

MINUTES

MONTANA HOUSE OF REPRESENTATIVES 54th LEGISLATURE - REGULAR SESSION

COMMITTEE ON APPROPRIATIONS

Call to Order: By **CHAIRMAN TOM ZOOK**, on February 3, 1995, at
3:00 p.m.

ROLL CALL

Members Present:

Rep. Tom Zook, Chairman (R)
Rep. Edward J. "Ed" Grady, Vice Chairman (Majority) (R)
Rep. Joe Quilici, Vice Chairman (Minority) (D)
Rep. Beverly Barnhart (D)
Rep. Ernest Bergsagel (R)
Rep. John Cobb (R)
Rep. Roger Debruycker (R)
Rep. Gary Feland (R)
Rep. Don Holland (R)
Rep. Royal C. Johnson (R)
Rep. John Johnson (D)
Rep. Mike Kadas (D)
Rep. Betty Lou Kasten (R)
Rep. Matt McCann (D)
Rep. William T. "Red" Menahan (D)
Rep. Steve Vick (R)
Rep. William R. Wiseman (R)

Members Excused: Rep. Marjorie I. Fisher (R)

Members Absent: None.

Staff Present: Clayton Schenck, Legislative Fiscal Analyst
Marjorie Peterson, Committee Secretary

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

Committee Business Summary:

Hearing: SB 25, HB 267, HB 317
Executive Action: SB 25 BE CONCURRED IN, HB 142 DO PASS AS
AMENDED, HB 317 TABLED

HEARING ON SB 25Opening Statement by Sponsor:

SEN. GREG JERGESON, SD 46, Chinook, opened the hearing on this bill which deals with amending and clarifying state personnel laws for the Department of Administration (DOA). He was asked to sponsor this bill as a member of the interim committee that researched electronic data processing functions for the state. This bill would change funding for the program from the general fund to an internal services fund account. This bill was also implemented to clarify the ARM rules (Administrative Rules of Montana) which authorize DOA to adopt rules containing personnel policies and operate the state central payroll system. The legislature intends that rules concerning payroll deductions should address the payroll process and set criteria for the kinds of payments that can be made through deductions. Examples would be insurance premiums, bank and credit union payments, charities, and wage garnishments. He noted this function was transferred from the State Auditor's Office to DOA in the last session, so this bill just clears up a few policies.

Proponents' Testimony:

Mark Cress, Administrator, State Personnel Division, Department of Administration, Helena, supports SB 25. This bill was drafted in a way that would clarify sections in the law. He said that Section 1 clarifies the personnel policies be included in ARM rules. Section 2 gives authority to DOA to operate the payroll system. This program moved to DOA in 1993 from the State Auditor's Office. Section 3 changes funding to an internal services fund account. Some of these changes accomplish a consistency with the generally accepted accounting principles, allows for more accurate allocation of costs to the various departments and complies with the federal cost allocation plan. EXHIBIT 1.

Opponents' Testimony:

None.

Questions From Committee Members and Responses:

None.

Closing by Sponsor:

SEN. JERGESON closed by thanking the committee for their consideration.

{Tape: 1; Side: a; Approx. Counter: 9.0.}

HEARING ON HB 267

Opening Statement by Sponsor:

REP. BOB REAM, HD 69, Missoula, opened the hearing on HB 267 which deals with different uses for the revenue surplus besides those suggested by Governor Racicot. This would give \$19 million to the Office of Public Instruction (OPI) for state equalization aid to reduce the property tax mill levy. He stated that 40 percent of the state's school districts chose to absorb cuts of 1.3 percent. He said this bill was a shift in taxes from income tax to property tax.

Proponents' Testimony:

Brad Martin, Executive Director of Montana Democratic Party, supports this bill which offers solutions that deal directly with cost savings to the taxpayers.

SEN. FRED VAN VALKENBURG, SD 32, Missoula, asked REP. REAM to introduce this bill in the House as part of the property tax relief. The situation is different now since HB 171 passed the House; HB 171 dealt with returning an estimated \$20 million in surplus revenue to the taxpayers. He added that the legislature should be able to come up with the surplus needed to fund this proposal with other revenue. Given the nature of this session, the legislature is probably not going to spend as much money as the executive proposal calls for and there should still be a sufficient source of funding to provide some property tax relief. This bill was intended to treat all taxpayers across the state equal by reducing the state equalization aid.

Opponents' Testimony:

None.

Questions From Committee Members and Responses:

REP. BETTY LOU KASTEN, HD 99, Brockway, asked REP. REAM why he chose a bill with a sunset instead of a percentage of increase to permanently reduce the mill levies. REP. REAM said that could be considered. He had concerns about the so-called surplus and general fund based on income tax revenues that fluctuate considerably. He said \$15 million of the surplus is from the railroad tax which is still under dispute. REP. KASTEN said that was the reason she asked the question. She also doesn't know if there is going to be a surplus. There has been a substantial increase in property tax and a bill that would limit that

increase to a statewide percentage, not to exceed a certain amount, would refund some of the revenue.

Closing by Sponsor:

REP. REAM closed by stating that the legislature does need to look at the long-term effect of property taxes and the Taxation Committee has a number of bills that should address that issue.

[There was a short recess while the committee waited for REP. HURDLE to appear to present HB 317.]

{Tape: 1; Side: A; Approx. Counter: 22.0.}

EXECUTIVE ACTION ON SB 25

Motion/Vote: REP. QUILICI MOVED SB 25 BE CONCURRED IN. Motion carried 14 - 3, with REPS. DEBRUYCKER, FELAND and VICK voting no.

{Tape: 1; Side: A; Approx. Counter: 24.0.}

HEARING ON HB 317

Opening Statement by Sponsor:

REP. JOAN HURDLE, HD 13, Billings, opened the hearing on HB 317 which authorizes the Department of Family Services (DFS) to identify and address problems of dependents of prison inmates. This bill was amended in ten different places and she spent much of the time discussing the changes in the bill. One amendment changes the department from Social and Rehabilitation Services to Family Services. Another change deals with the length of time the person is incarcerated for -- from "6 or more months" to "a year or more." Another significant change deals with confidential investigation reports. She summarized by saying that DFS is authorized to monitor and keep records of care the dependents are receiving and to provide needed preventative services. Most of this bill relates to the children of incarcerated persons. Studies show that children of prisoners are five to six times more likely to become incarcerated themselves. For women prisoners, it costs \$84 a day, with over \$1 million a year. Inmates at Montana State Prison cost \$40 per day. She thinks this bill would track the children to keep them out of prison. It could be called a targeted criminal prevention program, which is a small step to stop the growing need for more and more prison facilities. This bill requires the Department of Corrections to give confidential information on the dependent children to DFS. She feels we need a system for child welfare

agents to use while the parent is in prison. These children are a group that is extremely vulnerable and have inadequate care, some living in poverty. **EXHIBITS 2 and 3.**

{Tape: 1; Side: A; Approx. Counter:34.9.}

Proponents' Testimony:

REP. DEB KOTTEL, HD 45, Great Falls, said she was here as a teacher from the College of Great Falls in the field of special studies. She summarized an experience she had one summer working at a camp for children of incarcerated persons. She showed the committee a video tape of children at such a camp. Studies indicate that 70 percent of these children experience social and emotional problems. It is important for the legislature to consider spending money on preventive programs for these children instead of waiting until they grow up and become incarcerated themselves.

Dave Hemian, Montana Association of Churches, stated he often sees the families of those who are in prison. It is important to prevent future costs that would be much higher. We need to address prevention as a possible solution.

Robert Runkel, Special Education Bureau, Office of Public Instruction, Helena, said that children of individuals who are incarcerated are an adverse group. This bill would improve the social services available to this group.

Opponents' Testimony:

None.

Questions From Committee Members and Responses:

REP. STEVE VICK, HD 31, Belgrade, asked **REP. HURDLE** if this bill would provide the services she thinks the children need. **REP. HURDLE** said she is asking DFS to monitor these children. **REP. VICK** questioned how they would handle the situation of a spouse of an inmate who doesn't want the children tracked. **REP. HURDLE** thought the social workers would be able to deal with those cases.

REP. ROYAL JOHNSON, HD 10, Billings, said if the fiscal note was incorrect, how much money would the program need to monitor and track dependents. **REP. HURDLE** said there were 500 people in prison who had children, but she had no idea of how much this would cost. They would probably have to add more social workers. **REP. JOHNSON** then asked **Hank Hudson, Director of Family Services,** how his department would accomplish this program. **Mr. Hudson** said that there is one FTE for every 100 people, so it would probably add at least five FTEs.

REP. JOHN COBB, HD 50, Augusta, said that they have been listening to the idea of a partnership program in the subcommittees. One idea was to ask the courts to give the people special instructions on where to go for help in their communities, then maybe they wouldn't need all these FTEs. **Mr. Hudson** said that would be the best program, but not every community has a partnership program and there are waiting lists at the present time -- our resources are used to their limits.

REP. JOE QUILICI, HD 36, Butte, said he is trying to understand the legislation, but is concerned with the amendments. He's not sure what effect the incorrect fiscal note and amendment has on the bill. **REP. HURDLE** said basically this bill authorizes DFS to conduct a prevention program that hasn't been done before. **REP. QUILICI** asked if adding 5 FTEs would help the problem of finding out who the children are and where they are. **Mr. Hudson** said confidentiality was certainly a very sensitive problem; if DFS had names they would probably contact them to tell them the program was available, but could not force them to use it. **REP. QUILICI** again stressed his concern that the families could refuse the help and there would be no follow-up. **Mr. Hudson** thought that maybe SRS could help follow-up but does not know if there are FTEs available there.

{Tape: 1; Side: B; Approx. Counter: 1.0.}

REP. BEVERLY BARNHART, HD 29, Bozeman, asked **REP. HURDLE** if she has contacted the state agencies that formed an interagency council to deal with these problems. She had not. **REP. BARNHART** suggested to her that it would have been helpful. **Mr. Hudson** reiterated that the partnership program was not available in every community. The interagency council (ICC) is a collection of staff from five departments, three elected officials and a member of a non-profit community organization. They try to organize prevention programs on behalf of state government which are voluntary and supportive in nature.

REP. RED MENAHAN, HD 57, Anaconda, asked if DFS was overspent in some areas. There are certainly waiting lists and expenditure problems already.

REP. ROGER DEBRUYCKER, HD 89, Floweree, asked if **REP. KOTTEL** has heard **REP. VICK's** question about spouses who are not willing to enter this program. She said that high risk families need to know the different projects and services that are available to them.

REP. MIKE KADAS, HD 66, Missoula, is aware of data regarding prisoners ancestors and their criminal history records. He supposes that crime is a problem passed from generation to generation. **REP. KOTTEL** had read a study from the 1950s that thought criminal activity was genetic; she said now they believe it is not genetic, but social.

REP. VICK asked how DFS would handle contacting the families. Mr. Hudson again said the concept has merit but could not compel the families to join any program.

Closing by Sponsor:

REP. HURDLE closed by saying that she realizes all the amendments have confused the intent of the bill. She summarized the conditions of the children of criminals and feels prevention programs are one way to help.

{Tape: 1; Side: B; Approx. Counter: 21.9.}

EXECUTIVE ACTION ON HB 317

REP. KADAS would like to see a revised fiscal note by putting the amendments on the bill and then table the bill so it could be considered with accurate information.

Motion/Vote: REP. KADAS MOVED HB 317 AMENDMENTS DO PASS. Motion carried unanimously.

Motion/Vote: REP. KADAS MOVED HB 317 AS AMENDED BE TABLED. Motion carried unanimously.

{Tape: 1; Side: B; Approx. Counter: 23.2.}

EXECUTIVE ACTION ON HB 142

Motion: REP. GRADY MOVED HB 142 DO PASS.

Discussion: There were amendments offered at the hearing on January 20, 1995, so REP. GRADY withdrew his motion so the amendments could be dealt with first.

Motion/Vote: REP. ROYAL JOHNSON MOVED HB 142 AMENDMENT #1 DO PASS. Motion carried unanimously.

Motion: REP. COBB MOVED HB 142 DO PASS AS AMENDED.

Discussion: There was another amendment which dealt with the statutory appropriation that deals with the Governor's emergency

fund. REP. KADAS thought the appropriation would be counted against the \$2 million in the emergency fund.

Motion/Vote: REP. COBB MOVED HB 142 AMENDMENT #2 DO PASS.
Motion carried unanimously.

Discussion: REP. GRADY explained that the reason for this bill was to give authority to handle disasters as soon as they happen and not have to wait.

Motion/Vote: REP. ROYAL JOHNSON MOVED HB 142 DO PASS AS AMENDED.
Motion carried 13 - 5 with REPS. DEBRUYCKER, KASTEN, VICK, FELAND and ZOOK voting no.

Discussion with Committee

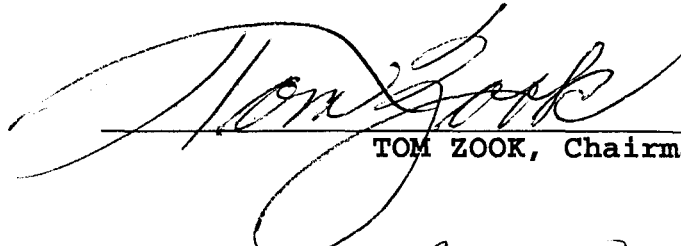
REP. QUILICI said he would offer a motion on HB 29 but wants to find out what the agency thinks about the amendments.


REP. ROYAL JOHNSON said that the subcommittee CHAIRMAN ZOOK appointed to work with REP. EWER on HB 197 had met. They are REPS. WISEMAN, FISHER AND JOHNSON. REP. WISEMAN summarized the amendments that would be available shortly. It seems there are two or three counties in the state in trouble with their investments because the county treasurer mixed county money with school district money. There are different rules for investments. His amendments would restrict a county or school district to invest in direct obligations and limit the investments to five years.

CHAIRMAN ZOOK said they would take no action until the amendments are presented.

ADJOURNMENT

Adjournment: 4:55 p.m.


TOM ZOOK, Chairman


MARJORIE PETERSON, Secretary

TZ/mp

HOUSE OF REPRESENTATIVES

Appropriations

ROLL CALL

DATE 2-3-95

NAME	PRESENT	ABSENT	EXCUSED
Rep. Tom Zook, Chairman	✓		
Rep. Ed Grady, Vice Chairman, Majority	✓		
Rep. Joe Quilici, Vice Chairman, Minority	✓		
Rep. Beverly Barnhart	✓		
Rep. Ernest Bergsagel	✓		
Rep. John Cobb	✓		
Rep. Roger DeBruycker	✓		
Rep. Gary Feland	✓		
Rep. Marj Fisher			✓
Rep. Don Holland	✓		
Rep. John Johnson	✓		
Rep. Royal Johnson	✓		
Rep. Mike Kadas	✓		
Rep. Betty Lou Kasten	✓		
Rep. Matt McCann	✓		
Rep. Red Menahan	✓		
Rep. Steve Vick	✓		
Rep. Bill Wiseman	✓		



HOUSE STANDING COMMITTEE REPORT

February 6, 1995

Page 1 of 2

Mr. Speaker: We, the committee on Appropriations report that House Bill 142 (first reading copy -- white) do pass as amended.

Signed: _____

Tom Zook
Tom Zook, Chair

And, that such amendments read:

1. Title, line 8.

Following: "10-3-305,"

Insert: "10-3-312,"

2. Page 2, line 4.

Following: "1"

Insert: "that is beyond the capability of local government to adequately respond, thus"

3. Page 6.

Following: line 5

Insert: "Section 7. Section 10-3-312, MCA, is amended to read:

"10-3-312. **Maximum expenditure by governor -- appropriation.** (1) (a) Whenever an emergency or disaster is declared by the governor, there is statutorily appropriated to the office of the governor, as provided in 17-7-502, and the governor is authorized to expend from the general fund, an amount not to exceed \$2 million in any biennium, minus any amount appropriated pursuant to [section 8] in the same biennium.

(b) Whenever an emergency or disaster due to fire is declared by the governor, there is statutorily appropriated to the office of the governor, as provided in 17-7-502, and the governor is authorized to expend from the general fund, an amount not to exceed \$3 million in any biennium. The amount appropriated in this subsection (b) may be combined with the amount

Committee Vote:

Yes 12, No 5.

311038SC.Hbk

appropriated in subsection (1)(a) for an emergency or disaster due to fire.

(2) In the event of the recovery of money expended under this section, the spending authority must be reinstated to a level reflecting the recovery.

(3) If a disaster is declared by the president of the United States, there is statutorily appropriated to the office of the governor, as provided in 17-7-502, and ~~he~~ the governor is authorized to expend from the general fund, an amount not to exceed \$500,000 during the biennium to meet the state's share of the individual and family grant programs as provided in 42 U.S.C. 5178."

Renumber: subsequent sections

4. Page 6, line 10.

Following: "."

Insert: "Official response to an incident may only be upon the request of the local governing body."

5. Page 7, line 7.

Strike: "7"

Insert: "8"

6. Page 7, lines 28 and 30.

Strike: "7"

Insert: "8"

-END-



HOUSE STANDING COMMITTEE REPORT

February 6, 1995

Page 1 of 1

Mr. Speaker: We, the committee on Appropriations report that Senate Bill 25 (third reading copy -- blue) be concurred in.

Signed:

A large, stylized cursive signature of Tom Zook is written over a horizontal line. The signature is fluid and extends to the right of the line.

Tom Zook, Chair

Carried by: Rep. John Johnson

Committee Vote:
Yes 14, No 3.

311713SC.Hdh

EXHIBIT 1
DATE 2-3-95
SB 25

TESTIMONY IN SUPPORT OF SENATE BILL 25

Mark Cress, Administrator
State Personnel Division

Mr. Chairman, members of the committee, my name is Mark Cress. I am the Administrator of the State Personnel Division in the Department of Administration. I am here today in support of Senate Bill 25.

As Senator Jergeson indicated, the department's initial purpose in requesting this bill was focused on the state's central payroll program. The program prepares the biweekly payroll for all executive, legislative and judicial employees. The department wanted rule authority for payroll deductions and a change in the manner of funding consistent with the Governor's budget.

The senate amendments were a combined effort of Senator Jergeson, the Legislative Council, our department and the Senate State Administration Committee. I believe they are appropriate amendments.

Section 1 clarifies that state personnel policies should be adopted as administrative rule. On page 2, lines 21 through 26 of the bill, you can see the current statute directs the department to develop and issue personnel policies for the state after notice to interested parties and after scheduling a public hearing. Policies were adopted in the early 1970's in compliance with this section. Personnel policies were initially exempt from the requirements of the administrative procedures act. In the late 70's, those exemptions were amended and the policies were adopted as administrative rule. You will notice, that while this language directs the department to adopt policies, it does not give a specific grant of rule authority. The bill, as amended by the Senate, would grant rule authority. The specific areas of policy are listed in the statement of intent.

Section 2 extends rule authority to the department for operation of the central payroll system. The payroll program moved to the Department of Administration on July 1, 1993 from the State Auditor's Office. The State Auditor did have some basic rules covering

payroll deductions. We need authority to adopt similar rules. The rules would cover the types of payments eligible for payroll deduction and the conditions under which deductions could be ended.

Section 3. Changes the program from a combination of general fund and state special revenue to an internal service fund. Currently we receive a general fund appropriation and then collect fees from non-general fund programs. The Governor's budget proposes we collect fees from all programs we serve and place those fees in an internal service fund.

This funding change accomplishes several things:

- (1) It is more consistent with Generally Accepted Accounting Principles.
- (2) It is the same as how other internal service operations within the department are funded.
- (3) It allows for a more accurate allocation of payroll cost across the various funding sources and may save the state some general fund.
- (4) It makes it much easier to comply with the Federal Cost Allocation Plan whereby portions of our general government overhead costs are allocated to federally funded programs.

This funding change was reviewed by the Joint Subcommittee on General Government, chaired by Representative Grady.

Thank you for your consideration and I urge you to support SB 25.

Amendments to House Bill No. 317
First Reading Copy

Requested by Rep. Hurdle

Prepared by John MacMaster
February 2, 1995

1. Title, lines 4 and 5.
Strike: "SOCIAL" on line 4 through "REHABILITATION" on line 5
Insert: "FAMILY"
 2. Title, line 5.
Strike: "USE ALL AVAILABLE RESOURCES TO"
 3. Title, line 6.
Strike: "6 OR MORE MONTHS"
Insert: "A YEAR OR MORE"
 4. Page 1, lines 19 and 23.
Strike: "social and rehabilitation"
Insert: "family"
 5. Page 1, line 21.
Strike: "6 or more months"
Insert: "a year or more"
 6. Page 1, lines 21 and 22.
Strike: "A copy" on line 21 through "notice" on line 22
Insert: "The notice must include the name and date of birth of
each known dependent of the offender and the name and
address of the person or persons who have custody of the
dependent or with whom the dependent resides"
 7. Page 1, line 24.
Strike: "whether the offender has dependents residing in the
state"
Insert: "the well-being of and keep a record on any dependent and
make the record available to the department of corrections
and human services and the board of parole on request"
 8. Page 1, lines 25 through 28.
Strike: "(2)" on line 25 through "as to and" on line 28
Insert: "The department of family services shall"
- Renumber: subsequent subsection
9. Page 1, line 28.
Following: "basis"
Insert: "and keep a record of"
 10. Page 1, line 29, through page 2, line 3.

Strike: "; and" on page 1, line 29, through end of page 2, line 3
Insert: "and shall provide needed preventive services to the".

EXHIBIT 3
DATE 2-3-95
HB 317

House BILL NO. 317

INTRODUCED BY

[Signature]

A BILL FOR AN ACT ENTITLED: "AN ACT PROVIDING THAT THE DEPARTMENT OF ~~SOCIAL AND~~
FAMILY ~~REHABILITATION~~ SERVICES SHALL ~~USE ALL AVAILABLE RESOURCES TO IDENTIFY AND ADDRESS~~
a year or more PROBLEMS OF DEPENDENTS OF A PERSON INCARCERATED FOR ~~SIX OR MORE MONTHS~~
a FOR A CRIMINAL OFFENSE."

WHEREAS, control of crime is a responsibility shared by individuals, the community, and the state and is most effectively achieved through prevention efforts; and

WHEREAS, recent studies estimate that children of persons imprisoned for crimes are five to six times more likely than their peers to become incarcerated themselves; and

WHEREAS, family reunification is an accepted goal of community corrections.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

NEW SECTION. Section 1. Identification, monitoring, and working with problems of children of

convicted persons -- "dependents" defined. (1) The department of corrections and human services shall notify the department of ~~social and rehabilitation~~ family services of the name, last-known address, telephone number, and sentence of each person committed to the department of corrections and human services after conviction of an offense for which a sentence of ~~six or more months~~ a year or more of incarceration was imposed. ~~A copy of the presentence investigation report must be included with the notice.~~ Insert Amendment 6 Upon receipt of a notification, the department of ~~social and rehabilitation~~ family services shall make appropriate and necessary inquiries to determine ~~whether the offender has dependents residing in the state.~~ Insert Amendment 7

(2) ~~If the department of social and rehabilitation services determines that the offender has dependents residing in the state, it shall:~~

~~(a) until the offender is released from state supervision, make appropriate and necessary inquiries~~ the department of family services shall
~~as to and~~ and keep a record of monitor on a continuing basis the age, sex, legal status, financial and living conditions, care and treatment, schooling, physical and emotional condition, and similar matters concerning the dependents, and

~~(b) if a problem relating to one of the matters referred to in subsection (2)(a) exists or arises, work~~



1 ~~with the person or persons having custody of the dependents and with any persons and private and public~~
2 ~~entities to address the problem in order to identify and use all resources in the private sector and in the~~
3 ~~various levels of government that may be used to ensure the well-being and normal development of the~~
4 ~~and shall provide needed preventative services to the~~
5 ~~dependents.~~

6 (3) For purposes of this section, "dependents" means one or more children of the offender,
7 whether they reside with the offender's spouse, a guardian, a foster parent, or any other person.

-END-

HOUSE OF REPRESENTATIVES

VISITOR'S REGISTER

Appropriations COMMITTEE BILL NO. HB 267
 DATE 2-3-95 SPONSOR(S) HB 317
SB 25

PLEASE PRINT

PLEASE PRINT

PLEASE PRINT

NAME AND ADDRESS	REPRESENTING	BILL	OPPOSE	SUPPORT
Brad Martin	MT Democratic Party	HB 267		✓
MARK CRESS	DEPT OF ADMINISTRATION	SB 25		✓
David Hewitt	MT Assoc. of Churches	HB 317		✓
Robert Runkel	OPI	HB 317		✓

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