2,786
2110	Judiciary	5,426,513	27,133	5,448,778	27,244	10,875,291	54,377
3101	Governors Office	2,186,834	10,934	2,167,118	10,836	4,353,952	21,770
3201	Secretary Of States Office	54,164	271	68,262	341	122,426	612
3202	Commissioner Of Political Prac	124,935	625	122,036	610	246,971	1,235
3401	State Auditors Office	1,934,100	9,671	1,910,113	9,551	3,844,213	19,222
3501	Office Of Public Instruction	49,776,855	248,884	42,579,096	212,895	92,355,951	461,779
4107	Crime Control Division	460,968	2,305	465,277	2,326	926,245	4,631
4108	Highway Traffic Safety	181,609	908	181,604	908	363,213	1,816
4110	Department Of Justice	12,203,953	61,020	10,966,438	54,832	23,170,391	115,852
5101	Board Of Public Education	108,100	541	105,968	530	214,068	1,071
5102	Commissioner Of Higher Ed	10,815,372	54,077	10,563,405	52,817	21,378,777	106,894
5113	School For The Deaf & Blind	2,501,854	12,509	2,488,432	12,442	4,990,286	24,951
5114	Montana Arts Council	129,472	647	124,526	623	253,998	1,270
5115	Library Commission	1,295,082	6,475	1,025,022	5,125	2,320,104	11,600
5117	Historical Society	1,358,431	6,792	1,339,230	6,696	2,697,661	13,488
5201	Dept Of Fish, Wildlife & Parks	384,517	1,923	389,551	1,948	774,068	3,871
5301	Dept Health & Environ Sciences	3,212,352	16,062	3,199,619	15,998	6,411,971	32,060
5401	Department Of Transportation	131,731	659	31,848	159	163,579	818
5501	Department Of State Lands	8,393,374	41,967	8,372,207	41,861	16,765,581	83,828
5603	Department Of Livestock	454,297	2,271	445,861	2,229	900,158	4,500
5706	Dept Nat Resource/Conservation	3,346,796	16,734	3,338,970	16,695	6,685,766	33,429
5801	Department Of Revenue	20,511,877	102,559	20,455,963	102,280	40,967,840	204,839
6101	Department Of Administration	3,961,064	19,805	3,804,435	19,022	7,765,499	38,827
6201	Department Of Agriculture	532,668	2,663	461,029	2,305	993,697	4,968
6501	Department Of Commerce	1,537,635	7,688	1,537,273	7,686	3,074,908	15,374
6602	Labor & Industry	815,185	4,076	784,788	3,924	1,599,973	8,000
6701	Adjutant General	2,002,535	10,013	2,001,116	10,006	4,003,651	20,019
6901	Dept Social & Rehab Services	25,409,214	127,046	27,261,326	136,307	52,670,540	263,353
6911	Department Of Family Services	37,495,476	187,477	32,646,533	163,233	70,142,009	350,710
Totals		<u>\$201,144,727</u>	<u>\$1,005,724</u>	<u>\$188,854,149</u>	<u>\$944,270</u>	<u>\$389,998,876</u>	<u>\$1,949,994</u>

* Excludes Family Assistance, Medicaid in SRS; Department of Corrections & Human Services; District Court Reimbursement Program; University System except the Commissioner of Higher Education.

AMEND HOUSE BILL 2, REFERENCE COPY

Free Conference Committee
April 24, 1993

*Exhibit 53
Carried*

1. Page B-6, line 10.

Strike:	" 81,949"	[FY94 General Fund]
	"246,069"	[FY94 State Special Revenue]
	" 82,231"	[FY95 General Fund]
	"258,120"	[FY95 State Special Revenue]
Insert:	"271,949"	[FY94 General Fund]
	" 56,069"	[FY94 State Special Revenue]
	"272,231"	[FY95 General Fund]
	" 68,120"	[FY95 State Special Revenue]

Explanation: This amendment saves \$380,000 of general fund in the Department of Health and Environmental Sciences and increases the state special revenue authority by a like amount. It is anticipated that the majority of the general fund savings will be taken in the Air Quality Bureau. Because a portion of the program addresses public health, and is not appropriately funded by fees, the savings adjustment is made under the "vacancy savings" line to enable the department to further assess the impact before finalizing its allocation of the reductions.

Prepared by the Office of Budget and Program Planning

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

Requested by Senator Jacobson
For the Conference Committee

Prepared by Roger Lloyd
April 23, 1993

*Exhibit 54
carried*

1. Page A-5, following line 7.

Insert: "b. SB 271 -- Pilot Program for Local Citizen Review Boards
(Restricted/Biennial)
113,232" [fiscal 1994 general fund]

2. Page A-6, following line 6.

Insert: "Contingent on passage and approval of Senate Bill No. 271, the appropriation in item 1b is appropriated to the office of the supreme court administrator for allocation to the youth court of the judicial districts designated, pursuant to Senate Bill No. 271, for a pilot program for local citizen review boards for foster care placements."

3. Page A-10, following line 11.

Insert: "c. SB 354 -- Insurance Industry Continuing Education Program
115,848 99,782" [state special revenue]
"d. HB 273 -- Auto Glass Insurance Practices
10,000 10,000" [general fund]
"e. SB 430 -- Insurance Regulatory Program Accreditation
287,452 269,052" [state special revenue]

4. Page A-10, following line 16.

Insert: "b. SB 314 -- Securities Portfolio Registration Program
75,500 63,732" [state special revenue]

5. Page A-11, following line 13.

Insert: "Item 2c is contingent on passage and approval of Senate Bill No. 354.
Item 2d is contingent on passage and approval of House Bill No. 273.
Item 2e is contingent on passage and approval of Senate Bill No. 430.
Item 3b is contingent on passage and approval of Senate Bill No. 314."

6. Page A-14, line 23.

Strike: "1,342,904 398,266 1,338,721 391,295"
Insert: "1,688,170 53,000 1,687,016 43,000"

7. Page A-15, following line 4.

Insert: "d. HB 222 -- Fire Protection Equipment Licensing Program
88,200 82,300" [state special revenue]

8. Page A-15, line 12.

Strike: "209,051 213,606 9,305 219,507 224,765 9,792"
Insert: "187,335 235,391 9,236 178,140 266,052 9,872"

9. Page A-15, line 14.

Strike: "20,458 21,842 952"
Insert: "18,758 23,570 924"

10. Page A-16, lines 12 through 14.

Strike: lines 12 through 14 in their entirety

11. Page A-17, line 10.

Following: "Staff"

Insert: "(Restricted)"

12. Page A-18, following line 4.

Insert: "1. HB 539 -- Tax Special Fuel at Distributor Level (Restricted)
104,000" [fiscal 1994 state special revenue]

13. Page A-20, following line 21.

Insert: "Item 11 is contingent on passage and approval of House Bill No. 539."

14. Page A-22, following line 19.

Insert: "b. SB 168 -- Agricultural Land Valuations (Restricted)"
"261,432" [fiscal 1994 general fund]
"4,968" [fiscal 1995 general fund]

15. Page A-23, following line 13.

Insert: "If the referendum to enact a general sales tax and to provide tax reform in Senate Bill No. 235 is approved by the electorate in the special election provided for by Senate Bill No. 87, there is appropriated from the state special revenue account created in Senate Bill No. 235 to the department of revenue up to \$4,511,707 in fiscal 1994 and up to \$5,684,952 in fiscal 1995 for the purpose of administering the provisions of Senate Bill No. 235. In accordance with 17-2-107(2)(c), the legislature authorizes the department of administration to provide an interentity loan to the department of revenue for these amounts during the 1995 biennium. These loans must be repaid from proceeds of the sales tax deposited in the state special revenue account."

"If the referendum to enact a general sales tax and to provide tax reform as provided in Senate Bill No. 235 is approved by the electorate at the June 8, 1993, special election provided for by [section 184 of Senate Bill No. 235], there is appropriated from the sales tax and use tax account established in [section 71 of Senate Bill No. 235] to the department of revenue the amounts necessary to provide the property tax replacement revenue for taxing jurisdictions as provided for in 15-1-111(5) through (13), as amended by Senate Bill No. 235, and in [section 125 of Senate Bill No. 235], regarding reimbursement to local governments and schools, in fiscal 1994 and fiscal 1995."

16. Page A-25, line 23.

Strike: "1,027,656	324,139	1,039,477	329,865"
Insert: "1,023,914	329,756	1,035,235	335,695"

17. Page A-25, line 25.

Strike: "548,890"
Insert: "528,633"

18. Page A-28, following line 22.

Insert: "f. SB 381 -- Underinsured Employers
86,905" [fiscal 1994, proprietary]
"g. HB 622 -- Revising Workers' Compensation Act
107,269 92,631" [proprietary]
"h. HB 511 -- Workers' Compensation Data Base System"
"251,906" [fiscal 1994 proprietary]
"152,355" [fiscal 1995 proprietary]
"i. SB 347 -- Workers' Compensation Medical Cost Containment
749,666 448,044" [proprietary]

19. Page A-29, following line 3.

Insert: "Item 1g is contingent on passage and approval of House Bill No. 622.
Item 1h is contingent on passage and approval of House Bill No. 511.
Item 1i is contingent on passage and approval of Senate Bill No. 347.
If House Bill No. 13 is passed and approved and if it provides a statutory appropriation for administration and benefit costs of the state compensation mutual insurance fund, all appropriations for the state compensation mutual insurance fund in [this act] are eliminated."

*Exhibit 54
Carried*

20. Page B-2.

Following: line 21

Insert: "c. HB 567 -- Commercial Medical Hazardous Waste Incinerators"

"61,620" [state special revenue, fiscal 1994]

"57,170" [state special revenue, fiscal 1995]

21. Page B-3.

Following: line 16

Insert: "j. SB 284 -- Underground Tank Installer Permits"

"11,500" [state special revenue, fiscal 1994]

"10,500" [state special revenue, fiscal 1995]

"k. HB 592 -- Hazardous Waste Management Permit Fees"

"126,240" [state special revenue, fiscal 1994]

"121,240" [state special revenue, fiscal 1995]

22. Page B-4.

Following: line 8

Insert: "h. HB 388 -- Water Quality Fees"

"769,892" [state special revenue, fiscal 1994]

"51,248" [proprietary, fiscal 1994]

"777,388" [state special revenue, fiscal 1995]

"51,529" [proprietary, fiscal 1995]

23. Page B-6, line 8.

Strike: "1,010,143" [FY94 state special revenue]

"1,010,143" [FY95 state special revenue]

Insert: "1,313,077" [FY94 state special revenue]

"1,289,225" [FY95 state special revenue]

24. Page B-7.

Following: line 10

Insert: "Item 3c is contingent on passage and approval of House Bill No. 567."

25. Page B-7.

Following: line 13

Insert: "Item 5h is contingent on passage and approval of House Bill No. 388."

26. Page B-9, following line 19.

Insert: "d. HB 511 -- Workers' Compensation Data Base System (Biennial)"

"583,479" [fiscal 1994 state special revenue]

"e. HB 287 -- Revising Workers' Compensation Act"

"4,800" [fiscal 1994 state special revenue]

"1,300" [fiscal 1995 state special revenue]

"f. SB 347 -- Workers' Compensation Medical Cost Containment"

"299,545" [fiscal 1994 state special revenue]

"246,695" [fiscal 1995 state special revenue]

"g. HB 622 -- Revising Workers' Compensation Act"

"165,029" [fiscal 1994 state special revenue]

"142,509" [fiscal 1995 state special revenue]

"h. SB 381 -- Underinsured Employers"

"133,701" [fiscal 1994 state special revenue]

"116,991" [fiscal 1995 state special revenue]

27. Page B-9, following line 21.

Insert: "a. SB 347 -- Workers' Compensation Medical Cost Containment"

"54,758" [fiscal 1994 state special revenue]

"48,900" [fiscal 1995 state special revenue]

28. Page B-11, following line 24.

Insert: "Item 4d is contingent on passage and approval of House Bill No. 511.

Item 4e is contingent on passage and approval of House Bill No. 287.

Items 4f and 5a are contingent on passage and approval of Senate Bill No. 347.

Item 4g is contingent on passage and approval of House Bill No. 622."

29. Page B-14, line 21.

Insert: "122,533" [federal special revenue fiscal 1994]

Insert: "119,491" [federal special revenue fiscal 1995]

30. Page B-20, following line 10.

Insert: "Contingent on passage and approval of Senate Bill No. 145, the appropriation in item 6j must be used for a medicaid model waiver for people with traumatic brain injuries."

31. Page B-22, following line 21.

Insert: "g. SB 271 -- Pilot Program for Local Citizen Review Boards
(Restricted/Biennial)
10,513" [fiscal 1994 general fund]

32. Page B-24, following line 23.

Insert: "The appropriation in item 4g is contingent on passage and approval of Senate Bill No. 271."

33. Page C-11.

Following: line 16

Insert: "b. HB 652 -- Timber Sale Revenue for Program Costs (Restricted)
312,000 312,000" [state special]

34. Page C-12, following line 3.

Insert: "Item 4b is contingent on passage and approval of House Bill No. 652."

35. Page C-15, following line 23.

Insert: "h. SB 280 -- Implement a Portion of the 1992 State Water Plan
35,467 34,767" [state special]

36. Page C-22, line 10.

Strike: "2,996,577" 2,897,055" [state special]

Insert: "3,113,194 2,994,010" [state special]

37. Page D-6, line 22.

Strike: "30,896,174" 31,678,512"

Insert: "30,931,800 31,756,478"

38. Page D-7, line 17.

Strike: "2,168,032 2,200,364" (state special revenue)

Insert: "2,220,198 2,277,350" (state special revenue)

39. Page D-8

Strike: lines 18 and 19 in their entirety.

Insert: "If House Bill No. 333 is not passed and approved, the general fund appropriation in item 3 is reduced by \$35,626 in fiscal 1994 and by \$77,966 in fiscal 1995 and the state special revenue appropriation in item 6 is reduced by \$52,166 in fiscal 1994 and by \$76,986 in fiscal 1995."

LFA will amend totals.

These amendments include funding for the FTE as shown on the most recent fiscal notes accompanying the bills.

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

*Exhibit 55
carried*

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}

Amendments to House Bill No. 2
Reference Copy - Salmon

Requested by Representative Nelson
For the Conference Committee

Prepared by Terri Perrigo
April 24, 1993

*uphibit 56
Failed*

1. Page C-15.

Following: line 23

Insert: "h. Soda Butte Creek Water Plan (biennial/restricted)
\$25,000" (general fund)

LFA will amend totals

2. Page C-18.

Following: line 8

Insert: "The funds in item 4h are to be used by the department to provide financial and technical assistance to the water users and landowners in the Soda Butte Creek drainage near Cooke City and Silvergate in adopting a conservation or water distribution plan, including but not limited to the purchase and installation of measurement devices to measure actual water use, as contemplated in Article II, section G. of the water rights compact contained in House Bill No. 692 between the state of Montana and the United States of America, national park service."

{Office of Legislative Fiscal Analyst

444-2986}

Amendments to House Bill No. 2, Reference Copy

Free Conference Committee

April 20, 1993
Representative Tom Zook

Exhibit 51

carried

1. Page E-10, lines 17 through 20.

Following: "AVAILABLE"

Strike: the remainder of line 17 through "INFORMATION." on line 20

Insert: "to the legislature and the governor. The Montana University System (except the Office of the Commissioner of Higher Education and the Community Colleges) shall provide the following information electronically to the Legislative Fiscal Analyst and the Office of Budget and Program Planning:

1. Each January 1 and fiscal year end beginning fiscal year 1994 each year thereafter, the actual personal services data. This data must tie to the actual expenditures as recorded on SBAS.

2. Beginning November 1, 1993 and each year thereafter, the budgeted personal services data. This data must tie to the operating plan as approved by the Board of Regents.

This personal services data shall include, but not be limited to the following for each position number: program number, responsibility center, salary, benefits, fund type, FTE, position title and position type. The initial submission of this information shall be reviewed and approved by the Joint Committee on Post-secondary Education Policy and Budget for accuracy, consistency and accessibility."

This amendment recommends that information regarding personnel continue to come to the LFA and OBPP whether or not RERS is maintained during the 1995 biennium.

Prepared by Office of Budget and Program Planning

t:\pc04\hb2-fcc\e-hi-ed.amc

AMEND HOUSE BILL 2, REFERENCE COPY

Free Conference Committee
April 22, 1993

Representative Tom Zook

Exhibit 58
failed

1. Page E-13, line 23.
Strike: "22,052,811, 22,052,811" [Other funds]
Insert: "22,553,543, 22,553,543" [Other funds]
2. Page E-14, line 10.
Strike: "19,922,177, 19,922,177" [Other funds]
Insert: "20,310,909, 20,310,909" [Other funds]
3. Page E-14, line 22.
Strike: "3,142,449, 3,142,449" [Other funds]
Insert: "3,201,152, 3,201,152" [Other funds]
4. Page E-15, line 13.
Strike: "5,179,754, 5,179,754" [Other funds]
Insert: "5,317,722, 5,317,722" [Other funds]
5. Page E-15, line 25.
Strike: "2,650,914, 2,650,914" [Other funds]
Insert: "2,739,537, 2,739,537" [Other funds]
6. Page E-16, line 16.
Strike: "1,522,544, 1,522,544" [Other funds]
Insert: "1,545,834, 1,545,834" [Other funds]
7. Page E-17, Line 13.
Following: "system."

Insert: "Total revenue received from resident, non-resident and WUE incidental fees that exceeds the following amounts at each of the six university system units in each fiscal year is appropriated to the office of the commissioner of higher education for distribution by the board of regents to the six university system units and must result in a general fund reversion of a like amount, in accordance with 17-2-108(2)."

<u>Unit</u>	<u>Resident</u>	<u>Nonres/WUE</u>	<u>Resident</u>	<u>Nonres/WUE</u>
MSU	\$11,810,167	\$6,921,701	\$11,810,167	\$6,921,701
UM	12,061,819	8,520,019	12,061,819	8,520,019
EMC	4,277,415	555,185	4,277,415	555,185
NMC	2,190,085	259,755	2,190,085	259,755
WMCUM	1,211,085	196,057	1,211,085	196,057
MCMST	2,136,782	804,749	2,136,782	804,749"

[Legislative Fiscal Analyst to adjust totals]

This amendment limits the increase in tuition revenues to a 4% increase over the current tuition rates and enrollment.

Prepared by the Office of Budget and Program Planning

T:\pc04\hb2-fcc\c-tutio

SENATE CONFERENCE COMMITTEE

BILL NO. HB 2

SHORT TITLE General Appropriations Act

SPONSOR Rep. Zook

☐

☐

CONFERENCE COMMITTEE

☒

☒

FREE CONFERENCE COMMITTEE

ASSIGNED MEMBERS

HOUSE MEMBERS

1. Zook, Chair
2. J. Nelson
3. Bruggs

SENATE MEMBERS

1. Jacobson, Chair
2. Fritz
3. Aklestad

DATE COMMITTEE REPORT ADOPTED: _____

DATE COMMITTEE REPORT REJECTED: _____

☐

CONFERENCE COMMITTEE

☒

FREE CONFERENCE COMMITTEE

ASSIGNED MEMBERS

HOUSE MEMBERS

1. _____
2. _____
3. _____

SENATE MEMBERS

1. _____
2. _____
3. _____

DATE COMMITTEE REPORT ADOPTED: _____

DATE COMMITTEE REPORT REJECTED: _____

NOTES ON CONFERENCE COMMITTEES

Joint Rules 30-10, 30-20, 30-30, 70-20, and 70-50 should be reviewed by conference committee members.

Generally, the House of origin (i.e. the Senate for Senate bills and the House for House bills) coordinates conference committees, providing a location, secretary and other resources.

ARRANGEMENTS FOR CONFERENCE COMMITTEES:

- * In arranging a location and time for Senate bill conference committees, the Senate chair should make arrangements with the Senate Sergeant at arms.
- * Senate and House chairs need to agree on the time and place for conference committee meeting.
- * A secretary will be assigned by the Word Processing Supervisor or her assistant. The Senate chair will be notified as to who is assigned as secretary. The secretary will send meeting notices to conference committee members.
- * The Legislative Council receives notice of the conference committee meetings and will attempt to have a staff member attend the meeting.
- * Chairs must announce conference committee meetings during order of business number 12.
- * The Senate chairman presides over the conference committee meeting like any joint meeting. Majority vote (two of the three senators and two of the three representatives) by each house is needed for agreement.

MONTANA SENATE
Fifty-Third Legislature
Regular Session

HOUSE BILL 2

3RD RDG

YEAS: 28
NAYS: 22
NV : 0
EXC : 0

RCS# 1362
4/8/93
9:33 AM

YEAS: 28

Bianchi	Eck	Jacobson	Vaughn
Blaylock	Forrester	Jergeson	Waterman
Brown	Franklin	Klampe	Weeding
Bruski-Maus	Fritz	McClernan	Weldon
Christiaens	Hager	Pipinich	Wilson
Crippen	Halligan	Rye	Yellowtail
Doherty	Hockett	Towe	Van Valkenburg

NAYS: 22

Aklestad	Gage	Kennedy	Stang
Bartlett	Grosfield	Koehnke	Swift
Beck	Harding	Lynch	Swysgood
Brenden	Harp	Mesaros	Toews
Burnett	Hertel	Rea	Tveit
Devlin	Keating		

PAIRED:

Hager, Klampe, YEA; Devlin, Harp, NAY.

NOT VOTING: 0

EXCUSED: 0

MONTANA HOUSE OF REPRESENTATIVES
53RD LEGISLATURE
REGULAR SESSION
VOTE TABULATION

DATE: MARCH 24, 1993
TIME: 12:00 PM

SEQ. NO: 3.0
BILL NO: 2
BILL SP: ZOOK

YES	NO	EXC	ABS
54	45	0	1

ORDER OF BUSINESS 8 3RD READING

Y ANDERSON	Y GRADY	N REAM
N BACHINI	Y GRIMES	N REHBEIN
Y BARDANOUE	Y GRINDE	Y RICE, J
N BARNETT	N HANSEN, SJ	Y RICE, S
N BARNHART	Y HANSON, HS	Y ROSE
Y BENEDICT	Y HANSON, M	N RUSSELL
Y BERGMAN	N HARPER	N RYAN
N BERGSAGEL	N HARRINGTON	Y SAYLES
Y BIRD	Y HAYNE	Y SCHWINDEN
N BOHARSKI	Y HERRON	N SCHYE
Y BOHLINGER	Y HIBBARD	Y SIMON
Y BRANDEWIE	N JOHNSON, J	Y SIMPKINS
N BROOKE	Y JOHNSON, R	N SMITH
A BROWN	N KADAS	Y SPRING
Y CLARK	N KASTEN	N SQUIRES
N COBB	Y KELLER	N STANFORD
N COCCHIARELLA	Y KNOX	Y STOVALL
N DAILY	N LARSON	N STRIZICH
N DAVIS	Y MASON	Y SWANSON
N DeBRUYCKER	N McCAFFREE	Y TASH
N DOLEZAL	N MCCARTHY	Y TOOLE
N DOWELL	N McCULLOCH	Y TUNBY
Y DRISCOLL	N MENAHAN	N TUSS
Y ELLIOTT	Y MILLS	Y VOGEL
Y ELLIS	Y MOLNAR	N WAGNER
N ENDY	Y NELSON, L	Y WALLIN
Y EWER	Y NELSON, T	N WANZENRIED
Y FAGG	Y ORR	N WHALEN
Y FELAND	N PAVLOVICH	Y WINSLOW
Y FISHER	N PECK	Y WISEMAN
Y FOSTER	Y PETERSON	N WYATT
N GALVIN	N QUILICI	Y ZOOK
N GERVAIS	N RANEY	Y MR. SPEAKER
Y GILBERT		

VOTED ABSENTEE: NONE.



STATE OF MONTANA

Office of the Legislative Fiscal Analyst

STATE CAPITOL
HELENA, MONTANA 59620
408/444-2986

TERESA OLCOTT COHEA
LEGISLATIVE FISCAL ANALYST

April 5, 1993

TO: Members of the Senate

FROM: Teresa Olcott Cohea
Legislative Fiscal Analyst

RE: Overview of House Bill 2

Following is an overview of the spending and FTE levels authorized in House Bill 2, as approved by the Senate Finance and Claims Committee.

GENERAL FUND SPENDING

House Bill 2 appropriates \$949.3 million general fund in the 1995 biennium. This is \$0.6 million less than the total general fund appropriated for the 1993 biennium in the current general appropriations act (as amended during the two special sessions), pay plan bill (House Bill 509), and supplemental bill (House Bill 3).

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

	<u>HB2</u>	<u>Supplemental Bill</u>	<u>Total</u>
1993 Biennium	\$921.1*	\$28.8**	\$949.9
1995 Biennium	949.3		949.3
Decrease			(0.6)
*Excludes \$32 million transfer to school equalization account			
**As approved by the House			

In House Bill 2, agencies' current level general fund budgets have been reduced by \$95.4 million below the LFA current level or 9.3 percent. However, these reductions in current level programs are offset by \$18.2 million general fund approved for new or expanded programs in budget modifications. As Table 2 shows, the net general fund reduction is \$77.2 million below the LFA current level.

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

<u>Subcommittee</u>	<u>Current Level</u> <u>Reductions</u>	<u>Modifications</u>	<u>Total</u>
General Government & Highways	(\$13.58)	\$2.23	(\$11.35)
Human Services	(35.09)	14.08	(21.01)
Natural Resources & Commerce	(10.12)	0.57	(9.55)
Institutions & Cultural Education	(12.51)	0.78	(11.73)
Education	(24.05)	0.50	(23.55)
Total	(\$95.35)	\$18.16	(\$77.19)

In contrast, spending from other funds (non-general fund) is \$162.2 million higher (6.3 percent) than the LFA current level, as Table 3 shows. House Bill 2 contains \$16.3 million more current level spending than the LFA current level and \$145.9 million of budget modifications funded with non-general fund revenue.

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

<u>Current Level</u>	<u>Modifications</u>	<u>Total</u>
\$16.29	\$145.93	\$162.22

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

Approximately 22 percent of the reductions are due to funding switches in which other funds are substituted for general fund, leaving total spending authority unchanged. The major funding switches are:

- 1) \$3.4 million of gross vehicle weight revenue (highway account) is used to fund Motor Vehicle Division operations;
- 2) \$2.3 million of Resource Indemnity Trust (RIT) revenue is used to fund operations in the departments of State Lands and Natural Resources and Conservation, in anticipation of passage and approval of House Bill 608;
- 3) \$2.0 million of capital projects funds (cigarette tax revenue) will be used to fund operations of the Columbia Falls veterans' home;
- 4) \$1.7 million of fees collected by the Secretary of State previously deposited in the general fund will be deposited in a proprietary account and used to fund most of the agency's operations;
- 5) \$1.0 million of fee revenue will be used to support the Weights and Measures Bureau in the Department of Commerce, rather than being deposited in the general fund;

- 6) \$1.0 million of existing and increased fees paid by the agricultural community will be deposited in state special revenue accounts and used to fund programs in the Department of Agriculture;
- 7) \$0.8 million of gambling control fees are used to fund a portion of drivers' license stations in the Department of Justice; and
- 8) \$0.6 million of increased fee revenue collected from counties and medical providers will be used to fund laboratories in the Department of Health.

Approximately 12 percent of the budget reductions reduce state support for or pass-through funds distributed to local governments and school districts. Of this amount, \$8.9 million reflects general fund budget reductions made in anticipation of the passage of House Bill 427 (the "county welfare de-assumption bill"). While this bill reduces state support for state medical, general assistance, and related welfare programs in state-assumed counties, it does not require counties to continue providing these programs.

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

Legislature	Budget Reduction	Funding Switches	Local Gov't/ Schools Impact	Totals
<u>General Government & Transportation</u>				
Legislative Auditor	(\$0.000)			(\$0.000)
Legislative Fiscal Analyst	(0.053)			(0.053)
Legislative Council	(0.764)	(0.050)		(0.814)
Environmental Quality Council	(0.043)			(0.043)
Judiciary	(0.242)	(0.429)	(0.761)*	(1.432)
Governor's Office	(0.614)	(0.080)		(0.694)
Secretary of State	(0.020)	(1.723)		(1.743)
Comm. of Political Practices	(0.004)			(0.004)
State Auditor	(0.441)			(0.441)
Crime Control	(0.009)	(0.013)		(0.022)
Highway Traffic Safety	(0.000)		(0.057)	(0.057)
Department of Justice	0.768	(4.192)	(0.300)	(3.724)
Department of Transportation	(0.208)	(0.090)		(0.298)
Department of Revenue	(2.244)	(0.208)		(2.452)
Department of Administration	0.745			0.745
Department of Military Affairs	(0.318)			(0.318)
Total General Government	(\$3.448)	(\$6.785)	(\$1.118)	(\$11.350)
<u>Human Services</u>				
Department of Health & Environ. Sci.	\$0.969	(\$1.173)		(\$0.204)
Department of Labor & Industry	0.203			0.203
Dept. of Social & Rehabilitation Services**	(6.810)	0.735	(9.640)**	(15.715)
Department of Family Services	(5.297)			(5.297)
Total Human Services	(\$10.935)	(\$0.438)	(\$9.640)	(\$21.013)
<u>Natural Resources & Commerce</u>				
Public Service Commission	\$0.002			\$0.002
Dept. of Fish, Wildlife, and Parks	(0.072)			(0.072)
Department of State Lands	(1.334)	(0.601)		(1.935)
Department of Livestock	0.101	(0.349)		(0.248)
Dept. of Natural Resources	(1.146)	(2.544)		(3.690)
Department of Agriculture	0.003	(0.952)		(0.949)
Department of Commerce	(0.698)	(1.956)		(2.654)
Total Natural Resources	(\$3.144)	(\$6.402)	\$0.000	(\$9.546)
<u>Institutions & Cultural Education</u>				
Montana Arts Council	(\$0.005)		(\$0.004)	(\$0.009)
State Library	(0.008)			(0.008)
Historical Society	(0.093)			(0.093)
Dept. of Corrections and Human Ser.	(9.025)	(2.598)		(11.623)
Total Institutions & Cult. Ed.	(\$9.131)	(\$2.598)	(\$0.004)	(\$11.733)
<u>Education</u>				
Office of Public Instruction	(\$0.284)		\$2.211	\$1.927
Board of Public Education	(0.011)	(0.004)		(0.015)
School for Deaf and Blind	(0.243)	(0.050)	(0.514)	(0.807)
Vocational Technical Centers	1.017			1.017
Commissioner of Higher Education	(1.474)		(0.369)	(1.843)
University Units	(22.356)			(22.356)
Agricultural Experiment Station	(1.379)			(1.379)
Coop Extension Service	0.020			0.020
School of Forestry	0.007			0.007
Bureau of Mines	(0.110)			(0.110)
Fire Services Training School	(0.014)			(0.014)
Total Education	(\$24.828)	(\$0.054)	\$1.322	(\$23.553)
Total All Subcommittee Actions	(\$51.485)	(\$16.277)	(\$9.433)	(\$77.195)

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

**A portion of the general fund reductions for House Bill 427 (\$8.9 million), is included in this total. Actual impacts to counties will be lower if counties do not operate general assistance and medical programs.

HR2 TARGETS

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

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

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

	Revised Target**	Legislative Action	Including Action Difference Contingent on Bills***	Difference
House Bill 2				
General Govt. and Transportation	\$109.142	\$111.508	\$2.366	\$112.202
Human Services	314.011	323.035	9.024	324.968
Natural Resources	39.556	33.254	(6.302)	33.880
Institutions	161.664	158.350	(3.314)	158.753
Education	322.259	323.111	0.852	322.444
Fiscal 1993 Supplementals	7.139	0.000	(7.139)	0.000
Unallocated	1.995	0.000	(1.995)	0.000
Reversions	0.000	(1.750)	(1.750)	(1.750)
Total House Bill 2	\$955.766	\$947.508	(\$8.258)	\$950.497
K-12	\$802.323	\$803.978	\$1.655	\$803.978
All Other Statutory				
Personal Property Reimb(HB 196)	\$39.846	\$36.672	(\$3.174)	\$36.672
Debt Service - Long Range	25.728	24.362	(\$1.366)	24.362
TRANS Interest	6.464	4.000	(2.464)	4.000
Retirement	7.814	7.814	0.000	7.814
Feed Bill	0.000	5.000	5.000	5.000
Total Other Statutory	\$79.852	\$77.848	(\$2.004)	\$77.848
Other Appropriations	\$0.000	\$9.109	\$9.109	\$9.109
Total	\$1,837.941	\$1,838.443	\$0.502	\$1,841.432
* As reflected on LFA status sheet 4/02/93				
** Includes supplementals in excess of HB3 and HB 77 as introduced				
*** Specific bills listed on subcommittee target sheets.				

As table 5 shows, House Bill 2 as passed by the Senate Finance and Claims is \$8.3 million below the HR2 targets.

House Bill 2 contains "contingency" language that will increase general fund appropriations by \$3.0 million, depending on the outcome of pending legislation. Table 6 summarizes the impact of the contingency language currently in the bill.

<p align="center">Table 6 General Fund Changes Contingent on Passage of Other Bills or Action</p>				
Subcommittee\Agency	Bill #	Fiscal 1994	Fiscal 1995	Triggering Action Pass/Fail
General Government				
Justice	SB382	\$345,266	\$348,295	Fail
Human Services				
SRS	HB309	(31,252)	(11,263)	Fail
SRS	HB333	1,261,427	1,268,050	Fail
SRS	HB427	(100,000)	(100,000)	Fail
SRS	SB40	(175,167)	(178,310)	Fail
Natural Resources				
Agriculture	HB193	313,698	307,962	Fail
Commerce	EEO Contract	2,035	1,941	Not renewed
Institutions				
Corrections**	HB333	162,800	240,180	Pass
Education				
Office of Public Instruction	HB677*	(1,600,000)		Fail
Commissioner of Higher Education	HB 5	465,115	467,275	Fail
Total		\$643,922	\$2,344,130	
<p>* Biennial appropriation. **Based on HB333 as introduced. As HB333 is currently amended only \$242,744 general fund needs to be added if the bill is passed and approved.</p>				

REDUCTIONS IN ANTICIPATION OF PASSAGE OF BILLS

In addition to the contingency appropriations and language summarized in Table 6, the House reduced general fund appropriations in House Bill 2 by \$17.7 million in anticipation of passage and approval of the bills listed in Table 7. Senate Finance and Claims Committee reduced the general fund appropriation for the Secretary of State's office by \$1.7 million, in anticipation of passage and approval of House Bill 549. As of April 5, only one of these bills (House Bill 646) had been passed by the legislature and transmitted to the Governor. There is no contingency language in House Bill 2 providing for increased general fund appropriations if these bills are not passed and approved.

Table 7
General Fund Reductions in HB2 in Anticipation
of Passage of Other Bills

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

REVISED MEDICAID ESTIMATES

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

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

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

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

TOTAL SPENDING

House Bill 2, as recommended by the Senate Finance and Claims Committee, authorizes \$3.7 billion spending from all funds during the 1995 biennium. This is 10.4 percent higher than

appropriated during the 1993 biennium (in the general appropriations act, pay plan bill, and supplemental bill.)

Table 8 Comparison of Total Appropriations 1993 and 1995 Biennia (Millions)		
	<u>1993 Biennium</u>	<u>1995 Biennium</u>
HB2/HB509/HB3	\$3,354.5	
HB2		\$3,702.2
Increase		10.4%

VACANCY SAVINGS

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

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

As Table 9 shows, the personal services reduction decreased agency budgets by \$10.3 million general fund and \$13.8 million other funds.

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

Table 9 Personal Services Reduction Efficiencies and Contingencies 1995 Biennium				
	General Fund		Other Funds	
	Reduction	Contingency	Reduction	Contingency
Legislative Auditor	(\$106,179)	\$10,618	\$0	\$0
Judiciary	(47,252)	4,724	(16,234)	3,246
Commissioner of Higher Education	(85,850)	8,585	(11,660)	2,332
Executive Branch (Administration)	<u>(10,023,884)</u>	<u>1,002,388</u>	<u>(13,754,001)</u>	<u>2,744,837</u>
Total	(\$10,263,165)	\$1,026,315	(\$13,781,895)	\$2,750,415

FTE

The legislature has reduced the number of state employees authorized in House Bill 2 by a net 148.09 full-time equivalents (FTE) from the level authorized by the 1991 legislature (and revised during the two special sessions). Table 10 shows the additions and reductions by agency.

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

Agency**	HB2 FTE Fiscal 1992***	HB2 FTE Fiscal 1993***	Legislative Action FTE 1994	Legislative Action FTE 1995	Increase (Decrease) FY93-95
Legislative Auditor	67.50	67.50	63.50	63.50	(4.00)
Legislative Fiscal Analyst	17.50	18.00	16.80	16.80	(1.20)
Legislative Council	45.70	53.70	42.97	48.14	(5.56)
Environmental Quality Council	7.00	7.00	6.50	6.50	(0.50)
Consumer Counsel	4.25	4.25	5.25	5.25	1.00
Judiciary	91.50	92.00	90.50	90.50	(1.50)
Governor's Office	59.50	58.50	54.75	54.75	(3.75)
Secretary of State	35.25	35.25	34.30	34.30	(0.95)
Comm. of Political Practices	3.50	3.00	3.25	3.25	0.25
State Auditor	70.00	70.00	63.00	63.00	(7.00)
Office of Public Instruction	140.23	140.23	141.23	141.23	1.00
Crime Control Division	18.00	18.00	19.00	19.00	1.00
Highway Traffic Safety	8.50	8.50	8.50	8.50	0.00
Department of Justice	645.40	638.40	641.30	633.80	(4.60)
Public Service Regulation	47.00	47.00	44.50	44.50	(2.50)
Board of Public Education	4.00	4.00	4.00	4.00	0.00
Comm. of Higher Education	67.45	66.95	82.95	85.95	19.00
School for the Deaf & Blind	85.38	85.38	81.68	81.68	(3.70)
Montana Arts Council	7.97	7.97	9.97	9.97	2.00
Library Commission	29.50	29.50	28.50	28.50	(1.00)
Council on Vocational Education	2.50	2.50	2.50	2.50	0.00
Historical Society	47.88	47.88	48.63	48.63	0.75
Dept. of Fish, Wildlife, & Parks	553.03	553.13	555.85	554.27	1.14
Dept. of Health & Env. Sciences	384.94	386.94	433.04	438.09	51.15
Dept. of Transportation	2,004.77	2,007.07	1,933.75	1,933.75	(73.32)
Dept. of State Lands	359.71	366.37	353.77	354.36	(12.01)
Dept. of Livestock	119.71	117.71	122.71	123.71	6.00
Dept. of Nat. Resources & Cons.	262.20	262.20	243.42	243.42	(18.78)
Dept. of Revenue****	670.09	674.08	671.89	671.89	(2.19)
Dept. of Administration	318.14	322.14	311.26	315.26	(6.88)
Public Employees' Retirement Brd.	20.00	20.00	21.00	21.00	1.00
Teachers' Retirement Board	11.50	11.50	11.50	11.50	0.00
Dept. of Agriculture	99.04	99.09	97.26	95.93	(3.16)
Dept. of Corr. & Human Services	2,077.22	2,042.46	1,882.05	1,872.05	(170.41)
Dept. of Commerce	324.31	325.81	334.81	335.81	10.00
Dept. of Labor and Industry	639.00	639.00	644.00	644.00	5.00
State Mutual Insurance Fund	218.90	217.90	221.25	224.25	6.35
Dept. of Military Affairs	99.75	99.75	99.40	98.65	(1.10)
Dept. of Social & Rehab. Serv.	906.90	909.15	944.45	988.45	79.30
Dept. of Family Services	599.60	583.60	606.90	574.68	(8.92)
Total FTE	11,174.32	11,143.41	10,981.89	10,995.32	(148.09)

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

**Excludes University System

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

****Excludes liquor store employees

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

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

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

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

Table 12 shows that of 822.04 FTE eliminated as a result of these motions, 460.83 FTE were eliminated due to the 5 percent motion and an additional 361.21 FTE due to vacancies. To date, the legislature has voted to restore 573.14 of these FTE, resulting in a net reduction of 248.90 FTE due to these motions.

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

As Table 11 shows, in fiscal 1995 House Bill 2 includes funding for 472.43 fewer FTE in the current level than were authorized for the 1993 biennium by the 1991 legislature (as amended during the special sessions). However, 324.34 FTE were funded in budget modifications, resulting in a net FTE reduction of 148.09 FTE. Tables in the accompanying narratives show the number of FTE funded through budget modifications in each agency.

Table 11
Changes in FTE Authorized in House Bill 2
Compared to FY93

	<u>FY94</u>	<u>FY95</u>
Current level	(462.38)	(472.43)
Budget modifications	<u>300.86</u>	<u>324.34</u>
Net reduction	(161.52)	(148.09)

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

	-----Joint Committee Action-----			FTE Restored	Net
	Removed by 5% Reduction	Removed by Being Vacant	Total FTE Removed	by Legislature	FTE Removed
General Government and Transportation					
Legislative Auditor	4.00	0.00	4.00		4.00
Legislative Fiscal Analyst	Exempt	0.00	0.00		0.00
Consumer Counsel	Exempt	0.00	0.00		0.00
Legislative Council	4.20	0.00	4.20		4.20
Environmental Quality Council	Exempt	0.00	0.00		0.00
Governor's Office	3.25	8.00	11.25	8.00	3.25
Commissioner of Political Practices	Exempt	0.00	0.00		0.00
Judiciary	Exempt	0.00	0.00		0.00
Secretary of State	1.95	0.00	1.95		0.95
Justice	32.50	20.25	52.75	27.75	25.00
Board of Crime Control	Exempt	1.00	1.00	1.00	0.00
Highway Traffic Safety	Exempt	0.00	0.00		0.00
Revenue	34.90	37.70	72.60	64.09	8.51
Transportation	136.25	110.28	246.53	174.66	71.87
State Auditor	3.33	4.00	7.33	5.33	2.00
Military Affairs	4.50	2.00	6.50	2.00	4.50
Administration	15.38	7.50	22.88	3.50	19.38
State Compensation Mutual Ins. Fund	Exempt	10.25	10.25	7.00	3.25
Public Employees' Retirement Board	Exempt	1.00	1.00	1.00	0.00
Teachers' Retirement Board	Exempt	1.00	1.00	1.00	0.00
SUBTOTAL	240.26	202.98	443.24	296.33	146.91
Human Services					
Labor and Industry	32.25	9.00	41.25	39.25	2.00
Social and Rehabilitation Services	49.32	21.25	70.57	44.87	25.70
Health and Environmental Sciences	20.09	12.75	32.84	29.09	3.75
Department of Family Services	29.85	21.75	51.60	51.60	0.00
SUBTOTAL	131.51	64.75	196.26	164.81	31.45
Natural Resources and Commerce					
Agriculture	4.00	7.70	11.70	6.62	5.08
Fish, Wildlife, and Parks	20.41	32.54	52.95	47.86	5.09
Livestock	4.00	1.00	5.00	5.00	0.00
Natural Resources and Conservation	12.78	6.00	18.78	3.00	15.78
State Lands	14.84	21.72	36.56	24.17	12.39
Public Service Regulation	3.00	2.00	5.00	2.50	2.50
Commerce	16.00	10.45	26.45	7.95	18.50
SUBTOTAL	75.03	81.41	156.44	97.10	59.34
Institutions and Cultural Education					
Corrections and Human Services	Exempt	Exempt	Exempt		
Montana Library Commission	1.74	0.50	2.24	1.24	1.00
Montana Arts Council	Exempt	0.00	0.00		0.00
Montana Historical Society	2.59	1.25	3.84	3.84	0.00
SUBTOTAL	4.33	1.75	6.08	5.08	1.00
Education					
Commissioner of Higher Education	0.00 *	5.80	5.80	5.80	0.00
University System	Exempt	Exempt	0.00		0.00
Vocational-Technical Centers	Exempt	Exempt	0.00		0.00
Agricultural Experiment Station	Exempt	Exempt	0.00		0.00
Cooperative Extension Service	Exempt	Exempt	0.00		0.00
Forestry Experiment Station	Exempt	Exempt	0.00		0.00
Bureau of Mines	Exempt	Exempt	0.00		0.00
Fire Services Training School	Exempt	Exempt	0.00		0.00
Advisory Council for Vocational Education	Exempt	0.00	0.00		0.00
Board of Public Education	Exempt	0.00	0.00		0.00
Office of Public Instruction	6.00	3.90	9.90	3.40	6.50
School for the Deaf and Blind	3.70	0.62	4.32	0.62	3.70
SUBTOTAL	9.70	10.32	20.02	9.82	10.20
TOTAL	460.83	361.21	822.04	573.14	248.90

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

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

Agy. #	Agency	(A) -- TARGET -- Current Level Fiscal 1992-93	(B) LFA Current Level Fiscal 1994-95	(C) - Difference - LFA CL/Target (B - A)	(D) Legislative Action To Date	(E) Over(Under) Target (D - A)	(F) Contingent G/F Impact	(G) E + F	(H) Over(Under) LFA C/L (D - B)
1101	LEGISLATIVE AUDITOR	\$2,405,934	\$2,598,280	\$192,346	\$2,597,882	191,948		191,948	(\$396)
1102	LEGISLATIVE FISCAL ANALYST	1,677,561	1,730,163	52,602	1,676,938	(623)		(623)	(\$53,225)
1104	LEGISLATIVE COUNCIL	3,807,150	4,948,118	1,140,968	4,134,135	326,985		326,985	(\$813,983)
1111	ENVIRONMENTAL QUALITY COUNCIL	557,134	599,665	42,531	557,134	0		0	(\$42,531)
2110	JUDICIARY	16,463,815	18,046,448	1,582,633	16,614,374	150,559		150,559	(\$1,432,074)
3101	GOVERNOR'S OFFICE	4,673,865	5,048,068	374,203	4,353,952	(319,913)		(319,913)	(\$694,116)
3201	SECRETARY OF STATE	1,875,831	1,865,520	0	122,426	(1,753,405)		(1,753,405)	(\$1,743,094)
3202	COMM. OF POLITICAL PRACTICES	278,961	251,177	0	246,971	(31,990)		(31,990)	(\$4,206)
3401	STATE AUDITOR'S OFFICE	4,204,118	4,285,698	81,580	3,844,213	(359,905)		(359,905)	(\$441,485)
4107	CRIME CONTROL DIVISION	931,387	948,664	17,277	926,245	(5,142)		(5,142)	(\$22,419)
4108	HIGHWAY TRAFFIC SAFETY	366,160	420,000	53,840	363,213	(2,947)		(2,947)	(\$56,787)
4110	DEPARTMENT OF JUSTICE	22,084,408	26,894,613	4,810,205	23,170,391	1,085,983	693,561 (1)	1,779,544	(\$3,724,222)
5401	DEPARTMENT OF TRANSPORTATION	612,894	461,689	0	163,579	(449,315)		(449,315)	(\$298,110)
5801	DEPARTMENT OF REVENUE	38,818,690	43,420,054	4,601,364	40,967,840	2,149,150	(2)	2,149,150	(\$2,452,214)
6101	DEPARTMENT OF ADMINISTRATION	6,452,040	7,020,738	568,698	7,765,499	1,313,459		1,313,459	\$744,761
6701	DEPARTMENT OF MILITARY AFFAIRS	4,114,086	4,321,645	207,559	4,003,651	(110,435)		(110,435)	(\$317,994)
	SUPPLEMENTALS/OTHER ADJ.	(182,210)	0	52,610	0	182,210		182,210	\$0
	Totals	\$109,141,824 Subcommittee Target Budget	\$122,860,540	\$13,778,416	\$111,508,443 House Action	\$2,366,619 Target Reductions	\$693,561	\$3,060,180	(\$11,352,097)

(1) SB 278 would provide coal tax funds for the Eastern Drug Enforcement Task Unit. Contingency language in House Bill 2 would restore general fund if SB 278 fails.

(2) REVENUE LOSS - Subcommittee action eliminated 2.18 FTE mail clerks. The department estimates a general fund revenue loss from this action of \$400,000.

**HUMAN SERVICES SUBCOMMITTEE
GENERAL FUND EXPENDITURE TARGETS
1995 BIENNIUM**

Agy. #	Agency/Contingency Bill	(A) -- Target -- Current Level LFA 1992 - 93 Fiscal 1992 - 93	(B) LFA Current Level Fiscal 1994 - 95	(C) - Difference - LFA C/L Dollar Cut	(D) Legislative Action To Date	(E) Over(Under) Target (D - A)	(F) Contingent General Fund Impact	(G) Revenue Increases	(H) E + F + G
5301	Health & Environmental Sciences	\$6,618,761	\$6,616,383	(\$2,378)	\$6,411,971	(\$206,790)			(\$206,790)
6602	Labor and Industry	1,453,872	1,396,969	(56,903)	1,599,973	146,101			146,101
6901	Social & Rehabilitation Services House Bill 309* House Bill 333 House Bill 427 Senate Bill 40	210,723,024	260,595,985	49,872,961	244,881,044	34,158,020	(42,515) 2,529,477 (200,000) (353,477)	(2,457,174)	33,634,331
6911	Family Services	64,421,526	75,439,238	11,017,712	70,142,009	5,720,483			5,720,483
REVISIONS TO TARGET									
	HOUSE APPROPRIATIONS ADDITIONAL SUPPLEMENTAL APPROPRIATIONS	35,831,817 (5,038,036)		(35,831,817) 5,038,036		(35,831,817) 5,038,036			(35,831,817) 5,038,036
Totals		<u>\$314,010,964</u> Subcommittee Target Budget	<u>\$344,048,575</u>	<u>\$30,037,611</u>	<u>\$323,034,997</u> Committee Action	<u>\$9,024,033</u> Difference	<u>\$1,933,485</u>	<u>(\$2,457,174)</u>	<u>\$8,500,344</u>

The LFA General Fund Status Sheet reflects column D less column B (Legislative action less LFA): (\$21,013,578)

**NATURAL RESOURCES AND COMMERCE SUBCOMMITTEE
GENERAL FUND EXPENDITURE TARGETS
1995 BIENNIUM**

Agency #	(A) --Target-- Current Level Fiscal 1992-93	(B) LFA Current Level Fiscal 1994-95	(C) --Difference-- LFA C/L Dollar Cut	(D) Legislative Action To Date	(E) Over(Under) Target (D-A)	(F) Contingent GF Impact	(G) E + F
4201 Public Service Regulation	\$4,107,342	\$4,345,112	\$237,770	\$4,346,917	\$239,575		\$239,575
5201 Fish, Wildlife, & Parks	778,023	846,110	68,087	774,068	(3,955)		(3,955)
5501 State Lands	17,830,506	18,700,093	869,587	16,765,581	(1,064,925)		(1,064,925)
5603 Livestock	1,334,708	1,148,509	0	900,158	(434,550)		(434,550)
5706 Natural Resources & Conservation	8,687,976	10,375,645	1,687,669	6,685,766	(2,002,210)		(2,002,210)
6201 Agriculture House Bill 193 (if fails) *	2,124,606	1,942,467	0	993,697	(1,130,909)	621,660	(509,249)
6501 Commerce EEO Contract (Non-renewal)	5,129,278	5,441,618	312,340	2,787,786	(2,341,492)	3,976	(2,337,516)
Unallocated Additional GF Supplemental (DSL)	(368,439) (67,440)	0 0	368,439 67,440		368,439 67,440		368,439 67,440
Totals	\$39,556,560 Committee Target Budget	\$42,799,554	\$3,611,332	\$33,253,973 Committee Action	\$6,302,587 Difference	\$625,636	(\$5,676,951)

The LFA General Fund Status Sheet reflects column D less column B (Legislative action less LFA): **(\$9,545,581)**

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

04/05/93

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**INSTITUTIONS AND CULTURAL EDUCATION
GENERAL FUND EXPENDITURE TARGETS
1995 BIENNIUM**

Agy. # Agency/Contingency Bill	(A) --Target-- Current Level Fiscal 1992-93	(B) LFA Current Level Fiscal 1994-95	(C) --Difference-- LFA C/L Dollar Cut	(D) Legislative Action To Date*	(E) Over(Under) Target (D-A)	(F) Contingent GF Impact	(G) E + F
5114 Arts Council	\$152,680	\$262,874	\$110,194	\$253,998	\$101,318		\$101,318
5115 State Library	2,172,562	2,328,265	155,703	2,320,104	147,542		\$147,542
5117 Historical Society	2,525,965	2,790,788	264,823	2,697,661	171,696		\$171,696
6401 Corrections/Human Services* HB333	156,812,467	164,701,766	7,889,299	153,078,693	(3,733,774)	402,980	(\$3,330,794)
Totals	\$161,663,674 Subcommittee Target Budget	\$170,083,693	\$8,420,019	\$158,350,456 Appropriations Action	(\$3,313,218) Difference	\$402,980	(\$2,910,238)

The LFA General Fund Status Sheet reflects column D less column B (Legislative action less LFA): **(\$11,733,237)**

* Closure of Galen results in an estimated \$1.4 million loss of revenue to the general fund and an estimated \$353,477 general fund cost to SRS.

04/02/93

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**EDUCATION & CULTURAL RESOURCES
GENERAL FUND EXPENDITURE TARGETS
1995 BIENNIIUM**

Agy. #	Agency/Contingency Bill	(A) -- Target -- Current Level Fiscal 1992-93	(B) LFA Current Level Fiscal 1994-95	(C) - Difference - LFA C/L Dollar Cut	(D) Legislative Action To Date	(E) Over(Under) Target (D-A)	(F) Contingent GF Impact	(G) E + F
3501	O.P.I. House Bill 677	\$91,094,599	\$90,428,764	(\$665,825)	\$92,355,951	\$1,261,362	(1,600,000)	\$1,261,362 (\$1,600,000)
5101	Board of Public Education	209,980	229,268	19,288	214,068	4,088		\$4,088
5113	M.S.D.B.	5,504,347	5,626,423	122,076	4,819,149	(\$685,198)		(\$685,198)
3599	Vo Tech Centers	16,699,921	15,139,016	(1,560,905)	16,155,744	(\$544,177)		(\$544,177)
5102	Commissioner of Higher Education House Bill 5	21,164,483	22,954,626	1,790,143	21,111,129	(\$53,354)	932,390	(\$53,354) \$932,390
5199	Six University Units*	182,793,300	186,263,048	3,469,748	163,906,675	(\$18,886,625)		(\$18,886,625)
5109	Agricultural Experiment Station	15,170,666	15,869,754	699,088	14,490,727	(\$679,939)		(\$679,939)
5110	Cooperative Extension Service	5,847,494	5,555,127	(292,367)	5,575,016	(\$272,478)		(\$272,478)
5111	Forest/Conservation Exp Station	1,416,555	1,398,825	(17,730)	1,405,544	(\$11,011)		(\$11,011)
5112	Bureau of Mines	2,613,671	2,705,109	91,438	2,594,904	(\$18,767)		(\$18,767)
5119	Fire Services Training School	479,688	496,661	16,973	482,319	2,631		\$2,631
	Additional Target	(20,328,073)		20,328,073		20,328,073		\$20,328,073
	Supplemental Appropriations	(407,814)		407,814		407,814		\$407,814
	Totals	\$322,258,807 Subcommittee Target Budget	\$346,666,621	\$24,407,814	\$323,111,226 Committee Action	\$852,419 Difference	(\$667,610)	\$184,809

The LFA General Fund Status Sheet reflects column D less column B: (\$23,555,395)

*LFA current level does not reflect an additional \$382,573 at the Montana College of Mineral Science and Technology, which was not included due to a system omission. Inclusion of this amount results in a total subcommittee reduction to date of: (23,937,968)

04/02/93

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Free Conference Committee
on House Bill 2
Report No. 1, April 24, 1993

Page 1 of 13

Mr. Speaker and Mr. President:

We, your Free Conference Committee, met and considered House Bill No. 2 and recommend that House Bill No. 2 (reference copy -- salmon) be amended as follows:

1. Page BP-2, line 4.

Following: "SAVINGS"

Insert: "and budget balancing reduction"

Following: "."

Insert: "(1)"

2. Page BP-2, line 8.

Following: line 7

Insert: "(2) The amounts shown for budget balancing reductions reduce each agency's total general fund appropriation. The agency, with the approval of the approving authority, as defined in 17-7-102, shall determine the proportional share of the amount to be applied to each program and reduce that program's expenditure authority accordingly."

3. Page BP-2, following line 20.

Insert: "NEW SECTION. Section 12. Budget balancing reductions of general fund. The amounts shown for budget balancing reductions reduce each agency's general fund appropriations by 1/2 of 1%, with the following exceptions: medical assistance and family assistance in the department of social and rehabilitation services, the department of corrections and human services, and the Montana university system, with the exception of the office of the commissioner of higher education."

Renumber: subsequent sections

4. Page A-1.

Following: line 5

Insert: "a. SJR 28 -- Legislative Audit Request -- Hard-Rock Bureau (Biennial)
1,200 " [state special revenue]

5. Page A-1.

Following: line 15

Insert: "Item 1a is contingent on passage of Senate Joint Resolution No. 28."

6. Page A-2.

Following: line 5

ADOPT

REJECT

901906CC.Hss

Insert: "Of the amount appropriated as item 1a, legislative contingencies, to the office of the legislative fiscal analyst in section 1, Chapter 17, Special Laws of July 1992, amending section 1, Chapter 13, Special Laws of January 1992, amending section 1, Chapter 815, Laws of 1991, any unexpended funds up to \$16,000 are reappropriated to the analysis and review program (program 01) within the office of the legislative fiscal analyst. The funds reappropriated to the analysis and review program are appropriated for the 1995 biennium for expenses associated with the review required in Senate Bill No. 378."

7. Page A-5, following line 7.

Insert: "b. SB 271 -- Pilot Program for Local Citizen Review Boards (Restricted/Biennial)
113,232" [fiscal 1994 general fund]

8. Page A-5, lines 20 and 21.

Strike: lines 20 and 21 in their entirety

Renumber: subsequent subsections

9. Page A-6, following line 6.

Insert: "Contingent on passage and approval of Senate Bill No. 271, the appropriation in item 1b is appropriated to the office of the supreme court administrator for allocation to the youth court of the judicial districts designated, pursuant to Senate Bill No. 271, for a pilot program for local citizen review boards for foster care placements."

10. Page A-7, line 8.

Strike: "75,000" 75,000"
Insert: "144,765" 147,063"

11. Page A-7, line 25 through A-8, line 1.

Strike: page A-7, line 25 through page A-8, line 1 in their entirety

12. Page A-10, following line 11.

Insert: "c. SB 354 -- Insurance Industry Continuing Education Program
115,848 99,782" [state special revenue]
"d. HB 273 -- Auto Glass Insurance Practices
10,000 10,000" [general fund]
"e. SB 430 -- Insurance Regulatory Program Accreditation
287,452 269,052" [state special revenue]

13. Page A-10, following line 16.

Insert: "b. SB 314 -- Securities Portfolio Registration Program
75,500 63,732" [state special

revenue]

14. Page A-11, following line 13.

Insert: "Item 2c is contingent on passage and approval of Senate Bill No. 354.

Item 2d is contingent on passage and approval of House Bill No. 273.

Item 2e is contingent on passage and approval of Senate Bill No. 430.

Item 3b is contingent on passage and approval of Senate Bill No. 314."

15. Page A-14, following line 10.

Insert: "b. HB 609 -- Transfer Liquor Investigation Function
314,770 318,973" [Proprietary funds]

16. Page A-14, line 12.

Strike: "4,586,320 3,477,573"

Insert: "4,999,155 1,890,364"

17. Page A-14, line 13.

Strike: "2,244,207"

Insert: "4,244,207"

18. Page A-14, line 23.

Strike: "1,342,904 398,266 1,338,721 391,295"

Insert: "1,688,170 53,000 1,687,016 43,000"

19. Page A-15, following line 4.

Insert: "d. HB 222 -- Fire Protection Equipment Licensing Program

88,200 82,300" [state special revenue]

"e. HB 609 -- Transfer Public Assistance Investigation Function"

"113,747" [Federal] "56,983" [Proprietary] "112,427"

[Federal] "45,580" [Proprietary]

20. Page A-15, line 12.

Strike: "209,051 213,606 9,305 219,507 224,765
9,792"

Insert: "187,335 235,391 9,236 178,140 266,052
9,872"

21. Page A-15, line 14.

Strike: "20,458 21,842 952"

Insert: "18,758 23,570 924"

22. Page A-16, line 1.

24,848"
39,075"

23. Page A-16, lines 12 through 14.
Strike: lines 12 through 14 in their entirety

24. Page A-16, line 18.
Following: "1994."

Insert: "The department shall also prepare a plan by July 1, 1994, in consultation with the superintendent of public instruction, to have driver's license examinations of students conducted, under the supervision and direction of the department, by local school district staff of traffic education programs administered by the superintendent of public instruction."

25. Page A-17, line 10.
Following: "Staff"
Insert: "(Restricted)"

26. Page A-18, following line 4.
Insert: "1. HB 539 -- Tax Special Fuel at Distributor Level
(Restricted)
104,000" [fiscal 1994 state special revenue]

27. Page A-20, following line 21.
Insert: "Item 11 is contingent on passage and approval of House
Bill No. 539."

28. Page A-21, line 23.

Strike: "117,894	551,931	112,427	544,821"
Insert: " 4,147	180,178	0	180,268"

29. Page A-22, following line 19.
Insert: "b. SB 168 -- Agricultural Land Valuations (Restricted)"
"261,432" [fiscal 1994 general fund]
"4,968" [fiscal 1995 general fund]

30. Page A-22, line 21.
Strike: "57,539 58,072"
Insert: "43,340 43,845"

31. Page A-23, lines 9 through 13.
Strike: lines 9 through 13 in their entirety

32. Page A-23, following line 13.

Insert: "If the referendum to enact a general sales tax and to provide tax reform in Senate Bill No. 235 is approved by the electorate in the special election provided for by [section 184 of Senate Bill No. 235], there is appropriated from the state special revenue account created in Senate Bill No. 235 to the department of revenue up to \$4,511,707 in fiscal 1994 and up to \$5,684,952 in fiscal 1995 for the purpose of administering the provisions of Senate Bill No. 235. In accordance with 17-2-107(2)(c), the legislature authorizes the department of administration to provide an interentity loan to the department of revenue for these amounts during the 1995 biennium. These loans must be repaid from proceeds of the sales tax deposited in the state special revenue account.

If the referendum to enact a general sales tax and to provide tax reform as provided in Senate Bill No. 235 is approved by the electorate at the June 8, 1993, special election provided for by [section 184 of Senate Bill No. 235], there is appropriated from the sales tax and use tax account established in [section 71 of Senate Bill No. 235] to the department of revenue the amounts necessary to provide the property tax replacement revenue for taxing jurisdictions as provided for in 15-1-111(5) through (13), as amended by Senate Bill No. 235, and in [section 125 of Senate Bill No. 235], regarding reimbursement to local governments and schools, in fiscal 1994 and fiscal 1995."

33. Page A-25, line 23.

Strike: "1,027,656	324,139	1,039,477
329,865"		

Insert: "1,023,914	329,756	1,035,235
335,695"		

34. Page A-25, line 25.

Strike: "548,890"

Insert: "528,633"

35. Page A-27, line 20.

Following: "department"

Insert: "and the office of budget and program planning"

36. Page A-27, line 23.

Following: "department"

Insert: "and the office of budget and program planning"

37. Page A-28, line 5.

Following: "department"

Insert: "and the office of budget and program planning"

38. Page A-28, line 7.

Strike: "department"

Insert: "governor"

39. Page A-28, following line 22.

Insert: "f. SB 164 -- Workers' Compensation Fraud
Investigation/Prosecution"

"542,202" [fiscal 1994 proprietary]

"361,749" [fiscal 1995 proprietary]

"g. SB 163 -- Montana Safety Culture Act"

"456,478" [fiscal 1994 proprietary]

"364,724" [fiscal 1995 proprietary]

"h. SB 381 -- Underinsured Employers

86,905" [fiscal 1994, proprietary]

"i. HB 622 -- Revising Workers' Compensation Act

107,269 92,631" [proprietary]

"j. HB 511 -- Workers' Compensation Data Base System"

"251,906" [fiscal 1994 proprietary]

"152,355" [fiscal 1995 proprietary]

"k. SB 347 -- Workers' Compensation Medical Cost
Containment

749,666 448,044" [proprietary]

40. Page A-29, following line 3.

Insert: "Item li is contingent on passage and approval of House
Bill No. 622.

Item lj is contingent on passage and approval of House Bill
No. 511.

Item lk is contingent on passage and approval of Senate Bill
No. 347.

If House Bill No. 13 is passed and approved and if it
provides a statutory appropriation for administration and
benefit costs of the state compensation mutual insurance
fund, all appropriations for the state compensation mutual
insurance fund in [this act] are eliminated."

41. Page A-29, following line 9.

Insert: "b. HB 517 -- PERS Retirement Incentives (Restricted)
42,500" [fiscal 1994 other funds]

42. Page A-29, line 16.

Following: "items 1"

Strike: "and 1a"

Insert: ", 1a, and 1b"

43. Page A-29, following line 16.

Insert: "Item 1b is contingent on passage and approval of House
Bill No. 517."

44. Page A-29, following line 23.

Insert: "c. HB 517 -- TRS Retirement Incentives (Restricted)
5,750" [fiscal 1994 other funds]

45. Page A-30, line 5.

Following: "1a,"

Strike: "AND 1B"

Insert: "1b, and 1c"

46. Page A-30, following line 5.

Insert: "Item 1c is contingent on passage and approval of House
Bill No. 517 with amendments to include the teachers'
retirement system."

47. Page B-2.

Following: line 21

Insert: "c. HB 567 -- Commercial Medical Hazardous Waste
Incinerators"

"61,620" [state special revenue, fiscal 1994]

"57,170" [state special revenue, fiscal 1995]

48. Page B-3.

Following: line 16

Insert: "j. SB 284 -- Underground Tank Installer Permits"

"11,500" [state special revenue, fiscal 1994]

"10,500" [state special revenue, fiscal 1995]

"k. HB 592 -- Hazardous Waste Management Permit Fees"

"126,240" [state special revenue, fiscal 1994]

"121,240" [state special revenue, fiscal 1995]

49. Page B-4.

Following: line 8

Insert: "h. HB 388 -- Water Quality Fees"

"769,892" [state special revenue, fiscal 1994]

"51,248" [proprietary, fiscal 1994]

"777,388" [state special revenue, fiscal 1995]

"51,529" [proprietary, fiscal 1995]

50. Page B-6, line 8.

Strike: "1,010,143" [FY94 state special revenue]

"1,010,143" [FY95 state special revenue]

Insert: "1,313,077" [FY94 state special revenue]

"1,289,225" [FY95 state special revenue]

51. Page B-6, line 10.

Strike: "81,949" [FY94 general fund]

"246,069" [FY94 state special revenue]
"82,231" [FY95 general fund]
"258,120" [FY95 state special revenue]
Insert: "271,949" [FY94 general fund]
"56,069" [FY94 state special revenue]
"272,231" [FY95 general fund]
"68,120" [FY95 state special revenue]

52. Page B-7.

Following: line 10

Insert: "Item 3c is contingent on passage and approval of House
Bill No. 567."

53. Page B-7.

Following: line 13

Insert: "Item 5h is contingent on passage and approval of House
Bill No. 388."

54. Page B-9, following line 19.

Insert: "d. HB 511 -- Workers' Compensation Data Base System
(Biennial)"

"583,479" [fiscal 1994 state special revenue]
"e. HB 287 -- Revising Workers' Compensation Act"
"4,800" [fiscal 1994 state special revenue]
"1,300" [fiscal 1995 state special revenue]
"f. SB 347 -- Workers' Compensation Medical Cost
Containment"
"299,545" [fiscal 1994 state special revenue]
"246,695" [fiscal 1995 state special revenue]
"g. HB 622 -- Revising Workers' Compensation Act"
"165,029" [fiscal 1994 state special revenue]
"142,509" [fiscal 1995 state special revenue]
"h. SB 381 -- Underinsured Employers"
"133,701" [fiscal 1994 state special revenue]
"116,991" [fiscal 1995 state special revenue]
"i. SB 223 -- Revising Child Labor Laws"
"27,087" [state special revenue, fiscal 1994]
"20,927" [state special revenue, fiscal 1995]

55. Page B-9, following line 21.

Insert: "a. SB 347 -- Workers' Compensation Medical Cost
Containment"

"54,758" [fiscal 1994 state special revenue]
"48,900" [fiscal 1995 state special revenue]

56. Page B-11, following line 24.

Insert: "Item 4d is contingent on passage and approval of House
Bill No. 511.

Item 4e is contingent on passage and approval of House Bill No.

287.

Items 4f and 5a are contingent on passage and approval of Senate Bill No. 347.

Item 4g is contingent on passage and approval of House Bill No. 622."

57. Page B-12, line 6.

Following: "(1)"

Strike: "The amount of"

Insert: "(a) Up to"

58. Page B-12.

Following: line 7

Insert: "(b) The appropriation in subsection (1)(a) must be reduced by the amount expended for state employees in the dislocated worker program from the appropriation provided for in House Bill No. 3."

59. Page B-12, line 8.

Following: "(2)"

Strike: "The amount of"

Insert: "(a) Up to"

60. Page B-12.

Following: line 8

Insert: "(b) The appropriation in subsection (2)(a) must be reduced by the amount expended for nonstate workers in the dislocated worker program from the appropriation provided for in House Bill No. 3."

61. Page B-14, line 21.

Insert: "122,533" [federal special revenue fiscal 1994]

Insert: "119,491" [federal special revenue fiscal 1995]

62. Page B-16, line 15.

Following: "PROGRAM"

Insert: "no later than January 1, 1994"

63. Page B-17.

Strike: line 4 in its entirety

64. Page B-19, line 9.

Following: "County"

Strike: "contingent on passage and approval of House Bill No. 427"

65. Page B-20.

Strike: line 6 in its entirety

Strike: line 10 in its entirety

66. Page B-20, following line 10.

Insert: "Contingent on passage and approval of Senate Bill No. 145, the appropriation in item 6j must be used for a medicaid model waiver for people with traumatic brain injuries."

67. Page B-21, line 9.

Strike: "4,864,477 4,874,985" [federal special revenue]

Insert: "4,924,477 4,934,985" [federal special revenue]

68. Page B-21.

Strike: lines 22 and 23 in their entirety

69. Page B-22, following line 21.

Insert: "g. SB 271 -- Pilot Program for Local Citizen Review
Boards (Restricted/Biennial)
10,513" [fiscal 1994 general fund]

70. Page B-23.

Strike: lines 17 and 18 in their entirety

71. Page B-24, following line 23.

Insert: "The appropriation in item 4g is contingent on passage and approval of Senate Bill No. 271."

72. Page C-2, line 3.

Strike: "80,800 80,981" [state special]

Insert: "71,021 71,192" [state special]

73. Page C-5.

Following: line 20

Insert: "e. HJR 24 -- Landowner, Outfitter, Sportsmen Groups
(Biennial)
25,000" [state special revenue]

74. Page C-5, line 22.

Strike: "389,738 394,791" [general fund]

Insert: "318,249 323,125" [general fund]

75. 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."

76. Page C-9.

Following: line 20

Strike: "Item 6 contains \$500,000 from federal funds and \$71,489 from general funds in fiscal 1994 and \$500,000 from federal funds and \$71,666 from general funds in fiscal 1995 appropriated for the Montana conservation corps."

77. Page C-9, line 23.

Strike: "this"

Insert: "the Montana conservation corps"

78. Page C-11.

Following: line 10

Insert: "a. SB 424 -- Advisory Council to the Board of Land Commissioners
23,780 7,612" [general fund]

79. Page C-11.

Following: line 16

Insert: "b. HB 652 -- Timber Sale Revenue for Program Costs
(Restricted)
312,000 312,000" [state
special]

80. Page C-12, following line 2.

Insert: "Item 3a is contingent on passage and approval of Senate Bill No. 424."

81. Page C-12, following line 3.

Insert: "Item 4b is contingent on passage and approval of House Bill No. 652."

82. Page C-15.

Following: line 7

Insert: "f. HB 616 -- Clean Coal (Biennial)
50,000" [state special revenue]

83. Page C-15, following line 23.

Insert: "h. SB 280 -- Implement a Portion of the 1992 State Water Plan

35,467 34,767" [state special]

"i. Yellowstone National Park Controlled Ground Water Area
(Biennial) 9,708" [state special]

84. Page C-17.

Strike: lines 12 and 13 in their entirety

85. Page C-22, line 8.

Strike: "1,084,395 1,090,235" [proprietary]

Insert: "1,115,910 1,114,196" [proprietary]

86. Page C-22, line 10.

Strike: "2,996,577 2,897,055" [state special]

Insert: "3,149,935 3,028,251" [state special]

87. Page C-26.

Strike: lines 22 through 24 in their entirety

88. Page D-6, line 22.

Strike: "30,896,174 31,678,512"

Insert: "30,931,800 31,756,478"

89. Page D-7, line 17.

Strike: "2,168,032 2,200,364" [state special revenue]

Insert: "2,220,198 2,277,350" [state special revenue]

90. Page D-7, line 21.

Following: line 20

Insert: "a. Eastern Montana Veterans' Nursing Home Startup
325,000" [FY95 state special revenue]

91. Page D-8

Strike: lines 18 and 19 in their entirety.

Insert: "If House Bill No. 333 is not passed and approved, the
general fund appropriation in item 3 is reduced by \$35,626
in fiscal 1994 and by \$77,966 in fiscal 1995 and the state
special revenue appropriation in item 6 is reduced by
\$52,166 in fiscal 1994 and by \$76,986 in fiscal 1995."

92. Page E-10, lines 17 through 20.

Following: "AVAILABLE"

Strike: the remainder of line 17 through "INFORMATION." on line
20

Insert: "to the legislature and the governor. The Montana
university system, except the office of the commissioner of
higher education and the community colleges, shall provide
the following information electronically to the legislative
fiscal analyst and the office of budget and program
planning:

(1) on January 1 and at fiscal yearend beginning in fiscal

1994 and each year thereafter, the actual personal services data. This data must tie to the actual expenditures as recorded on SBAS.

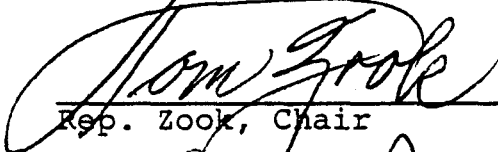
(2) beginning November 1, 1993, and each year thereafter, the budgeted personal services data. The data must tie to the operating plan as approved by the board of regents.

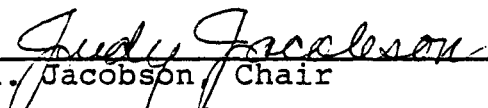
This personal services data must include but not be limited to the following for each position number: program number, responsibility center, salary, benefits, fund type, and FTE position title and position type. The initial submission of this information must be reviewed and approved for accuracy, consistency, and accessibility by the joint committee on postsecondary education policy and budget."

And this Free Conference Committee report be adopted.

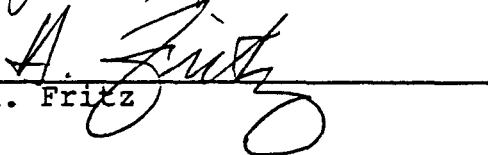
For the House:

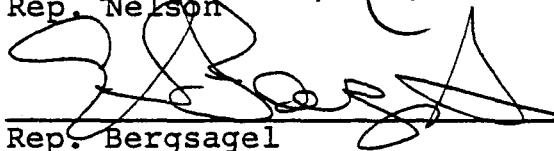
For the Senate:

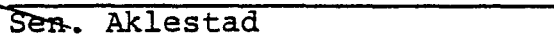

Rep. Zook, Chair


Sen. Jacobson, Chair


Rep. Nelson


Sen. Fritz


Rep. Bergsagel


Sen. Aklestad

Office of Legislative Fiscal Analyst
Impact of 1/2 of 1 Percent Cut
General Fund With Exclusions *

Agcy Code	Agency Name	HB2 Fiscal 1994	Proposed Cut 1994	HB2 Fiscal 1995	Proposed Cut 1995	HB2 Fiscal 94-95	Proposed Cut 94-95
1101	Legislative Auditor	1,306,821	6,534	1,291,061	6,455	2,597,882	12,989
1102	Legislative Fiscal Analyst	825,376	4,127	851,562	4,258	1,676,938	8,385
1104	Legislative Council	1,987,659	9,938	2,146,476	10,732	4,134,135	20,670
1111	Environmental Quality Council	277,908	1,390	279,226	1,396	557,134	2,786
2110	Judiciary	5,426,513	27,133	5,448,778	27,244	10,875,291	54,377
3101	Governors Office	2,186,834	10,934	2,167,118	10,836	4,353,952	21,770
3201	Secretary Of States Office	54,164	271	68,262	341	122,426	612
3202	Commissioner Of Political Prac	124,935	625	122,036	610	246,971	1,235
3401	State Auditors Office	1,934,100	9,671	1,910,113	9,551	3,844,213	19,222
3501	Office Of Public Instruction	49,776,855	248,884	42,579,096	212,895	92,355,951	461,779
4107	Crime Control Division	460,968	2,305	465,277	2,326	926,245	4,631
4108	Highway Traffic Safety	181,609	908	181,604	908	363,213	1,816
4110	Department Of Justice	12,203,953	61,020	10,966,438	54,832	23,170,391	115,852
5101	Board Of Public Education	108,100	541	105,968	530	214,068	1,071
5102	Commissioner Of Higher Ed	10,815,372	54,077	10,563,405	52,817	21,378,777	106,894
5113	School For The Deaf & Blind	2,501,854	12,509	2,488,432	12,442	4,990,286	24,951
5114	Montana Arts Council	129,472	647	124,526	623	253,998	1,270
5115	Library Commission	1,295,082	6,475	1,025,022	5,125	2,320,104	11,600
5117	Historical Society	1,358,431	6,792	1,339,230	6,696	2,697,661	13,488
5201	Dept Of Fish, Wildlife & Parks	384,517	1,923	389,551	1,948	774,068	3,871
5301	Dept Health & Environ Sciences	3,212,352	16,062	3,199,619	15,998	6,411,971	32,060
5401	Department Of Transportation	131,731	659	31,848	159	163,579	818
5501	Department Of State Lands	8,393,374	41,967	8,372,207	41,861	16,765,581	83,828
5603	Department Of Livestock	454,297	2,271	445,861	2,229	900,158	4,500
5706	Dept Nat Resource/Conservation	3,346,796	16,734	3,338,970	16,695	6,685,766	33,429
5801	Department Of Revenue	20,511,877	102,559	20,455,963	102,280	40,967,840	204,839
6101	Department Of Administration	3,961,064	19,805	3,804,435	19,022	7,765,499	38,827
6201	Department Of Agriculture	532,668	2,663	461,029	2,305	993,697	4,968
6501	Department Of Commerce	1,537,635	7,688	1,537,273	7,686	3,074,908	15,374
6602	Labor & Industry	815,185	4,076	784,788	3,924	1,599,973	8,000
6701	Adjutant General	2,002,535	10,013	2,001,116	10,006	4,003,651	20,019
6901	Dept Social & Rehab Services	25,409,214	127,046	27,261,326	136,307	52,670,540	263,353
6911	Department Of Family Services	37,495,476	187,477	32,646,533	163,233	70,142,009	350,710
Totals		<u>\$201,144,727</u>	<u>\$1,005,724</u>	<u>\$188,854,149</u>	<u>\$944,270</u>	<u>\$389,998,876</u>	<u>\$1,949,994</u>

* Excludes Family Assistance, Medicaid in SRS; Department of Corrections & Human Services; District Court Reimbursement Program; University System except the Commissioner of Higher Education.

FREE CONFERENCE COMMITTEE ON HOUSE BILL NO. 2
MEETING DATES OF APRIL 19, 20, 23, AND 24, 1993

THE ORIGINAL IS STORED AT THE HISTORICAL SOCIETY AT 225 NORTH ROBERTS
STREET, HELENA, MT 59620-1201. THE PHONE NUMBER IS 444-1694.

IN

HOUSE BILL NO. 2

INTRODUCED BY ZOOK

BY REQUEST OF THE OFFICE OF BUDGET AND PROGRAM PLANNING

A BILL FOR AN ACT ENTITLED: "AN ACT APPROPRIATING MONEY TO VARIOUS STATE AGENCIES FOR THE BIENNIUM ENDING JUNE 30, 1995."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

(Refer to Introduced bill)

Strike everything after the enacting clause and insert:

NEW SECTION. Section 1. Short title. [This act] may be cited as "The General Appropriations Act of 1993".

NEW SECTION. Section 2. First level expenditures. The agency and program appropriation tables in the legislative fiscal analyst narrative accompanying this bill, showing first level expenditures and funding for the 1995 biennium, are adopted as legislative intent.

NEW SECTION. Section 3. Severability. If any section, subsection, sentence, clause, or phrase of [this act] is for any reason held unconstitutional, the decision does not affect the validity of the remaining portions of [this act].

NEW SECTION. Section 4. Legislative audit costs. Amounts appropriated for legislative audits may be transferred between fiscal years. Agencies shall reserve enough cash in each fund to pay for audit costs and shall, to the maximum extent allowable under federal regulations, charge audit costs to federal funds.

NEW SECTION. Section 5. Technical allocation costs. For agencies with internal cost allocation plans that are funded with proprietary revenue, the budget director shall adjust agency appropriations by amounts that are necessary to increase the budgets for indirect costs that are attributable to pay increases in an agency's indirect cost pool appropriated in the state pay plan bill. Funding for this appropriation consists of general fund money and other funds in an amount proportionate to the funding allocated for budgeting indirect cost assessments in [this act].

NEW SECTION. Section 6. Appropriation control. An appropriation item designated as "Biennial" may be spent in either year of the biennium. The office of budget and program planning shall establish a separate appropriation on the statewide budgeting and accounting system for any item designated as "Restricted". Unless otherwise stated, appropriation authority may not be transferred out of an appropriation item designated as "Restricted".

NEW SECTION. Section 7. Energy conservation bond repayments. Agencies participating in the state building energy conservation program are required to transfer semiannually, upon request by the department of natural resources and conservation, to the energy conservation program account the money appropriated

SECOND READING
SECOND HOUSE
CONTAINS SENATE STANDING COMMITTEE REPORT