

**MINUTES**

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

**COMMITTEE ON FINANCE & CLAIMS**

**Call to Order:** By **SENATOR GARY AKLESTAD, Chairman**, on Tuesday,  
March 14, 1995, at 8:00 a.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. John "J.D." Lynch (D)  
Sen. Mignon Waterman (D)

**Members Excused:** Senator Jergeson

**Members Absent:** None

**Staff Present:** Taryn Purdy, 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 553, HB 4  
Executive Action: HB 553

**HEARING ON HOUSE BILL 553**

**Opening Statement by Sponsor:**

**REPRESENTATIVE ED GRADY, House District 55, sponsor**, explained that HB 553 repeals the state sponsored credit card. He noted that the card has never been used, is unworkable, and therefore needs to be eliminated from the books.

Proponents' Testimony:

None.

Opponents' Testimony:

None.

Questions From Committee Members and Responses:

None.

Closing by Sponsor:

REPRESENTATIVE GRADY closed on HB 553.

EXECUTIVE ACTION ON HOUSE BILL 553

Motion/Vote: SENATOR JACOBSON MOVED HOUSE BILL 553 BE CONCURRED IN. Motion CARRIED. SENATOR BECK will carry HB 553 on the Senate floor.

HEARING ON HOUSE BILL 4

Opening Statement by Sponsor:

REPRESENTATIVE TOM ZOOK, House District 3, Miles City, sponsor, explained that HB 4 is the budget amendment bill. He notified the committee that there were department people present to answer questions by the committee, at which time he asked to be excused to attend another committee meeting.

REPRESENTATIVE ZOOK closed on HB 4 at this time and offered an amendment to the bill. EXHIBIT 1

Proponents' Testimony:

None.

Opponents' Testimony:

None.

Questions From Committee Members and Responses:

In reference to page 5, line 11, dealing with the Army National Guard, CHAIRMAN AKLESTAD asked if the National Guard wished to address the firefighter settlement.

Mike McCabe, Attorney for the Department of Military Affairs, explained that the line item relates to a suit filed in 1988 claiming that the firefighters had been retaliated against under

the Fair Labor Standards Act when their hours were changed in 1985 and 1986. It was determined that the Fair Labor Standards Act applied to government employees for the first time. Statutory penalties, interest and attorney fees were sought. The district court entered a summary judgment and a judgment on damages which includes, under the Fair Labor Standards Act, a 100 percent liquidated damages penalty. The total judgment was \$485,000 and an additional \$33,000 of legal fees. The case was appealed to the Montana Supreme Court, and the decision of the district court judge was upheld. The line item figure reflects the total cost of settlement of this case.

**SENATOR AKLESTAD** asked if it was amended from \$690,000 to \$988,164 and what the difference was.

**Mr. McCabe** said the difference is that eight other unnamed firefighters were involved, and the \$355,000 is to make similar adjustments to their pay because of the decision.

When questioned by **SENATOR AKLESTAD** whether the portion dealing with firefighters was a labor dispute rather than fighting fires, **Mr. McCabe** said that was correct.

**Taryn Purdy, Principal Fiscal Analyst**, clarified that there were ten firefighters involved in the suit. The additional cost is for those firefighters not involved in the suit. Another issue is whether those that were not a party to the original suit would also receive payment under this settlement.

**SENATOR AKLESTAD** questioned when that issue would be determined.

**Mr. McCabe** said the determination was before this committee.

In questioning from **SENATOR AKLESTAD** whether they would be part of the suit under the appropriation amount before this committee even though they weren't part of the original suit, **Mr. McCabe** said that was correct; it was determined to treat all the firefighters equally.

When asked by **SENATOR KEATING** why the others weren't included, **Mr. McCabe** said they didn't join in as main party plaintiffs to the suit.

**SENATOR JACOBSON** said she would like someone from Department of Family Services to address the IV-B Family Preservation and Crisis Nursery Project items of HB 4, page 2, lines 24 and 25.

**Doug Matthies, Department of Family Services**, said they are two federal grants that were brought into the budget amendment this year to establish family preservation type projects in local communities. The crisis nursery project, a new project, is \$200,000 a year for the next three years.

**SENATOR JACOBSON** questioned if that was why the \$200,000, page 2, line 25 was crossed out and \$600,000 inserted.

**Doug Matthies** said the Budget Office wanted it to be brought into the budget amendment process as they didn't want to include it in the base in HB 2.

When asked by **SENATOR JACOBSON** if it was for years 1995, 1996 and 1997, **Doug Matthies** said the Crisis Nursery Project has been appropriated \$200,000. They are working with the Budget Office for clarification on whether it will be in HB 2 or HB 4 for 1996 and 1997.

**SENATOR KEATING** commented that the Department of State Lands is requesting an amendment to the bill for spending authority for federal revenues for the land administration on the Crow Boundary settlement, a strip between the Crow Tribe and the Cheyenne Tribe. He asked if someone from the department could explain the situation.

**Jeff Hagener, Administrator, Land Administration Division, Department of State Lands**, explained the Crow Boundary Settlement Act of 1994 that was signed into law by President Clinton. **EXHIBIT 2** and **EXHIBIT 3** He said they are asking for \$25,000 for the remainder of this year and that there is \$100,000 for 1996 and 1997 in HB 2. They are anticipating the total process to take approximately five years, adding that no FTE's would be added as it would be contract services. A majority of it will be done by the Bureau of Land Management and the Bureau of Indian Affairs.

**SENATOR JENKINS** questioned if the federal government was giving the money to State Lands and then State Lands would contract it back with the federal departments.

**Jeff Hagener** said the federal government would be doing a large amount of the work. The money they are giving State Lands will be contracted out with private consultants for appraisals and review. They will be coordinating on environmental assessments, etc. It is expected that there will be numerous meetings, some of which would probably be at the Washington, D. C. level, which is what the expenses would be. He said Department of State Lands is not contracting back with the federal government; they are working with them.

In questioning by **SENATOR JENKINS** as to number of acres involved, **Jeff Hagener** said currently the state only has 32,000 acres left within the reservation, but the tribe is entitled to the value of the 46,000 acres. The Bureau of Land Management (BLM) has to appraise the 46,000 acres, and the tribe is then entitled to that value in land. Since there is currently only 32,000 acres, the balance would be made up by the BLM exchanging with private parties within the reservation so that land can also be turned over to the tribe.

When asked by **SENATOR JENKINS** what happened to the balance between 46,000 and 32,000 acres, **Mr. Hagener** said those lands have been sold over time.

**SENATOR AKLESTAD** asked who was dealing with the private landowners.

**Mr. Hagener** said there is a steering committee consisting of the Department of State Lands, Bureau of Indian Affairs, Bureau of Land Management and the Crow Tribe.

**SENATOR AKLESTAD** voiced concern if this was a proposal or a situation by the federal government saying if there isn't an agreement made, the private land would be handled in a different manner.

**Mr. Hagener** said the priority for the exchanges and to return the value to the Crow Tribe is to get the state lands that are in there. However, the way the bill is written makes it voluntary on the state's part. If an agreement cannot be made with the state acres, it is then up to the federal government to do what they need to do in order to give the tribe that equivalent in value. It is voluntary on the part of the state; they don't have to exchange any acres, but the priority is to do so.

**SENATOR AKLESTAD** argued that is why this could be ongoing for awhile, and added that this is just the beginning. When questioned if \$100,000 was added in HB 2, **Mr. Hagener** said it was for 1996 and 1997.

**SENATOR JENKINS** asked if the tribe would receive money or land.

**Mr. Hagener** said HB 4 states they are entitled to that value in land. Other parts of the settlement act give them a substantial amount of money, and most of that is royalties from some of the coal mines near the reservation.

When asked by **SENATOR JENKINS** if there was private ownership of land within the reservation over time, **Mr. Hagener** said there was extensive private ownership.

**SENATOR JENKINS** asked if they were going to buy the land and then give it back to the reservation.

**Mr. Hagener** said if they can exchange those private lands for federal lands outside the reservation, the private people would still retain land, but it would be outside the reservation. The land the BLM acquires within the reservation would be turned over to the tribe.

**SENATOR JENKINS** explained that there were two reservation borders in question, and he asked if the reservation would be expanded.

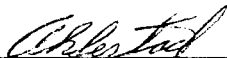
**Mr. Hagener** said parcel 1, between the southern boundary of the Northern Cheyenne reservation to the Wyoming border, the reservation boundary has now been moved out to the 107th meridian, so it has been expanded. There are some individuals who were private land holdings that owned their property within that private strip but are now within the reservation. The Department of State Lands is only dealing with the proposed exchange.

**SENATOR HARDING** questioned if anyone was present from the Arts Council relative to page 3, HB 4. (NO RESPONSE)

**CHAIRMAN AKLESTAD** closed the hearing on HB 4 and indicated that Executive Action would be taken at the next meeting.

ADJOURNMENT

Adjournment: 8:30 a.m.

  
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SENATOR GARY AKLESTAD, Chairman

  
\_\_\_\_\_  
LYNN STALEY, Secretary

GA/ljs

MONTANA SENATE  
1995 LEGISLATURE  
FINANCE AND CLAIMS COMMITTEE

ROLL CALL

DATE

3/14/95

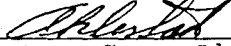
NAME	PRESENT	ABSENT	EXCUSED
SWYSGOOD, CHUCK	✓		
BURNETT, JIM	✓		
MOHL, ARNIE	✓		
JERGESON, GREG			✓
FRANKLIN, EVE	✓		
TVEIT, LARRY	✓		
JENKINS, LOREN	✓		
JACOBSON, JUDY	✓		
LYNCH, J.D.	✓		
HARDING, ETHEL	✓		
TOEWS, DARYL	✓		
CHRISTIAENS, B.F. "CHRIS"	✓		
WATERMAN, MIGNON	✓		
KEATING, TOM - VICE CHAIRMAN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


SENATE STANDING COMMITTEE REPORT

Page 1 of 1  
March 14, 1995

MR. PRESIDENT:

We, your committee on Finance and Claims having had under consideration HB 553 (third reading copy -- blue), respectfully report that HB 553 be concurred in.

Signed:   
Senator Gary Aklestad, Chair



Amd. Coord.  
578 Sec. of Senate

  
Senator Carrying Bill

591149SC.SRF



Amend House Bill 4, Third Reading As Amended  
Senate Finance and Claims Committee  
March 14, 1995

1. Page 4, line 20  
Following: "PROGRAM"  
Insert: "AND THE LITERACY RESOURCE CENTER"
  2. Page 5, Line 27.  
Strike: "906,623"  
Insert: "275,000"
- Page 6, Line 1.  
Strike: "8,141"  
Insert: "29,141"
- Page 6, Line 3.  
Strike: "1,250,000"  
Insert: "850,000"
- Page 6, Line 10.  
Following: Line 9  
Insert:

"All remaining fiscal year 1995 federal special and other budget amendment authority for units of the Montana University System is authorized to continue into fiscal year 1996."

EXPLANATION

1. The State Library Commission will not be able to spend the entire Literacy Resource Center budget amendment in FY95 and is requesting to continue the federal grant authority into FY96.
2. The current tuition appropriations contained in HB004 were estimated prior to the completion of spring semester registration at the units. Actual tuition collections have fallen short of the projected tuition by \$1,010,623. This amendment reduces the Montana University System appropriation amount in HB004 by \$1,010,623. This amendment also allows any fiscal year 1995 unexpended authority to continue into fiscal year 1996. This continuing authority will allow the units to better manage their resources and is consistent with the language included in the budget amendment bill adopted by the 1993 Legislature.

CROW BOUNDARY SETTLEMENT EXCHANGE  
BUDGET WORKSHEET

CROW BOUNDARY SETTLEMENT EXCHANGE	
Budget Item	Requested Budget FY95
FTE	0.00
Personal Services	0
Operating Expenses	
Contracted Services	21,000
Supplies/Materials	1,000
Communications	250
Travel	2,000
Other	750
Equipment	0
Capital Outlay	0
Total Expenditures	\$25,000

The estimated expenditures for the remainder of FY95 are \$25,000, comprised solely of Operating Expenses. Within Operating Expenses, there are a few subcategories, including Contracted Services, Supplies/Materials, Communications, Travel, and Other.

Most of the Contracted Services category is applied to consulting fees. This allows 500 hours of work at an estimated \$40. per hour. Since this program does not include any new FTEs, all of the review work will be contracted out. The consultants' work will include field evaluations, selection of BLM tracts, appraisal reviews, water rights reviews, mineral reviews, economic analyses, and deed preparation work. In addition to the consulting fees, additional funds are allocated for possible legal fees and court costs, and printing.

Supplies and Materials needed include gasoline, maps, photographic supplies, and data processing supplies.

Communications includes funds for postage and telephone expenses.

The Travel category allows for trips to Billings and/or the Crow Indian Reservation, and possibly to Washington DC. These trips will be made by the Lands Division Administrator and/or the Commissioner, as needed, to oversee the program, and to meet with appropriate federal agency representatives, Crow Tribe representatives, lessees, and the public.

The Other Expenses category allows for the unforeseen expenses that will arise as a result of this program.

The Lands Administration Division (CV04) will administer this exchange program. All expenditures will be from Federal Special Revenues provided by the Secretary of Interior.

**AMENDMENTS TO HOUSE BILL NO. 4  
(Third Reading as Amended (Blue) Copy)**

**1. Page 3, following line 2.**

**Insert: "Land Administration Division**

**Crow Exchange**

**1995**

**25,000**

**Federal Special"**

**(Informational Narrative)**

The Crow Boundary Settlement Act of 1994 (Public Law 103-444) was signed into law on November 2, 1994 by President Clinton. Section 5(d)(1)(A) of the Act provides in part, "The Secretary shall negotiate with the State of Montana for the purpose of exchanging public lands within the State of Montana for State trust lands within the Crow Reservation having a total value of the surface estate of the approximately 46,625 acres of State trust lands obtained by the State of Montana pursuant to the Act of February 22, 1889 (commonly known as the "Montana Enabling Act"; 25 Stat.676, chapter 180),....".

The DSL informed the Congress during consideration of the Act that the exchange(s) envisioned by the Act would not be a high priority for the state unless sufficient funding and assistance were provided to the state. The current DSL funding and resources would not allow much time to be expended on the exchange(s) without impacting other current revenue generating programs. Congress recognized the state's concern and Section 5(d)(1)(E) of the Act provides, "The Secretary shall provide such financial or other assistance to the State of Montana and to the Crow Tribe as may be necessary to obtain appraisals, and to satisfy administrative requirements, necessary to accomplish the exchanges made pursuant to subparagraph (A)". The Bureau of Land Management (BLM), the Bureau of Indian Affairs (BIA), the Crow Tribe and the DSL have recently begun the preliminary process to implement the exchange(s) necessary to fulfill the requirements of the Act. The BLM and the BIA have requested funds from the Secretary of Interior to be made available to the state. The DSL has been notified that: the BLM currently has \$16,000 available for the remainder of federal FY95 (ending September 30, 1995); and the BIA will have \$85,000 available for the remainder of federal FY95. The Act anticipates that at least five years will be required to consummate the necessary exchange(s) with the State. Therefore, it is expected that the federal funding to the state will be continued throughout the process. DSL has already requested and received approval from House Appropriations for spending authority for this project in FY96 and FY97.

The Land Board has directed the DSL to actively proceed in cooperation with the BLM, BIA and the Crow Tribe to consider the proposed exchange(s). The Land Board has given this direction to the DSL with the assumption that the Secretary of Interior would provide funding and assistance to the DSL in this effort.