

MINUTES

**MONTANA SENATE
54th LEGISLATURE - REGULAR SESSION**

COMMITTEE ON FINANCE & CLAIMS

Call to Order: By **SENATOR GARY AKLESTAD, CHAIRMAN**, on Wednesday,
February 8, 1995, at 8:10 P.M.

ROLL CALL

Members Present:

Sen. Gary C. Aklestad, Chairman (R)
Sen. Thomas F. Keating, Vice Chairman (R)
Sen. Thomas A. "Tom" Beck (R)
Sen. James H. "Jim" Burnett (R)
Sen. Loren Jenkins (R)
Sen. Ethel M. Harding (R)
Sen. Arnie A. Mohl (R)
Sen. Charles "Chuck" Swysgood (R)
Sen. Daryl Toews (R)
Sen. Larry J. Tveit (R)
Sen. B.F. "Chris" Christiaens (D)
Sen. Eve Franklin (D)
Sen. Judy H. Jacobson (D)
Sen. Greg Jergeson (D)
Sen. John "J.D." Lynch (D)
Sen. Mignon Waterman (D)

Members Excused: None

Members Absent: None

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

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

Committee Business Summary:

Hearing: HB 104
Executive Action: None

HEARING ON HOUSE BILL 104

Opening Statement by Sponsor:

REPRESENTATIVE JOHN COBB, House District 50, Augusta, sponsor,
said HB 104 would make the provision permanent that allows the
Board of Regents to retain unspent appropriations for long-term
maintenance, eliminating the sunset from the law. He presented
the committee a copy of a letter to **Clayton Schenck** from **Rod**

Sundsted, Montana University System, regarding disposal of unexpended appropriations. **EXHIBIT 1**

Proponents' Testimony:

None.

Opponents' Testimony:

None.

Questions From Committee Members and Responses:

SENATOR KEATING asked if a million dollars was carried over to be used for something else.

REPRESENTATIVE COBB said they don't have any reversions and that overall, the units have carried over \$1 million. They have been using it on equipment, computer software and fixing up their bigger facilities. Where they used to spend it on short term projects, they now are saving up for larger and more expensive projects.

SENATOR KEATING questioned if HB 104 was complementary to **REPRESENTATIVE COBB'S** other bill to extend that to all departments.

REPRESENTATIVE COBB answered that it is similar but HB 104 is just to universities.

SENATOR MOHL expressed concern on how it would show up the following year in their statements; he questioned if they have a special account that it would be placed in.

REPRESENTATIVE COBB said it is placed in a special account and they have to account for it that way.

When asked by **SENATOR MOHL** how the spending was tracked, **REPRESENTATIVE COBB** said page 3 of **EXHIBIT 1** indicates how they would spend the money. The way the bill is set up, they need to have a plan on what they want to spend the money on, and the Board of Regents approves that savings.

SENATOR CHRISTIAENS questioned if the unspent appropriations remain in the university branch with the excess funds when the Board of Regents is allowed to retain them.

REPRESENTATIVE COBB said they keep it separately or together in a big pool which they have to account for.

SENATOR CHRISTIAENS indicated his concern that it goes to the branch that saved the money.

REPRESENTATIVE COBB said currently they don't revert any money.

When asked by SENATOR AKLESTAD if a fiscal note was needed on the bill, REPRESENTATIVE COBB said there was no fiscal note.

SENATOR AKLESTAD questioned if there was an estimation of how much they would be retaining.

REPRESENTATIVE COBB said they retain approximately \$1 million over the four years. If the bill does not pass, there will be no more reversions.

SENATOR AKLESTAD voiced concern whether there should be a fiscal note if there is a potential for an appropriation or revenue.

REPRESENTATIVE COBB said the fiscal note would indicate there is no impact since they don't revert.

Closing by Sponsor:

REPRESENTATIVE COBB closed on HB 104.

DISCUSSION REGARDING CLASS ACTION SUITS

SENATOR AKLESTAD indicated it was brought to his attention that language should be changed in the statutes regarding the lawsuit in Great Falls so if actual claims were made and taxes paid under protest, those individuals would have been eligible for the rebate. He suggested that a motion be made for a committee bill pertaining to that subject, adding that he would get the amendment.

Motion/Vote: SENATOR BECK MOVED THAT A COMMITTEE BILL BE DRAFTED. MOTION CARRIED.

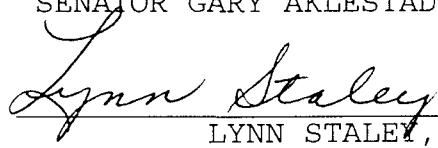
SENATOR AKLESTAD said he would hold the vote on the previous motion open for Finance and Claims members that are not in committee. He stated that he would get the bill draft request in.

ADJOURNMENT

Adjournment: 8:20 p.m.



SENATOR GARY AKLESTAD, Chairman



LYNN STALEY, Secretary

MONTANA SENATE
1995 LEGISLATURE
FINANCE AND CLAIMS COMMITTEE

ROLL CALL

DATE

2/8/95

NAME	PRESENT	ABSENT	EXCUSED
SWYSGOOD, CHUCK	✓		
BURNETT, JIM	✓		
MOHL, ARNIE	✓		
JERGESON, GREG	✓		
FRANKLIN, EVE	✓		
TVEIT, LARRY	✓		
JENKINS, LOREN	✓		
JACOBSON, JUDY	✓		
LYNCH, J.D.	✓		
HARDING, ETHEL	✓		
TOEWS, DARYL	✓		
CHRISTIAENS, B.F. "CHRIS"	✓		
WATERMAN, MIGNON	✓		
KEATING, TOM - VICE CHAIRMAN	✓		
BECK, TOM	✓		
AKLESTAD, GARY - CHAIRMAN	✓		

SEN:1995

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MONTANA UNIVERSITY SYSTEM
OFFICE OF COMMISSIONER OF HIGHER EDUCATION

2500 BROADWAY • PO BOX 203101 • HELENA, MONTANA 59620-3101 • (406)444-6570 • FAX (406)444-1469

22 copies
Seat #83
John Cobb
thomson

MEMORANDUM

SENATE FINANCE AND CLAIMS

EXHIBIT NO.

DATE

BILL NO.

2/8/95
HB 104

TO: Clayton Schenck
Legislative Fiscal Analyst

FROM: Rod Sundsted
Associate Commissioner for Fiscal Affairs

DATE: January 4, 1995

SUBJECT: Disposal of Unexpended Appropriations

In accordance with 17-7-304 MCA, I am submitting information relating to the University System campuses' expenditures of general fund reversions since Fiscal Year 1990. I have included a copy of the Board of Regents policy concerning expenditure of reverted appropriations and each campus' approved plan and detail of actual expenditures. I have also included a report which shows the historical reversions, by campus, since Fiscal Year 1990, how much of the returned money each campus has spent, and, finally, how each campus spent its reverted appropriations.

None of the campuses have yet spent any of the Fiscal Year 1993 general fund because it was just recently returned to them. Excluding the FY93 money, then, the University System has spent 75% of the money returned to them. Two-thirds of the expenditures were for enhanced computer capacity, such as telephone registration and library automation, and other instructional computing. The remainder of the expenditures were for badly needed campus repairs, replacements (such as roofs), and deferred maintenance projects.

The University System enthusiastically supports this concept of returning unexpended general fund appropriations to the agencies for deferred maintenance expenditures or purchase of equipment or fixed assets. It provides further incentive to the campuses to be wise and conservative managers of their financial resources.

Please let me know if you have any questions or would like further information.

c: Office of Budget and Program Planning

enclosures

REVHIST

HISTORY OF GENERAL FUND REVERSIONS RETURNED TO CAMPUSES

GENERAL FUND YEAR:	UM-AM	MSU-BO	TECH-UM	MSU-RI	MSU-N	WMCUM	BUREAU	AES	ES	FCES	FSTS	TOTAL
FY93	236,982.70	0.00	21,579.56	0.00	25,914.35	6,259.35	33.69	2.00	0.00	2,294.15	0.00	293,065.80
FY92	165,292.84	13,768.06	13,335.67	0.00	55,372.54	4,569.29	5.09	0.00	0.00	912.76	0.00	253,256.25
FY91	245,635.32	149,822.47	3,462.29	9,542.20	0.00	12,828.70	129.06	0.00	0.00	162.97	0.00	421,583.01
FY90	4,576.96	1,100.25	2,296.79	22.48	0.00	18.04	161.00	0.00	0.00	136.73	0.00	8,312.25
TOTAL REVERSIONS	\$652,487.82	\$164,690.78	\$40,674.31	\$9,564.68	\$81,286.89	\$23,675.38	\$328.84	\$2.00	\$0.00	\$3,506.61	\$0.00	\$976,217.31

GENERAL FUND YEAR:	BILLINGS CT	BUTTE DT	GREAT FALLS CT	HELENA CT	MISSOULA CT	TOTAL
FY93	0.00	306.91	20,866.97	498.33	0.00	21,672.21
FY92	118.00	0.00	1,139.00	23,265.83	545.54	58,268.37
FY91	0.00	0.00	1,024.36	4,667.04	3,227.06	14,518.46
FY90	0.00	0.00	16,129.47	0.00	0.00	16,129.47
TOTAL REVERSION	\$118.00	\$306.91	\$77,959.80	\$28,431.20	\$3,772.60	\$110,588.51

AMOUNTS EXPENDED BY CAMPUS:

	UM	MSU	TECH	EMC	NMC	WMCUM	GREAT FALLS V	HELENA VTC	TOTAL
FY90	4,576.96	1,100.25	2,457.79	22.48		18.04	16,129.47		24,304.99
FY91	245,635.32	119,826.51	3,591.35		49,996.49	12,828.70	6,624.36	400.00	388,906.24
FY92	165,292.84	13,768.06	13,172.80		4,569.29	4,569.29	34,339.00	22,950.26	304,088.74
TOTAL	\$415,505.12	\$134,694.82	\$19,221.94	\$22.48	\$49,996.49	\$17,416.03	\$57,092.83	\$23,350.26	717,299.97

EXPENDITURE CATEGORIES:

	UM	MSU	TECH	EMC	NMC	WMCUM	GREAT FALLS V	HELENA VTC	TOTAL	%
COMPUTERS/SOFTWARE	375,505.00		8,982.00						384,487.00	53.6%
LIBRARY/AUTOMATION	40,000.00		10,239.94		39,996.49				90,236.43	12.6%
DEFERRED MAINTENANCE/ REPAIR & REPLACEMENT EQUIPMENT		134,694.82		22.48	10,000.00	17,416.03	57,092.83	22,950.26	242,176.42	33.8%
TOTAL	\$415,505.00	\$134,694.82	\$19,221.94	\$22.48	\$49,996.49	\$17,416.03	\$57,092.83	\$23,350.26	\$717,299.85	100.0%

EXHIBIT 1DATE 2-8-95HB 104

Montana State University
Expenditure Summary
FYE June 30, 1994

REVERTED APPROPRIATIONS

Project Title	S/L	Reverted Amount	FY93 Expenditures	FY94 Expenditures	Total To Date	Reversion Remaining
FY90:		\$1,100.25	\$0.00	** \$1,100.25	\$1,100.25	\$0.00
FY91:		\$149,822.47				
Asbestos Abatement	#584001	2,502.00	\$2,381.95	\$120.38	\$2,502.33	(\$0.33)
Emergency Lighting	#584002	8,273.00	4,016.08	4,273.39	8,289.47	(16.47)
Campus Doors R&R	#584003	14,000.00	6,355.08		6,355.08	7,644.92
Energy Retrofit	#584004	37,809.47	15,782.14	9,976.90	25,759.04	12,050.43
Heat Pump Controls	#584005	40,000.00	0.00	29,940.34	29,940.34	10,059.66
Concrete/Masonry R&R	#584006	34,431.00	32,813.71	1,290.21	34,103.92	327.08
Reid Toilets/Windows	#584007	12,807.00	1,283.34	11,592.99	12,876.33	(69.33)
		\$149,822.47	\$62,632.30	\$57,194.21		\$29,995.96
FY92:		\$13,768.06				
Building Systems R&R	#584008	13,768.06	N/A	\$13,768.06	\$13,768.06	\$0.00

** This was transferred to and expended in Entity #72270 as part of the Heat Plant project in FY94.

MONTANA STATE UNIVERSITY - NORTHERN

REVERTED APPROPRIATIONS

EXPENDITURE REPORT FOR THE FISCAL YEAR ENDING JUNE 30, 1994

FY 92 Reverted appropriations \$ 55,372.54

FY 94 Expenditures

Activity	Allocated	Expended
Library Acquisitions	\$ 40,000.00	\$ 39,996.49
Deferred Maintenance	\$ 10,000.00	\$ 10,000.00
Classroom Improvement	\$ 5,372.54	\$ -0-
Total	\$ 55,372.54	\$ 49,996.49

Balance \$ 5,376.05

Library Acquisitions. These funds were spent improving the MSU - Northern Library collection. This includes not only books but films, binding and other materials.

Deferred Maintenance. These funds were used to repair a portion of street that had severely deteriorated. A storm drain was installed and a gutter to control runoff was constructed.

EXHIBIT 1
DATE 2-8-95
HB 104

WESTERN MONTANA COLLEGE OF THE UNIVERSITY OF MONTANA
EXPENDITURE OF GENERAL FUND REVERSIONS UNDER SECTION 17-7-304, MCA

<u>FISCAL YEAR</u>	<u>AMOUNT</u>	<u>PURPOSE FOR WHICH EXPENDED</u>
FY 1993	\$6,259.35	Currently Unexpended
FY 1992	\$4,569.29	The full amount was expended to re-shingle the roof on the Old Gym/Arts & Crafts Building during FY 1994.
FY 1991	\$12,828.70 <i>26</i>	This authority was expended on 3 projects during FY 1994 as follows - \$2,589.47 to repair the sidewalks between the PE Complex and Library; \$10,040.90 to repair leaks in the steam and condensate lines; and \$198.33 to re-shingle the roof on the old Gym/Arts & Crafts building.
FY 1990	\$18.04	The full amount was expended for the repair of leaks in the steam and condensate lines.

MONTANA TECH



Butte, Montana 59701-8997
(406) 496-4101

MEMORANDUM

TO: Rod Sundsted, Associate Commissioner for Fiscal Affairs *RECEIVED*

FROM: John Badovinac, Controller *11/24*

DATE: November 2, 1994 *400 take appropriate action*

RE: Reverted Appropriations, 17-7-304 M.C.A.

Following is Montana Tech's itemized expenditure list which is consistent with our long-term plan approved by the Board of Regents. The FY92 reverted appropriations balance in the amount of \$167.96 and FY93 reverted appropriations in the amount of \$21,613.25 will be spent as follows:

▶ Main Hall General Maintenance in the amount of	\$ 5,441.00
▶ President's Home Roof in the amount of	\$ 6,400.00
▶ Main Hall Renovation Phase I in the amount of	<u>\$ 9,940.21</u>
	\$21,781.21

If you have any questions, please call

10/07/94

HELENA COLLEGE OF TECHNOLOGY
G.F. REVERSIONS, LOANS/CASH, BONDED INDEBTEDNESS
ACCOUNTING ENTITY: 72004

I. REVERSIONS -- MCA/Policy 17-7-304		REVERTED AMOUNT	VENDOR	PRODUCT/ SERVICE	AMOUNT	REVERTED BALANCE
					REMAINING	
FY93		\$498.33				\$498.33
FY92		\$23,265.83	FACILITY REPAIR AND MAINTENANCE	WATER HEATER AT POPLAR ST ROOF REPAIR NEW DOOR CLOSERS BOILER REPAIRS -- ROBERTS ST. REPLACE VALVES IN HEATERS -- POPLAR ST SEWER HOOK UP AT POPLAR ST. CULVERT INSTALLATION CULVERT WORK AT POPLAR	\$6,644.00 828.00 348.00 7,807.50 1,594.76 1,161.00 1,905.00 2,662.00	
				TOTAL	\$22,950.26	\$315.57
FY91		\$4,667.04	EDUC. EQUIP.	TRAINING LATHE	400.00	\$4,267.04
FY90		(\$1.00)				(\$1.00)
TOTAL						\$5,079.94
II.	LOANS/NEGATIVE CASH -- MCA/Policy 17-2-107 NONE IN FY94					
III.	BONDED INDEBTEDNESS -- MCA/Policy 17-7-111 NONE IN FY94					

FILE:REVHIST

EXHIBIT 1
DATE 2-8-95
HB 104