

MINUTES

MONTANA SENATE 54th LEGISLATURE - REGULAR SESSION

COMMITTEE ON FINANCE & CLAIMS

Call to Order: By SENATOR GARY AKLESTAD, Chairman, on March 23 and March 24, 1995, at 8:00 a.m., Room 325.

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 2
Executive Action: HB 2

HEARING ON HOUSE BILL 2

Opening Statement by Sponsor:

REPRESENTATIVE TOM ZOOK, House District 3, Miles City, sponsor, stated that HB 2 is the general appropriations bill for state government.

Clayton Schenck, Legislative Fiscal Analyst (LFA) explained the HB 2 notebook to the committee. He commented that in the front of the notebook, there is a comparison to the executive with a summary sheet by section noting the differences from the executive.

CHAIRMAN AKLESTAD thanked the LFA for their assistance to the subcommittee and the manner in which the HB 2 budget book was presented. He then introduced **REPRESENTATIVE GRADY** to present Section A of HB 2 and indicated that the subcommittee chairmen would work off the narrative of the bill.

SECTION A - GENERAL GOVERNMENT AND TRANSPORTATION

REPRESENTATIVE GRADY announced that the other members of the General Government and Transportation subcommittee were **SENATOR BECK**, **SENATOR FRANKLIN**, **REPRESENTATIVE FELAND**, **REPRESENTATIVE QUILICI**. He introduced LFA staff for Section A: **Terri Perrigo**, **Skip Culver**, **Lorene Thorson**. He introduced staff from the Governor's office: **Dan Gengler**, **John Patrick**, **Shirley Benson**. He thanked the staff for their work, indicating they did a very good job.

REPRESENTATIVE GRADY said in an overall to Section A, compared to the executive budget, there was a general fund reduction of \$2.5 million; other funds of \$107 million, for a total fund reduction of \$109.5 million out of general government. 39.5 FTE in '96 were reduced, 38.75 FTE in '97 were reduced below the Governor's budget. The overall deflation adjustment savings taken from all agencies, the subcommittee approved fiscal '97 reductions to computer processing and long distance rates. The reductions to deflation resulted in biennial savings of approximately \$1.16 million of which approximately \$467,000 was general fund. The savings reflect through the agency budgets.

REPRESENTATIVE GRADY went through Section A HB 2 narrative for each agency.

CHAIRMAN AKLESTAD advised the committee that they would proceed with questions to the chairman of the subcommittee, adding that each section would be gone through page by page. He noted that questions also could be directed to directors from the various departments included in Section A. Amendments would be presented at the conclusion of the question and answer period.

SECTION A - QUESTIONS FROM COMMITTEE AND RESPONSES

LEGISLATIVE AUDITOR

SENATOR KEATING said a study indicated that compliance and financial audits were extremely important, and he questioned if the Auditor's workload would be reduced to justify the reduction of the seven FTE.

REPRESENTATIVE GRADY reported that the workload was not reduced. He agreed that the compliance audits are pretty important and self-supporting in that they pay for themselves. He maintained that five of the positions were vacant. One position was not a real FTE position, and in the future the money would come from personal services and not show up as an FTE.

LEGISLATIVE BRANCH

SENATOR LYNCH voiced concern that the legislative branch would not belong to any legislative groups such as NCSL, CSG, NCCUSL and that only the executive branches would participate.

REPRESENTATIVE GRADY referred **SENATOR LYNCH** to Table 1 on page A-8 indicating which groups would be funded. He maintained that those not funded had not been funded in the last couple bienniums. It was the subcommittee's conclusion that they had gotten along without them and there was no need to fund them at the present time.

SENATOR LYNCH said it was his understanding that dues to NCSL had been funded up until this year.

REPRESENTATIVE GRADY said they had not been funded out of HB 2 but from some other source.

Bob Person, Legislative Council, said while the dues history has been spotty over the past number of years for organizations, there was partial funding for NCSL. That was through HB 2 until the budget reduction special session. The decision this time has been to not fund any participation.

SENATOR LYNCH questioned if by not paying dues to NCSL that the state could not avail themselves to NCSL material.

Mr. Person claimed that NCSL and CSG were indulgent with Montana and in the past continued to provide a certain level of services. He did not believe there was a clear policy statement on this issue, though he felt it was unlikely they would continue to provide a full level of services. He added that travel funding is insufficient to allow for training and conference opportunities that are offered.

In concern expressed by **SENATOR LYNCH** if information could still be obtained from those groups if Montana did not pay dues, **Mr. Person** said so far it has not limited the state and NCSL does not have any policy stating that it will.

SENATOR LYNCH questioned how the legislative reorganization bill was being considered with regard to the agencies in Section A.

CHAIRMAN AKLESTAD said it was his understanding that this budget would relate to existing statutes.

When asked by **SENATOR LYNCH** if adjustments could be made if any changes occurred regarding legislative reorganization, **CHAIRMAN AKLESTAD** said that was correct.

JUDICIARY

In questioning from **SENATOR WATERMAN** regarding the court automation project elimination, **REPRESENTATIVE GRADY** said the program would continue but rather than use general fund dollars, there should be a fee. When asked by **SENATOR WATERMAN** about the FTE elimination, **REPRESENTATIVE GRADY** said that would be handled if HB 176 that dealt with that issue passed.

When questioned by **SENATOR WATERMAN** if they would restore the FTE if HB 176 passed, **REPRESENTATIVE GRADY** said the LFA informed him that the fiscal note showed 10 FTE, therefore they would have to be plugged in later.

In response to **SENATOR LYNCH'S** question if the counties use court automation in the local courts, **REPRESENTATIVE GRADY** said that was correct. Regarding funding, he said it would be a \$5 surcharge on all filings. The committee felt that would be a better way of funding the program instead of general fund dollars.

When concern was voiced by **SENATOR LYNCH** about the applicability of unfunded mandates on this issue, **REPRESENTATIVE GRADY** said there was a committee bill addressing the funding which would not leave the counties with an unfunded mandate.

SENATOR JENKINS questioned the funding appropriation of that bill.

REPRESENTATIVE GRADY said it was his understanding that all pending legislation would have to be added later in the session and concluded that there is no appropriation in HB 2 for it.

SENATOR CHRISTIAENS expressed concern that several bills currently being considered would add FTE and he wondered if the financial part would be dealt with now or later.

CHAIRMAN AKLESTAD said the budget pertaining to HB 2 that relates to other bills will probably be dealt with in the free conference committee because some of the bills have not yet passed both houses of the legislature.

SENATOR KEATING questioned if Westlaw was in the State Law Library.

Judy Meadows, Director, State Law Library, said the funding for the Lexis and Westlaw was removed two years ago from the Law Library. The training and searching continues, but the invoices flow through the State Bar and have been removed from the State Law Library general fund.

SENATOR FRANKLIN asked for information on how RIT funding affected the water court with the negative balance of \$1.4 million.

Susan Cottingham, Reserve Water Rights Compact Commission, said their commission is funded out of the RIT account, and it was her understanding is that the entire budget of the water court is funded out of RIT. Currently that account has a \$1.7 million revenue shortfall. Without backfill into that account, she assumed that the Water Court, Department of Natural Resources and Conservation (DNRC) and the Compact Commission would have to take cuts.

When asked by **SENATOR WATERMAN** why a negative fund balance was left, **REPRESENTATIVE GRADY** said the subcommittee did not deal with the fund balance. They were given an additional \$15,000. That RIT issue would be dealt with in the Natural Resources committee.

GOVERNOR'S OFFICE

SENATOR BECK said he would like representatives from the Board of Visitors and Consensus Council to discuss their proposed cuts.

Matthew McKinney, Director of Montana Consensus Council, presented written documentation relative to the Montana Consensus Council. **EXHIBIT 1**

When questioned by **SENATOR JENKINS** as to how much Consensus Council budget had been contributed to by Montana Stockgrower's, Farm Bureau, Farmers Union, **Mr. McKinney** said very little at this time. Money raised from private sources came through small grants from various foundations, such as Montana Community Foundation, U.S. West Foundation. There were a couple contracts with counties and federal agencies. He alleged that some organizations they worked with had not contributed. He added that the nature of the issues dealt with and the history of organizations make it difficult to bring individuals and organizations together to cooperatively solve problems. He expected if they are asked to pay for the services, that would be another reason they do not want to work together. He concluded that in the near future that would be a condition and necessary requirement for the Council's involvement with some of the organizations.

SENATOR JENKINS said he had not received any input from his area as to the importance of the Consensus Council, and he would like

to see the Council's contributor list and more information regarding their agreements.

Mr. McKinney indicated that the annual report he presented **EXHIBIT 1** included a financial statement of income sources during the past year. The different agreements and processes involved are also included in the report.

When questioned by **SENATOR CHRISTIANS** regarding the funding change for the Montana Consensus Council, **REPRESENTATIVE GRADY** said there was other funding from income from the resource indemnity trust fund in the '93 legislature. That has since been eliminated, and it was funded by general fund dollars outside of private donations. They agreed to somewhat take all private donations for funding and indicated they would have it done by this biennium which has not happened. He further explained that the subcommittee reviewed complete program elimination rather than percentage cuts and felt it would be better in some cases to eliminate an entire program rather than stifle it in an attempt to keep it alive.

SENATOR CHRISTIAENS said two current pieces of legislation relate to using the Consensus Council in the next biennium, and alleged that when parties can agree on issues by using the Council that the funds would be well spent.

SENATOR BECK remarked that he would like to have someone from the Board of Visitors discuss their funding and the issue of downsizing the Board.

Kelly Moorse, Director, Board of Visitors, said they currently have a state funded attorney and an attorney funded through a federal grant from the Montana Advocacy program. State statute mandates that the attorneys be located at the State Hospital although there are responsibilities to the other facilities. Legal representation is provided for recommitment at Montana Developmental Center in Boulder, Montana State Hospital, and under SB 120 they will be responsible for recommitment hearings at the Center for the Aged. The federal attorney provides legal assistance to advocates working in community programs. Judge Mizner has stated that the legal representation costs would be shifted to counties because of the responsibility to assure that patients are represented. An initial assessment of cost shifting to the counties based on attorney hours in recommitment would exceed their entire state general fund budget by approximately \$88,000. They anticipated the cost being approximately \$200,000 shifted to the counties having higher recommitment rates such as Yellowstone County, Missoula County, Lewis and Clark County and Flathead County.

In questioning from **SENATOR BECK** regarding funding the attorneys, **Ms. Moore** indicated they have no matching fund requirement with the federal funds. She remarked that both attorneys because of work duties have a large amount of compensatory time and they try

to make sure there is legal coverage for the programs. The Judge has required that in the absence of one attorney there be another attorney available, and they have been able to use the federal position to cover in the absence of the other attorney.

When asked by **SENATOR BECK** if both attorneys are located at Warm Springs, **Ms. Morse** said yes, state statute indicates that they will counsel at the State Hospital.

SENATOR BECK said there were approximately 1,200 patients at Warm Springs when there were two attorneys. Since that hospital has been downsized to 285 patients, he questioned the need for two attorneys at Warm Springs or whether they covered the Montana mental health community.

Ms. Moorse said they have the developmental disability (DD) portion at Boulder, the Center for the Aged as well as the remainder of Montana.

In questioning by **SENATOR KEATING** whether the work would have to be done by some agency, **Ms. Moorse** said under state and federal laws, people are entitled to representation.

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When asked by **SENATOR CHRISTIAENS** about the necessity of recommitment hearings, **Ms. Moorse** said that would happen at the State Hospital when the staff filed a legal petition with the Judge indicating that the person has serious DD or mental illness and needs State Hospital confinement. The Department of Corrections would initiate the request. The patient would then receive a hearing notice indicating they would be represented by an attorney from the Board of Visitors.

SENATOR CHRISTIAENS said it was his understanding there were over 300 cases in the last year, and he questioned who would take over the duties if the Board is eliminated.

Ms. Moorse alleged there were 314 commitment hearings and 71 guardianship hearings. Without funding, they have been informed by the judges that costs would be shifted to the counties because private legal counsel would be appointed for representation.

SENATOR WATERMAN questioned the subcommittee rationale in requiring the counties to pick up the funding rather than the state.

REPRESENTATIVE GRADY said the House has worked with the Governor's office to discuss mandated areas handled through another agency but that no agreement had been reached on those issues.

In response to a question from **SENATOR WATERMAN** whether the Montana Community Services program currently has the federal authority in that budget, **REPRESENTATIVE GRADY** said it was his understanding that is a program that will be funded out of the Department of Labor's budget.

SENATOR WATERMAN asked for clarification on the Montana Community Services Program.

Mark Lee, LFA, indicated that administrative costs of that program currently are funded in the Department of Labor budget, approximately \$2 million a year of federal funds for community service projects are not funded yet.

In questioning from **SENATOR WATERMAN** as to the appropriate section of the budget to place that funding, **Mr. Lee** remarked that the bill failed that would have transferred the Office of Community Service to the Department of Labor and continued that statutory appropriation. The proper place to fund the Office of Community Service is still in the Governor's budget.

SENATOR CHRISTIAENS noted that this is a key issue in welfare programs and he would like to have the Department of Social and Rehabilitation Services (SRS) advise if there is funding in the SRS budget from the human services subcommittee.

Mr. Blouke, Director, SRS, said in initial discussions in working through the community service component of the welfare reform, SRS looked at this program to assist them in developing appropriate activities.

When asked by **SENATOR CHRISTIAENS** if there was funding in the SRS budget tying this program in under welfare reform, **Mr. Blouke** declared there is not funding directly relating to this. There are some funds in the SRS budget for the community service component of the welfare reform package, but they also looked to this program as supplementing what was in the SRS budget.

SENATOR SWYSGOOD explained that the money for this particular program is in the budget of the Department of Labor and could be addressed when that budget is presented.

Regarding a \$30,000 appropriation for a correspondence tracking, software system, **SENATOR FRANKLIN** asked the Governor's office to explain the system.

Judy Browning, Governor's Office, stated that \$15,000 general fund money was put in the Governor's budget and \$15,000 from the Budget Office (OBPP) budget. The \$15,000 from OBPP was for hardware, and the hardware was in the Governor's Office. She claimed that because of the reduction in their staff, it would be beneficial to use a computer system to allow them to do integrated networking, adding that it was a one time expense.

SECRETARY OF STATE

SENATOR KEATING questioned the bankruptcy coordinator functions in the Office of the Secretary of State.

Angela Fultz, Chief Deputy, Office of Secretary of State, said the bankruptcy coordinator position mentioned in their budget coordinates information that businesses require from them in filing liens and that type of information. That information would be coordinated between the various bankruptcy courts and provided to current customers on state bankruptcies. The bankruptcy positions in the Judiciary Department as she understood them are more investigatory and involve legal work.

In response to **SENATOR KEATING**, **Ms. Fultz** said she was not completely sure of the functions of the Judiciary bankruptcy coordinator positions. The function in the Secretary of State's office is a coordination of information that is currently there. She concluded that their office is serving their clients.

STATE AUDITOR'S OFFICE

SENATOR JACOBSON noted that two FTE and the money for the Small Employer Health Availability Insurance Act was eliminated, and she asked if **REPRESENTATIVE GRADY** assumed that would be repealed.

REPRESENTATIVE GRADY commented that was correct and the program would be eliminated in the Auditor's Office.

In questioning from **SENATOR JACOBSON** regarding continuation of the program and whether the FTE and funds would be necessary, **REPRESENTATIVE GRADY** said that was another issue that would have to be looked at with pending legislation.

SENATOR CHRISTIAENS said that particular legislation has passed both houses. The committee took out the funding for both of the previous positions for actuarials in that office, and at least one of those would have to go back in with the passage of that bill.

REPRESENTATIVE GRADY said he was not that familiar with that legislation, adding that it would be something decided by the free conference committee.

When questioned by **SENATOR CHRISTIAENS** if he would be supportive of at least one of those positions, **REPRESENTATIVE GRADY** said yes.

SENATOR CHRISTIANS noted that with passage of bills dealing with consumer fraud investigation, the funding should be put back for that position since the bills asked that there be increased consumer fraud investigation.

REPRESENTATIVE GRADY reported that those issues would have to be looked at because he was not sure what would be necessary to implement them as far as FTE's were concerned.

DEPARTMENT OF TRANSPORTATION (DOT)

In questioning from **SENATOR KEATING** regarding FTE's, **Skip Culver, LFA**, said the reduction in 73 positions are vacancy savings positions that DOT agreed to give up in the executive budget. The present law adjustment of 30 additional positions are a result of the DOT methodology they are authorized to use for construction. These present law positions were increased based on the scheduling of when construction would come due. When questioned by **SENATOR KEATING** if the positions are still there, **Mr. Culver** said the positions will be gone.

When asked by **SENATOR JERGESON** if new language was added so that DOT could take in any unanticipated revenue over the estimate in the Revenue Oversight Committee recommendation, **Mr. Culver** said the construction program was authorized as a biennial appropriation and this language historically was in there. Because of the nature of construction payments and the completion of construction programs, it would allow the agency flexibility in managing the cash distribution between fiscal years. In response to **SENATOR JERGESON'S** question if the language would allow them to spend any unanticipated revenue that may come in if the revenue estimate adopted by the legislature was lower than what actually came in, **Mr. Culver** said it does not; it would allow them to spend the biennial appropriation between fiscal years.

SENATOR HARDING questioned the \$7.5 million appropriation mentioned regarding HB 297.

REPRESENTATIVE GRADY said originally the subcommittee withheld \$25 million authority to spend on total state funded highway construction jobs because they felt the cities and counties should get a larger share from the landslide of unanticipated revenue through the new tax collection methods and the diesel fuel. HB 297 was the avenue to appropriate the money to the cities and counties, but they did not allow the state to use it. It was amended to \$10 million in subcommittee and to \$15 million in House Appropriations.

When asked by **SENATOR HARDING** if HB 297 would remove \$15 million from DOT, **Mr. Culver** said that bill would amend a statutory appropriation that exists in statute now. Currently in the statute approximately \$16.7 million is distributed to counties and cities. HB 297 would increase the \$16.7 million by \$7.5 million each year, so approximately \$23 million per year would be going to counties and cities. It still would be appropriated from the highway trust fund.

In questioning from **SENATOR HARDING** if this would be taken from the highway reconstruction program, **REPRESENTATIVE GRADY** said yes, there possibly would be a few less highway projects done such as overlays and that type of thing. Testimony from DOT showed there was millions of dollars, and they were not sure with the timing and number of employees that they would be able to spend the money they have. The subcommittee thought it would be a better way to help people with the unanticipated windfall of revenue. He concluded that the bond payback would not be affected and the DOT would not be crippled by transferring \$15 million to cities and counties.

SENATOR HARDING said she was concerned about a stretch of road between Ronan and Polson and how that would affect the program.

Marvin Dye, Director, Department of Transportation, said he was unsure how that stretch of road would be affected. He explained that their original proposal to have a state funded program would escalate potentially every state project, thereby moving the projects up. DOT has a list of all projects in the next two years to be funded out of the state funded construction program, and he added they are prepared to let those projects as early as June. He concluded that taking funds from the state program and giving it to cities and counties would slow potential progress on state funded routes.

SENATOR SWYSGOOD questioned if all impacts were looked at as they related to DOT funding when the decision was made to transfer the money; that being loss of coal trust money and other things in the budget that did not transpire, money to fund other agencies with GVW fees or gas tax monies that the House did not remove, as well as the impact of delaying construction or potential for another gas tax increase.

REPRESENTATIVE GRADY said they looked at the impacts. Funding DOT out of the general fund was before the unanticipated revenue showed up. The next legislature would have to decide if they wanted to continue funding the Highway Patrol out of the highway trust fund and the gas tax or revert it to the general fund.

When questioned by **SENATOR LYNCH** if DOT possibly would not spend the money they have excluding the \$15 million, **Mr. Dye** said DOT has experienced some difficulty in the current biennium because of early retirements. They are playing catch-up and working their way through it and are in fairly good shape. The next biennium which is the one being discussed, if their executive budget request was approved for the \$10 million increased state projects, they are prepared to let them at the beginning of the fiscal year.

SENATOR LYNCH asked if the subcommittee thought DOT might not spend what they got.

REPRESENTATIVE GRADY explained that that comment was made in the subcommittee when the DOT budget was being reviewed.

When asked by **SENATOR MOHL** how much gas tax is currently being given to the cities, **REPRESENTATIVE GRADY** said he had seen the figures but did not have them readily available.

SENATOR MOHL said that \$10 million was being lost with coal tax money they had and losing \$500,000 a year of federal funding. Over 62 percent of the income of gas tax money is coming off of primary and interstate projects, and \$94 million is being spent at the present time on city and county roads. With the chances of getting additional ISTEA money after 1998 being slim, he questioned how the infrastructure could be maintained.

REPRESENTATIVE GRADY responded that many things could change in what the government might do. He thought cities and counties wanted their roads fixed as well as the highways which is where the gas tax money would go. He concluded that the legislature is ultimately responsible for the allocation of the funds.

SENATOR MOHL said in 1993 the seven cent gas tax was split between cities, counties and other entities and he questioned why the percentage should be changed.

REPRESENTATIVE GRADY responded that in '93 they were not aware of the unanticipated revenue that came in. Through the percentages it was his understanding that cities and counties would not get any more of that. He added that it was \$75 million unanticipated revenue that came to the DOT, and the subcommittee was only asking for \$15 million of that.

REPRESENTATIVE GRADY noted there was about \$6 million that came to the Department of Transportation for the metric sign conversion and other areas, which the subcommittee felt could be done with consultants rather than FTE from the DOT. The subcommittee shifted \$6 million over to construction so that DOT would be able to hire consultants to do the required work, therefore realistically the subcommittee only took \$9 million from the DOT.

In response to **SENATOR BECK, Tom Barnard, DOT**, indicated that the money was put in the DOT budget; the FTE's were not specifically approved, and the money is not available for construction. The money would pay for consultants or in-house salaries to get the design work completed. When asked by **SENATOR BECK** if DOT felt they could fulfill the job with available money and without having additional FTE, **Mr. Barnard** said most of the positions not approved are not conducive to putting out to consultants and would have to be done by DOT.

When asked by **SENATOR JENKINS** if there was money set up for construction that was not in the original DOT budget, **Mr. Barnard** said currently in the budget there is an additional \$2.5 million

in fiscal year '96 for constructed, state funded programs; in fiscal year '97 there is an additional \$7.5 million for construction. The initial DOT request was for an additional \$10 million in fiscal '96 and \$15 million in fiscal '97. He added that \$7.5 million was taken out of that in each year. In response to **SENATOR JENKINS**, **Mr. Barnard** said they had anticipated revenues over this period of time from diesel tax.

SENATOR JENKINS asked if DOT had more revenue coming in than they would be able to get federal matching dollars.

Mr. Barnard answered that they did not anticipate there would be federal money available to be matched for the entire construction program. A federal aid program estimated to be \$160 million has to be matched in varying amounts. The match would range from 20 percent to no match in certain work categories. He added there is the reconstruction trust fund program that was a 10 year program started in 1983 and now has been reauthorized. The intent at one time was to have that as a \$40 million yearly program, however the money was only there one time for that larger program. In recent years the legislature has limited it to \$20 million, and out of that money \$5 million goes to pavement preservation on routes maintained by DOT, \$15 million goes to pavement preservation work on secondary highways which the counties are responsible for. The other area being discussed would be an increase in the state funded program. The money in '96 and '97 would be used for additional pavement preservation work on routes maintained by the DOT. Long term it would be used to accelerate a specific list of projects for major reconstruction. In response to **SENATOR JENKINS**, he added that many circumstances cause projects to be delayed or moved up.

SENATOR CHRISTIAENS asked regarding the wetland mitigation if the \$496,000 was sufficient to do what was required under the federal clean water act.

Mr. Barnard said that was the purpose for that money and if they are approved, DOT had no problem in complying with them.

Regarding leasing of state vehicles, **REPRESENTATIVE GRADY** advised **SENATOR CHRISTIAENS** that was in the Governor's new proposal. Some agencies would continue to own their vehicles, but others have now decided to lease from the Motor Pool rather than purchasing them. The increased spending authority was for them to purchase enough vehicles for leasing to agencies.

When asked by **SENATOR CHRISTIAENS** how that would save the state money, **Dan Gengler, Senior Analyst, OBPP**, said the rationale used was since DOT had the systems in place to manage vehicle fleets, the agencies having the vehicles were not in the business of managing vehicles. They thought the cost per mile of travel for vehicles managed by the State Motor Pool could be reduced below that of cost per mile managed by these agencies and that it would be cost effective.

SENATOR CHRISTIAENS questioned why all vehicles would not be leased to all departments rather than select agencies.

Mr. Gengler said the vehicles being transferred to the Motor Pool were consistent with the vehicles these agencies would be replacing in the '97 biennium. As the vehicles are turned over, it would be the plan that they would be Motor Pool vehicles in the future as they are replaced. Regarding mileage constraints on the leases, DOT could address those details, but if a vehicle was driven a certain number of miles there would be a mileage charge. If the vehicle was not driven a certain number of miles, there would be a minimum charge to cover the overhead and replacement cost of the vehicle.

SENATOR CHRISTIAENS said he would like that information furnished to the committee before action was taken in this area.

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DEPARTMENT OF REVENUE (DOR)

When asked by **SENATOR CHRISTIAENS** regarding maintenance contracts on page A-84, item 5, and when they go into effect, **Mick Robinson, Director, Department of Revenue (DOR)**, indicated that most equipment would have a warranty to the purchase of the equipment for a one year period and then maintenance being required after that initial year of ownership. The particular equipment referred to on the mailroom/cashiering automation does not have the warranty built into the purchase price and maintenance would be necessary from the time it was acquired.

SENATOR CHRISTIAENS questioned if there generally are maintenance contracts after the regular warranty has expired and what period of time the contract was for.

Mr. Robinson said in the purchase of computer equipment the contract price may be a five year ownership period, and the maintenance portion would be for the last four years which is included in the term contract price. The type of equipment being purchased depends somewhat on the equipment.

In questioning from **SENATOR BECK** relative to amendments to be offered by Department of Revenue, **Mr. Robinson** said one amendment would add two FTE in the income and business tax division for a programmer in the areas of electronic filing and electronic funds transfer technology. That programmer would be a temporary position for the biennium. The other FTE would be a liaison to provide training and outreach to businesses for electronic transfer of business information. There would be a cost of \$109,000 general fund and about \$90,000 special revenue fund connected with that. Another amendment would relate to the property tax division to enable the DOR to transfer

electronically the property tax information to Montana counties. He distributed a spreadsheet regarding network communication cost estimates for state and local county government computer systems.

EXHIBIT 2

SENATOR BECK said he would like to have a county commissioner address this specific issue.

John Witt, Chouteau County Commissioner, said they have met with DOR to discuss the issue of storing tax information and how to download or upload from the state to the counties. He conveyed that it was important to consider that information needs to flow back to the counties in a timely basis, which would occur on a daily basis if this system is implemented.

DEPARTMENT OF ADMINISTRATION

Referring to the appellate court, **SENATOR BECK** questioned the county impact if the court is not included in HB 2.

Bill Hooks, Montana Appellate Defender, said if the appellate defender offices do not continue, the counties would have to pick up the entire bill for all indigent appellate cases to the Montana Supreme Court and for all post appeal, post conviction challenges in the district and Supreme Court. Currently if there is a conflict or certain criteria are met, the appellate defender office can take over that type of case and handle it through the court system. There is a budget of \$100,000, and all costs are paid with that type of case. Without the appellate defender office, the duty to appoint attorneys for these types of cases would fall on the district court or Supreme Court. In those cases the district court would have to pay the attorney fees and costs associated with handling the case throughout the state court system.

SENATOR WATERMAN said she would like an explanation of the SummitNet expansion.

Tony Herbert, Administrator of Information Services Division, Department of Administration, indicated the expansion would provide for data communications into all counties for state agency use and provide opportunities for local governments to be able to connect in and interact with state agencies in a computer environment. He added that it has support of state agencies, university system, OPI, U.S. West and Montana Telephone Association.

When questioned by **SENATOR WATERMAN** relative to federal funds not being awarded for this expansion, **Mr. Herbert** said they applied for a grant through the U.S. Department of Commerce in the past federal fiscal grant cycle to help in the program but were unsuccessful in that effort.

In questioning from **SENATOR WATERMAN** regarding telecommunications hearing devices, **REPRESENTATIVE GRADY** explained that the

subcommittee chose not to fund it because they felt the departments could address this issue through their existing budgets.

When questioned by **SENATOR WATERMAN** what the device consisted of, **Terri Perrigo, LFA**, said the new proposal would have provided general fund to purchase hearing devices, some listening assistance and some decoding equipment so that people desiring to participate in government would have access to that. The general fund would purchase the equipment and would have provided interpretive services and paid for general fund agencies to utilize those services. The state special revenue spending authority that was originally included would have allowed nongeneral fund agencies to purchase those services and run the money through the department.

SECTION A - AMENDMENTS

Motion: **SENATOR SWYSGOOD** MOVED TO AMEND SECTION A. EXHIBIT 3.

Discussion: **SENATOR SWYSGOOD** said in the LFA budget, the amendment would restore the 0.8 FTE eliminated but impose a vacancy savings of 3.4 percent on the agency, so the net result would reduce the LFA budget by \$13,548 general fund.

When asked by **SENATOR WATERMAN** if there is currently any vacancy savings, **SENATOR SWYSGOOD** said there currently is no vacancy savings in LFA.

SENATOR AKLESTAD asked if the LFA was unable to do this within the budget flexibility without the amendment.

SENATOR SWYSGOOD said it could not be done without the vacancy savings amendment.

Vote: **SENATOR SWYSGOOD'S** amendment motion CARRIED UNANIMOUSLY.
EXHIBIT 3

Motion: **SENATOR CHRISTIAENS** MOVED TO AMEND SECTION A. EXHIBIT 4

Discussion: **SENATOR CHRISTIAENS** said the amendment would provide funding for the Montana Disabilities Board of Visitors and 4.5 FTE. He alleged that if the Board is not reinstated, approximately \$200,000 would be shifted to the counties.

When questioned by **SENATOR KEATING** if the Board of Visitors is currently not in the budget, **SENATOR CHRISTIAENS** said that was his understanding.

SENATOR BECK said he would like to defer action on the amendment EXHIBIT 4 because he was looking into the possibility of one attorney rather than two attorneys. He indicated he would rather wait until the bill was on the Senate floor or in the conference committee.

SENATOR CHRISTIAENS explained he had no problem holding the amendment temporarily, but he preferred that the amendment be dealt with in the Finance and Claims Committee before the bill was brought to the Senate floor.

Withdrawal of amendment: SENATOR CHRISTIAENS WITHDREW HIS AMENDMENT. EXHIBIT 4

Motion: SENATOR JERGESON MOVED TO AMEND SECTION A. EXHIBIT 5.

Discussion: SENATOR JERGESON alleged that his amendment would reestablish the personal services costs associated with the Legislative Audit Committee for their meetings.

When questioned by SENATOR WATERMAN as to total cost of the amendment, SENATOR JERGESON said it was \$9,083.

CHAIRMAN AKLESTAD reminded the committee that every dollar added is one less dollar of tax reduction.

SENATOR KEATING informed the committee that the Legislative Audit Committee had to meet.

Vote: SENATOR JERGESON'S amendment motion EXHIBIT 5 CARRIED with SENATORS AKLESTAD, BECK OPPOSED.

Motion: SENATOR FRANKLIN MOVED TO AMEND SECTION A. EXHIBIT 6

Discussion: SENATOR FRANKLIN described her amendment as removing \$30,000 general fund from the Governor's budget that was originally to fund a purchase scanner/optical medical storage equipment and software.

Vote: SENATOR FRANKLIN'S amendment motion EXHIBIT 6 FAILED ON A ROLL CALL VOTE.

Motion: SENATOR FRANKLIN MOVED TO AMEND SECTION A. EXHIBIT 7

Discussion: SENATOR FRANKLIN explained that the amendment would add \$28,250 to the Department of Administration budget to establish contracts for interpreter services and listening devices. She added this was an executive new proposal.

Vote: SENATOR FRANKLIN'S amendment motion EXHIBIT 7 FAILED ON A ROLL CALL VOTE.

Motion: SENATOR JACOBSON MOVED TO AMEND SECTION A. EXHIBIT 8

Discussion: SENATOR JACOBSON described her amendment as restoring funding for the Small Employer Health Insurance Availability Act and 2 FTE in the executive budget. She noted this funding was removed when there was thought of repealing the Act which will not be repealed. She concluded that with other bills that passed on insurance fraud, there would be further

requests and she is attempting to get their budget where it should be. The remainder of the bills and costs would have to be dealt with at a later time.

SENATOR BECK said because of bills dealing with this issue, there was concern regarding FTE's needed to administer the program. At the time the subcommittee discussed this, they were under the assumption that there probably would not be any insurance programs going into the Auditor's Office.

REPRESENTATIVE GRADY agreed with that, which he said was the reason for not funding this particular program.

In questioning from **SENATOR KEATING** if there would be a packet of adjustments that included more FTE's if the other bills passed both houses, **SENATOR JACOBSON** stated there are further funds that would be requested for bills that passed on insurance fraud and other bills. However, at this point she was not dealing with that, but rather acknowledging that those bills are being considered. Her attempt is to take care of their present funding.

SENATOR KEATING asked the Insurance Commissioner to comment on the need for additional FTE's.

Mark O'Keefe, State Auditor, indicated that the health care reform portion of bills dealing with insurance would be greatly covered with this amendment. There would be some funding for the portability bill that was passed dealing with filings that essentially would be funded by fees and not general fund. There will be another FTE in terms of insurance fraud and workers' compensation bills, but this amendment would cover health care reform.

When questioned by **SENATOR KEATING** if it would be the three auditors he was discussing, **Mr. O'Keefe** said there would be one more in workers' compensation for actuarial work dealing with SB 384, and one FTE paid by special revenue sources for portability.

Vote: **SENATOR JACOBSON'S** amendment motion **FAILED ON A TIE ROLL CALL VOTE.**

SENATOR LYNCH, in a procedural question, asked if amendments acted on in this hearing failed would preclude them from being brought up again in the HB 2 free conference committee.

CHAIRMAN AKLESTAD affirmed that would be the case.

Motion: **SENATOR MOHL** MOVED TO AMEND SECTION A. EXHIBITS 10, 11

Discussion: **SENATOR MOHL** said he would like to speak to the two amendments at the same time but have them voted on separately.

CHAIRMAN AKLESTAD said that would be agreeable.

SENATOR MOHL explained that **EXHIBIT 9** would increase the amount for the state funded construction program by \$7.5 million per year from highway special revenue funds. He voiced concern that if it went to the cities and counties, there would be concern about the diversion of gas tax funds to be used for equipment purchases, and he did not want to jeopardize the present highway funding to meet federal funds received.

Regarding **EXHIBIT 10**, **SENATOR MOHL** confirmed there might be some excess funding from additional diesel tax, and he proposed that after the highway funding is met as proposed that an additional \$15 million would go in construction of city and county roads. It would be handled through DOT with the help of the commissioner and cities to determine which roads would be taken care of.

SENATOR CHRISTIAENS questioned what would be done for cities if HB 297 passed.

SENATOR MOHL stated if **EXHIBIT 9** passed and the money was diverted, it should take care of HB 297. They would receive their funding by a different means.

REPRESENTATIVE GRADY explained that **EXHIBIT 10** would address additional revenue that may come in. If there is additional revenue on diesel fuel tax collections, the counties would kick in, but it would do nothing for cities and counties with the present funds that are available.

CHAIRMAN AKLESTAD said the committee would first deal with **EXHIBIT 9**.

In questioning from **SENATOR LYNCH** whether the amendment to take the \$15 million was a floor amendment or a subcommittee motion, **REPRESENTATIVE GRADY** said the subcommittee originally started at \$25 million that they had not appropriated for construction which was then amended back to \$10 million in the subcommittee, and then House Appropriations amended it back to \$15 million as the amount not appropriated for highway construction. It went through the House. HB 297 is the bill transferring it to cities and counties. When asked by **SENATOR LYNCH** if there was strong debate on the \$15 million figure, **REPRESENTATIVE GRADY** said in HB 2 debate on the House floor, there was very little if any debate on the issue. HB 297 also passed the house with very little discussion.

When questioned by **SENATOR LYNCH** if there was no money anticipated over and above the first \$15 million being put back into the highways, **SENATOR MOHL** said in the present highway fund there is none. It is unknown how much tax would be collected on the diesel, but if additional is collected there would be \$15 million given to cities and counties, and DOT would do the construction in those areas.

SENATOR WATERMAN voiced concern about what would happen if **EXHIBIT 9** and **EXHIBIT 10** and **HB 297** passed.

CHAIRMAN AKLESTAD referred to page A-55 in the **HB 2** summary, indicating in fiscal 1997 a \$14,586,640 carryover and if both bills passed, there would be an approximate negative \$1.5 million. The \$15 million would be funded under **HB 297**, and the other portion would drain the surplus to approximately \$1.5 million negative.

When questioned by **SENATOR WATERMAN** if all three of these issues passed there would be an appropriation of \$30 million and not \$15 million, **CHAIRMAN AKLESTAD** said that was approximate.

Vote: **SENATOR MOHL'S** amendment motion **EXHIBIT 9 CARRIED ON A ROLL CALL VOTE.**

Discussion: **SENATOR MOHL** explained that on **EXHIBIT 10** he was attempting to protect gas tax money that was agreed to in '93.

{Tape: 2; Side: b; Approx. Counter: ; Comments: .}

SENATOR AKLESTAD questioned how the proposed amendment **EXHIBIT 10** would compare to the \$165 million.

Skip Culver, LFA, said he would have to calculate those figures.

When asked by **SENATOR MOHL** to discuss the issue, **Bill Salisbury, DOT**, said the triggering mechanism would remain at the \$165 million addressed in **HB 297**. When asked by **SENATOR AKLESTAD** if that would be the case even though that was stricken from the bill, **Mr. Salisbury** said the estimate accepted by the Revenue Oversight Committee is \$165 million net.

Vote: **SENATOR MOHL'S** amendment motion **EXHIBIT 10 CARRIED ON A VOICE VOTE.**

Motion: **SENATOR BECK** MOVED TO AMEND SECTION 1. **EXHIBIT 11.**

Discussion: **SENATOR BECK** explained that the amendment would restore the Montana Consensus Council in the Governor's Office. He indicated that **Mr. McKinney** gave a good explanation on why that should be retained in the Governor's Office.

Vote: **SENATOR BECK'S** amendment motion **FAILED ON A ROLL CALL VOTE.**

Motion: **SENATOR JACOBSON** MOVED TO AMEND HOUSE BILL 2. **EXHIBIT 12.**

Discussion: **Clayton Schenck, LFA**, said the amendment **EXHIBIT 12** corrected areas of **HB 2** that were not the intent of House action,

which he explained to the committee. He explained that the amendments **EXHIBIT 12** relate to all sections of HB 2, but was presented in this section since the first amendment related to Section A.

Vote: SENATOR JACOBSON'S technical amendment to HB 2 **CARRIED UNANIMOUSLY ON A VOICE VOTE.**

Informational testimony: When concern was voiced by SENATOR CHRISTIAENS relative to further amendments on the Board of Visitors, CHAIRMAN AKLESTAD affirmed that Section A would remain open.

Discussion: SENATOR SWYSGOOD said relative to Section A and Section B regarding the Montana Office of Community Service program, he had an amendment prepared to transfer the money over.

Motion: SENATOR WATERMAN MOVED TO AMEND HB 2, SECTIONS A, B. **EXHIBIT 13**

Discussion: SENATOR WATERMAN reported the amendment dealt with the community service program that was to be moved to the Department of Labor from the Governor's Office. The bill that would move the program did not pass and **EXHIBIT 13** would move the funding from Department of Labor where it presently is to return it to the Governor's Office where the program now will be housed.

When questioned by SENATOR KEATING as to the program's function, SENATOR SWYSGOOD claimed it was a conservation type program set up by the Governor where work is done in the community by youth.

In questioning from SENATOR CHRISTIAENS if the program is connected with the Aspen program, SENATOR SWYSGOOD commented that he was not sure if these youth are connected with it in its entirety.

Vote: SENATOR WATERMAN'S amendment motion **CARRIED UNANIMOUSLY ON A VOICE VOTE.**

CHAIRMAN AKLESTAD thanked REPRESENTATIVE GRADY and all others involved with Section A, HB 2.

SECTION C - NATURAL RESOURCES AND COMMERCE

REPRESENTATIVE ROGER DEBRUYCKER, Chairman of Natural Resources and Commerce subcommittee, introduced subcommittee members: REPRESENTATIVE JOHN JOHNSON, REPRESENTATIVE WISEMAN, SENATOR KEATING, SENATOR JENKINS, SENATOR JACOBSON. Staff for the subcommittee was Roger Lloyd and Mark Lee from the LFA. Staff from OBPP were Flo Smith and Connie Huckins. He thanked his subcommittee and staff for their work as well as the departments for their cooperation.

REPRESENTATIVE DEBRUYCKER went through Section C HB 2 narrative for each agency.

CHAIRMAN AKLESTAD recessed the HB 2 hearing until 3:00 p.m. or on Senate adjournment this day.

HEARING RECESSED - 11:45 A.M.

HEARING RESUMED - 3:45 P.M.

{Tape: 3; Side: a; Approx. Counter: ; Comments: .}

SECTION B - DEPARTMENT OF HEALTH AND ENVIRONMENTAL SCIENCES

REPRESENTATIVE DEBRUYCKER explained that his subcommittee heard testimony from the Department of Health and Environmental Sciences (DHES).

REPRESENTATIVE DEBRUYCKER presented HB 2 narrative, Section B-77 through B-105.

CHAIRMAN AKLESTAD thanked REPRESENTATIVE DEBRUYCKER and other subcommittee members and staff for their work on Section B, DHES.

CHAIRMAN AKLESTAD advised the committee that Section C amendments would be taken up.

SECTION C - AMENDMENTS

CHAIRMAN AKLESTAD said with concurrence of the committee, the votes would remain open on amendments because some committee members were in other committees.

PUBLIC SERVICE REGULATION

Motion: SENATOR SWYSGOOD MOVED TO AMEND SECTION C - PUBLIC SERVICE REGULATION. EXHIBIT 14

Discussion: SENATOR SWYSGOOD explained that the amendment would eliminate one FTE eliminated by the subcommittee in the Department of Public Service Regulation (PSC) for an increase of \$29,931 in fiscal '96 and \$30,035 in fiscal '97. He remarked that currently PSC has one enforcement officer to take care of complaints. The amendment would have one officer for the eastern part of Montana and one for the western part but their operations budget would be reduced by \$22,000 in each fiscal year and their equipment by \$15,000 in fiscal '96 and \$16,000 in fiscal '97 to coincide with the fiscal note in SB 378.

In questioning by **SENATOR JERGSON** as to how FTE's could be added while the budget would be reduced, **SENATOR SWYSGOOD** said the reduction in the operating budget is a reflection of SB 378 which deregulated the motor carrier and is where the savings would come from.

Vote: **SENATOR SWYSGOOD'S** amendment motion **EXHIBIT 14 CARRIED UNANIMOUSLY ON A VOICE VOTE.**

DEPARTMENT OF FISH, WILDLIFE AND PARKS

Motion: **SENATOR SWYSGOOD** MOVED TO AMEND SECTION C. **EXHIBIT 15**

Discussion: **SENATOR SWYSGOOD** described the amendment as adding three grade 13 game wardens to the law enforcement division of the Department of Fish, Wildlife and Parks and increasing the funding to compensate the game wardens. The funding is taken out of their current license fees.

SENATOR JENKINS questioned the number of wardens Fish, Wildlife and Parks had for wildlife and the number of biologists under the wildlife section of the bill.

Pat Graham, Director, Department of Fish, Wildlife and Parks, explained that wardens work on a variety of activities including wildlife during the hunting season, fisheries during the fishing season. They also work on snowmobile, water safety, parks regulation. A game warden is not classified by fish or wildlife or parks; they work all of those different areas in terms of enforcement. Biologists in the budget are identified as wildlife biologists or fisheries biologists. When asked by **SENATOR JENKINS** as to the number of wildlife biologists, he indicated there are approximately 40 or 45 field biologists.

Mr. Graham reported that including sergeants in field game wardens, there are about 71; not including sergeants there are approximately 62 game wardens.

When asked by **SENATOR KEATING** if these employees were requested in subcommittee hearings, **REPRESENTATIVE DEBRUYCKER** said he was not aware of that.

When questioned by **SENATOR KEATING** why this proposal came from the Department at this late date, **SENATOR SWYSGOOD** indicated it was not from the Department but from him.

SENATOR JACOBSON noted there is a real concern that there be more game wardens in the state.

SENATOR TOEWS alluded to the fact that some areas may not want an increase in game wardens.

SENATOR AKLESTAD stated his concern that when FTE's are added that there are also fee increases, and he asked **SENATOR SWYSGOOD** if he shared that concern.

SENATOR SWYSGOOD said that Fish, Wildlife and Parks indicated they could take care of this with their existing license fee structure.

Vote: **SENATOR SWYSGOOD'S** amendment motion **EXHIBIT 15 FAILED ON A TIE ROLL CALL VOTE.**

(BRIEF RECESS WHILE WAITING FOR ABSENT COMMITTEE MEMBERS)

SENATOR WATERMAN asked to have the junk vehicle program in Section B overview explained.

REPRESENTATIVE DEBRUYCKER said the motion on the House floor relative to that was to strip the money out of HB 2. A bill being presented also would strip the statutes out so there would be no junk vehicle program; therefore the \$1.50 fee when purchasing a new vehicle and the \$.50 fee paid for re-registration would be rescinded. It would be left up to the counties that they could still put it in if they desired but there would be no mandate to do it.

In questioning from **SENATOR WATERMAN** whether each county would have to set up their own junk vehicle program and if there would be problems with smaller counties, **REPRESENTATIVE DEBRUYCKER** said the decision is left up to the counties; there would be no junk vehicle program as it currently exists.

DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION

SENATOR FRANKLIN asked for a further explanation of the RIT shortfall and the growth mentioned in DNRC.

Mark Simonich, Director, DNRC, remarked that there has been no growth in DNRC but that it has steadily declined in size in recent years. He explained that the situation with the RIT funds, some departments previously funded with general fund have become more dependent on RIT funding. This current biennium DNRC is funded nearly 50 percent with RIT money. The Governor's budget proposal recognized there is less RIT money available. Last November they were looking at approximately a \$6 million deficit in RIT. The Governor reduced the budget proposal by over \$1 million before the budget was finalized, and he proposed HB 569 which would net approximately \$400,000 in RIT. Also the Governor put general fund into budgets where during the previous biennium they had RIT of about \$3.4 million. Where the departments had in the past been funded with general funds and there had been a general fund shortage, the legislature took steps to backfill with RIT. Since the budget was rolled up in November, revenue projects were done based on what the RIT will look like, and the executive budget presented would still be

short nearly \$700,000 in RIT because of new revenue projections. He concluded that the current total deficit in RIT is approximately \$1.7 million.

CHAIRMAN AKLESTAD asked for further amendments on Section C.

DEPARTMENT OF LIVESTOCK

Motion: SENATOR JERGESON MOVED TO AMEND SECTION C. EXHIBIT 16

Discussion: SENATOR JERGESON indicated that the amendment would add \$300,000 state special revenue each fiscal year to the Inspection and Control program, Department of Livestock. He explained that there was a large number of brand inspector retirements in the Department. Because of the grade 8 beginning salary of that position, it is difficult to get employees in this profession. He concluded that classifications for these law enforcement personnel in the Department of Livestock is well below that in other departments.

SENATOR AKLESTAD questioned if inspection fees would be increased as well as the FTE level.

SENATOR JERGESON said in future bienniums the upgrading of the classifications for these employees may result in additional costs, although they are covered in this biennium.

When questioned by SENATOR WATERMAN regarding the brand inspectors at grade 8 not going through the appeals process for an upgrade, SENATOR JERGESON indicated that the Livestock Department would have to go through the Department of Administration and deal with the specific upgrading of the positions; this would permit the appropriation authority to secure those.

SENATOR WATERMAN questioned if the proposed amendment EXHIBIT 16 would provide funds if it was determined by the classification bureau that it should be upgraded.

SENATOR JERGESON explained that the amendment would provide the appropriation authority to pay for classification upgrades.

In closing on the amendment EXHIBIT 16, SENATOR JERGESON indicated that there is a great need to have a starting grade classification.

Vote: SENATOR JERGESON'S amendment motion FAILED ON A ROLL CALL VOTE.

DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION

Motion: SENATOR JERGESON MOVED TO AMEND SECTION C. EXHIBIT 17

Discussion: **SENATOR JERGESON** said amendment 1 would give DNRC the language appropriation authority for funds received resulting from arbitration, litigation awards, or settlements for the Broadwater Hydropower project. Amendment 2 would insert the \$50,000 of state special revenue funds because of passage of SB 147.

CHAIRMAN AKLESTAD indicated that amendments on bills introduced this session would be dealt with later, and he asked **SENATOR JERGESON** to only address amendment 1 of **EXHIBIT 17**.

SENATOR JERGESON divided the motion and asked DNRC to answer any questions relative to amendment 1 of **EXHIBIT 17**.

Wayne Wetzel, Deputy Director, DNRC, explained that the same language appropriation as amendment 1 was in HB 2 last session without a number in it. He alleged that \$1 million was more realistic for both the arbitration and litigation they are involved in with a contractor and an engineer on the lawsuit.

When questioned by **SENATOR AKLESTAD** if DNRC originally asked for \$419,000 and that they now are asking for \$1 million, **REPRESENTATIVE DEBRUYCKER** said last legislative session they had the language without a number, and after DNRC was asked to have a figure, they came up with \$419,000; currently **Mr. Wetzel** does not think that figure is high enough.

In questioning from **SENATOR KEATING** regarding settlement of the lawsuit, **Mr. Wetzel** maintained that the arbitration would conclude this fall. The contractor that supplied and installed defective equipment at Broadwater was ordered by the arbitration panel to replace and refurbish that equipment which will happen this summer, and hopefully they would get to final settlement of accounts after that has been done. The arbitrators took continuing jurisdiction until the contractor performs. The lawsuit is basically against the engineer that accepted the equipment on the state's behalf, and that currently is being stayed, awaiting the arbitration outcome.

In concern voiced by **SENATOR KEATING** on what the money would be spent on, **Mr. Wetzel** indicated if the contractor did not do the job right, the arbitrators might give the state the money to hire someone else to do the job right in which case the money would go right into the project. If the job is done right and additional monies come in, the monies would go to retire the bonds that were originally let to finance the project.

SENATOR KEATING questioned if this issue could be addressed by a budget amendment.

Mr. Schenck explained that this is state special revenue, which funds would have to satisfy under the emergency requirement before they could be appropriated under budget amendment laws. This probably would not qualify for a budget amendment.

In closing on amendment number 1 **EXHIBIT 17, SENATOR JERGESON** said if the money did not come in at this level, it would be appropriation authority only and they cannot spend something they do not have.

Vote: SENATOR JERGESON'S amendment number 1 to **EXHIBIT 17** CARRIED UNANIMOUSLY ON A VOICE VOTE.

SENATOR JERGESON said regarding amendment number 2 **EXHIBIT 17, SB 147** has passed both houses and would be on the Governor's desk.

Motion: SENATOR JERGESON MOVED AMENDMENT 2, **EXHIBIT 17**.

Discussion: CHAIRMAN AKLESTAD indicated that he would like the motion resisted, adding that the section would remain open and it could be discussed later.

SENATOR CHRISTIAENS questioned if that meant that the committee would then go back to the health care position issue later.

CHAIRMAN AKLESTAD said the section would remain open, and it would be open to debate at that time.

Vote: SENATOR JERGESON'S motion to amend item number 2, page C-10, **EXHIBIT 17** FAILED ON A ROLL CALL VOTE.

With no further amendments to Section C, CHAIRMAN AKLESTAD thanked REPRESENTATIVE DEBRUYCKER and staff that worked on Section C.

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SECTION B - HUMAN SERVICES

REPRESENTATIVE JOHN COBB introduced committee members SENATOR SWYSGOOD, SENATOR LYNCH, SENATOR BURNETT; REPRESENTATIVE BARNHART, REPRESENTATIVE KASTEN. He introduced staff from LFA that worked on Section B: Mark Lee and Lois Steinbeck. He presented the Section B overview of House actions. **EXHIBIT 18**

SECTION B - QUESTIONS FROM COMMITTEE AND RESPONSES

DEPARTMENT OF FAMILY SERVICES

SENATOR WATERMAN asked regarding funding at 75 percentile in child day care rates if that was 1990 rates or 1994 rates.

Lois Steinbeck indicated that was the 1994 survey rate.

DEPARTMENT OF SOCIAL AND REHABILITATION SERVICES (SRS)

REPRESENTATIVE COBB directed the committee's attention to a chart showing Medicaid figures and indicated that the growth rate should be slowed down.

In questioning from **SENATOR JERGESON** whether the savings were incorporated that accrued from **SENATOR WATERMAN'S** bill with respect to Medicaid, **REPRESENTATIVE COBB** said yes, if it passed they would take the money. An amendment was added stating any money above that savings could be spent up to \$1 million a year for alternative services for Medicaid.

Regarding questioning from **SENATOR JERGESON** on the savings incorporated, **Ms. Steinbeck** indicated that the executive submitted a new proposal implementing that bill which already had the savings out of it. The savings were submitted to the legislature as part of the executive budget. →

SENATOR JERGESON asked to have **SENATOR WATERMAN'S** bill explained.

SENATOR WATERMAN alleged that the bill passed the Senate and is currently on the House floor. Although she was not sure that it was the exact funds from the bill because it was \$1 million that was put in the executive budget to expand community service, the real tie to that bill is that **REPRESENTATIVE COBB** explained if that bill did not pass, he would take the community expansion money out of the budget.

REPRESENTATIVE COBB reported that page B-40 of the narrative explains that also.

SENATOR CHRISTIAENS expressed interest in having the hospital rates for reimbursement addressed.

Ms. Steinbeck commented that one study showed during the special session that the hospitals were being reimbursed about 98 to 99 percent of actual billed costs because the diagnostic related system was so out of date that they were reimbursing on actual charges rather than on DRG basis; therefore the committee accepted the executive proposal to scale back rates to a defensible position and within the norm of what was considered reasonable for hospital reimbursement in the Medicaid program. Another reduction related to outpatient hospital savings that the executive recommended this session based on the ABT hospital study. That would mean Montana would be the first state to move to a prospective system of reimbursement for outpatient hospital procedures. The subcommittee accepted savings in the executive budget based on a prospective system of reimbursement rather than a retrospective system of reimbursement. Also, the rate increase included in the executive budget for inpatient hospital services was about four percent a year. In the House appropriations committee, the rate increase was approved at 1.5 percent per year.

REPRESENTATIVE COBB noted that language was added on the House floor stating if they are funded the full rate increase, it would come from the existing budget. In the nursing home rate increase, they wanted 4.4 percent yearly. In the executive budget was \$2.6 million so there was approximately \$1.5 million missing from the entire budget to fund the nursing home rate increase. They added language stating if they wanted to fund them, it would come from the existing budget.

When questioned by **SENATOR CHRISTIAENS** regarding the budget for the developmentally disabled, **REPRESENTATIVE COBB** proclaimed that the administration offered 1.5 percent to the provider rates, which was moved in subcommittee to 4 percent, however it is now 3 percent in the budget. The first 1.5 percent goes to providers, and the next 1.5 percent is divided up for the lowest wage earners.

SENATOR CHRISTIAENS voiced concern about the assurance of approximately 1.5 percent going to salaries for lowest wage earners.

Ms. Steinbeck indicated that it is similar to a Davis Bacon provision in other government contracts. The state can specify minimum wage providers must pay by type of occupation which is legally enforceable and does not violate the independent contractor status of the state and DD providers. She noted that had been done in the past.

When asked by **SENATOR CHRISTIAENS** what the wage is, **Ms. Steinbeck** claimed that she did not know.

SENATOR FRANKLIN questioned **Peter Blouke** relative to the nursing home rate increase and if there were any risks involved.

Peter Blouke, Director, SRS stated that hospitals and nursing homes are under the Borne amendment which is a provision in the federal medicaid law indicating that states must reimburse hospitals and nursing home facilities at a rate equivalent to a reasonably and efficiently operated facility. They are concerned if they are forced to pay the rate increase that they will have to come up with the funds somewhere else in the benefit portion of the budget, which would mean cutting services.

{Tape: 4; Side: a; Approx. Counter: ; Comments: .}

In questioning from **SENATOR BECK** on amounts to be given, **REPRESENTATIVE COBB** said it is a negotiated settlement that has been between the nursing homes and SRS. He felt comfortable in giving them 4 percent and telling them to live within their existing budget, however that creates problems with the administration. He thought 1.5 more might be enough, but he still did not know if that would create a lawsuit.

CHAIRMAN AKLESTAD thanked REPRESENTATIVE COBB and staff for presenting Section B.

SECTION B - AMENDMENTS

DEPARTMENT OF LABOR

Motion: SENATOR SWYSGOOD MOVED TO AMEND SECTION B. EXHIBIT 19

Discussion: SENATOR SWYSGOOD explained that the amendment strikes the \$50,000 general fund out of funding mechanism and puts in its place the unexpended monies from the '95 biennium out of UI admin tax. That would amount to approximately \$94,000 each year.

When questioned by SENATOR KEATING if the UI admin tax is not used that it would flow into the UI trust, SENATOR SWYSGOOD said that was correct.

Regarding \$1 million going into the trust, SENATOR SWYSGOOD said they cannot anticipate exactly what the unemployment tax would be, but there is \$1.1 million of excess money in this account, and some of that will revert to the trust.

Vote: SENATOR SWYSGOOD'S amendment motion CARRIED UNANIMOUSLY.

Motion: SENATOR SWYSGOOD MOVED TO AMEND SECTION B-1. EXHIBIT 20.

Discussion: SENATOR SWYSGOOD explained that the amendment would add the spending authority for the federal funds that the money in the previous amendment would match to continue the program.

In questioning by CHAIRMAN AKLESTAD if this would still pertain to the budget in Section B but was presented by the subcommittee in Section C, SENATOR SWYSGOOD said that was correct.

Vote: SENATOR SWYSGOOD'S amendment motion CARRIED UNANIMOUSLY.

DEPARTMENT OF SOCIAL AND REHABILITATION SERVICES

Motion: SENATOR AKLESTAD MOVED TO AMEND SECTION B-3. EXHIBIT 21

Discussion: SENATOR AKLESTAD indicated that the calculation that went from 40.1 percent in AFDC to 38.5 percent was not properly done in the committee.

Ms. Steinbeck related that the amendment EXHIBIT 21 was requested on the House floor. It was a difficult amendment to write, and there was a mistake made in calculating the split between the funds. This amendment would correct what should be in HB 2 for establishing AFDC payments at 38.5 percent of poverty, which matches the original calculation that the bill's sponsor intended.

Substitute motion: SENATOR CHRISTIAENS MADE A SUBSTITUTE MOTION TO AMEND SECTION B. EXHIBIT 22

Discussion: SENATOR CHRISTIAENS indicated this would raise the federal poverty level back to the 40.5 percent. He noted this is a difference of \$21 in cash assistance per month which would be a small amount to look at.

SENATOR JENKINS asked Mr. Blouke if it was indicated that in getting less cash, there would be more food stamps.

Mr. Blouke said it would not exactly level it out. He referred to a document EXHIBIT 23 regarding data for fiscal years '96 and '97.

When questioned by SENATOR WATERMAN if the AFDC reduction to 38.5 percent of poverty had any effect on the welfare reform project goals, Mr. Blouke said it might have some minor impact; they would probably have to recalculate some things but he did not feel it would directly have a significant impact on what is attempting to be done with welfare reform. He added that SRS supports the original executive request of 40.5 percent, but concluded that it would be misleading to state it would jeopardize welfare reform.

Vote on substitute motion: SENATOR CHRISTIAENS' substitute motion EXHIBIT 22 FAILED ON A ROLL CALL VOTE.

Vote: SENATOR AKLESTAD'S amendment motion EXHIBIT 21 CARRIED with SENATORS JERGESON, LYNCH, WATERMAN OPPOSED.

Motion: SENATOR LYNCH MOVED TO AMEND SECTION B-4. EXHIBIT 24

Discussion: SENATOR LYNCH indicated that the amendment would raise provider rate increases for hospitals from 1.5 percent to 4 percent, the amount requested in the executive budget.

Vote: SENATOR LYNCH'S amendment motion EXHIBIT 24 FAILED ON A ROLL CALL VOTE.

Motion: SENATOR SWYSGOOD MOVED TO AMEND SECTION B. EXHIBIT 25

Discussion: SENATOR SWYSGOOD stated that the amendment would reverse the action of the House that reduced FTE and personal services by an additional 5 percent in the new Department of Public Health and Human Services. The amendment would have no impact on the ending funds, but it would restore the FTE level as it was when it came out of the subcommittee.

Vote: SENATOR SWYSGOOD'S amendment motion EXHIBIT 25 CARRIED with SENATORS JENKINS, JERGESON, LYNCH OPPOSED.

Motion: SENATOR LYNCH MOVED TO AMEND SECTION B-5. EXHIBIT 26

Discussion: SENATOR LYNCH described the amendment as raising the provider rate increase for developmental disabilities providers from 3 percent to 4 percent annually.

Vote: SENATOR LYNCH'S amendment motion EXHIBIT 26 FAILED ON A ROLL CALL VOTE.

Motion: SENATOR SWYSGOOD MOVED TO AMEND SECTION B-7. EXHIBIT 27

Discussion: SENATOR SWYSGOOD depicted the amendment as striking language requiring SRS to fund rate increases for hospitals and nursing homes out of the line items appropriated for those purposes.

SENATOR AKLESTAD said if the language was left in and the rates were increased somewhat at a later time, they would still have the ability to accomplish this.

SENATOR SWYSGOOD maintained if rate increases are going to be looked at, it should be done up front. He did not think SRS can make the necessary rate increases out of their budget at this time. He mentioned if there was a problem with the Borne amendment, it should be decided in this process. Services should not be reduced below the level they have been reduced.

SENATOR WATERMAN stated if hospital and nursing home rates are not raised before the end of the legislative session, a lawsuit would be imminent.

SENATOR AKLESTAD reminded the committee that if the rate did not get increased, all flexibility would be taken away from them with the proposed amendment.

Vote: SENATOR SWYSGOOD'S amendment motion CARRIED ON A ROLL CALL VOTE.

DEPARTMENT OF FAMILY SERVICES (DFS)

Motion: SENATOR LYNCH MOVED TO AMEND SECTION B. EXHIBIT 28

Discussion: SENATOR LYNCH described the amendment as restoring \$249,462 general fund and \$997,843 federal revenue to continue a five year federal grant to fund preventive services for children at risk of abuse and neglect in order to prevent out-of-home placement. He alleged that money could be saved if there could be prevention of placing children out of the home.

When questioned by SENATOR JERGESON if this could be described as a favorable federal match, SENATOR LYNCH indicated that a 4 to 1 match is pretty good.

SENATOR WATERMAN argued that everything possible should be done to keep children in their families and since DFS has gotten the additional federal funding, they should be allowed to do this.

SENATOR CHRISTIAENS stated his opinion that what is done to keep families together would probably have an impact on the correctional system in the future, adding that this is probably the best money that could be spent to prevent further long term problems.

Vote: **SENATOR LYNCH'S** amendment motion **EXHIBIT 28 FAILED ON A ROLL CALL VOTE.**

Motion: **SENATOR WATERMAN MOVED TO AMEND SECTION B-10. EXHIBIT 29**

Discussion: **SENATOR WATERMAN** claimed that the amendment would strike language requiring DFS to spend at least \$25,000 general fund and would allocate it to the Legislative Auditor's Office to study the appropriateness, cost, and methods of placing juveniles in Lewis and Clark and Yellowstone Counties. She thought that DFS would support the amendment and would further provide any information that legislators needed on youth placement in the state.

Vote: **SENATOR WATERMAN'S** amendment motion **EXHIBIT 29 CARRIED UNANIMOUSLY.**

Motion: **SENATOR JACOBSON MOVED TO AMEND SECTION B-8. EXHIBIT 30**

Discussion: **SENATOR JACOBSON** alleged that the amendment would give DFS permission to utilize any money they had left over for the Caring Program. Many Montana children that are uninsured would be covered by the program put together by Blue Cross/Blue Shield that would allow providers willing to provide at less than full cost health benefits for these uninsured children. She added that the amendment **EXHIBIT 30** should read \$250,000 in general fund each year of the biennium.

In questioning from **SENATOR AKLESTAD** if this would be up to \$500,000 over the biennium, **SENATOR JACOBSON** said that was correct.

SENATOR WATERMAN asked **Mr. Blouke** to speak to this program.

Mr. Blouke stated that the program had been discussed at length with the Caring Foundation. The services are to individuals who do not qualify for welfare. They are attempting to establish a public-private partnership where the Foundation would have to continue getting private donations before any state dollars would be used. There was also concern about gradually increasing the Medicaid eligibility which Montana wanted to avoid because of the cost of the program. The Caring program is a preventive health benefit whereas with Medicaid it would cost approximately \$1,200 yearly per child; for the Caring Program it is about \$276.

SENATOR JACOBSON said there seemed to be some confusion that the amendment **EXHIBIT 30** should read \$500,000 for the biennium.

Mr. Blouke said that would probably be correct because it would not be known until near the end of fiscal year '96 whether there would be any funds available.

SENATOR JACOBSON asked that that be clarified in the proposed amendment **EXHIBIT 30**.

In questioning from **SENATOR AKLESTAD** whether this was proposed in subcommittee, **REPRESENTATIVE COBB** said it was talked about by SRS but came down to the fact that there was no money to fund the program.

When questioned by **SENATOR SWYSGOOD** if this is language indicating that if the money is available it could be put into the program and that no revenue is being increased, **SENATOR JACOBSON** said that was correct.

In questioning from **SENATOR BECK**, **SENATOR SWYSGOOD** indicated there would be that much less reversion.

SENATOR JACOBSON said in the long run, it probably would be saving the state money because it is a less expensive and more efficient way of handling it and keeping children off Medicaid.

When questioned by **SENATOR JENKINS** as to funding the program, **Mr. Blouke** said they are not indicating that the program would start at a specific date. The amendment **EXHIBIT 30** would allow the authority if funds are available to be able to use the funds for this purpose on a pilot project. He added that many children without preventive services would go to the medically needy program because of their large medical bills.

In questioning from **SENATOR JENKINS** regarding reversions going into the program, **Mr. Blouke** said all the authority may not be used. It could not be spent if the matching funds were not available.

In response to **SENATOR KEATING** if a reversion was anticipated at the end of this biennium, **Mr. Blouke** said that was correct. When asked by **SENATOR KEATING** as to the amount, **Mr. Blouke** said when their medication projections were revised, part of the \$11 million mentioned by **REPRESENTATIVE COBB** was because they were reducing the fiscal '95 projection which bills '96, '97. At that time they were looking at having approximately \$2.1 million general fund they would be reverting at the end of this biennium.

When questioned by **SENATOR KEATING** as to SRS not anticipating any reversion at the end of the next biennium, **Mr. Blouke** said that **REPRESENTATIVE COBB** had cut them back very far.

SENATOR CHRISTIAENS stated his understanding that there was some match and some family participation involved with the program and that the providers delivering the medical care are also those

agreeing to do it at a normally lower rate than is generally charged.

Mr. Blouke said the providers have agreed to take a lower reimbursement rate than what Blue Cross normally would receive. In many cases the children would go for services and there would be uncompensated care because there was no insurance; this is a way for the providers to recoup some of that uncompensated care and reduce the cost shift. Regarding the family participation, once a child has been identified as meeting the criteria for the Caring Program, there is no additional cost to the family. He concluded they were only going up to 133 percent of poverty, and this is a population that generally is working but cannot afford insurance.

Vote: SENATOR JACOBSON'S amendment motion EXHIBIT 30-CARRIED ON A ROLL CALL VOTE.

DEPARTMENT OF HEALTH AND ENVIRONMENTAL SCIENCES (DHES)

Motion: SENATOR KEATING MOVED TO AMEND SECTION B-13. EXHIBIT 31

Discussion: SENATOR KEATING indicated that the amendment dealt with the tumor registry which is the cancer program in the state. There are approximately \$260,000 available federal funds with no matching money required and no state money involved.

SENATOR KEATING asked Dr. McMahon to further explain the program.

Dr. John McMahon, President elect and chairman, Committee on Legislation, Montana Medical Association, presented written documentation on EXHIBIT 32.

In questioning from SENATOR TVEIT on the types of cancer, Dr. McMahon indicated it is for all types of cancer except the minor skin lesions.

Vote: SENATOR KEATING'S amendment motion EXHIBIT 31 CARRIED UNANIMOUSLY ON A VOICE VOTE.

Motion: SENATOR LYNCH MOVED TO AMEND SECTION B-13. EXHIBIT 33

Discussion: SENATOR LYNCH described the amendment as adding 1 FTE to DHES and \$50,000 each year in federal funds to provide statewide coordination and supervision of family planning activities.

Vote: SENATOR LYNCH'S amendment motion EXHIBIT 33 FAILED ON A ROLL CALL VOTE.

Motion: SENATOR LYNCH MOVED TO AMEND SECTION B-13. EXHIBIT 34

Discussion: SENATOR LYNCH explained that the amendment would add to DHES \$50,000 yearly of federal funds for contracted services

to provide statewide coordination and supervision of family planning activities.

SENATOR FRANKLIN, speaking in support of the amendment, indicated it would be giving people the tools to prevent unwanted pregnancies.

When questioned by **SENATOR JERGESON** if this would be described as a favorable federal match, **SENATOR LYNCH** said yes.

Vote: **SENATOR LYNCH'S** amendment motion **EXHIBIT 34 CARRIED ON A ROLL CALL VOTE.**

Motion: **SENATOR WATERMAN MOVED TO AMEND SECTION B-15. EXHIBIT 35**

Discussion: **SENATOR WATERMAN** reported that this is language giving direction to DHES on distribution of community block grants through the maternal and child health program. She concluded that the amount of the budget would not be impacted.

Vote: **SENATOR WATERMAN'S** amendment motion **EXHIBIT 35 CARRIED UNANIMOUSLY.**

CHAIRMAN AKLESTAD commented with no further amendments today, Section B would remain open until the following day for additional amendments if necessary. He stated that Section D would begin on March 24th.

CHAIRMAN AKLESTAD thanked **REPRESENTATIVE COBB** and the LFA staff for their work on Section B and recessed the hearing on HB 2 for the day.

HEARING RECESSED - MARCH 23, 1995 - 7:10 P.M.

HEARING RECONVENED - MARCH 24, 1995 - 8:00 A.M.

CONTINUATION OF HEARING ON HB 2

CHAIRMAN AKLESTAD announced that **REPRESENTATIVE FISHER** would present Section D of HB 2.

SECTION D - INSTITUTIONS AND PUBLIC SAFETY

REPRESENTATIVE MARJORIE FISHER, House District 80, Whitefish, announced that the other members of the Institutions and Public Safety subcommittee were **SENATOR TVEIT**, **SENATOR AKLESTAD**, **SENATOR WATERMAN**; **REPRESENTATIVE MENAHAN**, **REPRESENTATIVE VICK**. Staff from the LFA were **Lisa Smith**, **Lorene Thorson**, **Terri Perrigo**. She thanked the subcommittee members and LFA staff for working very hard in putting Section D together.

In presenting Section D, **REPRESENTATIVE FISHER** distributed to the committee an analysis from the LFA office indicating the programs for all youth and all funds. **EXHIBIT 36 REPRESENTATIVE FISHER** also distributed to the committee a letter from **Erin Chapel** regarding foster care in Montana. **EXHIBIT 37**

REPRESENTATIVE FISHER went through the Section D HB 2 narrative for each agency in that section.

SECTION D - QUESTIONS FROM COMMITTEE AND RESPONSES

MONTANA ARTS COUNCIL

In questioning from **SENATOR FRANKLIN** as to ending fund balance in the Montana Arts Council, **REPRESENTATIVE FISHER** stated it is approximately \$170,000 which includes the grants.

SENATOR FRANKLIN asked **Arlynn Fishbaugh, Montana Arts Council**, to address the committee about their ending fund balance.

Arlynn Fishbaugh, Director, Montana Arts Council, said she would like their accountant to speak to that issue.

Carlene Layne reported that the current ending fund balance is \$161,000. The ending fund balance at the end of the last session was \$200,000. The interest rates dropped and there ended up being a \$400,000 deficit in that source. There would have been a \$600,000 deficit if it had not been for the ending fund balance that was left. She added that their projections and those of the Board of Investments are not as optimistic as the revenue projections being used by this body to leave \$161,000 fund balance.

When questioned by **SENATOR FRANKLIN** where the Arts Council would go for the additional funds, **Ms. Layne** explained that they cut grants, programs and administration by 27 percent to make up the deficit.

DEPARTMENT OF JUSTICE

SENATOR CHRISTIAENS questioned the site location for the Law Enforcement Academy and asked if there was discussion about budget handling when a site is selected.

REPRESENTATIVE FISHER said that issue was handled in long range planning committee.

SENATOR SWYSGOOD indicated that in the Governor's budget they proposed funding switches for the Motor Vehicle Division and Central Services from state special revenue to general fund, and he questioned why the subcommittee decided not to go to those funding switches.

REPRESENTATIVE FISHER said in subcommittee a motion was made and passed that the funding would not be changed from the state special revenue where it was the last biennium.

LIBRARY COMMISSION

SENATOR FRANKLIN questioned the figure of \$577,000 less than the executive budget recommendation.

REPRESENTATIVE FISHER said there was a double counting on that, and the agency came and asked that the double counting be taken out.

DEPARTMENT OF CORRECTIONS AND HUMAN SERVICES

In response to a question from **SENATOR FRANKLIN** about their budget, **Rick Day, Director, Department of Corrections and Human Services**, indicated that there is not enough funding at this point in critical areas.

When asked by **SENATOR FRANKLIN** regarding the critical areas, **Mr. Day** reported that the most critical area at this time is Managing Resources Montana (MRM), a program for seriously emotionally disturbed children that they feel is funded barely at a residential area and will dismantle the existing program. They are concerned about the corrections side of the equation, in particular the Prison that is in need of additional staffing and also are concerned about the Swan River correctional facility. There is also failure in recognizing the need for crisis services for adults and supported housing in the mentally ill area.

When questioned by **SENATOR FRANKLIN** as to amount needed in those areas according to the Governor's budget, **Mr. Day** said approximately \$10 million in MRM, about \$1 million in the corrections area, and approximately \$1.1 million in the area of mentally ill services for adults.

SENATOR CHRISTIAENS asked **Mr. Day** to comment about the MRM funding.

Mr. Day maintained that the level appropriated of approximately \$5 million a year would be sufficient to fund the residential side of the equation. They may be able to move approximately \$1 million combined with the leftover from federal block grants to community services, however the residential side of the equation is an entitlement program and they are reducing the community side of the program and almost entirely eliminating it. The net effect would be that the funds in the program would be devoured on the residential side.

SENATOR BECK indicated that the final significant difference between the executive budget and legislative action is that there could have been a \$1.56 million savings with the Eastmont

closure, and he questioned the committee's decision in that regard.

REPRESENTATIVE FISHER remarked that there was a bill through the legislature indicating that the Eastmont facility should remain open. The subcommittee noted they could change this if the bill went through.

When questioned by **SENATOR FRANKLIN** relative to Montana State Prison health care needs, **Mr. Day** said there was a great deal of success on the corrections side. A managed care system was instituted in that Blue Cross/Blue Shield was involved in the system, as well as entering into provider agreements with the two hospitals; also partially privatizing the infirmary at Montana State Prison and bringing local doctors into the process.

In questioning from **SENATOR FRANKLIN** regarding the trustee situation at Swan River Boot Camp, **Mr. Day** proclaimed that part of the trustee issue is that it takes some time to get to the level of trust that the trustee would not leave their post as they are not monitored at all times. Many times natural attrition and the type of offenders in the system dictates who could serve as trustees. If it would be a check writer offense, the sentence would usually be short, and the time in prison also would be short. In many cases those individuals are the most likely not to cooperate and are the most likely to escape. He added they usually are younger offenders. Many times there are multiple offenders, and over 50 percent of the Prison population is going to be an inmate with a violent crime and many times have multiple convictions. He concluded that their ability to place a trustee is very limited and needs to be dictated on whether that individual will stay around and has earned a level of trust that they will stay there whether they are a bad check writer or a more serious crime.

SENATOR JENKINS said because of the crime that was committed at Swan River, he had a problem with that consideration of trust, and he asked **Mr. Day** his plans at that facility.

Mr. Day indicated that his trust of any offender only would go so far, and it has to be kept in mind that that offender is an inmate and did commit a crime. Regarding the plans at Swan River, they would like to transition the program to a location at Montana State Prison property, in particular at Connelly Lake, an area with a small complex already in existence. They hope that could take place by the end of the biennium. He added that there is sufficient bonding remaining from last session's authorization.

SENATOR JENKINS asked **Mr. Day** to discuss the funding for MRM through different programs.

Mr. Day presented a chart relative to MRM and discussed the various aspects, indicating that MRM is a central point of

reference for children that are referred into the program. The program is managed for residential services and community programs. If the program was funded at the executive level, it would be at a lower level than was spent in 1993, and it would be a program serving more children in 1996 and 1997.

Regarding the funding sources for the MRM asked by **SENATOR JENKINS, Mr. Day** said they are Department of Corrections and Human Services, Department of Family Services and Department of Social and Rehabilitation Services. SRS is primarily the federal Medicaid side, and DFS and Corrections are primarily the general fund side. The proposal being considered by the legislature would bring the program together under one umbrella of Managing Resources Montana, and that program would split out the money regionally; the expenditures and services are determined at the regional level.

REPRESENTATIVE FISHER reported that the 1993 legislature took away a lot of corrections officers and the Department was shorted. They were put in a position of having to use trustees because the legislature did not give them more guards. She added that the chart she presented to the committee **EXHIBIT 36** explained the MRM funding. MRM was funded at 23 percent over the '94 base. She noted that program results were asked for, and the Department as yet had not responded to that request. She concluded that there is a U.S. Department of Justice and a State of Montana Department of Justice investigation of the managers of the MRM program and remarked there should not be additional money given to the program with the investigation going on.

When questioned by **SENATOR MOHL** if it was the intention of the Department of Corrections to close down Swan River, **Mr. Day** said it was their intention to transition the program in the next two years to a location off of Montana State Prison with the net effect being that the current location would be closed. If they are not at this time authorized their increased security staff at Swan River, that program would have to be closed because they are unable to continue operating at the level of security staffing presently there. That would be effective at the end of this fiscal year.

In response to a question from **SENATOR MOHL** as to ownership of the Swan River facility, **Mr. Day** said the net effect is that it is state land, but if Corrections left the facility, it would revert to school trust and then could be released for another activity.

In questioning from **SENATOR MOHL** if the issue at Swan River was discussed with local people, **Mr. Day** indicated it is critical to the program to be able to expand and operate as a boot camp. The boot camp program would be moved and if there subsequently was another type of program relocated there, it would be under the jurisdiction of someone else.

SENATOR WATERMAN asked **Tina Visshcer, Dillon**, to comment on results of programs at the community level.

Tina Visscher, youth case manager for MRM, Dillon, Montana, said she had worked with approximately 26 MRM cases. Those that have been terminated from MRM are successful, not one child had gone into residential from MRM.

In questioning by **SENATOR WATERMAN** as to what would happen in Beaverhead County if the community program was not continued, **Ms. Visscher** said there is no wrap around money and she is already seeing the impact of the cutbacks. She added that she brought a parent with her that could explain the impact.

SENATOR WATERMAN asked that **Mr. Todd** be allowed to explain the impact.

Matt Todd, Sheridan, Montana, who had a child in MRM under the direction of **Ms. Visscher**, commented that his son had a very successful experience in the program and would not have had the same success in Rivendell.

SENATOR WATERMAN questioned who would pay if MRM services were not available and a person had to go to Rivendell.

Mr. Day said in all residential programs, Medicaid would apply for the most part. If a judge gave a court order, it would be DFS responsibility. The net effect is that a government program that would pay for the cost.

SENATOR WATERMAN asked DFS to comment on their residential budget.

Hank Hudson, Director, DFS, alleged that their budget for the current biennium was inadequate to serve the children in care at the beginning of the biennium. Through MRM they have been able to stop the growth in residential treatment by developing community based services they had. Because of inadequate funding, they overspent the residential treatment appropriation but were able to work with other departments to find savings in other areas and avoid a supplemental.

When asked by **SENATOR WATERMAN** how much they were short in the residential budget to pay for the biennium, **Mr. Hudson** said the total for the biennium was slightly in excess of \$5 million over the appropriated amount. When questioned by **SENATOR WATERMAN** if the figure could go higher, **Mr. Hudson** concluded that they expect the figure to hold.

SENATOR CHRISTIAENS asked to have someone from Office of Public Instruction (OPI) address the situation.

Robert Runkel, Director of Special Education, OPI, stated that MRM provides a critical role in helping public schools serve

children, co-funding the approximately 15 day treatment programs in Montana. Half of the funding is MRM, and the other half is public school funds.

SENATOR KEATING questioned if the treatment for the youth involved the family in any way.

Mr. Runkel reported that the treatment aspect of the program because it is close to home has the opportunity to involve the parents in the program.

With no further questions in Section D, **CHAIRMAN AKLESTAD** asked for amendments to the section.

SECTION D - AMENDMENTS

DEPARTMENT OF JUSTICE

Motion: **SENATOR JERGESON** MOVED TO AMEND SECTION D-2. **EXHIBIT 38**

Discussion: **SENATOR JERGESON** said the amendment would increase proprietary funding to incorporate the recommendation of the Attorney General because of HJR 25 from the last legislature on state legal services. He said a study that was requested in the Resolution was completed. The amendment **EXHIBIT 38** would add one attorney and one legal secretary to assume additional legal work that currently has been purchased from private legal counsel.

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In response to **SENATOR KEATING** as to source of the proprietary money, **JanDee May, Department of Justice**, said the proprietary money for the agency legal services comes from all over state government, and she indicated that the majority of work coming from these individuals would be from tort claims area, reducing the outside legal counsel.

SENATOR KEATING asked the attorney general to comment on this issue.

Joe Mazurek, Attorney General, said the study asked for was completed in a consensus recommendation, and one of the recommendations was that they reduce reliance on outside counsel. Currently there is \$2 million a year spent on outside counsel, with the majority coming from tort claims defense, workers' compensation defense. Agency legal services in the Attorney General's office is primarily a private law firm with no general fund money but contracts with divisions to provide legal services. With passage of the amendment **EXHIBIT 38**, there would be the charge from agency legal services of \$53 hourly as opposed to more than \$100 for outside counsel. He concluded that he and

the Governor agree that outside counsel is necessary, but many cases given outside could be handled by lawyers in state government.

When noted by **SENATOR KEATING** that the propriety funds that would be received by the Attorney General's office are already a part of someone's budget, **Mr. Mazurek** said that was correct. It would either come from tort claims, the self insurance fund or from another agency that would contract with either the Attorney General or someone else for legal services.

When indicated by **SENATOR KEATING** that this would be spending authority for the Attorney General's office, **Mr. Mazurek** said this is spending authority; if the work is not there, the money is not spent. He added that he and the Governor have not agreed where the person should be located.

Mr. Mazurek referred the committee to a study report addressed to Governor Racicot. **EXHIBIT 39** The Governor would propose putting one lawyer in tort claims division, and **Mr. Mazurek** indicated their preference to have the lawyer in agency legal services.

When questioned by **SENATOR BECK** if this proposal was in the Governor's executive budget, **Mr. Mazurek** said no, the study recommendation was not finalized until March 8. He concluded that this is the first time it had been suggested.

In questioning from **SENATOR JENKINS** as to amount of outside legal services, **Mr. Mazurek** said there is a legal services review committee that screen cases before they go to outside counsel. Outside counsel is contacted on a per hour basis, but if agency legal services is contracted with, they only receive the hourly fees they earn. The lawyers are paid as state employees, but the funds to support the program are paid just like a private law firm earns them.

SENATOR JENKINS voiced concern if there were enough hours contracted out to justify hiring as proposed in the amendment.
EXHIBIT 38

Mr. Mazurek said yes, they are currently spending \$2 million a year, and the objective would be to reduce that figure.

Vote: **SENATOR JERGESON'S** amendment motion **EXHIBIT 38 FAILED ON A ROLL CALL VOTE.**

Motion: **SENATOR WATERMAN MOVED TO AMEND SECTION D-2. EXHIBIT 40**

Discussion: **SENATOR WATERMAN** explained the amendment would add a legal secretary to the legal services division. Subcommittee testimony indicated that currently they could not answer appeals and other work in legal services without asking for extensions because of attorney workload and lack of secretarial staff.

Vote: SENATOR WATERMAN'S amendment motion EXHIBIT 40 FAILED ON A ROLL CALL VOTE.

MONTANA ARTS COUNCIL

Motion: SENATOR JACOBSON MOVED TO AMEND SECTION D-5. EXHIBIT 41.

Discussion: SENATOR JACOBSON explained that the governor's budget asked for the ongoing Folklife and Rural Arts programs to be funded with general fund and that it should not have to compete with community grants.

When questioned by SENATOR TOEWS if this would add general fund money, SENATOR JACOBSON indicated this is spending general fund money which is how the budget was originally set up; she is asking that the program be returned to the general fund.

Vote: SENATOR JACOBSON'S amendment motion EXHIBIT 41 FAILED ON A ROLL CALL VOTE.

DEPARTMENT OF JUSTICE

Motion: SENATOR HARDING MOVED TO AMEND SECTION D-2. EXHIBIT 42

Discussion: SENATOR HARDING explained that the amendment would restore funding of \$144,000 general fund each year for mailing vehicle license renewal cards that was removed in the '93 legislative session.

Vote: SENATOR HARDING'S amendment motion EXHIBIT 42 CARRIED ON A ROLL CALL VOTE.

DEPARTMENT OF CORRECTIONS AND HUMAN SERVICES

Referring to proposed amendment hb000231.a04 EXHIBIT 43, SENATOR CHRISTIAENS asked Mr. Day if instead of having a contract with Lake County, they could use electronic monitoring of the inmates at the Swan River camp to alleviate some of the security problem and reduce some costs indicated in the amendment.

Mr. Day said they began exploring electronic monitoring but it is a very expensive proposition. The contract with the sheriff's office is approved in the supplemental spending bill through the end of the year and is designed to bring added full time law enforcement to that county and provide arrest power security at the camp. He added that the amendment EXHIBIT 43 is about the cheapest that can be done with the expansion and security because it would provide direct supervision 24 hours a day.

In questioning from SENATOR CHRISTIAENS as to how many personnel are included in the contract with Lake County Sheriff's office, Mr. Day said it would take what essentially is a part time deputy and make him full time based and operating out of the boot camp.

When asked by **SENATOR CHRISTIAENS** what would happen with the other two shifts, **Mr. Day** said the other part of the amendment **EXHIBIT 43** would provide 24 hour security, correctional officer staffing and drill instructor staff with relief factors so there would no shift without staffing. There would not be trustees under the program, and trainees would be supervised 24 hours a day under direct supervision.

Motion: **SENATOR BECK** MOVED TO AMEND SECTION D-7. **EXHIBIT 44**

Discussion: **SENATOR BECK** said he was going to hold the amendment referred to by **SENATOR CHRISTIAENS EXHIBIT 43** and instead offer **EXHIBIT 44**.

SENATOR BECK explained that the amendment would add approximately 11 FTE to Montana State Prison. Approximately 40 FTE were cut out at the Prison from the last biennium to this biennium because they thought they would have 850 inmates; currently there is in excess of 1,300 inmates and they are attempting to staff there with the FTE required to manage 850. Some positions were put back, but he alleged that the 11 FTE would not get them up to what they were in '93. He said he was fearful for the safety of the people working at the Prison with that volume of inmates.

In questioning from **SENATOR LYNCH** relative to the request for 1 FTE psychiatrist at the Prison, **Mr. Day** indicated that the psychiatrist salary is generally over \$100,000 a year. That position is key to a settlement achieved with the American Civil Liberties Union (ACLU) and has at this point avoided a substantial lawsuit. He added that psychiatric services throughout corrections was identified as deficient. When asked by **SENATOR LYNCH** if there could be additional litigation if the psychiatrist position is not added, **Mr. Day** said that was correct.

REPRESENTATIVE FISHER reported that Corrections came in with two extra proposals in addition to the executive budget, one of which was the proposal for 15.5 FTE. The subcommittee approved 3 FTE, and she did not believe the executive budget supported the psychiatrist position.

SENATOR WATERMAN asked the budget office to respond on whether or not the Governor supported the psychiatrist position and whether the Governor signed the ACLU agreement.

Dave Lewis, OBPP, claimed that at the time this was presented to the subcommittee, the Governor's office supported the extra security people but did not support the extra psychiatrist. He just recently became aware that the issue was such an important part of the settlement with the ACLU. He concluded that after discussions with **Mr. Day**, the Governor's office now supports the psychiatrist position.

Vote: SENATOR BECK'S amendment motion EXHIBIT 44 FAILED ON A ROLL CALL VOTE.

Discussion: SENATOR JERGESON questioned if SENATOR BECK was going to offer amendment 231.a04 EXHIBIT 43 that was earlier discussed.

SENATOR BECK indicated that he was not going to offer the other amendment.

SENATOR JERGESON expressed dissatisfaction that many amendments were not going to be discussed until later in the session. He explained that the amendment dealing with the increased security at Swan River should be discussed with senators voting on the security issue at correctional programs.

SENATOR AKLESTAD alleged that several commitments were made through the legislative process in the subcommittee defending the executive branch and other individual's commitments in support of the state's law enforcement officers, the Department of Corrections; and he added that final decisions would be made in the same manner as in the past which is on the Senate floor, the Finance and Claims Committee and the HB 2 free conference committee.

Motion: SENATOR JERGESON MOVED TO AMEND SECTION D-7. EXHIBIT 43 (Note: this amendment was previously marked but not offered).

Vote: SENATOR JERGESON'S amendment motion FAILED ON A TIE ROLL CALL VOTE.

Motion: SENATOR WATERMAN MOVED TO AMEND SECTION D-7. EXHIBIT 45

Discussion: SENATOR WATERMAN explained that the amendment would provide \$110,000 general fund for housing assistance to mentally ill adults in community based programs. The program would provide assistance in arranging housing for people leaving Warm Springs and would not subsidize the housing.

Vote: SENATOR WATERMAN'S amendment motion FAILED ON A ROLL CALL VOTE.

Motion: SENATOR WATERMAN MOVED TO AMEND SECTION D-7. EXHIBIT 46

Discussion: SENATOR WATERMAN interpreted the amendment as providing approximately \$1 million in crisis intervention programs at the community level and would divert people from going to the State hospital where the services are more costly.

Vote: SENATOR WATERMAN'S amendment motion FAILED ON A ROLL CALL VOTE.

(BRIEF RECESS)

{Tape: 6; Side: a; Approx. Counter: ; Comments: .}

Motion: SENATOR WATERMAN MOVED TO AMEND SECTION D-7. EXHIBIT 47.

Discussion: SENATOR WATERMAN stated that the amendment would fund the Managing Resources Montana (MRM) program at the level requested in the executive budget and would bring the funding back to approximately the level four years ago.

SENATOR WATERMAN indicated that she had asked two people from the Helena community to briefly address the MRM issue.

Dr. Bailey Molineux, family therapist in Helena, Montana, indicated that because of the unprecedented level of violence in families, the MRM program is urgently needed.

Joe Furshong, special education director, Helena School District; southwestern Montana regional chair for MRM, presented documentation relative to the impact that lack of MRM support would have on children in the communities. EXHIBIT 48

When questioned by SENATOR KEATING if MRM is an intervention program, Mr. Furshong replied that it includes intervention, family support; it is a multi-faceted program.

When asked by SENATOR KEATING if there are other intervention programs to keep emotionally disturbed children from becoming acute cases, Mr. Furshong indicated there are fragments of programs dealing with very small areas but nothing as comprehensive as MRM and nothing that could closely meet the needs.

SENATOR JERGESON, affirming his support for the amendment, said this is an example of a mandate being a constitutional provision that schools would have to handle students coming through the doors and that students by law are required to attend school until the age of 16. Not funding MRM properly will create an exacerbated and unfunded mandate for local school districts and local governments and others that the Senate stated they would not do when they passed a constitutional amendment against unfunded mandates. He stated that this unfunded mandate should not continue to be imposed to the extent that the reductions impose it on the school districts and others.

SENATOR BECK indicated to the committee that REPRESENTATIVE FISHER stated it was fully funded as to what it was last year. He did not understand the unfunded mandate mentioned by SENATOR JERGESON because if the program at the present time is fully funded, there would be no unfunded mandate.

SENATOR WATERMAN said Mr. Hudson had commented that there is \$6 million in funds being diverted from other programs to augment

MRM because of insufficient funds. She added that **REPRESENTATIVE FISHER** was referring to the appropriated level for the '95 biennium. This program will exceed the appropriated level by at least \$6 million. She concluded that the program should be funded at the community level, otherwise it would be funded at the residential level.

Vote: **SENATOR WATERMAN'S** amendment motion **EXHIBIT 47** **FAILED ON A ROLL CALL VOTE.**

Motion: **SENATOR WATERMAN** MOVED TO AMEND SECTION D-8. **EXHIBIT 49**

Discussion: **SENATOR WATERMAN** claimed that the amendment would eliminate restrictive language in HB 2 and allow Corrections to contract with community mental health centers for regional administration of the MRM program.

When asked by **SENATOR WATERMAN** to explain the amendment, **Mr. Day** said there is a process requiring the department to put all MRM services out for RFP, and at this time there is not staff to do that. Concerns answered by the amendment would require that services be put out for RFP which would leave the administrative function where it currently is but would remove the conflict of interest.

Vote: **SENATOR WATERMAN'S** amendment motion **CARRIED UNANIMOUSLY ON A VOICE VOTE.**

With no further amendments to Section D, **CHAIRMAN AKLESTAD** thanked **REPRESENTATIVE FISHER** and the LFA staff for their presentation.

Motion/vote: **SENATOR SWYSGOOD** MOVED TO CLOSE SECTION D OF HB 2.

Motion **CARRIED ON A ROLL CALL VOTE.**

AMENDMENTS - SECTION A

DEPARTMENT OF ADMINISTRATION

Motion: **SENATOR HARDING** MOVED TO AMEND SECTION A-9. **EXHIBIT 50**

Discussion: **SENATOR HARDING** indicated that the amendment would add \$352,954 and 3.5 FTE to the appellate defender program. This was a statutory appropriation and was taken out with SB 83.

When questioned by **SENATOR SWYSGOOD** about the increase over the current program being quite substantial, **SENATOR HARDING** indicated it is approximately \$152,000 more because they have asked for 1.5 FTE extra with the growth of the program. She concluded that the program growth was because of the amount of penal situations that needed defending.

Substitute motion: SENATOR JENKINS MADE A SUBSTITUTE MOTION THAT THE AMOUNT BE \$100,000 PER YEAR.

Discussion: In questioning from SENATOR JACOBSON whether SB 83 had passed both houses, CHAIRMAN AKLESTAD indicated that was a legitimate concern.

Withdrawal of motion: SENATOR HARDING WITHDREW HER AMENDMENT MOTION. EXHIBIT 50

Discussion: SENATOR HARDING indicated her desire that the conference committee on HB 2 deal with the amendment.

SENATOR JERGESON remarked that SB 83 dealt with nearly every fund in the entire budget.

GOVERNOR'S OFFICE

Motion: SENATOR CHRISTIAENS MOVED TO AMEND SECTION A-4. EXHIBIT 51

Discussion: SENATOR CHRISTIAENS explained that the amendment would provide funding for the Mental Disabilities Board of Visitors and 4.5 FTE. It would remove the federal funds which would eliminate one attorney. The state is mandated to have an attorney, but there is no mandate that there be federal duties.

In questioning from SENATOR WATERMAN about the correctness of the amendment in that it should be 3.5 FTE and a different dollar amount, SENATOR CHRISTIAENS said that was the essence of the amendment. He indicated that since he did not have time to get a new amendment drafted, the LFA staff could correct the amendment.

SENATOR SWYSGOOD questioned if the amendment would provide for the Mental Disabilities Board of Visitors at 3.5 FTE and strike \$61,611 of federal funds and leave approximately \$300,000 of general fund.

SENATOR CHRISTIAENS said that was correct, adding that the position is required by law.

When questioned by SENATOR WATERMAN as to the number of FTE, Lorene Thorson, LFA, said by removing the federal funding, there would be removal of funds for one attorney, a .5 administrative support position and approximately \$15,000 in operating costs each year. There would be 3 FTE remaining of general fund.

In questioning by SENATOR LYNCH if the law stated there be 3.5 FTE, SENATOR CHRISTIAENS reported that the duties are in law under the Montana Codes Annotated which he read to the committee. He concluded that the attorney had to be located at the State Hospital, and they handle cases across the state.

In concern voiced by **SENATOR HARDING** if that would mean there would be no federal funds involved in the Board of Visitors, **Ms. Thorson** affirmed that with the proposed amendment, it would strike all federal funds.

SENATOR BECK asked **Kelly Moorse** if state funds rather than federal funds could be stricken.

Kelly Moorse, Mental Disabilities Board of Visitors, said federal language had specific provisions that they cannot represent patients at recommitment time. The attorney in the federal position would only represent patients during guardianship hearings and not during recommitment time; therefore, the recommendation was to delete federal funds because that person could not do the representation required by law.

When questioned by **SENATOR LYNCH** about the federal attorney, **Ms. Moorse** explained that would involve representing patients for guardianship hearings when the hospital files a petition indicating that the person is incompetent; also covering other community cases and doing abuse and neglect investigations. When questioned by **SENATOR LYNCH** if that position was necessary, **Ms. Moorse** said they would attempt to do that with their existing staff, but some things would not get done.

Vote: **SENATOR CHRISTIAENS'** amendment motion **EXHIBIT 51 FAILED ON A ROLL CALL VOTE.**

Motion: **SENATOR CHRISTIAENS MOVED TO AMEND SECTION A-4. EXHIBIT 52**

Discussion: **SENATOR CHRISTIAENS** described the amendment **EXHIBIT 52** as funding the Montana Consensus Council in the Governor's Office at the level requested by the executive, being \$87,997 in fiscal '96 and \$88,010 in fiscal '97, including 1.75 FTE.

Vote: **SENATOR CHRISTIAENS'** amendment motion **FAILED ON A ROLL CALL VOTE.**

Motion/vote: **SENATOR SWYSGOOD MOVED THAT SECTION A-HB 2 BE CLOSED.**

Motion **CARRIED UNANIMOUSLY ON A VOICE VOTE.**

AMENDMENTS - SECTION B

DEPARTMENT OF SOCIAL AND REHABILITATION SERVICES

Motion: **SENATOR FRANKLIN MOVED TO AMEND SECTION B-4. EXHIBIT 53**

Discussion: **SENATOR FRANKLIN** indicated that the amendment would increase provider rate increases for nursing homes from 1.5 percent to the executive level of 4 percent. It would add

\$2,326,001 general fund and \$5,240,174 federal funds over the biennium.

Vote: SENATOR FRANKLIN'S amendment motion **FAILED ON A ROLL CALL VOTE.**

DEPARTMENT OF FAMILY SERVICES (DFS)

Motion: SENATOR WATERMAN MOVED TO AMEND SECTION B-10. EXHIBIT 54

Discussion: SENATOR WATERMAN explained that the amendment would add \$240,000 federal authority over the biennium if the department can use federal Title IV-E funds as matching funds for the Kellogg Grant. DFS received a \$1.6 million Kellogg grant to fund permanency planning and placement of foster care children in permanent homes.

When questioned by SENATOR SWYSGOOD about matching funds, SENATOR WATERMAN reported that some would not be matched; however, they think that in looking at the plans developed that they may be able to match the training funds for changing the system in local foster care placements.

In questioning by SENATOR AKLESTAD if there is matching for this, SENATOR WATERMAN said no, this was an outright grant that the state did not have to make a match for. The grant is in the process of being implemented, and in this process they decided they might be able to match some IV-E funds for the administration of this.

SENATOR SWYSGOOD questioned Mr. Hudson if they would be asking the federal government if expenditure of funds could be used in this area.

Mr. Hudson reported that was correct.

Vote: SENATOR WATERMAN'S amendment motion EXHIBIT 54 CARRIED UNANIMOUSLY ON A VOICE VOTE.

Motion: SENATOR CHRISTIAENS MOVED TO AMEND SECTION B. EXHIBIT 55

Discussion: SENATOR CHRISTIAENS remarked that the amendment would reinstate the executive budget request of \$8.2 million general fund authority for community impact grants for difficult to serve children.

Vote: SENATOR CHRISTIAENS' amendment motion **FAILED ON A ROLL CALL VOTE.**

There being no further amendments, CHAIRMAN AKLESTAD entertained a motion to close Section B.

Motion/vote: SENATOR SWYSGOOD MOVED TO CLOSE SECTION B-HB 2.

Motion CARRIED WITH SENATORS CHRISTIAENS, JERGESON, LYNCH,
WATERMAN OPPOSED.

AMENDMENTS - SECTION C

DEPARTMENT OF LIVESTOCK

Motion: SENATOR BURNETT MOVED TO AMEND SECTION C. EXHIBIT 56

Discussion: SENATOR BURNETT said the amendment would eliminate 14.50 FTE and the entire funding for the Meat and Poultry Inspection Program. The federal indirect cost funding in the central management program would be reduced because of federal funds being eliminated, leaving 16.1 percent federal funding appropriated in the milk and egg program as federal indirect cost support.

SENATOR BURNETT presented a state map indicating areas having processing plants. EXHIBIT 57

In questioning from SENATOR JACOBSON as to the status of a bill introduced this session eliminating the Meat and Poultry Inspection program, SENATOR BURNETT said he asked that the bill be tabled so there would be no floor debate, however he wanted the bill available.

Vote: SENATOR BURNETT'S amendment motion EXHIBIT 56 FAILED ON A VOICE VOTE.

Motion: SENATOR BURNETT MOVED TO AMEND SECTION C. EXHIBIT 58

Discussion: SENATOR BURNETT explained that the amendment would eliminate \$50,000 general fund and \$50,000 matching federal funds each fiscal year in the Meat and Poultry Inspection program. Federal indirect cost funding in the central management program would be reduced by \$8,050 because of elimination of the federal funding. He concluded that the program is not being operated in a correct manner.

Vote: SENATOR BURNETT'S amendment motion EXHIBIT 58 FAILED ON A VOICE VOTE.

PUBLIC SERVICE REGULATION

Motion: SENATOR JENKINS MOVED TO AMEND SECTION C-1. EXHIBIT 59

Discussion: SENATOR JENKINS described the amendment as removing funding for 1 FTE associated with rail inspections in the Department of Public Service Regulation.

SENATOR JENKINS asked the Public Service Commission to respond to the amendment.

Wayne Budt, Transportation and Centralized Services Division, Public Service Commission, voiced concern in taking the rail inspector position away. He remarked that the track inspector program has been successful. In the past, the inspector has covered most of the trackage in the state in a year as well as cooperating with the federal government and being certified by them to enforce regulations and other functions. He concluded that the federal government's priority on lines inspected are different than the state's priorities; the state concentrates more on the branch lines and making sure they are there.

SENATOR JACOBSON, speaking in opposition to the amendment, alleged that the subcommittee cut the Public Service Regulation budget more percentage-wise than any other budget in Section C.

SENATOR JENKINS, in closing, claimed that the federal government is responsible for this and should fund the program.

Vote: SENATOR JENKINS' amendment motion EXHIBIT 59 FAILED ON A ROLL CALL VOTE.

DEPARTMENT OF COMMERCE

Motion: SENATOR JENKINS MOVED TO AMEND SECTION C-13. EXHIBIT 60

Discussion: SENATOR JENKINS explained that the amendment would remove 1 FTE and \$16,855 of present law increases each fiscal year approved by the subcommittee in the Building Codes Bureau of the Department of Commerce.

Vote: SENATOR JENKINS' amendment motion EXHIBIT 60 CARRIED ON A ROLL CALL VOTE.

DEPARTMENT OF FISH, WILDLIFE AND PARKS

Motion: SENATOR JENKINS MOVED TO AMEND SECTION C-5. EXHIBIT 61

Discussion: SENATOR JENKINS summarized the amendment as indicating it would be the legislature's intent to convert funding for 10 fish and wildlife biologist positions to 10 fish and game warden positions.

Vote: SENATOR JENKINS' amendment motion EXHIBIT 61 CARRIED ON A ROLL CALL VOTE.

DEPARTMENT OF AGRICULTURE

Motion: SENATOR BECK MOVED TO AMEND SECTION C-11. EXHIBIT 62.

Discussion: SENATOR BECK explained that the amendment would allow the Department of Agriculture to spend federal funds in this new proposal on marketing activities for Christmas trees and other products.

Vote: SENATOR BECK'S amendment motion CARRIED UNANIMOUSLY ON A VOICE VOTE.

SENATOR JERGESON commented that SENATOR BECK had an amendment prepared in the packet of amendments for the March 23rd hearing that would provide for backfill of RIT money that does not exist. He asked SENATOR BECK why he was not going to offer the amendment.

SENATOR BECK claimed he was attempting to work with other people to find funding other than general fund and try to backfill it some other way. At the present time he had not found the funding.

Motion/vote: SENATOR SWYSGOOD MOVED THAT SECTION C-HB 2 BE CLOSED.

Motion CARRIED with SENATORS CHRISTIAENS, FRANKLIN, JERGESON, LYNCH, WATERMAN OPPOSED.

CHAIRMAN AKLESTAD announced that Sections A, B, C and D of HB 2 had been closed. He indicated that the committee would deal with Section E at 3:00 or on Senate adjournment this day.

(HEARING RECESSED - 11:30 A.M.)

(HEARING RECONVENED - 3:10 P.M.)

{Tape: 7; Side: a; Approx. Counter: ; Comments: .}

SECTION E - EDUCATION

REPRESENTATIVE ROYAL JOHNSON, House District 10, Billings, announced the other members of the Education subcommittee: SENATOR TOEWS, SENATOR MOHL, SENATOR JERGESON; REPRESENTATIVE KADAS, REPRESENTATIVE HOLLAND. LFA staff working on Section E were Sandy Whitney and Skip Culver. REPRESENTATIVE JOHNSON thanked his staff as well as the university system and the Office of Public Instruction.

REPRESENTATIVE JOHNSON went through Section E HB 2 narrative for each agency.

SECTION E - QUESTIONS FROM COMMITTEE AND RESPONSES

OFFICE OF PUBLIC INSTRUCTION (OPI)

In questioning from **SENATOR JERGESON** if the reduction in OPI's administration amounted to 10 percent of their budget, **REPRESENTATIVE JOHNSON** said roughly, yes. When asked by **SENATOR JERGESON** if that included vacancy savings, **REPRESENTATIVE JOHNSON** maintained that, included vacancy savings.

In concern voiced by **SENATOR CHRISTIAENS** regarding the funding for traffic education, **REPRESENTATIVE JOHNSON** indicated that the original budget was for \$260,000 for the biennium, and the entire amount was taken from the budget. Those positions were funded with general fund monies. He explained that traffic education gets approximately \$1.1 million per year in the next biennium. The subcommittee asked them to take the traffic education person out of that rather than general fund, adding if they do that it would be put back in for \$75,000 a year. The other person left out was the bus person. That budget is about \$10 million a year, and there was a problem in taking money out one way and general fund would be impacted by \$55,000. The subcommittee was not willing to do that, and it could not be taken out of the \$10 million because that would upset the transportation equalization problem where the district supplies half and the state supplies half.

SENATOR HARDING questioned the number of students for the \$246 million for school equalization.

Greg Groepper, Office of Public Instruction, alleged that their original estimate of students was approximately 800 lower than estimated earlier this spring. The general fund figure was based on the earlier number. Since then OPI has worked with OBPP and depending on the outcome of SB 83, if the state equalization aid account goes to general fund from earmarked special revenue account, they would have to review the appropriation. His understanding is they will make the adjustment to show that there is less cost for the new students than estimated going into the session, being approximately \$164,000 for the students estimated for the biennium.

Regarding the Goals 2000, **SENATOR LYNCH** questioned if the \$6.5 million was federal money.

REPRESENTATIVE JOHNSON said it was all federal program. It would be an appropriation to take the \$6 million if it came.

SENATOR LYNCH questioned the rationale in not going with the program.

REPRESENTATIVE JOHNSON said it was included in the subcommittee but taken out on the House floor. When asked by **SENATOR LYNCH** if the House's position was overwhelming that they did not want the money for Goals 2000, **REPRESENTATIVE JOHNSON** did not believe it was overwhelming.

In questioning from **SENATOR LYNCH** if the subcommittee thought the Goals 2000 should be included, **SENATOR TOEWS** said that was correct, but at that time they were not fully aware of the strings attached to the assumptions made in that contract.

SENATOR BECK asked what the parameters were for the Goals 2000 and what the money could be used for.

Gail Gray, Assistant Superintendent in OPI, indicated there are assurances required for all federal money by the Office of Budget and Management at the federal level. Those causing the most concern are those that must be signed by everyone wanting federal money. They are not specific to education in any way.

When asked by **SENATOR BECK** if there are strings attached to the Goals 2000 project, **Ms. Gray** said contrary to most programs they get, there really are not, adding it is the only program in her 18 years of state government that has no regulations with it. The federal government expects the state to write a plan, appoint a panel, distribute money to schools so they can do systemic reform planning. She concluded that 90 percent of the money would go to public schools and only 10 percent would stay with OPI. She further conveyed that there are no accreditation changes that can happen in the state because of Goals 2000. That could only happen by actions of the Board of Public Education or the Montana legislature.

SENATOR JENKINS asked if the privacy rights are also included in Goals 2000 since it is federal money.

Ms. Gray explained that any time federal money is taken from the Department of Education, they have to follow the Family Rights and Privacy Act, in which there is a section indicating if a student is required to answer a survey, participate in an analysis or assessment, there are certain questions that cannot be asked without written parental consent.

When questioned by **SENATOR JENKINS** if any state school getting federal money has to abide by that privacy right, **Ms. Gray** said that was correct for federal programs. She added however that the section they have discussed substantially is just surveys, analysis and assessment.

Regarding assurances, **SENATOR JACOBSON** asked **Dave Lewis** if the SRS director would have to sign that same contract when they receive their federal money.

Mr. Lewis said there is a boilerplate that is a part of all federal grants for general assurances that are required by federal law. In answer to **SENATOR JACOBSON** if that would apply also to the ISTE money, **Mr. Lewis** said that was correct.

SENATOR JACOBSON said there was some federal money for lead base programs, adding that the money for the Butte program was

accepted but the money for the statewide program was not, and she questioned if that would put this program in jeopardy.

Ms. Gray said she did not believe it would put the program in jeopardy because there are a lot of components to the programs, and sometimes there are special requirements as a condition of acceptance of money. The assurances are for general requirements statewide, and then there are special requirements beyond that if specialized funds are desired.

When asked by **SENATOR JACOBSON** if DFS took money from the federal government, would they sign the assurances on lead based paint, **Ms. Gray** said everybody would because those are not education assurances; they are Office of Budget and Program Management assurances.

SENATOR JENKINS questioned page E-6 of the HB 2 narrative regarding OPI adopting policies on the use of systems for political or lobbying purposes and asked if that policy was put in place.

Mr. Groepper contended OPI already had a policy prohibiting lobbying. There was concern by **REPRESENTATIVE BOHARSKI** that OPI had private areas for educators and school administrators they could use to carry on school business but that the administrators might be discussing something they did not want the school teachers to hear. He added that OPI would have available for the Senate a revised acceptable use policy that is consistent with their concerns.

(BRIEF RECESS)

(HEARING RESUMES - 4:35 P.M.)

{Tape: 7; Side: b; Approx. Counter: ; Comments: .}

MONTANA UNIVERSITY SYSTEM

Voicing concern on the way supplementals are dealt with, **SENATOR JERGESON** asked **Curt Nichols, OBPP**, if the parameters are outlined as to size of supplementals, for instance the fire supplemental.

Curt Nichols, OBPP, said they do not know what the fire supplemental will be, adding that targeted amounts are not set aside for them.

In questioning from **SENATOR JERGESON** if an effort was ever made to budget a certain amount for supplementals, **Mr. Nichols** said he was not aware of having budgeted a certain amount of budgeted supplemental for an agency.

SENATOR JERGESON said with the opportunity for a \$15 million supplemental to be accessed and the ending fund balance being \$25

million, he asked if that would have to come out of the ending fund balance at the end of the biennium.

Mr. Nichols said to the extent they did not take account of it in any other way, it would have to be taken out of the ending fund balance.

When questioned by **SENATOR JERGESON** if that would be dangerously low in terms of the ending fund balance being \$10 million, **Mr. Nichols** said that would be dangerously low in terms of projecting an ending fund balance for a two year period. He did not know how OBPP would look at that and whether they would determine that the department would or would not access the supplemental.

SENATOR JERGESON asked **Commissioner Baker** relative to the legislature leaving with a \$25 million ending fund balance, if the system would anticipate that the supplemental request would be viewed favorably by a legislature going down to a \$10 million ending fund balance if the supplemental were granted.

Commissioner of Higher Education Jeff Baker said the problem from their perspective is if they would come in two years from now to look at the supplemental, basically they have had to budget and plan over a period of almost the full two years without the use of the money. They would be planning not to use the money because if they rely on it and it is not there, they would have large problems. They would have to manage it and would basically be living without it. It would have to be spent between now and June 30. It would be precarious to look at it as something they could count on.

When questioned by **SENATOR JERGESON** if they would be nervous about asking the legislature to appropriate a supplemental that would go to a \$10 million ending fund balance, **Commissioner Baker** said he would be nervous about getting it.

SENATOR JENKINS said it was his understanding that the university system argued that their under published tuition rate system received \$161 million for the biennium and they were budgeted at \$141 million, and he questioned the \$20 million difference.

Commissioner Baker reported that the projections they brought to the subcommittee included tuition rates they committed to for '96 and '97. Those rates that were presented to the Board of Regents average over the next two years 7 percent yearly systemwide. Those were built into the budget in trying to make a commitment so that the rates are set upfront. The idea was to put it on the table so the legislature knew what was being planned and that there were no after session type of adjustments.

When questioned by **SENATOR JENKINS** regarding the \$161 million, **Commissioner Baker** said in order to reach \$141 million, they would have to decrease tuition given the number of expected students. In order to qualify for the dollar for dollar

supplemental above the targeted amount in terms of general fund, if they stayed at the \$141 million they would be eligible to get the full \$15 million supplemental. For every dollar above \$141 million, they would lose \$1 of their ability to ask for the supplemental up to \$15 million. When asked by **SENATOR JENKINS** if they would still be able to spend the \$20 million if they received the \$161 million, **Commissioner Baker** said if they chose to do that. He added if they chose to go with their published tuition rates and had \$161 million, they would forfeit the \$15 million plus an additional \$3 million which is where the \$18 million reduction comes into play.

SENATOR KEATING indicated that the table on E-29 of the summary showed roughly \$200 million a year total university budget, and he questioned if that is the entire money that would be spent by the university or if there are other revenues from other sources they spend.

REPRESENTATIVE JOHNSON indicated that the budget would only include the instructional budget, and the budget is almost double the numbers dealt with here. The money they receive in addition to that are in the area of student fees, board and room, grants, and other type things which are off the budget.

When questioned by **SENATOR KEATING** if those figures showed up in the budget books, **REPRESENTATIVE JOHNSON** said they did not.

Referring to the table on E-29 showing total fund disbursement in lump sum of \$400 million, **SENATOR SWYSGOOD** questioned the lump sum for the university in the last biennium for total funds.

REPRESENTATIVE JOHNSON indicated they had \$451 million last biennium which includes the agencies.

SENATOR SWYSGOOD asked for the budget comparison between what is shown as \$400 million disbursed in lump sum to the university system for the next biennium and the last biennium's equivalent figure.

REPRESENTATIVE JOHNSON said it would be \$407,083,217.

SENATOR SWYSGOOD asked what the \$400 million lump sum appropriation of all funds did not include.

REPRESENTATIVE JOHNSON explained that it did not include the community colleges and agencies and the \$9 million pay plan.

When questioned by **SENATOR SWYSGOOD** if the \$407 million figure included those other areas, **REPRESENTATIVE JOHNSON** said it did not.

When asked by **SENATOR SWYSGOOD** if that would be a \$7 million reduction when comparing those two figures without anything else, **REPRESENTATIVE JOHNSON** affirmed that was correct.

SENATOR TOEWS asked **Commissioner Baker** regarding his concept about supplementals making him somewhat nervous and if the concept of signed agreement with the legislature and Board of Regents made him equally nervous.

Commissioner Baker said it would not if they were all sitting down at the table and talking about the various concerns that happen as a result of action taken. When the budget was put together there were many assumptions, and this budget includes commitments; everything from capping number of students in terms of enrollment to commitments about what tuition is going to be which gives a line of what total commitment would be. Short of signing off on that, he said that is what was presented to the legislature at this time. Their goal was to change the way they had been doing business and address the legislative concerns. He remarked that the commitments were made and are a matter of public record, and that the Regents are prepared to live by those commitments.

SENATOR JACOBSON questioned **REPRESENTATIVE JOHNSON** relative to his statement that there was no pay plan in the lump sum.

REPRESENTATIVE JOHNSON said the lump sum the way it is currently figured includes no pay plan. The lump sum figure did not include the \$15 million for the supplemental.

In questioning from **SENATOR JACOBSON** regarding the cost of the pay plan, **REPRESENTATIVE JOHNSON** said it was about \$9 million.

SENATOR JACOBSON asked if that included some of the ongoing negotiations or only completed negotiations.

REPRESENTATIVE JOHNSON said that included completed negotiations, the \$8.3 million they estimate it would cost for the UTU agreement if they sign them on roughly the same basis at the other units as they did at the University of Montana.

SENATOR WATERMAN noting that the lump sum is \$7 million less than last biennium, asked **Commissioner Baker** the number of students he anticipated educating in the next biennium compared to the current biennium.

Commissioner Baker reported that projected estimates through 1997 would have from this biennium to the next biennium approximately 2200 more instate students. The total 1996 growth over 1995's projection is 2.2 percent. The growth from '96 to '97 is 2.4 percent, which includes instate students, WUI students, and non-resident students. It excludes the community colleges. He concluded it is about 30,000 students.

In questioning from **SENATOR WATERMAN** as to how the \$1 million cut would affect the WAMI and WICHE programs, **Commissioner Baker** explained that the \$1 million is in the budget that is assigned to the Commissioner's office. In that office it would involve 16

people that are paid out of general fund, and the operating budget for salaries and operations is approximately \$1 million a year. He declared that 80 percent of that budget is in student financial aid, with a good portion of that aid in the WAMI and WICHE programs.

In response to **SENATOR WATERMAN'S** question as to the impact on those student programs, **Commissioner Baker** said while that is not clear right now, the savings in the first year is very small. Assuming that they didn't take away from people already in the system, you would have to manage the students coming into the system. Most of those students are coming into the WAMI program, but there are no savings the first year in that program. The impact would come in the second year when the students transfer to the University of Washington. He added that letters had been sent putting students on hold until the outcome is known. The WICHE program is different in that it could be affected this year. He noted that letters had also been sent to those students indicating they are on hold until notification of available funding. He concluded in answer to **SENATOR WATERMAN** that they would not be able to fund those programs for some of those students.

In answer to **SENATOR JERGESON'S** question regarding the order in dealing with Section E, **CHAIRMAN AKLESTAD** said he was going through the narrative in Section E page by page.

COMMUNITY COLLEGES

SENATOR JERGESON asked **REPRESENTATIVE JOHNSON** what the amount of money appropriated for the community colleges represents from the current biennium to what has been appropriated for the next biennium.

REPRESENTATIVE JOHNSON claimed it would be a 19 percent increase.

SENATOR AKLESTAD, referring to page E-34 and new proposals, asked what the community colleges were getting before the 19 percent increase and if the figure shown is a portion of the increase going to community colleges.

REPRESENTATIVE JOHNSON reported that it was a portion of it.

SENATOR AKLESTAD questioned the justification for putting the money into the community colleges.

REPRESENTATIVE JOHNSON said that the original budget proposal had the community colleges being put into the system, adding that the \$372,000 shown on page E-34 was for the first year of the biennium and the cost in addition to that was originally going to be \$1.705 million. It later was going to be \$2.1 million. He explained that even with the increase, students are educated less expensively than in the other university units. He concluded that each community college location pays the 6 mill levy and the

levy levied by the local community to keep up their community college.

AGRICULTURAL EXPERIMENT STATION

SENATOR JERGESON said looking on page E-37, the base budget for fiscal year '94 for the agricultural experiment station was \$10 million and the subcommittee action ultimately appropriated \$9.9 million which in an actual dollar amount would represent a cut. He said the agencies also do not participate in student tuition and they probably would have to face a UTU agreement for faculty salaries, which would represent another cut each year of the fiscal year. He asked **President Malone** what the impact was on these agencies.

President Malone related that there was a 2.5 percent vacancy savings cut imposed on these agencies to go toward the Governor's pay plan. The \$18 million biennial cut was not applied to the agencies. He added that the agencies are not inside the large lump for the university system. While they are not included in the \$18 million cut, if they took the agencies at MSU-Bozeman, their total faculty is approximately 190. There would be a problem as to how they would be funded because there is no tuition generated by their research and outreach related activities. He alleged they are faculty and the same principle would be applied as the UTU agreement, being efficiencies and better services for salaries, although the question of paying for them would have to be discussed with the Board of Regents.

SENATOR JERGESON asked **President Malone** if it could happen that to pay faculty salaries there could be elimination of faculty throughout the agencies.

President Malone remarked that the faculty should be treated as other faculty, at least roughly equivalent. He concluded that some cutting probably would have to be done in the agencies. The lump sum issue would come into play as to how much MSU-Bozeman or the university system could apply cutting other revenue sources for assistance in making the raises.

With respect to the experiment stations, **SENATOR JERGESON** said the different type of research projects would have to be reduced at any of the stations or seeing whether or not the mission at any station is maintained in order to handle the budget consequences.

President Malone said yes, the extent they would have to be RIF'd would depend on how much the system could assist them, adding that an open possibility would be closure of whole stations. He concluded that raises need to apply to those faculty in fairness to them.

BUREAU OF MINES

In questioning from SENATOR CHRISTIAENS regarding the groundwater assessment program, page E-46, item 2, whether they are still doing that, REPRESENTATIVE JOHNSON said that is what they are doing, and it is funded at the level stated there.

SECTION E - AMENDMENTS

OFFICE OF PUBLIC INSTRUCTION (OPI)

Motion: SENATOR JERGESON MOVED TO AMEND SECTION E-1. EXHIBIT 63

Discussion: SENATOR JERGESON maintained that it would restore the appropriation for five curriculum specialists in the area of basic education. He alleged that the specialists provide assistance to local school districts in curriculum development and improvements.

Vote: SENATOR JERGESON'S amendment motion EXHIBIT 63 FAILED ON A ROLL CALL VOTE.

Motion: SENATOR JERGESON MOVED TO AMEND SECTION E-1. EXHIBIT 64

Discussion: SENATOR JERGESON remarked that when vacancy savings are imposed in other agencies to pay for the pay plan, there is no anticipation that those vacancy savings requirements would necessarily result in RIFing those agency employees as would happen in OPI. He concluded that the cut exceeds the pay plan vacancy savings by \$374,581 and still would keep OPI below the 1994 base.

Vote: SENATOR JERGESON'S amendment motion EXHIBIT 64 FAILED ON A ROLL CALL VOTE.

Motion: SENATOR JERGESON MOVED TO AMEND SECTION E. EXHIBIT 65

Discussion: SENATOR JERGESON explained that the amendment would add \$139,000 each year of general fund to the vocational education budget of OPI that is restricted for vocational education, technical preparation for work, and school training for transition to jobs.

Vote: SENATOR JERGESON'S amendment motion FAILED ON A ROLL CALL VOTE.

SCHOOL FOR THE DEAF AND BLIND

Motion: SENATOR FRANKLIN MOVED TO AMEND SECTION E. EXHIBIT 66

Discussion: SENATOR FRANKLIN stated that the amendment would restore the amount of the 4 percent vacancy savings reduction imposed on the School for the Deaf and Blind.

SENATOR WATERMAN asked if the School for the Deaf and Blind had access to the contingency fund for smaller agencies to help them fund their vacancy savings.

Curt Nichols alleged that they did.

Vote: **SENATOR FRANKLIN'S** amendment motion **EXHIBIT 66 FAILED ON A ROLL CALL VOTE.**

Motion: **SENATOR FRANKLIN MOVED TO AMEND SECTION E. EXHIBIT 67**

Discussion: **SENATOR FRANKLIN** said it was her understanding that the School for the Deaf and Blind could not avail themselves to the contingency fund that was referred to. She described her proposed amendment **EXHIBIT 67** as reducing the vacancy savings rate from 4 percent to 2 percent on the programs for the School for the Deaf and Blind.

In response to **SENATOR FRANKLIN'S** question to **Mr. Nichols** regarding the contingency fund, he said the School did not apply for money in the current biennium.

REPRESENTATIVE JOHNSON commented that the explanation on the last sentence of the proposed amendment **EXHIBIT 67**, the added back total should be \$113,568 rather than \$144,159.

Vote: **SENATOR FRANKLIN'S** amendment motion **EXHIBIT 67 FAILED ON A ROLL CALL VOTE.**

OFFICE OF PUBLIC INSTRUCTION

Motion: **SENATOR LYNCH MOVED TO AMEND SECTION E. EXHIBIT 68**

Discussion: **SENATOR LYNCH** described the amendment as reinstating all funding for Goals 2000. He explained the money would funnel into all Montana school districts if approved by the federal government.

When asked by **SENATOR JENKINS** if the money was put in during subcommittee action and taken out on the House floor, **REPRESENTATIVE JOHNSON** declared that it was part of the new proposals by the Governor and the subcommittee voted to put the new proposal in.

In response to **SENATOR JENKINS'** question as to the function of the program, **REPRESENTATIVE JOHNSON** said it would distribute money for local communities. He claimed that a problem is that the program is not yet funded and if it is funded for the next biennium, it may not be funded again. He hoped that if the money was received that they would use it to supplement programs currently in place.

{Tape: 8; Side: a; Approx. Counter: ; Comments: .}

SENATOR JACOBSON commented that **REPRESENTATIVE JOHNSON** said that the money is not yet available, however because it was in the Governor's proposal and was considered by the subcommittee and had been in and out of the budget, it no longer qualified for a budget amendment. If it is not approved in HB 2 and if the money is forthcoming, it would be hard to get if it was not in this budget.

Vote: **SENATOR LYNCH'S** amendment motion **CARRIED ON A ROLL CALL VOTE.**

MONTANA UNIVERSITY SYSTEM

Motion: **SENATOR JERGESON** MOVED TO AMEND SECTION E. **EXHIBIT 69**

Discussion : **SENATOR JERGESON** maintained that the amendment reverses most of the cuts from the subcommittee for the lumped university system. It would restore \$18 million in general fund, which he noted that for the first time the Governor's office, university system and budget office basically agreed on the size of the university system budget. It would allow them to request budget amendments for tuition up to the total tuition level in the executive modified budget. It would strike language allowing the university system to seek a general fund supplemental appropriation if it did not collect tuition in excess of \$141.8 million.

REPRESENTATIVE JOHNSON said while he could not guarantee a supplemental, there never was a supplemental refused. He said we not only paid an \$18,254,000 supplemental for tuition but are currently about to pay \$846,000 more for a shortfall that was guaranteed to the university system in the 6 mill levy. He explained that the reason the majority of the committee put a \$15 million restriction and put that money aside to be a supplemental was to see if the university system would be willing to state how much tuition, general fund and millage they would accept and spend. He added the committee worked closely with the Commissioner of Higher Education and some Regents in an attempt to find a consensus in the whole program but that had not as yet been found.

SENATOR JACOBSON said while she was on the committee a number of supplemental requests were turned down when there were shortfalls in millage and for other reasons.

CHAIRMAN AKLESTAD explained to the committee that the amendment would be an \$18 million increase in general fund and approximately \$9 million increase of tuition.

SENATOR TOEWS said he had a problem in that a budget amendment could not be refused and the money could be spent.

Vote: SENATOR JERGESON'S amendment motion FAILED ON A ROLL CALL VOTE.

Motion: SENATOR JERGESON MOVED TO AMEND SECTION E-5. EXHIBIT 70

Discussion: SENATOR JERGESON described the amendment as increasing the general fund in the Commissioner of Higher Education's Office by \$800,000 for the biennium to restore funding for WICHE, WAMI and work study programs.

SENATOR WATERMAN questioned how \$1 million cut out of the Commissioner's Office could be part of the lump sum funding.

REPRESENTATIVE JOHNSON said in the budget breakdown comparison, they had the six units and the community colleges as one item, the community colleges as another item, the Commissioner's office as another item, and the agencies as another item. In making the numbered cuts, they did it that way figuring that the Commissioner's Office, the six units, community colleges would be wrapped together into the lump sum.

In questioning from SENATOR WATERMAN regarding the funding of the Commissioner's Office, REPRESENTATIVE JOHNSON said if the university system wanted to manage their system, this is one of the management tools they would have. They have asked for the lump sum, and he concluded that they will make whatever selection they have to run their system as they want to run it.

SENATOR WATERMAN stated her opinion that the subcommittee could have rolled all the budgets together and then made a lump sum cut to the budget and not identified \$1 million out of the Commissioner's Office.

REPRESENTATIVE JOHNSON referred to page E-25 that showed the lump sum funding is all together.

SENATOR JERGESON said in looking at the language in HB 2, the Commissioner's Office would still be separately accounted for from the rest of the university system. The rest of the system would be accounted for under CUBA. That would be a clearly identified area of the lumped budget and would be obvious since the \$1 million cut was identified when it was made from the Commissioner's Office, and there would be no choice but to take it from that office since they are not under CUBA. The portion of the university system getting a 19 percent increase in budget was not lumped in order to protect something, and the portion cut was lumped in order to protect the ability of legislators to blame the Regents. He alleged that the proposed amendment EXHIBIT 70 would specifically apply to the student assistance programs which are a part of the Commissioner's budget and part of the budget accounted for differently.

Vote: SENATOR JERGESON'S amendment motion FAILED ON A ROLL CALL VOTE.

OFFICE OF PUBLIC INSTRUCTION

Motion: SENATOR MOHL MOVED TO AMEND SECTION E-1. EXHIBIT 71

Discussion: In response to a request from SENATOR MOHL for an explanation of the amendment, REPRESENTATIVE JOHNSON explained that the amendment would appropriate \$55,000 per year from the state traffic education account to continue the school transportation safety program in OPI.

In questioning from SENATOR WATERMAN where the money would come from, REPRESENTATIVE JOHNSON said it would come out of fines and forfeitures.

SENATOR JACOBSON, noting her opposition to the amendment, indicated that SB 83 took all fines and forfeitures and de-earmarked them. It moved the driver's education program funding to a fee system where driver's license costs are now paying for driver's education programs. She declared that was appropriate because those programs are going to be giving the test to the students to get their driver's license. Taking those funds to fund other programs rather than using general fund is a terrible precedent.

Vote: SENATOR MOHL'S amendment motion EXHIBIT 71 FAILED ON A ROLL CALL VOTE.

With no further amendments, CHAIRMAN AKLESTAD asked for a motion to close Section E.

Motion/vote: SENATOR SWYSGOOD MOVED THAT SECTION E-HB 2 BE CLOSED.

Motion CARRIED with SENATORS CHRISTIAENS, FRANKLIN, JERGESON, WATERMAN OPPOSED.

BOILERPLATE LANGUAGEAMENDMENTS - BOILERPLATE

Motion: SENATOR KEATING MOVED TO AMEND BP-1. EXHIBIT 72

Discussion: SENATOR KEATING explained that the amendment would increase line item audit appropriations for legislative audits by an amount equal to the special revenue fund amount appropriated to the Legislative Auditor's office for the '97 biennium pay plan funding. He concluded that it is proprietary and would not increase the budget.

Vote: SENATOR KEATING'S amendment motion EXHIBIT 72 FAILED ON A ROLL CALL VOTE.

Amendment discussion: Clayton Schenck, explained regarding amendment hb000210.a15, that in the boilerplate of HB 2, two new sections were added on the House floor. One section that dealt with workers' compensation costs would reduce the budget by the amount of any potential decrease in workers' compensation costs that agencies pay. Another section added would require that any vacancy savings attained by executive branch agencies would have to come out of the base.

Motion: SENATOR JACOBSON MOVED TO AMEND BP-2. EXHIBIT 73

Discussion: In questioning from SENATOR SWYSGOOD if the insertion dealt with the workers' compensation modification factor, Mr. Schenck said it did. He asked Taryn Purdy to explain the amendment.

Taryn Purdy, LFA, reported that this would exclude the calculations that agencies have to make for the money they have to give back. It would exclude any savings they may get merely from a change in their workers' compensation experience factors.

Vote: SENATOR JACOBSON'S amendment motion EXHIBIT 73 CARRIED UNANIMOUSLY ON A VOICE VOTE.

Motion: SENATOR JACOBSON MOVED TO AMEND BP-2. EXHIBIT 74

Discussion: SENATOR JACOBSON indicated that the amendment clarified REPRESENTATIVE COBB'S amendment.

Substitute motion: SENATOR WATERMAN MADE A SUBSTITUTE MOTION TO REMOVE SECTION 10.

Discussion: SENATOR SWYSGOOD commented that the language offered in the House by REPRESENTATIVE COBB would require that the budget director reduce the FTE's in the '99 budget by the number equivalent to the actual vacancy savings that were applied. He maintained that would tell the executive what they had to do regarding the budgeting process. With this language, the budget director would have no other choice than to remove those positions from the budget.

CHAIRMAN AKLESTAD indicated that the substitute motion would be to strip the language, Section 10, which would not require the budget office to comply with the vacancy savings.

SENATOR SWYSGOOD remarked that the language stated that the budget director must reduce the FTE's by the number of vacancy savings that were applied in the biennium being addressed in the next budgeting process. If vacancy savings are not liked, he maintained they should be done away with in the legislative process.

Vote: SENATOR WATERMAN'S substitute amendment CARRIED ON A VOICE VOTE with SENATORS BECK, BURNETT OPPOSED.

Motion/vote: SENATOR JACOBSON MOVED THAT BOILERPLATE SECTION-HB 2 BE CLOSED.

SENATOR JACOBSON'S motion CARRIED UNANIMOUSLY.

DISCUSSION ON HB 2 EXECUTIVE ACTION

CHAIRMAN AKLESTAD informed the committee that executive action would not be taken on HB 2 at this time.

SENATOR JERGESON questioned when committee action would be taken on the bill and when it would be on the Senate floor.

CHAIRMAN AKLESTAD indicated it would be on the floor of the Senate at the end of the next week, and he thought executive action on HB 2 would be in Senate Finance and Claims Committee on Tuesday, March 28.

SENATOR JERGESON asked if HB 2 could be printed and ready for the full Senate by the following Thursday or Friday.

CHAIRMAN AKLESTAD said after talking with the LFA, delaying the vote would cause a larger problem than anticipated and he therefore would entertain a motion on the bill at this time. He informed SENATOR SWYSGOOD that the bill would not pass out of the committee but that the LFA could begin working on the bill.

When questioned by SENATOR SWYSGOOD how long it would take the LFA to print the bill, Mr. Schenck explained that once the bill is passed, it would take approximately 24 hours to get it prepared for printing and then back from printing. He could not commit to the printing schedule. If scheduled in advance, the printing office would schedule it in. With short notice, he did not know how long it would take them to print the bill.

SENATOR WATERMAN questioned why HB 2 would not be passed out of finance and claims committee tonight.

CHAIRMAN AKLESTAD explained that it was in the event that action would be reconsidered on any portion of the bill. The bill would be kept in committee if there was a motion to concur in the bill tonight. The LFA would then know what was in the bill, and the bill would begin the printing process.

SENATOR SWYSGOOD voiced concern if action was taken on the bill and printing began that a problem could develop if there were further amendments, and printing would have to be done again.

CHAIRMAN AKLESTAD reported to the committee that action would not be taken on HB 2 until the first of the following week.

In questioning from SENATOR JERGESON regarding voting taking place in a forum to which the public may not have access,


CHAIRMAN AKLESTAD alleged that the forum would be the Senate Finance and Claims Committee.

CHAIRMAN AKLESTAD thanked REPRESENTATIVE JOHNSON and staff for their presentation of Section E of the budget.

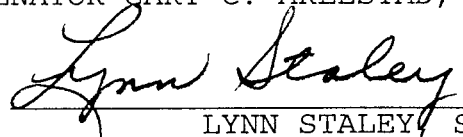
(HB 2 AND HB 2 NARRATIVE MARKED AS EXHIBIT 75 TO THESE MINUTES)

ADJOURNMENT

Adjournment: 6:20 P.M., March 24, 1995



SENATOR GARY C. AKLESTAD, Chairman



LYNN STALEY, Secretary

GCA/LS

MONTANA SENATE
1995 LEGISLATURE
FINANCE AND CLAIMS COMMITTEE

ROLL CALL

DATE

3/23/95

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 SENATE
1995 LEGISLATURE
FINANCE AND CLAIMS COMMITTEE

ROLL CALL

DATE

3/24/95

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 SENATE
1995 LEGISLATURE
FINANCE AND CLAIMS COMMITTEE
ROLL CALL VOTE

DATE 3/23/95 BILL NO. 742 NUMBER

MOTION: Senator Franklin amendment
motion - Exhibit 6
Failed

NAME	AYE	NO
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		✓

MONTANA SENATE
1995 LEGISLATURE
FINANCE AND CLAIMS COMMITTEE
ROLL CALL VOTE

DATE 3/23/95 BILL NO. 75B2 NUMBER _____

MOTION: Senator Franklin amendment
motion - Exhibit 7
Failed

NAME	AYE	NO
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		✓

MONTANA SENATE
1995 LEGISLATURE
FINANCE AND CLAIMS COMMITTEE
ROLL CALL VOTE

DATE 8/23/95 BILL NO. NP 2 NUMBER _____

MOTION: Senator Jacobson amendment
motion - Exhibit 8
Failed

NAME	AYE	NO
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		✓

MONTANA SENATE
1995 LEGISLATURE
FINANCE AND CLAIMS COMMITTEE
ROLL CALL VOTE

DATE 3/23/95 BILL NO. HB 2 NUMBER _____

MOTION: Senator Mohl amendment
motion - Exhibit 9
carried

NAME	AYE	NO
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		✓

MONTANA SENATE
1995 LEGISLATURE
FINANCE AND CLAIMS COMMITTEE
ROLL CALL VOTE

DATE 3/23/95 BILL NO. HB 2 NUMBER _____

MOTION: Sen. Beck amendment
motion - Exhibit 11
Failed

NAME	AYE	NO
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		✓

MONTANA SENATE
1995 LEGISLATURE
FINANCE AND CLAIMS COMMITTEE
ROLL CALL VOTE

DATE 3/23/95 BILL NO. HB 2 NUMBER _____

MOTION: Senator Swysgood amendment
motion - Exhibit 15
Failed

NAME	AYE	NO
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		✓

MONTANA SENATE
1995 LEGISLATURE
FINANCE AND CLAIMS COMMITTEE
ROLL CALL VOTE

DATE 3/23/95 BILL NO. HB 2 NUMBER _____

MOTION: Senator Jergeson amendment motion -
Exhibit 16
Failed

NAME	AYE	NO
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

MONTANA SENATE
1995 LEGISLATURE
FINANCE AND CLAIMS COMMITTEE
ROLL CALL VOTE

DATE 3/23/95 BILL NO. HB 2 NUMBER _____

MOTION: Senator Jergeson amendment number
2 of Exhibit 17.
Failed

NAME	AYE	NO
SWYSGOOD, CHUCK		✓
BURNETT, JIM		✓
MOHL, ARNIE		✓
JERGESON, GREG	✓	
FRANKLIN, EVE	<i>Excused</i>	
TVEIT, LARRY	<i>Excused</i>	
JENKINS, LOREN		✓
JACOBSON, JUDY		✓
LYNCH, J.D.	<i>Excused</i>	
HARDING, ETHEL		✓
TOEWS, DARYL		✓
CHRISTIAENS, B.F. "CHRIS"	✓	
WATERMAN, MIGNON	✓	
KEATING, TOM - VICE CHAIRMAN		✓
BECK, TOM		✓
AKLESTAD, GARY - CHAIRMAN		✓

MONTANA SENATE
1995 LEGISLATURE
FINANCE AND CLAIMS COMMITTEE
ROLL CALL VOTE

DATE 3/13/95 BILL NO. 7 SB 2 NUMBER _____

MOTION: Senator Christiaens substitute
motion to amend Section B - Exhibit 22.
Failed

NAME	AYE	NO
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		✓

MONTANA SENATE
1995 LEGISLATURE
FINANCE AND CLAIMS COMMITTEE
ROLL CALL VOTE

DATE 3/23/95 BILL NO. HB 2 NUMBER _____

MOTION: Senator Lynch amendment
motion - Exhibit 24.
failed

NAME	AYE	NO
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

MONTANA SENATE
1995 LEGISLATURE
FINANCE AND CLAIMS COMMITTEE
ROLL CALL VOTE

DATE 3/23/95 BILL NO. HB2 NUMBER _____

MOTION: Senator Lynch amendment motion -
Rephrased 2,6
Failed

NAME	AYE	NO
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		✓

MONTANA SENATE
1995 LEGISLATURE
FINANCE AND CLAIMS COMMITTEE
ROLL CALL VOTE

DATE 3/23/95 BILL NO. HB2 NUMBER

MOTION: Senator Swysgood amendment motion -
Exhibit 27
carried

NAME	AYE	NO
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		✓

MONTANA SENATE
1995 LEGISLATURE
FINANCE AND CLAIMS COMMITTEE
ROLL CALL VOTE

DATE 3/23/95 BILL NO. 7HB2 NUMBER _____

MOTION: Senators Support amendment
motion - Exhibit 28
failed

NAME	AYE	NO
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		✓

MONTANA SENATE
1995 LEGISLATURE
FINANCE AND CLAIMS COMMITTEE
ROLL CALL VOTE

DATE 3/23/95 BILL NO. HB 2 NUMBER _____

MOTION: Senator Jacobson amendment
motion - Exhibit 30
carried

NAME	AYE	NO
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

MONTANA SENATE
1995 LEGISLATURE
FINANCE AND CLAIMS COMMITTEE
ROLL CALL VOTE

DATE 3/23/95 BILL NO. HB 2 NUMBER _____

MOTION: Senator Lynch amendment
motion - Exhibit 33
failed

NAME	AYE	NO
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		✓

MONTANA SENATE
1995 LEGISLATURE
FINANCE AND CLAIMS COMMITTEE
ROLL CALL VOTE

DATE 3/23/95 BILL NO. HP 2 NUMBER _____

MOTION: Senator Lynch amendment
motion - Exhibit 34
Carried

NAME	AYE	NO
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		✓

MONTANA SENATE
1995 LEGISLATURE
FINANCE AND CLAIMS COMMITTEE
ROLL CALL VOTE

DATE 3/24/95 BILL NO. NB2 NUMBER _____

MOTION: Senator Jergeson Amendment
nation - Exhibit 38
failed

NAME	AYE	NO
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		✓

MONTANA SENATE
1995 LEGISLATURE
FINANCE AND CLAIMS COMMITTEE
ROLL CALL VOTE

DATE 3/24/95 BILL NO. HB2 NUMBER _____

MOTION: Senator Waterman amendment
motion - Exhibit 40.
failed

NAME	AYE	NO
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		✓

MONTANA SENATE
1995 LEGISLATURE
FINANCE AND CLAIMS COMMITTEE
ROLL CALL VOTE

DATE 3/24/95 BILL NO. HB 2 NUMBER _____

MOTION: Senator Jacobson amendment
motion - Exhibit 41.
failed

NAME	AYE	NO
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		✓

MONTANA SENATE
1995 LEGISLATURE
FINANCE AND CLAIMS COMMITTEE
ROLL CALL VOTE

DATE 3/24/95 BILL NO. 782 NUMBER _____
 MOTION: Senator Harding amendment
motion - Exhibit 42
carried

NAME	AYE	NO
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		✓

MONTANA SENATE
1995 LEGISLATURE
FINANCE AND CLAIMS COMMITTEE
ROLL CALL VOTE

DATE 3/24/95 BILL NO. HB 2 NUMBER _____

MOTION: Senators Beck amendment motion -
Exhibit 44
Failed

NAME	AYE	NO
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		✓

MONTANA SENATE
1995 LEGISLATURE
FINANCE AND CLAIMS COMMITTEE
ROLL CALL VOTE

DATE 3/24/95 BILL NO. HB 2 NUMBER _____

MOTION: Senator Jergeson amendment
motion - Exhibit 43
failed

NAME	AYE	NO
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		✓

MONTANA SENATE
1995 LEGISLATURE
FINANCE AND CLAIMS COMMITTEE
ROLL CALL VOTE

DATE 3/24/95 BILL NO. HB2 NUMBER _____

MOTION: Senator Waterman Motion to amend -
Exhibit 45

Failed

NAME	AYE	NO
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		✓

MONTANA SENATE
1995 LEGISLATURE
FINANCE AND CLAIMS COMMITTEE
ROLL CALL VOTE

DATE 3/24/95 BILL NO. HB 2 NUMBER _____

MOTION: Senator Waterman amendment
motion - Exhibit 46.

Failed

NAME	AYE	NO
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

MONTANA SENATE
1995 LEGISLATURE
FINANCE AND CLAIMS COMMITTEE
ROLL CALL VOTE

DATE 3/24/95 BILL NO. HB 2 NUMBER _____

MOTION: Senator Waterman amendment
motion - Exhibit 47
failed

NAME	AYE	NO
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		✓

MONTANA SENATE
1995 LEGISLATURE
FINANCE AND CLAIMS COMMITTEE
ROLL CALL VOTE

DATE 3/24/95 BILL NO. HB2 NUMBER _____

MOTION: Senator Swysgood motion
to close Section D - HB2.
Carried

NAME	AYE	NO
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	✓	

MONTANA SENATE
1995 LEGISLATURE
FINANCE AND CLAIMS COMMITTEE
ROLL CALL VOTE

DATE 3/24/95 BILL NO. HB 2 NUMBER _____

MOTION: Senator Christain motion to
amend - Exhibit 51
failed

NAME	AYE	NO
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		✓

MONTANA SENATE
1995 LEGISLATURE
FINANCE AND CLAIMS COMMITTEE
ROLL CALL VOTE

DATE 3/24/95 BILL NO. HB 2 NUMBER _____

MOTION: Senator Christiaens' Amendment
motion - Exhibit 52.
failed

NAME	AYE	NO
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		✓

MONTANA SENATE
1995 LEGISLATURE
FINANCE AND CLAIMS COMMITTEE
ROLL CALL VOTE

DATE 3/24/95 BILL NO. 202 NUMBER _____
 MOTION: Senator Franklin motion to amend
Section B - Exhibit 53
Failed

NAME	AYE	NO
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		✓

MONTANA SENATE
1995 LEGISLATURE
FINANCE AND CLAIMS COMMITTEE
ROLL CALL VOTE

DATE 3/24/95 BILL NO. HB 2 NUMBER _____

MOTION: Senator Christiaens' motion to
amend Section B- Exhibit 55;
failed

NAME	AYE	NO
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		✓

MONTANA SENATE
1995 LEGISLATURE
FINANCE AND CLAIMS COMMITTEE
ROLL CALL VOTE

DATE 3/24/95 BILL NO. HB2 NUMBER _____

MOTION: Senator Jenkins amendment
motion - Exhibit 59.
failed

NAME	AYE	NO
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	✓	

MONTANA SENATE
1995 LEGISLATURE
FINANCE AND CLAIMS COMMITTEE
ROLL CALL VOTE

DATE 3/24/95 BILL NO. NB2 NUMBER _____

MOTION: Senator Jacobson amendment
motion - Exhibit 60.
carried

NAME	AYE	NO
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

MONTANA SENATE
1995 LEGISLATURE
FINANCE AND CLAIMS COMMITTEE
ROLL CALL VOTE

DATE 3/24/95 BILL NO. HB 2 NUMBER _____

MOTION: Senator Jenkins motion to amend
Section C. Exhibit 61.
carried

NAME	AYE	NO
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

MONTANA SENATE
1995 LEGISLATURE
FINANCE AND CLAIMS COMMITTEE
ROLL CALL VOTE

DATE 3/24/95 BILL NO. SB 2 NUMBER _____

MOTION: Senator Jergeson Amendment
nation - Section E - Exhibit 63
Failed

NAME	AYE	NO
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		✓

MONTANA SENATE
1995 LEGISLATURE
FINANCE AND CLAIMS COMMITTEE
ROLL CALL VOTE

DATE 3/24/95 BILL NO. HB 2 NUMBER _____

MOTION: Senator Jergeson amendment motion.
Section E. Exhibit 64
Failed

NAME	AYE	NO
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		✓

MONTANA SENATE
1995 LEGISLATURE
FINANCE AND CLAIMS COMMITTEE
ROLL CALL VOTE

DATE 3/24/95 BILL NO. HB 2 NUMBER _____

MOTION: Senator Jergeson amendment motion -
Section E. Exhibit 65
failed

NAME	AYE	NO
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

MONTANA SENATE
1995 LEGISLATURE
FINANCE AND CLAIMS COMMITTEE
ROLL CALL VOTE

DATE 3/24/95 BILL NO. HB 2 NUMBER _____

MOTION: Senator Franklin Amendment motion -
Section E. Exhibit 66.
Failed

NAME	AYE	NO
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		✓

MONTANA SENATE
1995 LEGISLATURE
FINANCE AND CLAIMS COMMITTEE
ROLL CALL VOTE

DATE 3/24/95 BILL NO. NB 2 NUMBER _____

MOTION: Senators Franklin amendment motion -
Section E. Exhibit 67
failed

NAME	AYE	NO
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		✓

MONTANA SENATE
1995 LEGISLATURE
FINANCE AND CLAIMS COMMITTEE
ROLL CALL VOTE

DATE 3/24/95 BILL NO. HB 2 NUMBER _____

MOTION: Senator Lynch amendment motion.
Exhibit 68
carried

NAME	AYE	NO
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

MONTANA SENATE
1995 LEGISLATURE
FINANCE AND CLAIMS COMMITTEE
ROLL CALL VOTE

DATE 3/24/95 BILL NO. HB2 NUMBER _____

MOTION: Senator Jergeson moved to amend
Section E. Exhibit 69
failed

NAME	AYE	NO
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		✓

MONTANA SENATE
1995 LEGISLATURE
FINANCE AND CLAIMS COMMITTEE
ROLL CALL VOTE

DATE 3/24/95 BILL NO. HB2 NUMBER _____

MOTION: Senator Jergeson Amendment motion -
Section E. Exhibit 70.
Failed

NAME	AYE	NO
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		✓

MONTANA SENATE
1995 LEGISLATURE
FINANCE AND CLAIMS COMMITTEE
ROLL CALL VOTE

DATE 3/24/95 BILL NO. HB 2 NUMBER _____

MOTION: Senator Mohl motion to amend Section E.
to prohibit 71
failed

NAME	AYE	NO
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 <i>Excused</i>		
BECK, TOM		✓
AKLESTAD, GARY - CHAIRMAN		✓

MONTANA SENATE
1995 LEGISLATURE
FINANCE AND CLAIMS COMMITTEE
ROLL CALL VOTE

DATE 3/24/95 BILL NO. 252 NUMBER _____

MOTION: Senator Keating amendment motion.
Exhibit 72
failed

NAME	AYE	NO
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		✓

Rationale for Budget Request -- Montana Consensus Council

SENATE FINANCE AND CLAIMS

ENROLLMENT NO. 1

DATE 3/23/95

BILL NO. HB 2

1. What is the Montana Consensus Council?

- * The Council provides a forum to solve natural resource problems.
- * The Council helps individuals and groups with diverse viewpoints to design and manage processes that lead to agreement on natural resource issues.
- * The Council is nonpartisan. It is not an advocate for any particular interest.

2. The Consensus Council has produced effective results.

- * The Council has helped Montanans build agreement on:
 - * recreational access to state lands
 - * instream flow policy
 - * other natural resource issues
- * The Council has saved citizens, organizations, and agencies time and money -- it has provided a positive return on the initial investment.
- * The Council has had far more demand for its services than it can supply.

3. As promised in the original proposal to the 1993 legislature, the Council is moving toward a "public-private partnership."

- * In 1994, 12% of the Council's budget came from private sources.
- * During the 1996/1997 biennium, the Council is committed to raising 25% of its budget (\$44,002) from private sources.
- * The Council requests the remaining 75% of its biennial budget (\$132,005) from a legislative appropriation.

4. To maintain its effectiveness, the Council is committed to:

- * Building on the visibility and credibility of being associated with state government.
- * Securing funding from both public and private sources.

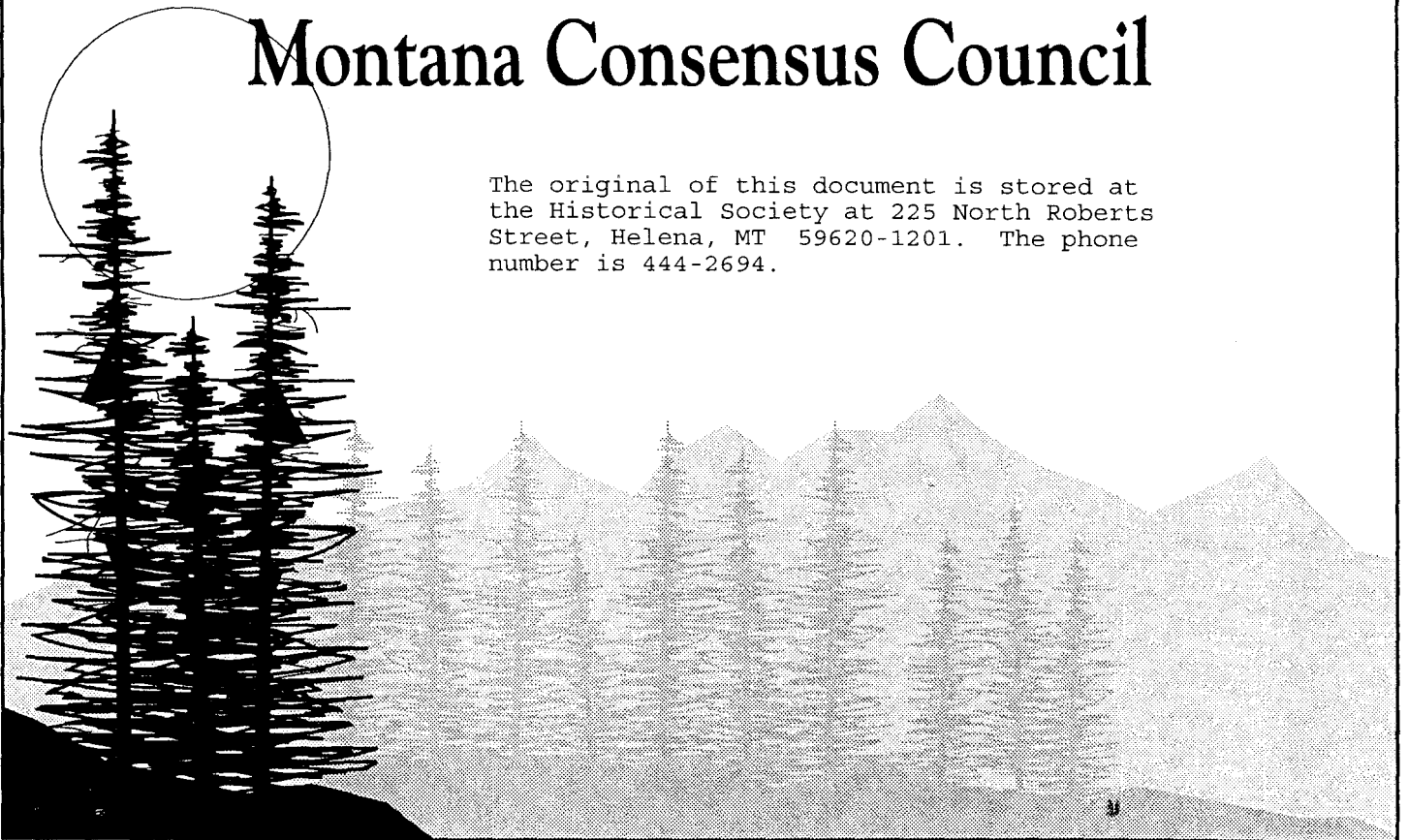
Building Agreement on Natural Resources

EXHIBIT 1
DATE 3-23-95
HB 2

1994 Annual Report

Montana Consensus Council

The original of this document is stored at the Historical Society at 225 North Roberts Street, Helena, MT 59620-1201. The phone number is 444-2694.



Network Communication Cost Estimates State & Local County Government Computer Systems

ESTIMATE NO. 2

DATE 3/23/85

BILL NO. 2

County	Computer System	Line Installation	System Connection	Initial Costs (FY96-97)			Hard Drive Upgrade	TOTAL	Ongoing Costs				TOTAL	
				Sys Profiles Vendors	PC Connection				(Network Fees) FY96	FY97	File Trans/Stor Costs	FY96	FY97	FY96
Silver Bow	IBM System 36	160	\$4,500					\$4,660	\$480	\$480	\$319	\$319	\$799	\$799
Cascade	AS/400	160	\$4,500					\$4,660	\$480	\$480	\$460	\$460	\$940	\$940
Yellowstone	AS/400	160	\$4,500		\$300			\$4,960	\$480	\$480	\$588	\$588	\$1,068	\$1,068
Missoula	Unisys A14	160	\$4,500					\$4,660	\$480	\$480	\$383	\$383	\$863	\$863
Lewis & Clark	AS/400	160	\$4,500					\$4,660	\$480	\$480	\$319	\$319	\$799	\$799
Gallatin	NCR 9300	160	\$4,500					\$4,660	\$480	\$480	\$319	\$319	\$799	\$799
Flathead	Unisys A7	160	\$4,500					\$4,660	\$480	\$480	\$383	\$383	\$863	\$863
Fergus	IBM RS6000	160	\$2,500		\$300			\$2,960	\$480	\$480	\$128	\$128	\$608	\$608
Powder River	Unisys	160			\$300	\$0	\$250	\$710	\$480	\$480	\$50	\$50	\$530	\$530
Carbon	Alpha - Micro	160			\$300	\$0	\$250	\$710	\$480	\$480	\$128	\$128	\$608	\$608
Phillips	Zenix (PC Application)	160			\$300			\$710	\$480	\$480	\$50	\$50	\$530	\$530
Hill	IBM RS6000	160	\$2,500		\$300	1		\$2,960	\$480	\$480	\$128	\$128	\$608	\$608
Ravalli	AS/400	160	\$4,500					\$4,660	\$480	\$480	\$255	\$255	\$735	\$735
Custer	NCR Mod 0704	160			\$300	\$0	\$250	\$710	\$480	\$480	\$128	\$128	\$608	\$608
Lake		160			\$300	\$0	\$250	\$710	\$480	\$480	\$255	\$255	\$735	\$735
Dawson	NCR Tower 32 - 600	160			\$300	\$0	\$250	\$710	\$480	\$480	\$128	\$128	\$608	\$608
Roosevelt	NCR 3410	160			\$300			\$2,960	\$480	\$480	\$50	\$50	\$530	\$530
Beaverhead	IBM RS6000	160	\$2,500		\$300			\$2,960	\$480	\$480	\$128	\$128	\$608	\$608
Chouteau	IBM System 36	160	\$4,500		\$300			\$4,960	\$480	\$480	\$128	\$128	\$608	\$608
Valley	RS6000	160	\$2,500		\$300			\$2,960	\$480	\$480	\$128	\$128	\$608	\$608
Toole	Arcus	160			\$300	\$0	\$250	\$710	\$480	\$480	\$50	\$50	\$530	\$530
Big Horn	AT&T 3B2 - 500	160			\$300	\$0	\$250	\$710	\$480	\$480	\$128	\$128	\$608	\$608
Musselshell	AT&T 3B2 - 500	160			\$300	\$0	\$250	\$710	\$480	\$480	\$50	\$50	\$530	\$530
Blaine	IBM System 36	160	\$4,500		\$300			\$4,960	\$480	\$480	\$50	\$50	\$530	\$530
Madison	*	160			\$300	\$2,800		\$3,260	\$480	\$480	\$128	\$128	\$608	\$608
Pondera	AS/400	160	\$4,500		\$300			\$4,960	\$480	\$480	\$50	\$50	\$530	\$530
Richland	IBM RS6000	160	\$2,500		\$300			\$2,960	\$480	\$480	\$50	\$50	\$530	\$530
Powell	IBM RS6000	160	\$2,500		\$300			\$2,960	\$480	\$480	\$50	\$50	\$530	\$530
Rosebud	IBM RS6000	160	\$2,500		\$300	\$0	\$250	\$3,210	\$480	\$480	\$128	\$128	\$608	\$608
Deer Lodge		160			\$300	\$0	\$250	\$710	\$480	\$480	\$50	\$50	\$530	\$530
Teton	Novell Network	160			\$300	\$0	\$250	\$710	\$480	\$480	\$50	\$50	\$530	\$530
Stillwater	Alpha Micro	160			\$300	\$0	\$250	\$710	\$480	\$480	\$50	\$50	\$530	\$530
Treasure								\$0						
Sheridan	IBM RS6000	160	\$2,500		\$300			\$2,960	\$480	\$480	\$50	\$50	\$530	\$530
Sanders	IBM System 36	160	\$4,500		\$300			\$4,960	\$480	\$480	\$50	\$50	\$530	\$530

Network Communication Cost Estimates State & Local County Government Computer Systems

County	Computer System	Line Installation	System Connection	Initial Costs (FY96-97)			Hard Drive Upgrade	TOTAL	Ongoing Costs			TOTAL	
				Sys Profiles Vendors	PC Connection	(Network Fees)			FY96	FY97	File Trans/Stor Costs	FY96	FY97
Judith Basin	MEGA	\$160		\$300	\$0	\$480	\$250	\$710	\$480	\$480	\$50	\$530	\$530
Daniels	AT&T #B2-500	\$160		\$300	\$0	\$480	\$250	\$710	\$480	\$480	\$50	\$530	\$530
Glacier	IBM RS6000	\$160	\$2,500	\$300		\$480		\$2,960	\$480	\$480	\$50	\$530	\$530
Fallon	IBM RS6000	\$160	\$2,500	\$300	\$0	\$480	\$250	\$3,210	\$480	\$480	\$50	\$530	\$530
Sweet Grass								\$0					
McCone	Novell Network	\$160		\$300	\$0	\$480	\$250	\$710	\$480	\$480	\$50	\$530	\$530
Carter								\$0					
Broadwater	IBM RS6000	\$160	\$2,500	\$300		\$480		\$2,960	\$480	\$480	\$50	\$530	\$530
Wheatland	MEGA	\$160		\$300	\$0	\$480	\$250	\$710	\$480	\$480	\$50	\$530	\$530
Prairie								\$0					
Granite	IBM ST250	\$160		\$300	\$0	\$480	\$250	\$710	\$480	\$480	\$50	\$530	\$530
Meagher	IBM RS6000	\$160	\$2,500	\$300		\$480		\$2,960	\$480	\$480	\$50	\$530	\$530
Liberty	IBM RT	\$160		\$300	\$0	\$480	\$250	\$710	\$480	\$480	\$50	\$530	\$530
Park	IBM RS6000	\$160	\$2,500	\$300		\$480		\$2,960	\$480	\$480	\$128	\$608	\$608
Garfield	NCR Tower 32-600	\$160		\$300	\$0	\$480	\$250	\$710	\$480	\$480	\$50	\$530	\$530
Jefferson	IBM RS6000	\$160	\$2,500	\$300		\$480		\$2,960	\$480	\$480	\$128	\$608	\$608
Wibaux								\$0					
Golden Valley								\$0					
Mineral	Novell Network	\$160		\$300	\$0	\$480	\$250	\$710	\$480	\$480	\$50	\$530	\$530
Petroleum	DOS SDLC (IBM Comp)	\$160		\$300	\$0	\$480	\$250	\$710	\$480	\$480	\$50	\$530	\$530
Lincoln	IBM RS6000	\$160	\$2,500	\$300		\$480		\$2,960	\$480	\$480	\$255	\$735	\$735
TOTALS		\$8,000	\$91,500	\$12,900	\$2,800	\$24,000	\$6,000	\$121,200	\$24,000	\$24,000	\$6,472	\$30,472	\$30,472

* SDLC Drops only!

LAN Offsite Locations

No County Computer System

Amendments to House Bill No. 2
Third Reading Copy

For the Senate Finance and Claims Committee

Prepared by Lorene Thorson
March 22, 1995

SENATE FINANCE AND CLAIMS
EXHIBIT NO. 3
DATE 3/23/95
BILL NO. HB2

carried

1. Page A-1, line 10. (Narr. A-4)

Strike: "791,689" "816,993"

Insert: "784,915" "810,219"

LFA will adjust totals.

This amendment reduces the appropriation for the Office of the Legislative Fiscal Analyst by \$13,548 general fund in the 1997 biennium. It restores 0.8 FTE (\$35,014), but imposes a vacancy savings reduction of 3.4 percent (\$48,562). The 0.8 is an existing FTE that is currently filled.

{ Office of Legislative Fiscal Analyst

444-2986}

SENATE FINANCE AND CLAIMS

EXHIBIT NO. 4

Amendments to House Bill No. 2
Third Reading Copy

DATE 3/23/95

BILL NO. 2082

Requested by Senator Christiaens
For the Senate Finance and Claims Committee

withdrawn

Prepared by L. Thorson
March 22, 1995

1. Page A-4, following line 15. (Narr. A-39)
Insert: "7. Mental Disabilities Board of Visitors (20)"
"147,737 154,912" (general fund 1996 and 1997)
"61,611 61,972" (federal funds 1996 and 1997)

LFA will adjust totals.

This amendment provides funding for the Mental Disabilities Board of Visitors and 4.5 FTE.

{Office of Legislative Fiscal Analyst

444-2986}

Amendments to House Bill No. 2
Third Reading Copy

For the Committee on Senate Finance and Claims

Prepared by Lisa Mader
March 22, 1995

Carried

1. Page A-1, line 4.

Strike: "1,391,527"

Insert: "1,396,073"

"2,634,759"

"2,639,305"

"1,406,699"

"1,411,236"

"2,649,824"

"2,654,361"

2. Page A-1, line 7.

Strike: "1,391,527"

Strike: "1,396,073"

"2,634,759"

"2,639,305"

"1,406,699"

"1,411,236"

"2,649,824"

"2,654,361"

This amendment reestablishes the personal services costs associated with the Legislative Audit Committee.

{Office of Legislative Fiscal Analyst

444-2986}

Amendments to House Bill No. 2
Third Reading Copy

For the Senate Finance and Claims Committee

Prepared by L. Thorson
March 23, 1995

Twisted

1. Page A-3, line 24.
Strike: "975,273"
Insert: "945,273"

LFA will adjust totals.

This amendment removes \$30,000 general fund in fiscal 1996 from the Executive Program of the Office of the Governor. This money was originally appropriated to fund a new proposal to purchase scanner/optical media storage equipment and the corresponding software.

{Office of Legislative Fiscal Analyst

444-2986}

Amendments to House Bill No. 2
Third Reading CopyRequested by Senator Franklin
For the Committee on Senate Finance & Claims*Failed*Prepared by Lisa Mader
March 23, 1995

1. Page A-11.

Following: line 17

Insert: "e. Hearing Device & Interpreter Services"

"18,250" (general fund 1996) "10,000" (general fund 1997)

LFA will amend totals.

This amendment adds \$28,250 general fund to the Department of Administration to establish contracts for interpreter services and to purchase listening assistive and decoding devices to allow hearing impaired persons to participate in government proceedings. This funding will allow general fund agencies to utilize these services. Non-general fund agencies will pay directly for the services.

{Office of Legislative Fiscal Analyst

444-2986}

SENATE FINANCE AND CLAIMS
DEPOSIT NO. 8
DATE 3/23/95
BILL NO. HB 2
Failed

Amendments to House Bill No. 2
Third Reading Copy

Requested by Senator Jacobson
For the Senate Finance and Claims Committee

Prepared by L. Thorson
March 23, 1995

1. Page A-5, line 16. (Narr. A-45 and A-48)

Strike: "1,185,826 1,173,397" (general fund fiscal years 1996 and 1997)

Insert: "1,359,351 1,347,433" (general fund fiscal years 1996 and 1997)

LFA will adjust totals.

This amendment would restore the funding for the Small Employer Health Insurance Availability Act and 2.0 FTE as requested in the Executive Budget.

{ Office of Legislative Fiscal Analyst

444-2986}

Amendments to House Bill No. 2
Third Reading CopyRequested by Senator Mohl
For the Senate Finance & Claims CommitteePrepared by Skip Culver
March 22, 1995*carried*

1. Page A-6, line 21. (Narrative A-64)

Strike: "63,740,593" "70,559,578"
Insert: "71,240,593" "78,059,578"

LFA will amend totals

EXPLANATION: This amendment increases the amount for the state funded construction program by \$7.5 million per year from highway special revenue funds.

{Office of Legislative Fiscal Analyst

444-2986}

Amendments to House Bill No.
Third Reading CopyRequested by Senator Mohl
For Senate Finance & ClaimsPrepared by Skip Culver
March 22, 1995

1. Page A-8. (Narrative N/A)

Following: line 5.

Insert: "If the total net revenue from the fuel tax exceeds the revenue estimate established by the revenue oversight committee, the department shall increase the urban and secondary appropriations included in item 2 by the amount the revenue estimate is exceeded, up to \$15 million for the biennium. The increase must be divided on a 60% urban/40% secondary basis. The increase is contingent on the failure of House Bill No. 297 to become law."

EXPLANATION: HB 297 increases the statutory appropriation for cities and counties by \$7.5 million per year. This amendment offers an alternative use for these funds should HB297 fail to pass. Not enough revenue is projected to fund both HB297 and this amendment to HB2.

{Office of Legislative Fiscal Analyst

444-2986}

SENATE FINANCE AND CLAIMS

EXHIBIT NO. 11

DATE 3/23/95

BILL NO. NB2

Amendments to House Bill No. 2
Third Reading Copy

Requested by Senator Beck
For the Senate Finance and Claims Committee

Prepared by Lorene Thorson
March 20, 1995

Laceil

1. Page A-4, following line 1. (Narr. A-31)

Insert: "b. Montana Consensus Council"

"65,998 66,007" (general fund 1996 and 1997)

"21,999 22,003" (state special revenue 1996 and 1997)

LFA will adjust totals.

This amendment would fund the Montana Consensus Council in the Governor's Office. This amendment funds the proposal at the level requested by the executive - \$87,997 in fiscal 1996 and \$88,010 in fiscal 1997, including 1.75 FTE.

{Office of Legislative Fiscal Analyst

444-2986}

Amendments to House Bill No. 2
Third Reading Copy

SENATE FINANCE AND CLAIMS
EXHIBIT NO. 1/2
DATE 3/23/95
BILL NO. 7432

For the Committee on Senate Finance and Claims

Prepared by Shauna Ryan
March 21, 1995

carried

1. Page A-12, line 25 through A-13, line 1.

Strike: "that" on line 25 through "services" on line 1.

Insert: ", subject to the process described below, for personal services if the agencies did not experience normal turnover in an amount necessary to provide full funding for personal services"

(Narrative A-112)

This modifies language added to the Department of Administration regarding the personal services contingency. The language passed by the legislature was changed during the edit process. This amendment reinstates the original language.

2. Page B-14, line 24.

Strike: "\$1,075,688"

Insert: "\$1,073,688"

This amendment corrects the amount by which the appropriations to the Waste Management Program in the department of health would be reduced if the junk vehicle program is eliminated.

3. Page C-4, line 3.

Strike: "1,406,959"

State Special, Fiscal 1996

Insert: "1,402,159"

State Special, Fiscal 1996

4. Page C-4, line 7.

Strike: "115,000"

State Special, Fiscal 1996

Insert: "119,800"

State Special, Fiscal 1996

These technical amendments implement the subcommittee intent that all program costs of the Department of Fish, Wildlife and Parks shooting range program be a biennial appropriation.

5. Page C-7, line 8.

Following: "resource"

Strike: "and commerce"

6. Page C-7, line 10.

Strike: "and the department of commerce"

7. Page C-7, line 11.

Strike: "[forestry program]"

Insert: "item 4"

These technical amendments remove mention of the Department of Commerce from language implementing reductions due to the reorganization of the natural resource agencies since SB234 was amended to remove the Department of Commerce from the reorganization.

8. Page C-14, line 15.

Strike: "124,738"

General Fund, Fiscal 1996

Insert: "104,738"

9. Page C-14, following line 21.

Insert: "d. Malmstrom Air Force Base (OTO/Restricted)

20,000"

General Fund, Fiscal 1996

10. Page C-15, line 6.

Strike: "18"

Insert: "18d"

These technical amendments line item the \$20,000 general fund appropriation in fiscal 1996 in the Department of Commerce for Malmstrom Air Force Base, designates it as a one-time-only appropriation, and restricts the appropriations.

11. Page E-6, lines 6 and 7.

Strike: lines 6 and 7 in their entirety

12. Page E-8, line 13.

Strike: line 13 in its entirety

This technical amendment removes contingency language and a fiscal 1996 appropriation for community colleges that was intended as additional aid until the colleges could be assumed by the state in fiscal 1997. That appropriation was contingent on passage and approval of Senate Bill 396, which was tabled in committee.

Amendments to House Bill No. 2
Third Reading CopyRequested by Sen. Waterman
For the Committee on Finance & Claims*carried*Prepared by Mark Lee
March 23, 1995

1. Page B-1.

Strike: lines 11 and 12 in their entirety.

2. Page B-3.

Strike: lines 8, 9, and 10 in their entirety.

3. Page A-4, following line 1.

Insert: "b. Montana Office of Community Service"

Insert: "25,000" (general fund in fiscal 1996)

Insert: "94,949" (state special revenue in fiscal 1996)

Insert: "125,000" (federal special revenue in fiscal 1996)

Insert: "25,000" (general fund in fiscal 1997)

Insert: "94,634" (state special revenue in fiscal 1997)

Insert: "125,000" (federal special revenue in fiscal 1997)

4. Page A-4, following line 18.

Insert: "State special revenue appropriated in item 1b must come only from donations, contributions, or grants. In preparing the 1999 biennium budget for legislative consideration, the office of budget and program planning and the legislative fiscal analyst may not include general fund money in the proposed present law funding for the Montana office of community service."

The LFA will adjust totals.

This amendment moves the appropriation for the office of community service from the Department of Labor and Industry to the Governor's Office.

Amendments to House Bill No. 2
Third Reading Copy

SENATE FINANCE AND CLAIMS
EXHIBIT NO. 14
DATE 3/23/95
BILL NO. HB 2

Requested by Senator Swysgood
For the Committee on Senate Finance and Claims

Prepared by Roger Lloyd
March 23, 1995

1. Page C-1, line 4. (Narr. C-1)

Strike: "1,991,401"	"1,941,401"	State special, fiscal 1996 & 1997
Insert: "1,983,114"	"1,932,618"	State special, fiscal 1996 & 1997

This amendment restores 1.00 FTE eliminated by the subcommittee in the transportation division of the Department of Public Service Regulation for an increase of \$29,931 in fiscal 1996 and \$30,035 in fiscal 1997. It also reduces operations by \$22,718 each fiscal year and reduces equipment by \$15,500 in fiscal 1996 and \$16,100 in fiscal 1997 due to reflection of federal changes in intrastate motor carrier regulations in Senate Bill 378. The net change to the department is an increase of 1.00 FTE and a reduction of \$8,287 in fiscal 1996 and \$8,783 in fiscal 1997.

{Office of Legislative Fiscal Analyst

444-2986}

Amendments to House Bill No. 2
Third Reading Copy

Requested by Senator Swysgood
For the Committee on Senate Finance and Claims

Prepared by Roger Lloyd
March 23, 1995

1. Page C-1, line 14. (Narr. C-5)

Strike: "1,855,326" Proprietary fiscal 1996

Insert: "1,906,326"

2. Page C-2, line 15. (Narr. C-12)

Strike: "4,986,299" "5,017,028" State special, fiscal 1996 and 1997

Insert: "5,112,023" "5,135,558" State special, fiscal 1996 and 1997

This amendment adds 3.00 FTE grade 13 game wardens to the Law Enforcement Division of the Department of Fish, Wildlife and Parks. Funding increases of \$125,724 in fiscal 1996 and \$118,530 in fiscal 1997 include: 1) personal services - \$88,224 in fiscal 1996 and \$88,530 in fiscal 1997; and 2) operating and training - \$37,500 in fiscal 1996 and \$30,000 in fiscal 1997.

In addition, the amendment adds \$51,000 proprietary fund in fiscal 1996 to the Administration and Finance Division to purchase three vehicles.

{Office of Legislative Fiscal Analyst

444-2986}

SENATE FINANCE AND CLAIMS

EXHIBIT NO. 16

Amendments to House Bill No. 2 DATE 3/23/95

Third Reading Copy BILL NO. NB2

Requested by Senator Jergeson
For the Committee on Senate Finance and Claims

Prepared by Roger Lloyd
March 23, 1995

failed

1. Page C-8, line 2. (Narr. C-44)

Strike: "2,343,065" "2,340,195" State special, fiscal 1996 & 1997

Insert: "2,643,065" "2,640,195" State special, fiscal 1996 & 1997

This amendment adds \$300,000 state special revenue each fiscal year in the Inspection and Control Program in the Department of Livestock as personal services to fund: 1) an additional 2.00 grade 13 livestock inspectors (\$59,066 in fiscal 1996 and \$59,272 in fiscal 1997); and 2) classification upgrades for livestock investigators and brand inspectors.

{Office of Legislative Fiscal Analyst

444-2986}

Amendments to House Bill No. 2
Third Reading Copy

For the Committee on Finance & Claims

March 23, 1995

1. Page C-10, line 3.

Carried

Strike: "\$419,000"

Insert: "\$1 million"

This amendment increases the language appropriation authority for funds received resulting from arbitration, litigation awards, or settlements including escrow account funds associated with the Broadwater Hydropower Project. The department is concerned that the originally requested \$419,000 appropriation may not be adequate to cover settlement amounts from ongoing arbitration, negotiations, and possibly litigation involving project contractors.

2. Page C-10.

Failed

Following: line 5

Insert: "During the 1997 biennium, up to \$50,000 of state special revenue funds received as lease payments for properties associated with state water projects is appropriated to the department for the purpose of administering the state water project leased properties program."

This amendment provides language appropriation authority for property lease revenues to be used to administer the lease program. This request is a result of Senate Bill No. 147 which creates the lease account and provides guidelines and stipulations for the lease program. Senate Bill No. 147 has passed both houses and the department expects it to be signed by the Governor.

{ Office of Legislative Fiscal Analyst

444-2986}

Section B overview of House actions.

Appropriations committee actions still in the bill

1. Labor

a. B-1 in the narrative describes the few changes the committee did not allow certain spending

b. the big issue was removing certain programs from the Unemployment Administrative Tax fund that would grow broke next biennium and funding those programs from the general fund. The spending was about 1.5 million dollars over the biennium. The administrative tax fund balance is suppose to go to the Unemployment trust fund. Next session then there will only be enough money coming in- around 2.5 million each year to fund programs in the Dept. of Labor- more particularly the Job Service.

Funding switches were also for the Jobs for Montana Graduates and Displaced Homemaker B-5

c. Montana Community Services Act. B-4
this program was moved over from the Governor's Office. The program was suppose to be funded with the Unemployment Insurance administrative tax but was switched and lowered to 25,000 each year with 125,000 federal funds each year. This money is mainly from administrative purposes The committee also said get private donations. The committee offered to put the federal match money in for money for the program- but it was declined since there was suppose to be a bill to authorize the 2 million dollar a year. That bill died later in the House.

d. smaller issues

the only floor fight was the committee and the floor not funding the travel costs for the Martin Luther King Advisory committee. That was in the Human Rights Commission B-16

HEALTH Dept. B-79

We only did the health side of the budget and not the environmental side of the budget. We also did the central services and Directors Office

1. Indirect Cost Issue B 76

the indirect costs went up for indirect costs by quite a bit.

2. B-77 denied certain equipment

3. B77 removed all funding for the Health Care authority B-100

4. B-77 new proposal by the legislature adding \$300,000 general and other funds for local health agencies

issues not put in or voted down.

1. Family planning addition of 50,000 each year of federal money plus or no FTEs.

2. Tumor Registry

3. local health study

~~Family Services~~
FAMILY SERVICES
starts on B-61

major issues- turn to table on B-63

1. Big issues- mostly what were not put in for Governor's budget
- a. community impact grants
 - b. interagency coordinating council

other issues

- 1. 75 percent of day care rates
- 2. Aspen

Legislative inclusions

- 1. Sex Offender program/secure care for girls
- 2. Local Citizen Foster Care Review Board
- 3. Pine Hills School Repairs
- 4. Pine hills vocational ag. program

missing issues

- 1. expansion of day care.
- 2. foster care problems

issues on floor of House.

- 1. took out federal grant for community services *Family Preservation*

Dept. of SRS

starts on B-19

1. turn to page B-20 for legislative action compared to original General Fund executive request.

2. issues

- a. mostly gave Executive what they wanted
- b. vacancy savings change

c. afdc

- 1. growth rates down
- 2. original budget request
- 3. legislative action on the floor
- 4. welfare reform

5. 40.5
d. child support collection

1. moved up and new collections
2. savings of 1.75 million and 400,000 and transfer to payments.

e. DD

1. rate increase and lowest wages
2. federal money
3. eastmont closure
- 4.

f. voc rehab, and visual services

1. expansion

g. rate increases to providers
providers
medicaid providers

h. legislative initiatives

1. deer lodge indigent program
2. SB 345 reorganization money
3. SB 236 savings
4. non assumed county payments of computer processing
5. expand Mt. Legal Service contract for GA clients
6. self initiative day care waiting list

i. medicaid

1. their own cuts
2. extra dollars
3. cuts or savings from the legislature
4. issue of projections vs this is the budget
5. growth rate projections.
- 6.

j. other issues

1. amendments to health section
2. medstatt language
3. afdc payments.

k Floor issues

SECTION: Human Services
 Stage: House Floor
 Date: 03/17/95
 Accepted Amendments

Amendment Number	Page/Line	Pass/Fail	Description	Fiscal 1996 GF	Other	Total	Fiscal 1997 GF	Other	Total	Biennial Total	FTE
1 B-7,7	Pass		SRS Language - Senate Bill 345								
2 B-8,10	Pass		Add "restrict" language								
3 B-7,3	Pass		Language approp. of \$1 million								
4 B-7,18,19	Pass		Language								
6 B-13,4	Pass		Language insert "to assist commu."								
7 B-7,1	Pass		Language - paying medicaid increases								
8 B-8,19	Pass		In-home services for elderly	50,000		50,000	50,000		50,000	100,000	0
12 B-3,20	Pass		Reduce AFDC payments to 38.5 percent	(704,231)	(1,851,316)	(2,555,547)	(696,483)	(1,957,611)	(2,654,094)	(5,209,641)	0
21 B-8,17	Pass		Foster care rate increase	11,984	41	12,025	29,447	132	29,579	41,604	0
B-9,14	Pass		Foster care rate increase	(6,249)	15,298	9,049	(3,693)	34,449			0
22 B-8,19	Pass		Remove family preservation & support	(124,731)	(997,843)	(1,122,574)	(124,731)		(124,731)	(1,247,305)	0
25 B-4,23	Pass		Increases saving for sb345				(2,281,166)	(2,281,166)	(4,562,332)	(4,562,332)	0
B-9,6	Pass		Community impact grants				1,140,583	1,140,583	2,281,166	2,281,166	0
B-11,24	Pass		Local public health care providers				1,140,583	1,140,583	2,281,166	2,281,166	0
27 B-9,23	Pass		Language for study of correct. youth						0		0
Total				(773,227)	(2,833,820)	(3,607,047)	(745,460)	(1,923,030)	(2,699,246)	(6,315,342)	(143.94)

(1,518,687) Biennial general fund totals

(4,756,850) Biennial other funds totals

(6,275,537) Biennial all funds totals

Amendments to House Bill No. 2
Third Reading Copy

Requested by Sen. Swysgood
For the Committee on Finance & Claims

Prepared by Mark Lee
March 22, 1995

SENATE FINANCE AND CLAIMS
COMMITTEE NO. 19
DATE 3/23/95
BILL NO. HB 2

Carried

1. Page B-1, line 12. (Narr. B-4, B-5)
Strike: "25,000" "25,000"

2. Page B-3, line 8. (Narr. B-4, B-5)

Following: "appropriated"
Strike: "for"
Insert: "in"

Following: "1d"
Strike: "must come only from"
Insert: "includes unexpended 1995 biennium appropriations to the
Montana office of community service from the employment
security trust account and includes"

Strike: "or"
Insert: "and"

The LFA will adjust totals.

This amendment removes \$50,000 of general fund in the Department of Labor and Industry (office of community service) and changes language in HB 2 to allow the office of community service to use its unspent 1995 biennium appropriations from the employment security trust account (UI admin tax) up to the amounts of state special revenue listed in item 1d.

{Legislative Fiscal Analyst

444-2986}

Amendments to House Bill No. 2
Third Reading CopyRequested by Sen. Swysgood
For the Committee on Finance & Claims*carried*Prepared by Mark Lee
March 21, 1995

1. Page B-1, line 12. (Narr. B-5)

Strike: "125,000" "125,000"
Insert: "2,125,000" "2,125,000"

The LFA will adjust totals.

This amendment adds \$2 million each year in federal grants to conduct community service projects. Federal grant funds were statutorily appropriated during the 1995 biennium, but that statutory appropriation sunsets on June 30, 1995. HB 523 would have continued the statutory appropriation, but no action was taken on it in the House State Administration Committee.

{ Office of Legislative Fiscal Analyst

444-2986}

SENATE FINANCE AND CLAIMS

EXHIBIT NO. 21

DATE 3/23/95

BILL NO. NB 2

Amendments to House Bill No. 2
Third Reading Copy

Requested by Senator Aklestad
For the Committee on Finance and Claims

Prepared by Lois Steinbeck
March 21, 1995

carried

1. Page B-3, line 21. (Narr. - B-24)

Strike:	"13,510,142"	"1,320,790"	"34,198,935"	"13,321,920"	"2,410,336"	"35,061,468"
Insert:	"13,370,938"	"1,331,166"	"33,902,975"	"13,139,958"	"2,474,674"	"34,801,974"

LFA will amend the totals.

This amendment corrects an amendment made on the House Floor to reduce AFDC benefits to 38.5% of the federal poverty index. This amendment reduces \$321,166 general fund, and \$555,454 federal funds over the biennium. The amendment increases \$74,715 state special revenue over the biennium.

{Office of Legislative Fiscal Analyst

444-2986}

SENATE FINANCE AND CLAIMS

Amendments to House Bill No. 2
Third Reading Copy

EXHIBIT NO. 22
DATE 3/23/95
BILL NO. HB 2

Requested by Senator Christiaens
For the Committee on Finance and Claims

Prepared by Lois Steinbeck
March 22, 1995

Failed

1. Page B-3, line 21. (Narr. - B-24)

Strike:	<u>"13,510,142"</u>	<u>"1,320,790"</u>	<u>"34,198,935"</u>	<u>"13,321,920"</u>	<u>"2,410,336"</u>
	<u>"35,061,468"</u>				
Insert:	<u>"14,214,373"</u>	<u>"1,389,581"</u>	<u>"35,981,460"</u>	<u>"14,081,403"</u>	<u>"2,535,905"</u>
	<u>"36,893,510"</u>				

2. Page B-6, line 4.

Strike:	<u>"38.5%"</u>
Insert:	<u>"40.5%"</u>

LFA will amend the totals.

This amendment reinstates AFDC payments at 40.5% of the federal poverty level. The amendment increases general fund by \$1,463,714, state special revenue by \$194,360, and federal revenue by \$3,614,567 over the biennium.

{Office of Legislative Fiscal Analyst

444-2986}

ASSUMPTIONS

Three (3) person household; one adult, two children; no income other than AFDC. Rent for a 2 bedroom plus utilities (average \$60/month) apartment is \$362/month. (Rent amount is the statewide average). Also assumes the Food Stamp Thrifty Food Plan, LIEAP, Telephone Assistance benefits and average Medicaid expenditures for this household size will not be increased or decreased in the next two years.

FY 96	Freeze @current pay	40.5% of Poverty	38.5% of Poverty
AFDC Income	\$416	\$425	\$404
+Food Stamps	\$288	\$286	\$292
+LIEAP	\$ 22.92	\$ 22.92	\$ 22.92
+Phone Ass't.	\$ 7.50	\$ 7.50	\$ 7.50
Medicaid Expenditure	\$170.75	\$170.75	\$170.75
=TOTAL	\$905.17	\$910.17	\$897.17

FY 97	Freeze @current pay	40.5% of Poverty	38.5% of Poverty
AFDC Income	\$416	\$438	\$416
+Food Stamps	\$288	\$282	\$288
+LIEAP	\$ 22.92	\$ 22.92	\$ 22.92
+Phone Ass't.	\$ 7.50	\$ 7.50	\$ 7.50
Medicaid Expenditure	\$170.75	\$170.75	\$170.75
=TOTAL	\$905.17	\$921.17	\$905.17

Note: An "average AFDC family" for Medicaid expenditures purposes is calculated at 1 adult and 2 children over the entire universe of AFDC adults and child eligibles, rather than just those who received services. Figures are from FY'94.

AFDCch.pr

cc Policy Team / Loe
3-26-95 G. M. T.

Amendments to House Bill No. 2
Third Reading CopyRequested by Senator Lynch
For the Committee on Finance and ClaimsPrepared by Lois Steinbeck
March 21, 1995*Failed*

1. Page B-4, line 16. (Narr. - B-42)

Strike:	"149,811"	"345,269"	"286,812"	"638,388"
Insert:	"399,497"	"920,717"	"764,832"	"1,702,368"

LFA will amend the totals.

This amendment raises provider rate increases for hospitals from 1.5% to 4.0%, the amount requested in the executive budget. The amendment adds \$727,706 general fund and \$1,639,428 federal funds over the biennium.

{Office of Legislative Fiscal Analyst

444-2986}

Amendments to House Bill No. 2
Third Reading Copy

Requested by Senator Swysgood
For the Committee on Finance and Claims

carried

Prepared by Lois Steinbeck
March 22, 1995

1. Page B-4, line 25. (Narr. B-47)

Strike: "1,913,554" "5,117,845"
Insert: "4,194,720" "7,399,011"

2. Page B-7, lines 12 and 13.

Following: "~~federal~~" on line 12
Strike: "168.94" through "FEDERAL" on line 13
Insert: "25 FTE, \$412,500 in general fund money, and \$412,500 in federal"

3. Page B-7, lines 15 and 16.

Following: "~~federal~~" on line 15
Strike: "168.94" through "FEDERAL" on line 16
Insert: "25 FTE, \$412,500 in general fund money, and \$412,500 in federal" "

4. Page B-10.

Strike: Lines 4 and 5 in their entirety.

5. Page B-12.

Strike: Lines 6 through 9 in their entirety.

6. Page B-13.

Strike: Lines 9 and 10 in their entirety.

7. Page B-14.

Strike: Lines 20 through 23 in their entirety.

LFA will amend the totals.

This amendment reverses action taken by the House that reduced FTE and personal services by an additional 5 percent in the new Department of Public Health and Human Services contingent on passage and approval of SB 345 (reorganize public health and human services agencies.) The house floor amendment reallocated the savings to the Department of Family Services for grants to local communities to provide programs for difficult to serve children and to the Department of Health and Environmental Sciences for grants to local public health care. This amendment restores reduction of 25 FTE and \$412,500 general fund and \$412,500 federal funds in fiscal 1997 anticipated in the fiscal note accompanying SB 345. The reductions is made to SRS, but language allows the executive to reallocate savings among programs in the new department.

Amendments to House Bill No. 2
Third Reading CopyRequested by Senator Lynch
For the Committee on Finance and ClaimsPrepared by Lois Steinbeck
March 21, 1995

1. Page B-5, line 18. (Narr. - B-57)
Strike: "750,858" "431,908" "1,527,488" "873,960"
Insert: "1,001,144" "575,877" "2,046,683" "1,171,020"

LFA will amend the totals.

This amendment raises the provider rate increase for developmental disabilities providers from 3% to 4% annually. The amendment increases general fund by \$769,481 and federal funds by \$441,029 over the biennium.

{Office of Legislative Fiscal Analyst

444-2986}

Amendments to House Bill No. 2
Third Reading Copy

Requested by Senator Swysgood
For the Committee on Finance and Claims

Prepared by Lois Steinbeck
March 21, 1995

SENATE FINANCE AND CLAIMS

EXHIBIT NO. 27

DATE 3/23/95

BILL NO. HB 2

Carried

1. Pages B-7. (Narr. - B-43)

Strike: Lines 5 and 6 in their entirety

LFA will amend the totals.

This amendment strikes language requiring the Department of Social and Rehabilitative Services to fund rate increases for hospitals and nursing homes out of the line items appropriated for those purposes.

{Office of Legislative Fiscal Analyst

444-2986}

Amendments to House Bill No. 2
Third Reading CopyRequested by Senator Lynch
For the Committee on Finance and ClaimsPrepared by Lois Steinbeck
March 21, 1995

1. Page B-9, line 14. (Narr. B-74)
Strike: "13,749,742" "14,308,765"
Insert: "13,874,473" "14,433,496"

2. Page B-10, following line 5.
Insert: "g. Family Preservation and Support (Biennial)
997,843" federal special revenue fiscal 1997

LFA will amend the totals.

This amendment restores \$249,462 general fund and \$997,843 federal revenue to continue a five-year federal grant to fund preventive services for children at-risk of abuse and neglect in order to prevent out-of-home placement. The grant was included in the Executive Budget. The grant requires a 25% general fund match that the Department of Family Services will provide through "refinancing" 100% general fund services by finding matching federal medicaid or Title IV-A funds or through assessing parental contributions for services.

{Office of Legislative Fiscal Analyst

444-2986}

SENATE FINANCE AND CLAIMS

EXHIBIT NO. 29

DATE 3/23/95

BILL NO. HB2

Amendments to House Bill No. 2
Third Reading Copy

Requested by Senator Waterman
For the Committee on Finance and Claims

Prepared by Lois Steinbeck
March 21, 1995

carried

1. Pages B-10 and B-11. (Narr. - B-65)
Strike: Line 24 on page B-10 through line 2 on page B-11.

LFA will amend the totals.

This amendment strikes language requiring the Department of Family Services to spend at least \$25,000 general fund for a study of the appropriateness, cost, and methods of placement of youth by juvenile probation officers, youth placement committees, and courts in Yellowstone and Lewis and Clark counties.

{Office of Legislative Fiscal Analyst

444-2986}

Amendments to House Bill No. 2
Third Reading Copy

For the Committee on Senate Finance and Claims

Prepared by L. Smith
March 23, 1995

1. Page B-8.

Following: line 14

Insert: "It is the intent of the legislature that in fiscal year 1996 and fiscal year 1997, any unexpended portion of the department's general fund appropriation, up to \$500,000, may be awarded by the department for the purposes of providing primary and preventative health care benefits to children who are uninsured and not eligible for medicaid benefits. To qualify, the family income may be no greater than 185% of the federal poverty level. The department may contract with public or private entities for the administration and provision of these services. These funds may be allocated only to those programs that have established a statewide network of medical providers who have agreed to accept reimbursement at a lower rate than would normally be charged for their services."

{Office of Legislative Fiscal Analyst

444-2986}

Amendments to House Bill No. 2
Third Reading Copy

SENATE FINANCE AND CLAIMS
EXHIBIT NO. 31
DATE 3/23/95
BILL NO. 7582

Requested by Senator Keating
For the Committee on Finance & Claims

Prepared by Mark Lee
March 22, 1995

Carried

1. Page B-13, following line 9. (Narr. N/A)

Insert: "d. Tumor Registry"
"138,342" (federal special revenue in fiscal 1996)
"120,249" (federal special revenue in fiscal 1997)

2. Page B-14, following line 23.

Insert: "The funds in item 6d are appropriated with the requirement that the development and operation of the tumor registry must be coordinated with all other medical data bases operated by the state so that the sharing of information is facilitated and the duplication of effort is reduced."

This amendment adds approximately \$260,000 in federal funds during the biennium to enhance the existing tumor registry program at the Department of Health and Environmental Sciences (DHES). The enhancement will: a) automate local hospital registries and provide technical assistance to hospital staff; b) establish electronic communication between local hospitals/treatment centers and the DHES tumor registry; c) use statewide expertise to develop a clear picture of cancer in Montana; and d) make statewide cancer information available in order to improve cancer health planning, education, diagnosis, and treatment.

{Office of Legislative Fiscal Analyst

444-2986}

5.4
MONTANA

**MEDICAL
ASSOCIATION**

2021 Eleventh Avenue • Helena, Montana 59601-4890
Telephone (406)443-4000 or In-State 1-800-MMA-WATS (662-9287)
FAX (406)443-4042

March 22, 1995
Wednesday

TO: EACH MEMBER, SENATE FINANCE AND CLAIMS COMMITTEE

Dear Senator:

Wouldn't it be nice to work effectively to prevent the waste of health care dollars in Montana? Wouldn't it be nice to work effectively to insure that all health care dollars were spent on medically necessary services? Wouldn't it be nice if the public and the physician community had ready access to current information on the effectiveness of the various options in cancer management in Montana to aid them in making appropriate decisions on treatment?

The obvious answer to all of these questions is "yes." Appropriate decisions generally save money in the long run. More importantly, appropriate decisions usually prevent prolonging patient and family suffering needlessly with treatments already known to be minimally effective, if effective at all. We have an opportunity to facilitate this entire process in Montana by implementing the National Program of Cancer Registries Federal Grant which has been awarded to the Department of Health and which the Montana House Appropriations Committee has turned down in the Governor's budget.

There was a time when the tumor registry information seemed to go into a black hole. It was essentially all input and no output. This has totally changed in the last year. Because of a major cooperative effort between the leadership in the Department of Health and the Montana-Wyoming Foundation for Medical Care, the data accumulated over the years is now being utilized to analyze cancer care in Montana and to assist Foundation physician study groups in advising physicians and the public on appropriate treatment with respect to specific cancers.

The first Foundation cancer "White Paper" describing best practice recommendations is on prostate cancer and was released to the physician community on March 17 at the interim meeting of the Montana Medical Association in Helena. A synopsis of this same information for public release in lay language is being prepared and hopefully will be released before June 1 of this year.

Plans have been developed by Doctor Todd Demrow, epidemiologist of the Health Department, to publish, at least quarterly, a news

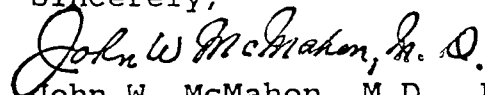
letter on cancer in Montana containing papers, mainly based on the tumor registry information, from Health Department and outside experts. We understand this has been put on hold dependent upon resolution of the funding issues.

The grant in question will, over five years, allow the state tumor registry to upgrade to 1995 technology and performance levels. This improvement in the quality, timeliness, and availability of specific cancer data coupled with the decision by the department to increase access to and utilization of the data with appropriate confidentiality assurances will save far more money for the citizens of the state than the grant will ever spend. For example, if, through better public education, three bone marrow transfusions can be prevented where not clearly expected to be beneficial, more than the entire cost of the program for one year would be saved.

The Montana Medical Association strongly supports the legislative efforts to save taxpayers' money. However, it is quite likely that turning this grant back will cost the citizens of this state much more than it saves. Our citizens will still pay the Federal tax which supports this grant since the funds will simply be turned over to another state. It is not one of those grants where the state takes over the funding after a period of time. The grant has the specific purpose of bringing our tumor registry up to date. It will allow quick access to the most recent data. The most current Montana data available for the "Prostate Cancer" White Paper referred to above is 1993. That data is at best 17 months old. Electronic collection and submission to the Montana Central Tumor Registry will establish the base to keep the data current. Old data is a "History" lesson. Current data allows timely evaluations on results and realistic recommendations on "best practices."

Please accept this grant on behalf of and for the citizens of this state and restore this portion of Governor Racicot's budget.

Sincerely,



John W. McMahon, M.D., President-Elect and Chairman, Committee on Legislation, Montana Medical Association

and

Medical Director, Montana-Wyoming Foundation for Medical Care

JWM:le
Enclosure

THE MONTANA CENTRAL TUMOR REGISTRY ENHANCEMENT IS. . .

- * IN GOVERNOR RACICOT'S APPROVED BUDGET
- * AIMED AT HELPING MONTANANS FIGHT CANCER
- * THIS FIVE YEAR PROJECT WILL. . .

EXHIBIT 32
DATE 3-23-95
HB 2

- * MAKE CANCER INFORMATION MORE USEFUL
 - * USE MEDICAL AND ANALYTIC EXPERTISE TO DEVELOP A CLEAR PICTURE OF CANCER IN MONTANA
 - * MAKE THAT INFORMATION AVAILABLE TO IMPROVE CANCER HEALTH EDUCATION, DIAGNOSIS AND TREATMENT

MAKE CANCER INFORMATION MORE TIMELY AND MORE AVAILABLE

- * AUTOMATE LOCAL, COMMUNITY HOSPITAL CANCER REGISTRIES AND PROVIDE TECHNICAL ASSISTANCE TO HOSPITAL STAFF
- * ESTABLISH ELECTRONIC COMMUNICATION AMONG LOCAL REGISTRIES AND THE MONTANA CENTRAL TUMOR REGISTRY
- * INTENDED TO SAVE TAX DOLLARS AS WELL AS LIVES
 - * IMPROVEMENTS IN QUALITY, TIMELINESS AND AVAILABILITY OF INFORMATION ABOUT CANCER WILL YIELD. . .
 - * INCREASED ABILITY TO PLAN HEALTH CARE AND PREVENTION STRATEGIES
 - * BETTER KNOWLEDGE ABOUT TREATMENT OUTCOMES FOR THOSE PROVIDING THE TREATMENT
 - * GREATER ABILITY TO PLAN AND PROVIDE CARE MEANS LONG TERM REDUCTIONS IN COSTS OF TREATMENT AND SERVICE DELIVERY
 - * ONCE WE IMPROVE THE PROCESS - WITH NO INCREASE IN FTE'S - WE WILL NOT NEED INCREASED FUNDING/FTE'S TO CONTINUE AT THE IMPROVED LEVEL
- * FUNDED BY THE NATIONAL PROGRAM OF CANCER REGISTRIES
 - * IF NOT SPENT IN MONTANA, THESE FEDERAL DOLLARS. . .
 - * WILL BE GIVEN TO OTHER STATE CANCER REGISTRIES
 - * WILL NOT REDUCE THE FEDERAL DEFICIT
(Source: Sec 389H, I, J, L of PHS Act as amended)
- * STATE LEVEL INFORMATION WILL CONTRIBUTE TO NATIONAL CANCER PREVENTION AND CONTROL EFFORTS THAT WILL BENEFIT MONTANANS

Amendments to House Bill No. 2
Third Reading Copy

Requested by Senator Lynch
For the Committee on Senate Finance and Claims

Prepared by Lisa Mader
March 23, 1995

SENATE FINANCE AND CLAIMS
EXHIBIT NO. 33
DATE 3/23/95
BILL NO. 7SB2

failed

1. Page B-13, line 12.

Strike: "24,924,896"

"25,985,092"

Insert: "24,974,896"

"26,035,092"

The LFA will adjust totals.

This amendment adds to the Department of Health and Environmental Sciences 1.0 FTE and \$50,000 each year in federal funds to provide statewide coordination and supervision of family planning activities.

{Office of Legislative Fiscal Analyst

444-2986}

Amendments to House Bill No. 2
Third Reading CopyRequested by Senator Lynch
For the Committee on Senate Finance & Claims*Carried*Prepared by Lisa Mader
March 23, 1995

1. Page B-13, line 12.

Strike: "24,924,896" "25,985,092"

Insert: "24,974,896" "26,035,092"

The LFA will adjust totals.

This amendment adds to the Department of Health and Environmental Sciences \$50,000 each year of federal funds for contracted services to provide statewide coordination and supervision of family planning activities.

{Office of Legislative Fiscal Analyst

444-2986}

Amendments to House Bill No. 2
Third Reading Copy

Requested by Sen. Waterman
For the Committee on Finance & Claims

Prepared by Mark Lee
March 21, 1995

STATE FINANCE AND CLAIMS
EXHIBIT NO. 35
DATE 3/23/95
FILE NO. HB 2

carried

1. Page B-15, following line 1. (Narr. N/A)

Insert: "During the 1997 biennium, the department shall:

(1) by July 1, 1996, develop and implement a consolidated contract for all health care grants;

(2) by October 1, 1995, revise and update the maternal and child health (MCH) rules to reflect the current block grant legislation with the amendments to the federal Omnibus Budget Reconciliation Act of 1989. The rules must address the local match requirement. The department shall also establish a core set of MCH services. The department shall ensure that MCH block grant funds are not used for noncore services unless each core service is ensured or unless the entity receiving the grant has demonstrated through a formal needs assessment process that the core service not being provided is not needed. The rules must address medicaid billing and reimbursement and must contain a provision that all MCH block grant money be spent on MCH services and that it not be used to supplant local funds.

(3) explore all opportunities for maximizing medicaid revenue, including requiring local health units to bill medicaid for reimbursable services and using available general fund and state special revenue appropriations to match medicaid funds for state-level activities. If necessary, the department of social and rehabilitation services shall assist the department and local health units in maximizing medicaid revenue. By October 1, 1995, department rules must require that MCH block grant funds be provided only if an effective method of maximizing medicaid revenue has been established by the receiving entity; however, this requirement does not apply if an entity has determined and demonstrated that billing medicaid is not cost-effective.

(4) use priority setting in the disbursement of MCH block funds. By October 1, 1995, rules and formulas for distribution of funds to local entities must be revised to give the opportunity to help those counties, regions, or communities with the least resources, largest proportions of underserved families, and most serious maternal and child health problems, as identified by objective health indicators and community needs assessments. The MIAMI project and other public health programs must be operated in a similar manner.

(5) by October 1, 1995, require local health agencies to assume more responsibility for outreach and education for services to clients of such related state programs as passport; family support programs; and early periodic screening, diagnosis, and treatment (EPSDT);

(6) by October 1, 1995, ensure that the majority of local health care agencies bill medicaid for the provision of immunizations and well child visits/EPSDT; and

(7) on July 1, 1995, and every 6 months thereafter, file status reports with the members of the human services subcommittee on appropriations and with the legislative fiscal analyst regarding the six requirements provided above. At a minimum, the reports must address:

- (a) progress in implementing these requirements;
- (b) the amount of additional medicaid money the department has been able to access and an explanation of how and where that money is being used; and
- (c) an explanation of the progress that the department expects to achieve during the next 6-month and 12-month periods."

{Office of Legislative Fiscal Analyst

444-2986}

EXHIBIT NO. 36
 DATE 3/24/95
 BILL NO. HB 2

Programs for Youth (All Funds)				
Program	Base Budget FY 1994	Approved by HAC FY 1996	Approved by HAC FY 1997	Total FY 1996 & FY 1997
<u>Office of Public Instruction</u>				
Special Education	\$32,793,845	\$32,722,797	\$32,722,797	\$65,445,594
Special Education Contingency	511,989	2,031,163	*	2,031,163
Transportation	10,138,135	10,600,000	10,700,000	21,300,000
School Foods	626,190	660,189	661,731	1,321,920
Gifted & Talented	144,143	300,000	*	300,000
Secondary Vo-Ed	651,703	1,300,000	*	1,300,000
In-State Treatment	534,898	1,949,791	*	1,949,791
K-12 BASE Aid**	400,335,000	831,484,000	*	831,484,000
SIMMS	499,679	500,000	500,000	1,000,000
Individual Disabilities Education Act	674,817	2,431,400	*	2,431,400
Job Training Partnership Act	378,228	1,017,200	*	1,017,200
Vocational Education	2,836,064	6,022,525	*	6,022,525
Chapter I	514,775	2,295,000	*	2,295,000
Voed Serve America	4,454	0	*	0
Foreign Language	0	108,000	*	108,000
Goals 2000	0	5,931,307	*	5,931,307
Arts & English Curriculum	0	360,000	*	360,000
McKinney Homeless	0	264,000	*	264,000
School District Grants	48,448,031	108,143,035	*	108,143,035
<u>School for the Deaf and the Blind</u>	2,799,970	3,256,638	3,186,467	6,443,105
<u>Corrections and Human Services</u>				
Managing Resources Montana (MRM)	5,791,462	5,911,821	5,911,821	11,823,642
<u>Social and Rehabilitation Services***</u>				
MRM-Therapeutic Group Homes	8,861,737	12,022,041	11,874,658	23,896,699
Part H Grant (Developmental Disab.)	2,143,049	2,177,894	2,193,498	4,371,392
Medicaid Eligible Education Costs	131,882	241,106	303,290	544,396
<u>Family Services</u>				
Juvenile Corrections Division	7,399,888	12,261,728	12,337,998	24,599,726
Benefits/Grants				
Foster Care	16,474,380	13,350,192	14,043,212	27,393,404
Therapeutic Group Homes	782,413	1,611,565	1,650,976	3,262,541
Chemical Dependency	161,039	161,039	161,039	322,078
Big Brothers/Big Sisters	182,148	182,148	182,148	364,296
Independent Living	171,193	244,358	244,521	488,879
Foster Care Review Board	17,529	139,850	127,535	267,385
Subsidized Adoption	878,866	878,866	878,866	1,757,732
<u>Health & Environmental Sciences</u>				
Women Infants & Children (WIC)****	10,796,914	11,918,525	11,927,587	23,846,112
Child & Adult Care Food*****	7,327,083	9,158,271	10,228,557	19,386,828
Children's Special Health	889,744	890,233	891,699	1,781,932
Vaccination/Immunization	467,606	1,854,641	1,890,246	3,744,887
Dental	78,957	91,055	91,481	182,536
<u>Labor & Industry</u>				
Jobs for Montana Graduates	125,204	125,205	125,205	250,410
Total	\$564,573,015	\$1,084,597,583	\$122,835,332	\$1,207,432,915

NOTES:

Significant increase between FY94 and FY96 is primarily due to comparison of FY94 actuals to FY96 biennial appropriations in OPI

*Amount in FY 1996 is a biennial appropriation

**\$586,478,000 of K-12 BASE Aid is statutorily appropriated & \$245,006,000 is appropriated in HB 2

***SRS provides medicaid services to children but the services are not limited to "children only", so children's medicaid-related services are excluded, except for MRM

****83% of WIC beneficiaries are children

*****To date, all services have been to children

THE FOLLOWING TYPES OF PROGRAMS ARE NOT INCLUDED IN THIS LIST:

1. PROGRAMS WHERE THE BENEFICIARY OF THE SERVICE IS NOT CLEAR (MIAMI, PARTNERSHIP PROJECT, AND DAY CARE)
2. PROGRAMS THAT SERVE BOTH ADULTS AND YOUTH

HOUSE OF REPRESENTATIVES

TESTIMONY

March 23, 1995

My name is Erin Chapel and I am a licensed foster care provider in the State of Montana.

On 10-20-94 I called Nelson Medical of Billings, MT to ask about them filling a prescription for diapers and billing Medicaid. They were very polite and explained to me that all they needed was a prescription and a copy of a Medicaid card and they could deliver me diapers the next day. All I would need to do in the future was call them and let them know what I needed and they could delivery the next day.

On 10-21-94 Nelson did deliver 2 bags of Pampers. They also delivered 1 case of wipes. I signed for them and was given a receipt. Upon closer observation of the receipt I saw that they had billed \$53 for the 2 bags of diapers. I was horrified. The same bag of Pampers can be purchased at Walmart for \$6.26.

I called Nelson immediately and got their answering service. She said it sounded like they had billed me for 2 cases rather than 2 bags. She said she couldn't tell me for sure but she could have them call in the morning, which they did.

When I questioned Nelson about it in the morning, telling them that the same bag was \$6.26 at Walmart and they had billed me \$26.50/bag, they told me they couldn't buy the diapers in the same quantity as Walmart and needed to charge more. I told him that even gas stations only charge \$8-\$9/bag. I got no where with him. I told him I would be down shortly to pick up my prescription.

(OVER)

I took the prescription to another pharmacy called Gerros. They told me that they bill \$84/case which is \$21/bag. I asked them why they billed so high, and they told me that I wasn't paying anyway so what did I care.

I then took the prescription to Buttreys. They had me pick my own diapers off their rack. Off the rack the diapers cost \$54.00. As I was signing the receipt, though, I noticed that Medicaid was being billed \$130.00, over 2 times the shelf price.

I am dismayed I am paying for these diapers as-a taxpayer in the State of Montana.

When I called 4 different Medicaid numbers about the situation they were all very rude and informed me that they only pay 15 percent over the cost of the diapers anyway. Does that mean that the rest of the money billed is a tax credit as money lost to the previous businesses? My question is why stop at \$26.50/bag, why not \$50/bag and take an even greater loss to their business? How much money does someone need to make off of this poor little boy's diapers?

I hope this will be of some concern to anyone who picks up my letter and reads it. Chances are, you probably are paying taxes too.

Erin Chapel

Amendments to House Bill No. 2
Third Reading Copy

For the Senate Finance and Claims Committee

Prepared by JanDee May
March 24, 1995

SENATE FINANCE AND CLAIMS
EXHIBIT NO. 38
DATE 3/24/95
BILL NO. HB 2

JanDee May

1. Page D-2, line 20.

Strike: "625,082 627,315" (proprietary funds fiscal years 1996 and 1997)

Insert: "729,195 766,342" (proprietary funds fiscal years 1996 and 1997)

LFA will adjust totals.

Proprietary funding of \$104,113 in fiscal 1996 and \$139,027 in fiscal 1997 is added to Agency Legal Services. This amendment incorporates the recommendation of the Attorney General in response to HJR 25 of the 1993 Legislature concerning state legal services. Funding will hire one attorney and one legal secretary in fiscal 1996 to assume additional legal work currently purchased from private legal counsel by state agencies. Spending authority is provided in fiscal 1997 for one additional attorney in the event there is sufficient legal work that would otherwise go to outside counsel at higher cost.

{Office of Legislative Fiscal Analyst

444-2986}

OFFICE OF THE GOVERNOR
STATE OF MONTANA

SENATE FINANCE AND CLAIMS

EXHIBIT NO. 39

DATE 3/24/95

BILL NO. 74B2

MARC RACICOT
GOVERNOR

STATE CAPITOL
HELENA, MONTANA 59620-0801

MEMORANDUM

TO: 54th Legislature

FROM: Governor Marc Racicot
Attorney General Joseph P. Mazurek

DATE: March 8, 1995

RE: Recommendations for Improving the Efficiency and Cost-Effectiveness of State Legal and Law Enforcement Services; Report Pursuant to HJR 25

I. INTRODUCTION

HJR 25, adopted during the 1993 Legislative Session, directed that "the Attorney General and the Governor study the delivery of legal and law enforcement services to the Executive Branch agencies, boards, and commissions of the State of Montana and submit a report to the 54th Legislature with recommendations for improving the efficiency and cost-effectiveness of state legal and law enforcement services."

The Governor delegated the portion of the directive that dealt with law enforcement services to the Governor's Task Force to Renew Government. The Task Force studied but did not recommend any changes in the delivery of law enforcement services on a state level. With respect to the delivery of state legal services, a study committee held a public hearing, conducted a thorough survey of the state's legal services, and reviewed the delivery of legal services in other states. Information compiled included numbers of attorneys, types and costs of services performed, amount of support staff and library resources, training, common problems with the organization of legal services, and perceived needs. The questions posed in the surveys and a summary of the responses to those questions, as well as other information compiled in the study can be obtained from the office of the Governor or the Attorney General.

II. OVERVIEW OF THE STUDY

A. Study Protocol

The Governor's Chief of Staff and Chief Counsel, Judy Browning, and the Chief Deputy Attorney General, Chris Tweeten, jointly chaired the study. They recruited a group of attorneys and administrators in State government to serve as a study committee, to assist in the gathering and processing of information, and to provide guidance on the formation of recommendations. The following persons participated as members of the study committee:

Tom Barnard	Highways Division Administrator Department of Transportation
Russ Cater	Chief Counsel, Department of Social and Rehabilitation Services
Curt Chisholm	Administrative Officer, Department of Health and Environmental Sciences
Laurie Ekanger	Commissioner, Department of Labor and Industry
Bill Gianoulis	Chief Defense Counsel, Risk Management and Tort Defense Division, Department of Administration
Bob Lane	Chief Counsel, Department of Fish, Wildlife and Parks
Don MacIntyre	Chief Counsel, Department of Natural Resources and Conservation
Katherine Orr	Chief Counsel, Department of Health and Environmental Sciences
Ralph Peck	Deputy Director, Department of Agriculture
Dave Woodgerd	Chief Counsel, Department of Revenue

The study committee conducted two separate surveys within state government. One was directed at agency managers, and was designed to survey their needs for legal services, the existing systems in place to meet those needs, and the level of satisfaction with the services received. The second survey, directed at attorneys working in state government, was designed to survey attorneys' attitudes toward their jobs, and the level of satisfaction with the existing system. The study committee also conducted a more informal survey of other states' legal service delivery systems. Thirty-five other states were contacted, and information was gathered about the manner in which legal services are provided to their state agencies.

In addition to the surveys, the study compiled a statistical profile of the State's legal services delivery system. The report shows in spreadsheet format the number of attorney positions in each agency of state government as of mid-1994, the classification and payroll costs for each position, and the date of hire in State

government for the incumbents in positions which were filled at the time the information was gathered. Each agency table is preceded by a narrative prepared by the agency describing the legal work performed by the agency's legal staff.

Finally, each agency was asked to report its outside counsel usage for fiscal years 1992, 1993, and 1994. This information was set out in table form, identifying the outside counsel firms hired, the nature of the work performed, and the amount spent by the agency in legal fees for each of the three fiscal years reported.

The study committee reviewed summaries of the information generated in the study and made recommendations as to preferred alternatives for delivery of the State's legal services. The Governor and Attorney General considered the committee's recommendations and the recommendations of the co-chairs of the study. The recommendations in this report are not the results of votes or consensus of the study committee, but rather are, with one exception noted below, the steps which the Governor and Attorney General jointly recommend at this time to improve the quality and efficiency of the State's legal services delivery system.

B. Findings on Utilization of Attorneys

The study clearly showed that state agency legal offices are highly utilized. No agency was identified that could be said to have more legal staff than the amount of legal work confronting the agency would justify. In some cases, the converse is clearly true. For example, many of the licensing boards attached to the Department of Commerce reported in response to the survey that they were satisfied with the quality of their legal representation by the Department's legal staff, but felt that there simply were not enough attorneys assigned to the licensing boards to perform all of the needed work in a timely fashion.

Agencies generally reported that they were satisfied with the quality of legal work performed by their staff attorneys. The study committee agreed, however, that as the nature of a particular legal assignment diverged from the core functions of the agency with which the attorney was familiar, the ability of the attorney to provide high quality services probably decreased. Thus, the committee agreed that areas of specialization which form a small part of any single agency's case load, such as bankruptcy and Indian jurisdiction law, should be centralized in the Attorney General's office.

C. Findings on Communication Issues

The study found that Montana has one of the most decentralized legal service delivery systems of any state in the country. The system might more accurately be described as 20 or more separate systems, since for most legal matters affecting state agencies the

individual agencies have almost complete control over the handling of legal matters. For the most part, agency administrators and attorneys indicated their preference for decentralization with respect to the handling of legal matters that relate to agency programs. See discussion in Part II, F.

However, the committee found that agencies frequently did not communicate among themselves on matters of common interest. Different agencies confronted with common legal problems often were unaware of the fact that other agencies were similarly situated. Agencies occasionally take inconsistent positions on these common legal issues as a result of this lack of communication.

A system for exchange of briefs and other legal information among state agencies does not currently exist. No index of the legal briefs filed by state agencies in civil cases exists, and accordingly agencies frequently are required to retrace legal ground that other agencies have already covered in earlier cases.

Communication among agencies is made more difficult by the fact that no state government-wide system of electronic data transfer is in place. Some legal offices are not connected to the state e-mail system, and differences in word-processing software and hardware impede the smooth transfer of data.

D. Findings on Outside Counsel Usage

Fifteen years ago the Legislative Council published a study of state agency legal services. This study, conducted during the early years following the 1972 executive reorganization, found that outside counsel usage was uncontrolled and that much legal work was being performed by outside counsel that could be performed more economically by in-house attorneys. State Legal Services, Report of the Subcommittee on State Legal Services and Election Laws, Montana Legislative Council (Nov. 1979) at 30-31. In the fifteen years following that study, the Legal Services Review Committee was established, and the Agency Legal Services Bureau was created in the office of the Attorney General. Both were designed to reduce the State's reliance on outside counsel.

The Legal Services Review Committee consists of the Governor's legal counsel, the Budget Director, and the Chief Deputy Attorney General. An executive order requires executive branch agencies that report to the Governor to present requests for outside counsel to the committee. The committee, in turn, ensures that the legal work in question is properly referred to outside legal counsel and that any outside counsel contract follows a standardized appropriate contract form.

Agency Legal Services Bureau is an in-house law firm in the Attorney General's Office available to supplement the legal resources of other state agencies. In cases in which the agency

has no legal staff or the existing agency legal staffs are unable to provide service, due to case load, conflict of interest, or lack of agency expertise, agencies contract with Agency Legal Services Bureau to provide legal representation which would otherwise have to be provided by outside counsel. Agency Legal Services Bureau is funded like a private law firm in that the hourly fees that it charges the agencies it represents provide the funding for the attorney salaries and overhead in the program. For cases appropriately assigned to Agency Legal Services Bureau, there will be cost savings because outside counsel fees often exceed \$100 per hour, while Agency Legal Services can frequently provide the same caliber of representation for a fee of \$53 per hour.

In FY 1994, Agency Legal Services Bureau performed almost 8,000 hours of legal work for agencies of state government, work that otherwise would have been contracted to outside counsel. Even so, in that same period, state agencies spent in excess of \$2 million on outside counsel contracts. Almost three-fourths of the total expenditure for outside counsel in FY 1994 can be attributed to three areas:

Tort defense	\$840,733
Workers' compensation defense	\$432,984
<u>Montana v. ARCO SuperFund case</u>	\$231,720

The Montana v. ARCO case is an example of a complex lawsuit with huge amounts of money at stake in which specialized outside counsel must be hired.¹ However, a number of tort and workers' compensation cases are referred to outside counsel each year, not because they are complex or particularly difficult cases, but solely because the State lacks enough in-house attorneys to handle the cases. Addition of in-house attorney positions to handle tort and workers' compensation defense could achieve significant savings for the State.

Several state departments have full-time hearing officer positions on their staffs. Nevertheless, a great deal of hearing officer

¹Montana v. ARCO is the lawsuit brought under the federal SuperFund law by the State of Montana for natural resource damages to the Clark Fork river basin. The State's claim against ARCO for injuries to resources in the basin exceeds \$600 million dollars. At the time the case was filed, there were no attorneys in State government with the experience and expertise to manage the lawsuit. ARCO has hired several large national law firms to represent its interests in the case. The State contracted with outside counsel who are experienced in this complex area of law and who are currently handling the case as co-counsel with in-house attorneys.

work is contracted by agencies from Agency Legal Services Bureau and outside counsel, due to lack of agency resources and allegations that a conflict of interest prevents an agency from adjudicating a contested case using one of its own staff as hearing officer. The Governor and Attorney General believe that creation of an independent hearing officer unit in the Department of Administration could alleviate the perceived conflicts and allow better utilization of existing hearing officer and attorney resources.

E. Findings on Attorney Working Conditions

While not a primary focus, the study did consider issues related to attorney compensation and working conditions. The administration of agency legal offices differs from agency to agency. Policies in matters such as training and pro bono practice vary widely from agency to agency. A comparison of salary information for attorneys in various public and private sector employment situations showed that state agency attorney compensation lagged behind that of attorneys in most other employment sectors. The statewide attorney classification system offers no means for rewarding attorneys as their competence and value to their agency employers grows, and no realistic opportunities for advancement. A comparison of attorneys in classified service and those serving in unclassified positions shows a clear disparity in favor of unclassified positions.

F. Summary of Recommendations

Despite the shortcomings discussed above, the committee found strong support for the existing decentralization of legal services among the agencies. Agency managers felt that quick access to attorneys familiar with agency programs, objectives, and legal work was essential, and actually reduced the amount of expensive litigation facing state agencies by allowing greater use of "preventive lawyering", i.e., legal consultation in advance of the development of legal problems which serves to prevent the problems from progressing into litigation. The agency managers feared that a more centralized system would deprive them of the quick access to experienced legal counsel that the current system provides. Although the study did not substantiate that a more centralized system would have the effect the agency managers anticipated, the committee felt that no clear mandate for centralization was shown by the study at this time. The committee felt that less dramatic, mainly non-structural, changes would address the issues raised above. The recommendations set forth below generally follow that advice.

The following recommendations, discussed more fully below, are the consensus proposals of the Governor and Attorney General as a result of the study:

- No overall structural change in the system is recommended. Centralization of all attorney positions under the control of the Attorney General is not recommended at this time. With the specific exceptions outlined in subsequent paragraphs, agency legal staff authority and the subject matter responsibilities of the Attorney General and agency staffs will remain unchanged.
- The Attorney General should maintain or assume primary responsibility for areas of specialization which are not unique to particular agencies, including Indian jurisdiction matters, bankruptcy issues, state attorney ethics issues, and matters in which disputes exist between agencies.
- The Attorney General's statutory responsibility to represent the State and its agencies in appeal matters should be implemented by: (1) requiring agencies to notify the Attorney General whenever the agency files an appeal, other than an appeal of an administrative determination to a court of limited jurisdiction; and by requiring that agencies consult with the Attorney General on cases in advance of filing an appeal with the Montana Supreme Court, a federal circuit court, or the United States Supreme Court. This procedure recognizes that the Attorney General may decide to participate actively in an appeal or may advise that a different course of action be taken with respect to the case, and that the Governor may decide to continue with the agency's recommended action in spite of the Attorney General's recommendation.
- A continuing effort should be made to reduce unnecessary outside counsel usage by state agencies. Additional capacity should be created in state government to allow appropriate reductions in the number of cases referred to outside counsel for representation. The Governor and Attorney General have not reached agreement as to the location of the additional attorney resources. The Governor proposes adding a single attorney position to the legal staff of the Risk Management and Tort Defense Division in the Department of Administration. The Attorney General believes that two positions should be added to Agency Legal Services Bureau.
- Consideration should be given to centralization of state hearing officer positions in a single unit in the Department of Administration. Hearing officers could be cross-trained to handle administrative appeals in multiple subject areas.
- Coordination and communication among state legal offices should be improved by

- Establishment of a chief counsel committee to meet periodically and discuss common issues
- Standardization of legal office data systems
- Creation of a state government-wide legal information bank, including briefs and other materials useful to state agency attorneys
- Working conditions for attorneys should be standardized from agency to agency as much as possible in the areas of
- Training
- Pro bono legal services
- Attorney classification
- Support staff levels

Inherent in this process should be the creation of a career ladder in the classification system for attorneys.

The reorganization of hearing officer functions in the Department of Administration will be explored. Addition of legal resources to the Risk Management and Tort Defense Division or to Agency Legal Services Bureau to allow an appropriate increased use of state counsel will be proposed through the budget adoption process. All other recommendations will be initially implemented by executive order.

III. RECOMMENDATIONS

NOTE: The following recommendations are, with one exception noted below, those agreed upon by the Governor and the Attorney General. They affect only the legal staffs of the Attorney General and the executive branch agencies controlled by the Governor and are not binding on the legal offices of other state elected officials.

A. Organization/Staffing

Executive branch agency counsel should remain under the supervision of the agencies. Staffing levels would be determined by the agencies within budgets set by the Legislature.

Rationale: Executive branch agencies strongly defended the need for quick access to attorneys who were experts in the special area of law involved in the agencies' own programs. The study revealed some duplication of effort and shortcomings in the manner in which agency legal staffs communicated with each other. Subsequent recommendations are designed to address these shortcomings. If

they succeed in eliminating the duplication of effort and lack of communication which currently exist, further changes in the legal services delivery system would not be recommended except to the extent appropriate to reduce unnecessary reliance on outside counsel. If these shortcomings remain, further centralization of legal services should be considered.

The study further revealed that small agencies, particularly those without fulltime legal staffs, are underserved in the present system. Some restructuring may be undertaken by executive order to address this problem.²

B. Responsibilities

1. General

Responsibilities for handling legal services related to agency programs and personnel and agency enforcement would continue to be handled by agency counsel. The handling and assignment of tort defense litigation would remain in the Department of Administration but would be the subject of further discussion and analysis by the Governor and Attorney General. The Governor and Attorney General recommend making additional in-house attorney resources available for tort and workers' compensation defense by transferring to a central hearing officer unit the hearing officer work currently being performed by Agency Legal Services Bureau, allowing the attorneys who have been performing that work to accept more tort and workers' compensation defense cases, and by adding additional in-house attorney resources.

Rationale: As discussed in more detail in A. above, a rationale for wholesale changes in the structure of the legal services system has not clearly appeared. However, the Governor and Attorney General are committed to reducing reliance on outside counsel where appropriate. The largest consumers of outside counsel services in state government are the State's tort defense and workers' compensation defense programs. Currently, three groups of in-house attorneys provide some defense services to these programs, with a substantial number of additional cases being referred to outside counsel.³ An immediate reduction in outside counsel usage can

²This problem surfaced mainly in the representation of administratively attached licensing boards in the Department of Commerce. Since the survey which disclosed the issue was taken, the Department has reorganized its legal staff with the aim of providing better service to the boards.

³Three FTE attorneys comprise the in-house legal staff of the Risk Management and Tort Defense Division in the Department of Administration. The State Compensation Insurance Fund employs

occur if more in-house resources are made available to handle these cases. Agency Legal Services Bureau currently expends between one and two FTE of legal time providing hearing officer services to other agencies in state government. This is work that can be done by other employees who are compensated at a lower grade. The creation of a central hearing officer panel, and the assignment to the panel of the hearing officer work currently being done by these Agency Legal Services Bureau FTE, as recommended in part II, B, 5, would allow the Bureau to take more tort and workers' compensation defense cases which are currently being referred to outside counsel.

The savings to the State in payments to outside counsel if this is accomplished is estimated to be roughly \$117,500 per year. This assumes that two FTE attorneys can perform a total of 2500 hours of billable legal work per year, a conservative estimate, at \$53 per hour. That work performed by outside counsel would cost the State \$250,000, assuming an hourly rate of \$100 for outside counsel services. At the hourly rate charged by Agency Legal Services Bureau, the same hours would cost \$132,500, resulting in a net savings of \$117,500.⁴

Risk Management and Tort Defense and the State Fund should continue to review their case loads with the objective of keeping in-house as much of the State's tort and workers' compensation defense work as can reasonably be defended with in-house resources. Some claims, such as those in which the potential damages are catastrophic or the plaintiff's attorney is particularly accomplished, should continue to be assigned for defense to outside counsel. The Governor and Attorney General believe that reductions in outside counsel usage can be achieved in the upcoming biennium.

The Governor prefers that one full-time attorney be added to the staff of the Risk Management and Tort Division (RMTD) of the Department of Administration. There are presently three full-time attorneys in that unit who handle only tort cases. Because most of the current expense for outside counsel is devoted to tort defense,

seven FTE attorneys. Eight FTE attorneys make up the legal staff of Agency Legal Services Bureau. Agency Legal Services Bureau receives case referrals from both the tort defense unit and the State Fund in cases in which the programs determine that their in-house staffs cannot provide a defense.

⁴As long as sufficient numbers of appropriate cases exist to justify the hiring of additional in-house counsel, each in-house attorney position can be expected to save at least \$58,750 per year in outside counsel costs. This is based on the conservative assumption that an attorney position can bill 1250 hours per year at \$53 per hour, for a cost to the agency of \$66,250. The same 1250 hours at \$100 per hour would cost the agency \$125,000.

it makes sense to place any additional legal staff in the unit in state government that specializes in tort defense. Whenever there are too many cases to handle, RMTD would continue its practice of contracting where appropriate with Agency Legal Services Bureau attorneys, who handle a greater variety of types of cases.

If, as is recommended elsewhere in this report, state hearing examiners are centralized in the Department of Administration, two Agency Legal Services Bureau attorneys will be freed up and can be assigned more cases. These two Agency Legal Services Bureau Attorneys plus one attorney added to RMTD would result in three additional attorneys to manage cases that are presently handled by outside (more expensive) counsel.

Both the Attorney General and the Governor agree that not all contracts with private attorneys involve cases that lend themselves to being handled by state counsel. The Governor believes that it is not at all clear at this point that by assigning as many cases as are appropriate to state attorneys, there is a need for more than the three additional attorneys mentioned in the previous paragraph.

The Attorney General believes that to allow the greatest flexibility in meeting this need, Agency Legal Services Bureau should be authorized to hire one additional FTE attorney in each year of the upcoming biennium, the hiring in the second year to be contingent upon the recommendation of the Office of Budget and Program Planning that sufficient tort and workers' compensation defense work is available to make it cost-effective to fill the new position at that time. Locating additional attorney resources in Risk Management and Tort Defense, rather than in Agency Legal Services Bureau, limits the work that the new attorneys can perform to tort defense cases, since the in-house staff of the RMTD handles only tort defense. The new attorneys would not be available to handle overflow workers' compensation defense or other litigation for state agencies. The Attorney General views this as an unnecessarily inflexible alternative.

An additional justification for locating the new attorney resources in Agency Legal Services Bureau is financial accountability. Unlike Agency Legal Services Bureau, Risk Management and Tort Defense does not bill time on an hourly basis to individual cases. The billing practices of Agency Legal Services Bureau are essentially identical to those used by outside attorneys, allowing a better basis for comparison of the hours spent by in-house versus outside attorneys.

2. Areas of Specialization

Areas of law that are not the primary focus of the agencies and that could more efficiently be handled by one agency or

that present a conflict of interest would be transferred to the Attorney General's Office:

Bankruptcy

Ethics Issues Involving State Attorneys

Indian Jurisdiction

Multi-agency litigation, e.g., a case involving a controversy between an agency and an attached-to board or commission

Rationale: Agency counsel are most proficient at handling legal matters in their agencies' program areas. Isolated cases involving other areas of the law would better be handled by an attorney who has more than one or two such cases each year. The areas described above comprise legal matters which arise from time to time in many different state agencies, but make up a small percentage of any single agency's case load. If there are other such areas of the law, they also should be transferred to the Attorney General's Office. Multi-agency litigation involving a case that pits two or more executive branch agencies against each other might better be handled by the Attorney General's Office, although there would be exceptions to this rule, to be applied on a case-by-case basis.

3. Appeals

All cases that are before the Montana Supreme Court or a federal circuit court or the U.S. Supreme Court would require the involvement of the Attorney General's Office in an advisory capacity before the State's pleadings are filed. The Attorney General would have the discretion to become an active participant in the appeal (either assuming representation of the case for the State or its agencies with assistance of agency counsel or filing separate pleadings in the appeal as an intervenor or an amicus curiae), advise the agency on an issue or issues in the case, or request that a different course of action be taken on the case. The Governor also would have the authority to decide to continue with the agency's recommended action in spite of the Attorney General's recommendation.

Rationale: Two systems exist for the handling of appeal cases involving the State and its agencies. Criminal appeals are briefed and argued by specialized counsel in the Attorney General's office. After a judgment of conviction is entered in a criminal case, the county attorney relinquishes responsibility for the case on appeal to one of the Attorney General's appellate specialists. In contrast, civil appeals remain the responsibility of the attorneys in each agency. The most significant cases that rise to the highest levels of appeal are most often handled by an agency counsel without the input of the State's highest legal officer, the Attorney General.

This situation creates two problems in the handling of State appeals which must be addressed. First, agency appeal issues are not screened to determine whether the issues have importance to more than one agency of State government. Different state agencies may be faced with the same or similar issues and be entirely unaware that another agency is briefing the same issue and possibly taking an approach which conflicts with that of the first agency. Second, successful representation of parties on appeal is a task which requires training and experience. Appeals are a small percentage of the caseload of most agencies, and many agency attorneys are inexperienced in the art of writing appeal briefs and presenting appellate arguments.

The Governor and Attorney General recommend that all civil appeal matters in the Montana Supreme Court and federal courts be referred before filing for review to the Attorney General's Office. The Attorney General's staff will review the case and the Attorney General will decide whether to become an active participant in the case as an intervenor or an amicus curiae, or whether to recommend that the Attorney General's staff assume responsibility for the case with the assistance of agency counsel, or whether the agency attorney will retain the case for purposes of handling the appeal. The Governor may decide to continue with the agency's recommended action in spite of the Attorney General's recommendation. It is presently assumed that matters in which the issues are limited to agency regulatory or enforcement decisions, such as judicial review of contested cases under the Montana Administrative Procedure Act, will usually remain the responsibility of agency counsel. Issues of statewide importance, including any matters litigated before the United States Supreme Court and any other matters in which the issues reach beyond the concerns of a single agency, will probably be assumed by the staff of the Attorney General. The Governor and Attorney General anticipate that this proposal can be implemented within existing staff levels because the number of State appeals to the Montana Supreme Court and to the federal courts is relatively small.

4. Agency Positions on Significant Legal Issues

The Attorney General should establish a protocol for reviewing legal interpretations and positions on legal issues that affect more than one agency.

Rationale: Interpretations of law and legal positions that are significant in their impact on other state offices should be reviewed by the Attorney General. One agency counsel should not have the ability to create a burdensome precedent for other agencies or a position the effect of which goes far beyond what the agency counsel may have considered. Under this proposal, the Attorney General would establish a procedure for multi-agency review of agency legal opinions whose effects go beyond the interests of a single agency, to ensure consistency and provide an

objective assessment of the legal reasoning being followed.

5. Central Panel of Hearing Officers

The State should explore the creation of a central panel of hearing officers within the Department of Administration. Minimum qualifications for these hearing officers would be established by rule by the Department. Currently employed officers would be grandfathered. Existing full-time hearing officers in state government would be transferred to the new panel. Two FTE positions should be created in the new program to replace services currently being provided by Agency Legal Services Bureau attorneys.⁵ Agencies needing hearing officers could either use the agency officials responsible for the final agency decision, use other agency nonlawyer personnel, or request a hearing officer from the Department of Administration. Agencies could pay for the services of a hearing officer on an hourly basis and the panel could be funded through a proprietary account, with expenses paid from fees paid by the agencies using the services. Additional FTEs should be hired by the Department of Administration, within budgets approved by the Legislature, whenever the Legal Services Review Committee determines that a sufficient volume of hearing officer work is being referred to outside counsel to justify hiring additional employee(s). The size of the hearing officer staff should be reduced if sufficient workload is not present.

Rationale: State agencies paid in excess of \$50,000 in outside counsel fees in FY 94 to hire hearing examiners. Currently, there are several full-time hearing officers employed at Labor and Industry and SRS, and other employees at the Department of Justice and elsewhere who act as hearing officers on a part-time, as needed basis. There is a perception that bias exists where an agency uses its own employee as a hearing officer in a dispute involving the employee's own agency.

Removing the hearing officers from the direct supervision of the agencies responsible for the decision would remove the appearance of a conflict of interest on the part of the hearing officers.⁶

⁵This would not result in an offsetting reduction in Agency Legal Services Bureau because the resources made available by the transfer of this hearing officer responsibility would be utilized to reduce outside counsel expenses for workers' compensation and tort defense. See section III, B, 2 above.

⁶There is no actual conflict. Under MAPA, a hearing officer is disqualified only if there is a showing of actual bias or prejudice. MAPA explicitly allows for the possibility that a decision-maker within the agency may make the final decision.

It would allow cross-training of hearing officers to handle several different kinds of agency matters, creating a means to adjust case loads for peaks and valleys in the work of a particular agency. The centralized panel could adopt uniform practices and procedures for agency decisions, including format, style, and content. The proposal should fund itself through the collection of fees for the provision of services. It can probably be assumed that the fees will be somewhat lower than the \$53 per hour charged by Agency Legal Services Bureau due to the lower payroll costs and overhead for hearing officers as compared to attorneys. The advantages and disadvantages of this suggestion are being fully analyzed, and a final decision on implementation will be made by December 31, 1995.

C. COORDINATION/COMMUNICATION

1. Regular Meetings of Chief Counsel

A committee, jointly chaired by the Chief Deputy Attorney General and the Governor's Chief Counsel, and made up of the chief counsel of those executive branch agencies under the control of the Governor, would meet on a regular basis. Chief counsel of other elected officials would be invited to attend. The committee's purpose would be to discuss legal issues of importance to the State, including significant cases as well as matters relating to the standardization of legal systems and the professionalism of state attorneys.

Topics that should be considered by the committee would include: inventory, sharing, and possible cost-reduction of resources, both data and equipment; adoption of rules clarifying which office handles which kinds of cases; creation of a state legal professional organization; coordination of training opportunities; adoption of ethics guidelines for state attorneys and establishment of an ethics review panel.

The Governor and Attorney General would seek the advice and assistance of the committee in the implementation of the recommendations in this report.

Rationale: One of the most frequently-heard complaints about state legal services was that most state attorneys are unaware of legal positions taken by another agency, or of existing legal research that has already been done by an agency and could have been used by another. A group representing the legal offices of all government agencies would have the ability to address many of the inefficiencies identified in the delivery of state legal services.

This proposal is a keystone of the reforms recommended in this report. The greatest drawback of the decentralized legal services

delivery system is the absence of communication and coordination among agencies. The committee recommended in this section should address this problem by requiring agencies to share information and to make other agencies aware of the legal issues confronting the agencies. If significant communication issues remain after this proposal is implemented, further structural changes may be recommended.

2. Standardization of Legal Systems

•Electronic Exchange of Information

The Information Services Division of the Department of Administration, with the assistance of the Attorney General's Office, should establish standards for a telecommunications network for all state legal offices in order to share research, including a brief bank.

All state attorneys would have access to the inter-agency E-Mail system. The Attorney General would establish an inter-agency information bank, complete with an index of briefs filed by agency attorneys in civil cases.

•Staffing

The Attorney General should establish guidelines for the ratio of support staff to attorneys.

•Pro Bono Service

The Attorney General should establish guidelines for pro bono work for state attorneys.

Rationale: Uniformity in agency information systems is essential in the current data-driven culture. Standardization will facilitate the creation of an interagency brief and information bank for the storage and exchange of briefs and other legal information of interest to agencies.

Currently, attorneys in different agencies may be treated very differently with respect to issues such as training, support staff, and the performance of pro bono legal work.⁷ The Attorney General's Office, the legal office with the greatest number of legal staff in state government, should be the driving force behind the standardization of legal systems and attorney working conditions.

⁷It is the professional responsibility of every attorney, including those in public service, to participate in making legal services available to persons who need a lawyer but cannot afford to pay for one. Montana Rules of Professional Conduct 6.1.

3. Classification/Pay/Promotion

The State Personnel Division in the Dept. of Administration, in cooperation with the Attorney General's Office, should explore establishing a uniform system of classification for all state legal staff, taking into consideration the fact that supervision of other attorneys is not considered in the private sector to be a necessary factor in an attorney's pay progression. The Attorney General, in cooperation with the Department of Administration, should study approaches for evaluating the competency and qualifications for legal staff.

The Attorney General would create a means to assist agencies to hire, evaluate, promote, and discipline legal staff, as well as conduct legal systems audits.

Rationale: The classification and compensation of attorneys is not uniform throughout the agencies nor does it reflect the reality of compensation in the legal profession. Attorneys in State government service receive compensation which is less than comparably experienced attorneys in private practice, local government service, federal service, or in serving the state governments of surrounding states.⁸ This is attributable in part to a focus on supervision as a substantial factor in upgrading attorney positions. It is also attributable in part to the failure of the current classification system to allow for increase in compensation to attorneys based on their increased experience and competence. In both respects, the State classification system is in marked contrast to the system used to compensate attorneys in the private sector and in other states.

Moreover, many non-lawyer managers in executive branch agencies lack experience and expertise in legal matters, and consultation with supervisory staff in the Attorney General's Office would allow them to perform the functions of evaluating existing legal staff and hiring new attorneys more effectively. In exploring implementation of a classification system for attorneys which provides incentives to attract and keep high quality attorneys in state government, the Department of Administration should work closely with the Attorney General as the State's Chief Legal Officer. The Attorney General should also assist agencies in devising a performance appraisal system for legal staff and in hiring new legal staff.

⁸The study found that county and city attorney salaries exceeded all but the very few most highly paid attorneys on the state payroll. More experienced state lawyers, including the supervising attorneys of several large State departments, earned substantially less than full-time deputy city attorneys. Attorneys working for surrounding states earn substantially more than attorneys in Montana state government.

4. Training

It should be the responsibility of each agency employing a legal staff to provide training for the attorneys sufficient to satisfy the requirements for continuing licensure under the rules adopted by the Montana Supreme Court, and to pay for that training within agency budgets set by the Legislature.

Rationale: The Montana Supreme Court requires 15 hours of continuing education for every attorney as a condition of licensure to practice. Agencies should be required to provide that training for the attorneys on their staffs. Ample training opportunities exist within the State to fulfill most training needs for State lawyers. Training opportunities should be selected with agency needs in mind, and should be approved by lawyer supervisors within the agencies, who are most knowledgeable about legal training needs of the agencies' attorneys.

IV. CONCLUSION

The Governor and Attorney General are grateful for the assistance of the many persons inside and outside of State government who provided information and suggestions with respect to the subject of this study. The widespread commentary we received indicates the level of interest in the subject, and its importance to the people of Montana.

The legal services delivery system should continue to be the subject of study and debate. When Montana last reorganized its government in 1972, the design of the legal services delivery system for the new twenty-department government structure was never debated. The system was studied only once in the first twenty years after the reorganization occurred in 1972. The current study is only the second since that time. The recommendations in this study are designed to make the current decentralized system function efficiently and effectively. The Governor and Attorney General are committed to continued evaluation of the performance of the system as these changes are implemented.

Amendments to House Bill No. 2
Third Reading Copy

For the Senate Finance and Claims Committee

Prepared by JanDee May
March 24, 1995

SENATE FINANCE AND CLAIMS
EXHIBIT NO. 40
DATE 3/24/95
BILL NO. HB 2

failed

1. Page D-2, line 14.

Strike: "1,504,213 1,485,582" (general fund fiscal years 1996 and 1997)

Insert: "1,534,865 1,512,678" (general fund fiscal years 1996 and 1997)

LFA will adjust totals.

This amendment adds funding to hire one legal secretary in the Legal Services Division. The current ratio of attorneys to legal secretaries in the office is 4.5 attorneys per secretary - twice the average ratio. Current secretarial staff is unable to keep up with the demand placed on them.

General fund increases by \$30,652 in fiscal 1996 and \$27,096 in fiscal 1997.

{ Office of Legislative Fiscal Analyst

444-2986}

SENATE FINANCE AND CLAIMS

EXHIBIT NO. 41

DATE 3/24/95

BILL NO. HB 2

Amendments to House Bill No. 2
Third Reading Copy

Requested by Senator Jacobson
For the Committee on Senate Finance and Claims

Prepared by L. Smith
March 21, 1995

Failed

1. Page D-5, line 4. (Narrative N/A)

Strike: line 4 in its entirety

Insert: "195,942 106,004 274,634 193,173 106,764 276,264"
General Fund, State Special, & Federal - FY96 & FY97

LFA will adjust totals

This amendment funds the Folklife program and the Rural Arts program at the Montana Arts Council with general fund, rather than federal funds and state special revenue (Cultural and Aesthetic Trust funds). The executive requested this funding switch in the original Executive Budget.

This amendment increases general fund \$85,460 each year, decreases state special revenue \$60,719 each year and decreases federal fund \$24,741 each year.

{Office of Legislative Fiscal Analyst

444-2986}

Amendments to House Bill No. 2
Third Reading Copy

Requested by Senator Harding
For the Senate Finance and Claims Committee

Prepared by Lorene Thorson
March 23, 1995

SENATE FINANCE AND CLAIMS
EXHIBIT NO. 42
DATE 3/24/95
BILL NO. HB 2

Carried

1. Page D-2, line 25. (Narr. N/A)

Strike: "5,887,856 5,671,222" (general fund fiscal years 1996 and 1997)

Insert: "6,031,856 5,815,222" (general fund fiscal years 1996 and 1997)

LFA will adjust totals.

This amendment restores funding of \$144,000 general fund each year for mailing vehicle license renewal cards, removed in the 1993 session.

{Office of Legislative Fiscal Analyst

444-2986}

SENATE FINANCE AND CLAIMS
EXHIBIT NO. 73
DATE 3/24/95
FILE NO. 7162

Amendments to House Bill No. 2
Third Reading Copy

Requested by Senator Beck
For the Committee on Senate Finance and Claims

Prepared by Lisa Smith
March 23, 1995

1. Page D-7, line 17. (Narrative N/A)
Strike: "36,700,265" "37,728,705" General Fund FY96 and FY97
Insert: "36,925,931" "37,979,954" General Fund FY96 and FY97

LFA will adjust totals

*Did not offer
when first
discussed.
Later failed
on Sen. Ferguson
motion to
accept*

This amendment adds general fund of \$225,666 in fiscal 1996 and \$251,249 in fiscal 1997 to increase security at Swan River Correctional Training Center (SRCTC) and expand the number of trainees by 20.

\$111,864 in fiscal 1996 and \$137,404 in fiscal 1997 provide for: 1) two corrections officers and one drill instructor to provide 24 hour security and a relief factor at the base level of 40 trainees; 2) a contract with the Lake County Sheriff's Office; and 3) costs associated with moving the program to MSP property.

The amendment includes \$113,802 in fiscal 1996 and \$113,845 in fiscal 1997 for expansion of the number of trainees by 20. This provides funding for two drill instructors and related operating costs. This funding will increase the number of available beds to 60 during the biennium.

{Office of Legislative Fiscal Analyst

444-2986}

SENATE FINANCE AND CLAIMS

Amendments to House Bill No. 2
Third Reading Copy

EXHIBIT NO. 44
DATE 3/24/95
BILL NO. NB 2

Requested by Senator Beck
For the Committee on Senate Finance and Claims

Prepared by L. Smith
March 23, 1995

failed

1. Page D-7, line 17.	(Narrative N/A)	
Strike: "36,700,265"	"37,728,705"	General Fund FY96 and FY97
Insert: "37,156,853"	"38,186,410"	General Fund FY96 and FY97

LFA will adjust totals

This amendment adds general fund of \$456,588 in fiscal 1996 and \$457,705 in fiscal 1997. This request results from a security and special services review performed at the Montana State Prison (MSP) in Deer Lodge. This amendment provides funding for 2.0 FTE correctional technicians for the investigation unit to upgrade telephone monitoring and urine analysis testing; 7.0 FTE correctional officers for an internal security team; 1.0 FTE correctional supervisor for the honor dorm expansion; 1.0 FTE psychiatrist for mental health treatment of inmates; and related operating costs.

{Office of Legislative Fiscal Analyst

444-2986}

Failed

Amendments to House Bill No. 2
Third Reading Copy

Requested by Senator Waterman
For the Committee on Senate Finance and Claims

Prepared by L. Smith
March 23, 1995

1. Page D-7, line 19. (Narrative N/A)

Strike: "36,144,453" "36,680,132" General Fund FY96 and FY97

Insert: "36,254,453" "36,790,132" General Fund FY96 and FY97

LFA will adjust totals

Department of Corrections and Human Services - Mental Health Program

This amendment provides \$110,000 general fund each year for housing assistance to adults with mental illness who are in community programs.

Office of Legislative Fiscal Analyst

444-2986)

SENATE FINANCE AND CLAIMS

EMENDIT NO. 46

Amendments to House Bill No. 2
Third Reading Copy

DATE 3/24/95

BILL NO. HB 2

Requested by Senator Waterman
For the Committee on Senate Finance and Claims

Prepared by L. Smith
March 23, 1995

Failed

1. Page D-7, line 19.	(Narrative N/A)		
Strike: "36,144,453"	"36,680,132"	General Fund	FY96 & FY97
Insert: "36,350,703"	"37,436,382"	General Fund	FY96 & FY97

LFA will adjust totals

Department of Corrections and Human Services - Mental Health Program

This amendments provides general fund of \$206,250 in fiscal 1996 and \$756,250 in fiscal 1997 to provide crisis intervention programs. These intervention programs would be phased in through the biennium and would establish 3 community based residential programs for short-term crisis management for adults with serious mental illnesses.

{Office of Legislative Fiscal Analyst

444-2986}

SENATE FINANCE AND CLAIMS

EXHIBIT NO. 47

DATE 3/24/95

BILL NO. 2B2

Amendments to House Bill No. 2
Third Reading Copy

For the Committee on Senate Finance and Claims

Prepared by L. Smith
March 23, 1995

failed

1. Page D-7, line 19. (Narrative D-66)
Strike: "36,144,453" "36,680,132" General Fund FY96 and FY97
Insert: "41,076,011" "41,746,156" General Fund FY96 and FY97

LFA will adjust totals

Department of Corrections and Human Services - Mental Health Program

This amendment adds general fund of \$4,931,558 in fiscal 1996 and \$5,066,024 in fiscal 1997 to provide present law and new proposal adjustments requested by the executive for the MRM program. This amendment provides funding for community based services for seriously emotionally disturbed (SED) youth, 2.0 FTE for utilization review and administration of the MRM program, and general fund match for youth residential treatment services.

{Office of Legislative Fiscal Analyst

444-2986}

Managing Resources Montana

Services Authorization Guidelines

SENATE FINANCE AND CLAIMS

EXHIBIT NO. 48

DATE 3/24/95

BILL NO. NR2

Services Not Authorized for funding by MRM:

- 1) Residential Psychiatric Care
- 2) Other Residential Care
- 3) Residential Chemical Dependency Treatment
- 4) Acute Inpatient Care
- 5) Group Homes
- 6) Foster Care
- 7) Services Provided in School Setting for Purpose of Achieving Educational Goals
- 8) Travel Allowances for Medicaid Eligible Clients
- 9) Partial Hospitalization
- 10) Tutors
- 11) One-on-One Aide
- 12) Recreational Programs
- 13) Day Care

Services Authorized for MRM funding on Limited Basis:

(must be time limited and specifically related to treatment needs & goals)

- 1) Individual, Group, Family Outpatient Therapy
- 2) Day Treatment
- 3) Respite
- 4) Family & Home Based Services
- 5) Medication Monitoring
- 6) Psychological, Psychiatric, Medication Evaluation

Priority Services Not Subject to Limitation:

- 1) Case Management
- 2) Services from Crises Response Team

12/26/94

TO: [REDACTED]

FROM: [REDACTED]

RE: [REDACTED]

I AM THE ASSISTANT PRINCIPAL AT [REDACTED] MIDDLE SCHOOL. [REDACTED] HAS BEEN SENT TO MY OFFICE NINE TIMES IN THE LAST TWO MONTHS. HE HAS ESCALATED TO THE POINT WHERE HE IS INSUBORDINATE AND DEFIANT WHEN CONFRONTED ABOUT HIS BREAKING OF SCHOOL POLICY. HE USES INAPPROPRIATE LANGUAGE AND REFUSES TO LEAVE WHEN ASKED. THE LAST TIME HE WAS SENT UP, FOR THROWING OBJECTS IN CLASS, HE REFUSED TO LEAVE. WHEN HE DID EXIT THE BUILDING HE THEN CAME BACK IN ANOTHER DOOR AND WENT THROUGH OTHER PEOPLES LOCKERS. WHEN CONFRONTED BY A STAFF MEMBER HE BECAME DEFIANT, USED INAPPROPRIATE LANGUAGE, AND REMAINED IN THE SCHOOL. THE TEACHER THEN CAME TO MY OFFICE TO INFORM ME THAT [REDACTED] WAS STILL IN THE BUILDING. WHEN WE WENT TO INVESTIGATE WE FOUND HIM OUTSIDE THE BUILDING TALKING THROUGH A OPEN WINDOW. [REDACTED] WAS ASKED BY A POLICE OFFICER TO COME OVER AND TALK TO US. HE RAN AWAY AND WAS FINALLY STOPPED BY THE POLICE OFFICER WHO HAD TO HANDCUFF HIM TO KEEP ORDER. [REDACTED] THEN USED INAPPROPRIATE LANGUAGE AND THREATS AS HE WAS BROUGHT BACK INTO THE BUILDING.

STUDENTS AT [REDACTED] ARE INTIMIDATED AND AFRAID OF [REDACTED] BECAUSE OF THREATS MADE IF THEY INFORM TEACHERS OF HIS ACTIONS. ON MANY OCCASIONS STUDENTS WILL NOT GIVE ME CORRECT INFORMATION AND TAKE THE PUNISHMENT SO THE WILL NOT BE PHYSICALLY HURT BY [REDACTED]. TEACHERS ARE ALSO AFRAID OF WHAT [REDACTED] WILL DO IN CLASS WHEN THE CONFRONT HIM ABOUT HIS BEHAVIOR. WHEN [REDACTED] IS SUSPENDED HE HAS GONE OVER TO [REDACTED] SCHOOL AND ENTERED THE BUILDING WITHOUT PERMISSION OF THE BUILDING ADMINISTRATION. WHEN ASKED ABOUT HIS BEHAVIOR HE HAS REFUSED TO LEAVE AND USED INAPPROPRIATE LANGUAGE AND THREATS. HE HAS BEEN SUSPENDED FROM ATTENDING ANY [REDACTED] HIGH SCHOOL ACTIVITIES BECAUSE OF THE TROUBLE HE HAS CAUSED AT GAMES.

Tim
8th Grader in Southwest Montana
A Recent Case Study

- history of childhood abuse
- behavior problems beginning at age four, including setting fires and torturing animals
- alternated between biological parents, grandparents and foster homes; changed schools frequently
- behavior problems in school from the beginning of his educational career; referred to special education and labelled "emotionally disturbed"
- placed in several residential treatment centers by fifth grade
- "Emotionally Disturbed (ED)" label changed to "Learning Disabled (LD)" during 6th grade
- during the fall of 1994-1995 school year, when new to the district, behavior problems increased dramatically
- precipitating incident on December 15 led to suspension and police involvement *see the summary from the principal*
 - ✓ teacher threatens to get restraining order against Tim to prevent him returning to her class
- MRM involvement at this point as well
- Tim suspended;
- placed in detention in Bozeman pending disposition of his case with regard to some non-school issues that happened simultaneously
- new Child Study Team (CST) meeting was called in early January to determine if the behavior leading to suspension was related to Emotional disability
 - ✓ advocate from Montana Advocacy Program insists that student be returned to classroom; threatens "stay put"
 - ✓ district questions appropriateness of LD label vs. ED label; determines that new evaluation needs to be done; meeting on new lable scheduled for late February
 - ✓ student placed in newly-created "at-risk" program until label determined and new Individual Education Plan (IEP) written;

- student returned from Bozeman, placed in group home and placed in at-risk program on shortened schedule; advocate and parent balk at shortened schedule.
- Tim's progress in new placement is spotty; attendance is good due to group home requirements, but he is often non-cooperative, intimidating and abusive to staff and other students.
- March 95: Tim is involved in illegal activity, arrested, taken to a group home in another town; he escapes, steals a car, does some property damage and is again placed in detention in Bozeman;
 - ✓ Youth Court Services petitions DFS to place student in out of state residential facility
- school team meets in March and re-applies emotionally-disturbed label

MRM Involvement

- Case Management
 - ✓ support for parent, family and student
 - ✓ coordination of Medicaid eligibility
- Respite: supervision of Tim at home during the time the period that he was not in the group home; without this the parents would have pushed for a full-day school placement
- Chemical Dependency evaluation
- Close cooperation and support for school and school goals

prepared by

Joe Furshong
Assistant Director, Student Services, Helena Schools
Chair, MRM Southwest Montana Regional Team

Managing Resources Montana - Region IV

Year to Date Summary - FY-95

	Total in County	Sex		Race						Labeled ED			Medicaid	
		Female	Male	Wh	Bl	Ind	Hs	Asla	Unk	Yes	No	??	Yes	No
Avalon	21	6	15	17	0	0	3	1	0	6	13	2	13	8
Bozeman	6	2	4	6	0	0	0	0	0	1	3	2	4	2
Butte	50	17	33	46	0	3	1	0	0	8	27	15	33	17
Chouteau	117	41	76	108	2	1	5	1	0	62	41	14	53	64
Glacier	3	0	3	3	0	0	0	0	0	1	0	2	1	2
Granite	10	3	7	10	0	0	0	0	0	4	6	0	5	5
Lewis & Clark	220	84	136	196	2	14	5	1	2	73	118	29	131	89
Madison	15	5	10	14	0	1	0	0	0	3	10	2	12	3
Meagher	2	1	1	2	0	0	0	0	0	0	2	0	1	1
Mt. Park	32	5	27	31	0	1	0	0	0	19	7	6	21	11
Powell	14	5	9	13	0	1	0	0	0	2	6	6	8	6
River Bow	80	23	57	73	1	5	1	0	0	25	47	8	68	12
Yellowstone	11	1	0	1	0	0	0	0	0	0	0	1	1	0
TOTALS	571	193	378	520	5	26	15	3	2	204	280	87	351	220

Client Summary - YTD - FY-95			
Active	Waiting	Denied	Discharged
365	7	26	173
Total New Applicants in This Fiscal Year = 29			
Pending Clients as of Feb. 31, 1995 = 3 (not in above amt)			

Caseloads By Case Manager			
Andy - Helena	27	Ginger - Butte	24
Sam Bee - Helena	15	Sarah - Butte	24
Betsy - Helena	32	Tina - Dillon (P/T)	12
Pat - Helena	45	Pat - Dillon (P/T)	5
Tom - Helena	35	Susan - Bozeman	38
OTter - Helena	20	Wendy - Bozeman	30
Ken - Anaconda	35	Terry - Livingston	23

Grade	#
>1	61
1	23
2	35
3	32
4	36
5	50
6	50
7	69
8	71
9	72
10	31
11	18
12	5
Unknown	18

Total Referrals	
Self/ Family/ Friend	104
Private MH Provider	44
Mental Health Center	50
Crisis Center	6
Courts	32
Schools	109
Law Enforcement	12
Native American Agency	1
Dept of Family Services	75
Res. Psych. Tx. Facility	71
Residential Care	9
Acute Psych. Hospital	22
Other / Unknown	36

Breakdown by Diagnosis					
Post Traumatic Stress Disorder	20%	Conduct Disorder	2%		
Major Depression	16%	Dysthymia	9%		
Attention Deficit Hyperactive Dis.	15%	Depressive Disorder	4%		
		All Other Diagnosis Combined	21%		

Amendments to House Bill No. 2
Third Reading Copy

Requested by Senator Waterman
For the Committee on Senate Finance and Claims

Prepared by L. Smith
March 23, 1995

Carroll

1. Page D-8, line 13. (Narrative N/A)

Following: "All services under the managing resources Montana (MRM) program"

Strike: ", as well as the regional management of MRM,"

2. Page D-8, line 18.

Strike: line 18 in its entirety

Department of Corrections and Human Services - Mental Health Program

This amendment eliminates restrictive language in HB 2 and allows the department to contract with community mental health centers for regional administration of the MRM program. The department needs the flexibility to contract with a community mental health center to administer the program. Additionally, a shift in the administration of the program could result in disruption of services.

By requiring that service providers be selected on an RFP basis, the conflict of interest issue is eliminated, since providers will have to compete based on cost effectiveness.

Office of Legislative Fiscal Analyst

444-2986}

Amendments to House Bill No. 2
Third Reading Copy

SENATE FINANCE AND CLAIMS
EXHIBIT NO. 50
DATE 3/24/95
BILL NO. HB 2

Requested by Senator Harding
For the Committee on Finance and Claims

Prepared by Terri Perrigo
March 24, 1995

withdrawn

1. Page A-9.

Following: line 25.

Insert: "b. Appellate Defender Program

180,192" (general fund 1996) "172,762" (general fund 1997)

LFA will amend totals.

This adds general fund of \$352,954 and 3.5 FTE for the appellate defender program. The funds are added to the Department of Administration because the appellate defender program is administratively attached to that agency.

The appellate defender program is funded through district court criminal reimbursement funds, which are deposited in the general fund. District court criminal reimbursement funds come from 2 percent of the 7 percent tax on automobiles and light trucks.

In previous biennia, the appellate defender program was funded through a statutory appropriation. SB 83, the de-earmarking bill sponsored by Senator Grosfield, would eliminate the statutory appropriation, resulting in the need for the program to be budgeted in HB 2 if it is to continue.

This amendment reflects the appellate defender program's request for the 1997 biennium. Under the statutory appropriation, the program had authority to spend up to \$100,000 per year, which supported 2.0 FTE.

{Office of Legislative Fiscal Analyst

444-2986}

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Amendments to House Bill No. 2
Third Reading Copy

SENATE FINANCE AND CLAIMS
EXHIBIT NO. 51
DATE 3/24/95
BILL NO. NB 2

Requested by Senator Christiaens
For the Senate Finance and Claims Committee

Failed

Prepared by L. Thorson
March 22, 1995

*A-2
with LFA*

1. Page A-4, following line 15. (Narr. A-39)
Insert: "7. Mental Disabilities Board of Visitors (20)"
"147,737 154,912" (general fund 1996 and 1997)
"61,611 61,972" (federal funds 1996 and 1997)

LFA will adjust totals.

This amendment provides funding for the Mental Disabilities Board of Visitors and 4.5 FTE.

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444-2986}

Amendments to House Bill No. 2
Third Reading Copy

Requested by Senator Beck
For the Senate Finance and Claims Committee

Prepared by Lorene Thorson
March 20, 1995

SENATE FINANCE AND CLAIMS
EXHIBIT NO. 52
DATE 3/24/95
BILL NO. NB 2

failed

1. Page A-4, following line 1. (Narr. A-31)
Insert: "b. Montana Consensus Council"
"65,998 66,007" (general fund 1996 and 1997)
"21,999 22,003" (state special revenue 1996 and 1997)

LFA will adjust totals.

This amendment would fund the Montana Consensus Council in the Governor's Office. This amendment funds the proposal at the level requested by the executive - \$87,997 in fiscal 1996 and \$88,010 in fiscal 1997, including 1.75 FTE.

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444-2986}

Amendments to House Bill No. 2
Third Reading Copy

Requested by Senator Franklin
For the Committee on Finance and Claims

Prepared by Lois Steinbeck
March 21, 1995

SENATE FINANCE AND CLAIMS
EXHIBIT NO. 53
DATE 3/24/95
BILL NO. 75B 2

failed

1. Page B-4, line 18. (Narr. B-42)

Strike:	"478,762"	"1,103,398"	"916,839"	"2,040,706"
Insert:	"1,276,698"	"2,942,395"	"2,444,904"	"5,441,883"

LFA will amend the totals.

This amendment increases provider rate increases for nursing homes from 1.5% to 4%. The amendment adds \$2,326,001 general fund and \$5,240,174 federal funds over the biennium.

{Office of Legislative Fiscal Analyst

444-2986}

Amendments to House Bill No. 2
Third Reading Copy

Requested by Senator Waterman
For the Committee on Finance and Claims

Prepared by Lois Steinbeck
March 21, 1995

SENATE FINANCE AND CLAIMS
EXHIBIT NO. 54
DATE 3/24/95
BILL NO. HB 2

carried

1. Page B-10, following line 5. (Narr. N/A)
Insert: "g. W.K. Kellogg Grant -- Matching Funds (Biennial)
240,377" federal special revenue fiscal 1996

LFA will amend the totals.

This amendment adds \$240,377 federal authority over the biennium in the event that the department can use federal Title IV-E funds as matching funds for the Kellogg Grant. The department has received a \$1.6 million Kellogg grant to fund permanency planning and placement of foster care children in permanent homes.

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444-2986}

Amendments to House Bill No. 2
Third Reading Copy

Requested by Senator Christiaens
For the Committee on Finance and Claims

Prepared by Lois Steinbeck
March 21, 1995

SENATE FINANCE AND CLAIMS

EXHIBIT NO. 55

DATE 3/24/95

BILL NO. 75B2

failed

1. Page B-10, line 5. (Narr. B-74)

Strike: "1,140,583" "1,140,583"

Insert: "4,059,617" general fund fiscal 1996

"4,158,893" general fund fiscal 1997

2. Page B-12.

Strike: Lines 6 through 9 in their entirety.

Insert: "Fiscal year 1996 unexpended funds in item 4f are reappropriated for use
in fiscal year 1997."

LFA will amend the totals.

This amendment reinstates the Executive Budget request for \$8.2 million in general fund authority for community impact grants for difficult to serve children.

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444-2986}

Amendments to House Bill No. 2
Third Reading Copy

Requested by Senator Burnett
For the Committee on Senate Finance and Claims

Prepared by Roger Lloyd
March 23, 1995

SENATE FINANCE AND CLAIMS

EXHIBIT NO. 56

DATE 3/24/95

BILL NO. HB 2

Failed

1. Page C-7, line 15. (Narr. C-38)

Strike: "22,000" "33,067"

Federal, fiscal 1996 & 1997

Insert: "4,830" "4,669"

Federal, fiscal 1996 & 1997

2. Page C-8. (Narr. C-48)

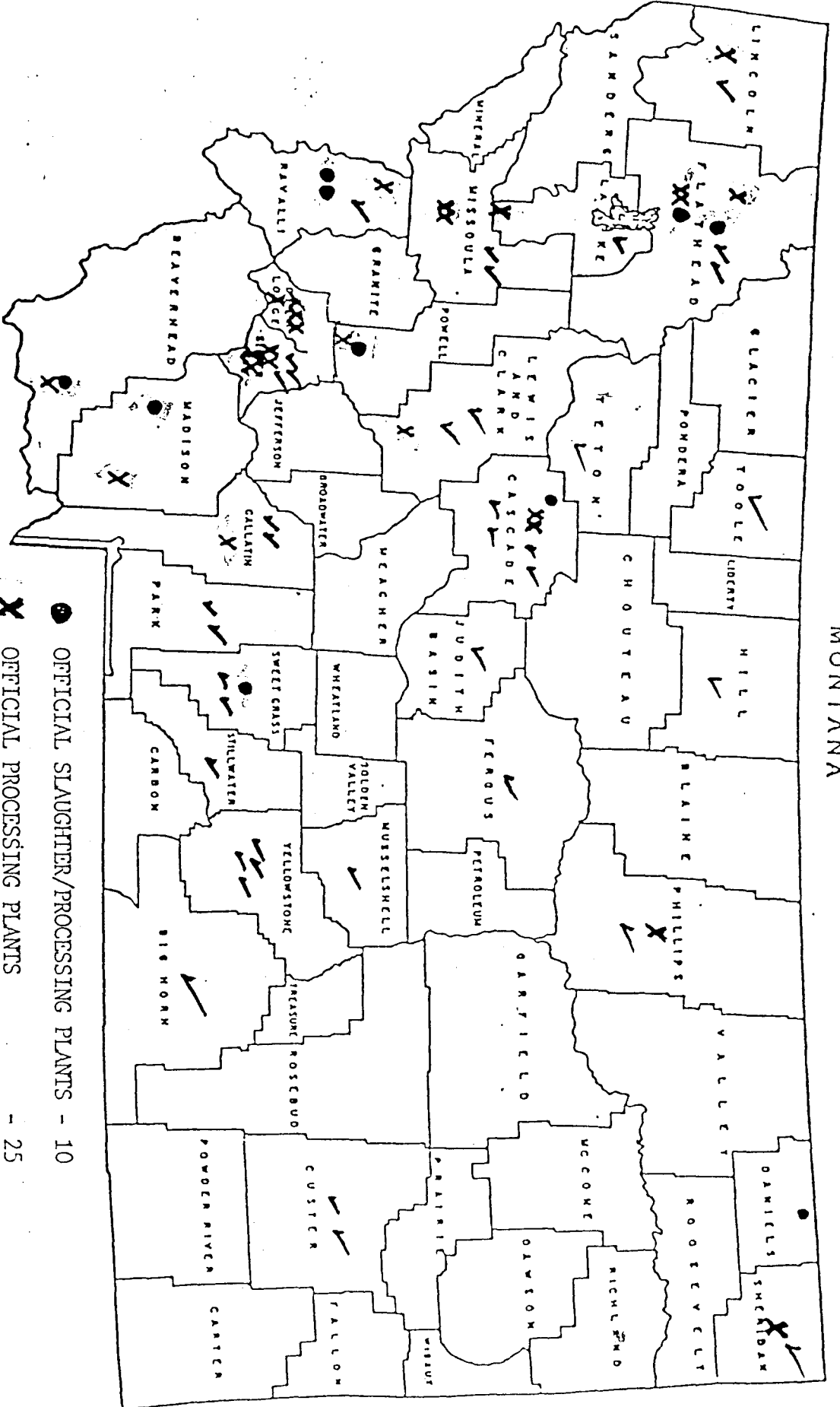
Strike: lines 5 and 6 in their entirety

These amendments eliminate 14.50 FTE and the entire funding for the Meat and Poultry Inspection Program. Federal indirect cost funding in the Central Management Program is reduced because of the federal funds that would be eliminated, leaving 16.1 percent of the federal funding appropriated in the Milk and Egg Program as federal indirect cost support.

{Office of Legislative Fiscal Analyst

444-2986}

MEAT/POULTRY INSPECTION
 MONTANA



No. 1050 — County Outline Map
 STATE PUBLISHING COMPANY
 Helena

● OFFICIAL SLAUGHTER/PROCESSING PLANTS - 10
 X OFFICIAL PROCESSING PLANTS - 25
 V OFFICIAL USDA UNITS - 40
 Commercial Inspections

Amendments to House Bill No. 2
Third Reading CopyRequested by Senator Burnett
For the Committee on Senate Finance and Claims*failed*Prepared by Roger Lloyd
March 23, 1995

1. Page C-7, line 15. (Narr. C-38)

Strike: "22,000" "33,067"

Federal, fiscal 1996 & 1997

Insert: "13,950" "25,017"

Federal, fiscal 1996 & 1997

2. Page C-8, line 6. (Narr. C-48)

Strike: "261,968" "267,968"

"263,453"

"269,453"

General fund & federal, fiscal 1996 & 1997

Insert: "211,968" "217,968"

"213,453"

"219,453"

General fund & federal, fiscal 1996 & 1997

These amendments eliminate \$50,000 general fund and \$50,000 matching federal funds each fiscal year in the Meat and Poultry Inspection Program in the Department of Livestock. Federal indirect cost funding in the Central Management Program is reduced by \$8,050 (16.6 percent of the \$50,000 federal funds) because of the federal funds that would be eliminated.

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444-2986}

Amendments to House Bill No. 2
Third Reading Copy

Requested by Senator Jenkins
For the Committee on Senate Finance and Claims

Prepared by Roger Lloyd
March 24, 1995

SENATE FINANCE AND CLAIMS
EXHIBIT NO. 59
DATE 3/24/95
BILL NO. HB 2

filed

1. Page C-1, line 4. (Narr. C-1)

Strike: "1,991,401"

"1,941,401"

State special, fiscal 1996 & 1997

Insert: "1,960,045"

"1,909,803"

State special, fiscal 1996 & 1997

This amendment removes funding of \$31,356 in fiscal 1996 and \$31,598 in fiscal 1997 for 1.00 FTE associated with rail inspections in the Department of Public Service Regulation.

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444-2986}

Amendments to House Bill No. 2
Third Reading Copy

SENATE FINANCE AND CLAIMS
EXHIBIT NO. 60
DATE 3/24/95
BILL NO. HB2

Requested by Senator Jenkins
For the Committee on Senate Finance and Claims

Prepared by Roger Lloyd
March 24, 1995

Carried

1. Page C-13, line 8. (Narr. C-94)

Strike: "1,816,988" "1,824,491" State special revenue, fiscal 1996 & 1997

Insert: "1,800,133" "1,807,636" State special revenue, fiscal 1996 & 1997

This amendment removes \$16,855 of present law increases each fiscal year that were approved by the subcommittee in the Building Codes Bureau in the Department of Commerce.

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444-2986}

Amendments to House Bill No. 2
Third Reading Copy

Requested by Senator Jenkins
For the Committee on Senate Finance and Claims

SENATE FINANCE AND CLAIMS
EXHIBIT NO. 61
DATE 3/24/95
BILL NO. NB 2

Prepared by Roger Lloyd
March 24, 1995

1. Page C-5, following line 7. (Narr. N/A)

Insert: "It is the intent of the legislature that the department convert funding for 10 fish and wildlife biologist positions to 10 fish and game warden positions."

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444-2986}

Amendments to House Bill No. 2
Third Reading Copy

Requested by Senator Beck
For the Committee on Senate Finance and Claims

Prepared by Roger Lloyd
March 22, 1995

SENATE FINANCE AND CLAIMS
EXHIBIT NO. 62
DATE 3/24/95
BILL NO. NB 2

Carried

1. Page C-11, line 8. (Narr. C-73)
Strike: "Christmas Tree Promotion (Restricted)"
Insert: "Agriculture Marketing Promotion"

This amendment would allow the Department of Agriculture to spend the federal funds in this new proposal on marketing activities for Christmas trees as well as other products.

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444-2986}

Amendments to House Bill No. 2
Third Reading Copy

SENATE FINANCE AND CLAIMS

EXHIBIT NO. 63

DATE 3/24/95

Requested by Senator Jergeson
For the Senate Finance & Claims Committee

BILL NO. 74B2

Prepared by Skip Culver
March 23, 1995

failed

1. Page E-1, line 4.
Strike: "2,892,760" "2,266,743"
Insert: "3,077,903" "2,451,886"

LFA WILL ADJUST TOTALS.

EXPLANATION: This amendment restores the appropriation for Basic Education administrative costs to the fiscal 1995 levels with no increase by adding \$185,143 of general fund each year.

{Office of Legislative Fiscal Analyst

444-2986}

Amendments to House Bill No. 2
Third Reading CopyRequested by Senator Jergeson
For the Senate Finance & Claims CommitteePrepared by Skip Culver
March 23, 1995*failed*

1. Page E-1, line 4. [narrative E-6]
Strike: "2,892,760" "2,266,743"
Insert: "3,005,180" "2,379,742"

LFA WILL ADJUST TOTALS.

EXPLANATION: This amendment restores the original \$112,420 in fiscal 1996 and \$112,999 in fiscal 1997 in general fund costs for vacancy savings. The original intent of vacancy savings was to fund the pay plan increase. The House cut an additional \$600,000 general fund from the budget. This cut exceeds the pay plan vacancy savings by \$374,581 and still keeps OPI below the 1994 base.

{Office of Legislative Fiscal Analyst

444-2986}

Amendments to House Bill No. 2
Third Reading Copy

SENATE FINANCE AND CLAIMS
EXHIBIT NO. 65
DATE 3/24/95
BILL NO. 75B2

Requested by Senator Jergeson
For the Senate Finance & Claims Committee

Prepared by Skip Culver
March 24, 1995

filed

1. Page E-1, line 15.

Strike: "170,000" (general fund, fiscal 1996)
"170,000" (general fund, fiscal 1997)

Insert: "309,000" (general fund, fiscal 1996)
"309,000" (general fund, fiscal 1997)

2. Page E-3.

Following: line 18

Insert: "Item 1e (secondary vocational education) includes
\$139,000 in general fund money each year that is
restricted for vocational education, technical
preparation for work, and school training for
transition to jobs."

Explanation: This amendment adds \$139,000 each year of
general fund to the vocational education budget of OPI and
restricts the use of these funds as described in the
above language.

{Office of Legislative Fiscal Analyst

444-2986}

Amendments to House Bill No. 2
Third Reading Copy

Requested by Senator Franklin
For the Senate Finance & Claims Committee
March 24, 1995

SENATE FINANCE AND CLAIMS
EXHIBIT NO. 66
DATE 3/24/95
BILL NO. HB 2

failed

Prepared by Skip Culver

1. Page E-4, line 20. [Narrative E-16]

Strike: "208,752" "205,065"

Insert: "216,136" "212,481"

2. Page E-4, line 24. [Narrative E-18]

Strike: "296,733" "291,889"

Insert: "301,045" "296,193"

3. Page E-5, line 1. [Narrative E-20]

Strike: "841,476" "821,411"

Insert: "872,178" "851,894"

4. Page E-5, line 3. [Narrative E-22]

Strike: "1,454,364" "357,688" "38,739" "1,440,683"

"357,529" "38,739"

Insert: "1,517,663" "364,032" "40,363" "1,503,981"

"363,872" "40,363"

LFA will amend totals

EXPLANATION: This amendment restores the amount of the 4 percent vacancy savings reduction imposed upon MSDB by the House Appropriations Committee. Funds added back total \$227,133 (\$211,198 general fund) over the biennium.

Amendments to House Bill No. 2 EXHIBIT N
Third Reading Copy

DATE 3/24/95

Requested by Senator Franklin BILL NO. HB 2
For the Senate Finance & Claims Committee

Prepared by Skip Culver
March 24, 1995

filed

1. Page E-4, line 20. [Narrative E-16]
Strike: "208,752" "205,065"
Insert: "212,444" "208,773"

2. Page E-4, line 24. [Narrative E-18]
Strike: "296,733" "291,889"
Insert: "298,889" "294,041"

3. Page E-5, line 1. [Narrative E-20]
Strike: "841,476" "821,411"
Insert: "856,827" "836,653"

4. Page E-5, line 3. [Narrative E-22]
Strike: "1,454,364" "357,688" "38,739" "1,440,683"
"357,529" "38,739"
Insert: "1,486,014" "360,860" "39,551" "1,472,332"
"360,701" "39,551"

LFA will amend totals

EXPLANATION: This amendment reduces the vacancy savings rate from 4 percent to a 2 percent vacancy savings rate upon the programs of MSDB. The House Appropriations Committee has recommended a 4 percent vacancy savings on all programs of MSDB. Funds added back total (\$144,159) over the biennium.

(figure should be 113,568)

{Office of Legislative Fiscal Analyst

444-2986}

Amendments to House Bill No. 2
Third Reading Copy

Requested by Senator Jacobson
For the Committee on Finance and Claims

Prepared by Taryn Purdy
March 24, 1995

SENATE FINANCE AND CLAIMS
EXHIBIT NO. 68
DATE 3/24/95
BILL NO. 7NB2

Carried

1. Page E-1, line 5.

Strike: "4,390,776" "4,011,988"

Insert: "4,680,108" "4,344,719"

2. Page E-3, following line 7.

Insert: "t. Goals "2000" (Biennial)
5,931,307"

Federal Funds Fiscal 1996

This amendment reinstates all funding for Goals "2000". Federal funds to support 2.0 FTE and related administration costs total \$289,332 in fiscal 1996 and \$332,731 in fiscal 1997 in the Administration Program. The remainder would be granted to school districts.

{Office of Legislative Fiscal Analyst

444-2986}

Amendments to House Bill No. 2
Third Reading Copy

Requested by Senator Jergeson
For Senate Finance and Claims

Prepared by Sandy Whitney
March 23, 1995

SENATE FINANCE AND CLAIMS
EXHIBIT NO. 69
DATE 3/24/95
BILL NO. NB2

failed

1. Page E-5, line 19. (Narr. E-27 & E-33)

Strike: "83,179,688	84,089,980	84,887,696	88,694,797"
Insert: "92,179,688	89,701,356	93,887,696	91,946,876"

2. Page E-7, line 4.

Following: line 3

Insert: "The board of regents may request budget amendments for tuition, contingent on availability of funds, of: (1) up to \$3,685,927 in fiscal year 1996 and \$4,702,178 in fiscal year 1997 to pay for collaboratively negotiated productivity and faculty salary increases at all units of the university system except the university of Montana-Missoula; and (2) up to \$2,687,124 in fiscal year 1997 at the university of Montana-Missoula for collaboratively negotiated productivity and faculty salary increases if negotiated productivity criteria are met."

3. Page E-7, lines 4 through 6.

Strike: lines 4 through 6 in their entirety

This amendment increases total general fund by \$18,000,000 and adds tuition of \$5,611,376 in fiscal 1996 and \$3,252,079 in fiscal 1997 to increase tuition to the executive modified budget level, less: 1) estimated tuition increases of \$3,685,927 in fiscal 1996 and \$4,702,178 in fiscal 1997 for salary and productivity negotiations at all campuses except UM-Missoula; and 2) fiscal year 1997 tuition increases of \$2,687,124 for salary and productivity negotiations at UM-Missoula. It then allows the university system to request budget amendments for tuition up to the total tuition level in the executive modified budget. In addition, this amendment strikes language that would allow the university system to seek a general fund supplemental appropriation if it did not collect tuition in excess of \$141.8 million.

Amendments to House Bill No. 2
Third Reading Copy

Requested by Senator Jergeson
For Senate Finance & Claims

Prepared by Sandy Whitney
March 23, 1995

SENATE FINANCE AND CLAIMS

EXHIBIT NO. 70

DATE 3/24/95

BILL NO. ND2

1. Page E-5, line 19. (Narr. E-27)

Strike: "83,179,688	84,887,696"	(General Fund FY96 & FY97)
Insert: "83,579,688	85,287,696"	(General Fund FY96 & FY97)

This amendment increases general fund in the Office of the Commissioner of Higher Education by \$800,000 for the biennium to restore funding for student assistance programs such as Wiche, Wami, and work study.

{Office of Legislative Fiscal Analyst

444-2986}

Amendments to House Bill No. 2
Third Reading Copy

Requested by Senator Mohl
For the Senate Finance & Claims Committee

Prepared by Skip Culver
March 23, 1995

SENATE FINANCE AND CLAIMS

EXHIBIT NO. 71

DATE 3/24/95

BILL NO. 7NB2

Failed

1. Page E-1, line 4. [narrative N/A]
Strike: "592,021" "592,909"
Insert: "647,021" "647,909"

LFA will adjust totals.

EXPLANATION: This amendment appropriates \$55,000 per year from the state traffic education account to continue the school transportation safety program in the Office of Public Instruction.

{Office of Legislative Fiscal Analyst

444-2986}

Amendments to House Bill No. 2
Third Reading Copy

For the Committee on Senate Finance and Claims

Prepared by Lisa Mader
March 22, 1995

SENATE FINANCE AND CLAIMS
EXHIBIT NO. 72
DATE 3/24/95
BILL NO. HB 2
Failed

1. Page BP-1, line 17.

Following: "**Technical allocation costs.**"

Insert: "(1)"

2. Page BP-1, following line 20.

Insert: "(2) For the agency line item appropriations for legislative audit, there is appropriated an increase equal to the amount appropriated from the legislative auditor's special revenue fund for state pay plan funding. The budget director shall allocate this appropriation on the same basis that current line items for legislative audits in agency budgets are allocated in [this act]."

This amendment increases the line item audit appropriations for legislative audits by an amount equal to the special revenue fund amount appropriated to the Office of the Legislative Auditor for the 1997 biennium pay plan funding.

{Office of Legislative Fiscal Analyst

444-2986}

Amendments to House Bill No. 2
Third Reading Copy

SENATE FINANCE AND CLAIMS
EXHIBIT NO. 73
DATE 3/24/95
BILL NO. HB2

For the Committee on Senate Finance and Claims

Prepared by Lisa Mader
March 23, 1995

carried

1. Page BP-2, line 15.

Following: "CALCULATION."

Insert: "The calculation may not include a reduction that is based on an experience modification factor."

{Office of Legislative Fiscal Analyst

444-2986}

Amendments to House Bill No. 2
Third Reading Copy

SENATE FINANCE AND CLAIMS
EXHIBIT NO. 74
DATE 3/24/95
BILL NO. HB2

For the Committee on Finance and Claims

Prepared by Taryn Purdy
March 22, 1995

carried

No narrative reference

1. Page BP-2, line 18.

Following: "BY"

Insert: "taking 1 minus the quotient that results from"

2. Page BP-2, line 19.

Following: "ITEMS IN HOUSE BILL NO. 2"

Insert: "and House Bill No. 17"

Language was added on the House floor that requires the budget director to reduce FTE in the 1999 Executive Budget request by a number equivalent to actual vacancy savings experienced in fiscal 1996.

The first amendment clarifies the calculation for determining vacancy savings.

The second amendment corrects the language to properly calculate the vacancy savings. The numerator used to calculate vacancy savings should include any expenditures from appropriations received as a result of House Bill 17 (the pay plan bill).

{Office of Legislative Fiscal Analyst

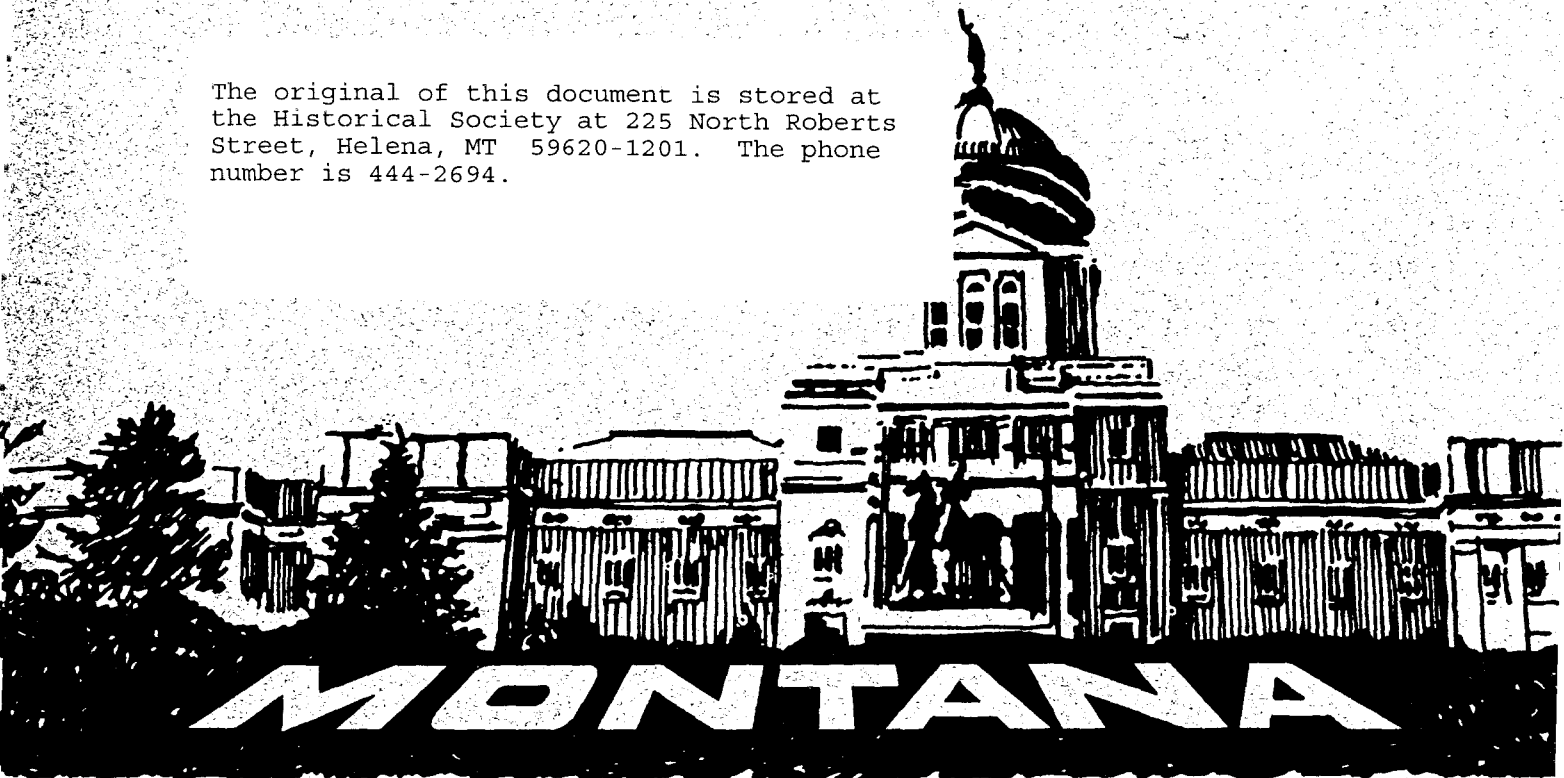
444-2986}

HOUSE BILL 2

NARRATIVE

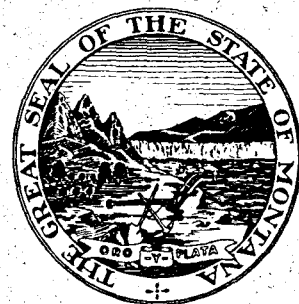
SENATE FINANCE AND C
EXHIBIT NO. 75
DATE 3/24/95
BILL NO. HB2

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**OFFICE OF THE
LEGISLATIVE
FISCAL ANALYST**

HELENA, MONTANA • 1995 SESSION



DATE _____

SENATE COMMITTEE ON

BILLS BEING HEARD TODAY:

 \angle \angle

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 $\angle \blacksquare \angle$ [illegible]

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DATE March 23, 1995
 SENATE COMMITTEE ON Finance and Claims
 BILLS BEING HEARD TODAY: H/B 2

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Check One

Name	Representing	Bill No.	Support	Oppose
BILL HOFFMANN	COMMERCE		✓	
Patricia Cook	LAKE CO TREASURER		✓	

VISITOR REGISTER

PLEASE LEAVE PREPARED STATEMENT WITH COMMITTEE SECRETARY

DATE March 23, 1995
 SENATE COMMITTEE ON Finance and Claims
 BILLS BEING HEARD TODAY: H/B 2

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Check One

Name	Representing	Bill No.	Support	Oppose
Bruce Bennett	MDT	2		
Bane Hall	MDT	2		

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