

MINUTES

MONTANA SENATE 55th LEGISLATURE - REGULAR SESSION

COMMITTEE ON FINANCE & CLAIMS

Call to Order: By **CHAIRMAN CHUCK SWYSGOOD**, on April 10, 1997, at 7:05 a.m., in Room 108.

ROLL CALL

Members Present:

Sen. Charles "Chuck" Swysgood, Chairman (R)
Sen. Thomas F. Keating, Vice Chairman (R)
Sen. Larry Baer (R)
Sen. Thomas A. "Tom" Beck (R)
Sen. James H. "Jim" Burnett (R)
Sen. B.F. "Chris" Christiaens (D)
Sen. Eve Franklin (D)
Sen. Loren Jenkins (R)
Sen. Greg Jergeson (D)
Sen. John "J.D." Lynch (D)
Sen. Dale Mahlum (R)
Sen. Ken Miller (R)
Sen. Arnie A. Mohl (R)
Sen. Linda J. Nelson (D)
Sen. Mike Taylor (R)
Sen. Daryl Toews (R)
Sen. Mignon Waterman (D)

Members Excused: None

Members Absent: None

Staff Present: Taryn Purdy, Legislative Fiscal Division
Sharon Cummings, Committee Secretary

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

Committee Business Summary:

Hearing(s) & Date(s) Posted: HB 169, 4/2/97; HB 166,
4/2/97; HB 281, 4/2/97;
HB 17, 4/2/97
Executive Action: HB 166, BCCAA; HB 281, BCC;
HB 17, Failed; HB 5, BCCAA;
HB 14, BCCAA

HEARING ON HB 17

Sponsor: REP. BOB PAVLOVICH, HD 37, BUTTE

Proponents: Roger Hagan, Officer and Enlisted Associations of
the National Guard of Montana
Major Joe Foster, Montana Army National Guard
SMSgt Gerald Traxinger, Montana Air National Guard
CW3 John Nugent, Montana Army National Guard
Major Kevin Collins, Montana Army National Guard
CMSgt Roger Larsen, Montana Air National Guard
AFC Donald Reichert, Montana Air National Guard
Kelly Cogley, Montana Army National Guard

Opponents: None

Opening Statement by Sponsor:

REP. BOB PAVLOVICH, HD 37, BUTTE There is no money involved in this bill, it is a tuition waiver bill for the National Guard and Air National Guard. (EXHIBIT #1) handed out. These waivers would be added to the tuition waiver list.

{Tape: 1; Side: A; Approx. Time Count: 7:10; Comments: None.}

Proponents' Testimony:

Roger Hagan, Officer and Enlisted Associations of the National Guard of Montana Testimony handed out. (EXHIBIT #2)

Major Joe Foster, Montana Army National Guard Testimony handed out. (EXHIBIT #3)

SMSgt Gerald Traxinger, Montana Air National Guard Testimony handed out. (EXHIBIT #4)

CW3 John Nugent, Montana Army National Guard Testimony handed out. (EXHIBIT #5)

Major Kevin Collins, Montana Army National Guard Testimony handed out. (EXHIBIT #6)

CMSgt Roger Larsen, Montana Air National Guard Testimony handed out. (EXHIBIT #7)

AFC Donald Reichert, Montana Air National Guard Testimony handed out. (EXHIBIT #8) Testimony for MSgt Angelika Lamie handed out. (EXHIBIT #9)

Kelly Cogley, Montana Army National Guard I rise in support of HB 17 for a variety of reasons, foremost I believe it provides important educational opportunities for members of the guard that are planning to go to school. HB 17 gives the Board of Regents the discretion to grant these waivers when and if they determine

their budget can accommodate them. I believe this is a valuable tool to allow guard members to continue their education and become better members of the community.

Opponents' Testimony: None

{Tape: 1; Side: A; Approx. Time Count: 7:16; Comments: None.}

Questions From Committee Members and Responses:

SEN. GREG JERGESON Where does it limit the waiver to 6 credits per semester in the bill? Mr. Hagan It is not limited in the bill, Greg Petesch did not want all of that information in the bill as it is in the department rule making authority. The department contention is that it will not be a full blown waiver and 6 credits most closely relates to the \$400 that was in the original bill.

SEN. JERGESON Those rules would be adopted by the Department of Military Affairs but not the Board of Regents? Mr. Hagan That is correct but the rule making would not be made in a vacuum. The rules have to be something that can be honored by the regents.

SEN. JERGESON Will this fee waiver be available for students at private institutions? Mr. Hagan As originally drafted it would have been available for all public schools, private colleges and trade schools. That is not the case with the current bill.

SEN. JERGESON Are you suggesting that there is no cost involved in tuition fee waivers and that this is not a money bill with financial impacts? Mr. Hagan No, fee waivers have an impact on the university system budget.

SEN. DARYL TOEWS How many national guard people do we have? Do you think this will help you bring your numbers up? Mr. Hagan There are 3,800 national guard members in the State of Montana. We can't profess that this benefit is the be all and end-all to our recruiting woes. It is a tool that will help in recruiting and give us an edge the reserve doesn't have.

SEN. TOEWS You're advocating that we raise tuition on other students for these waivers, is that right? Mr. Hagan I don't advocate anything of the sort. I believe tuition waivers can be worked out.

SEN. TOM BECK This authorizes the Board of Regents to provide tuition waivers, there is no mandate in this bill, is that correct? Mr. Hagan Yes, the Board of Regents will establish rules that would allow and confine the type of waivers.

SEN. BECK The Board of Regents will have the final say on how much tuition waiver they will give, right? Mr. Hagan That is correct.

Closing by Sponsor:

REP. PAVLOVICH This came out of our interim committee from a study that took place over the last 3 years.

{Tape: 1; Side: A; Approx. Time Count: 7:24; Comments: None.}

HEARING ON HB 166

Sponsor: REP. TOM ZOOK, HD 3, MILES CITY

Proponents: Beth Baker, Department of Justice
Peter Blouke, Department of Commerce
Dan Pouliot, Montana Telecommunications Access
Program

Opponents: None

Opening Statement by Sponsor:

REP. TOM ZOOK, HD 3, MILES CITY This is the de-earmarking bill that comes to you from the Finance Committee. It is the result of a Senate bill enacted by the 1993 legislature which required the Finance Committee to review all dedicated revenue provisions. The idea was to insure they are based on sound principles of revenue dedication, that they reflect legislative priorities for state spending and are terminated when no longer needed. In House Appropriations we took out the accommodations tax that was in the original bill as it is an issue that should be dealt with on its own. We de-earmarked 21 statutory appropriations and combined 5 into 3 appropriations.

Proponents' Testimony:

Beth Baker, Department of Justice (DOJ) There are 3 sections in this bill that affect DOJ, section 1, 54 & 55. We are proposing an amendment to remove section 1 from the bill. I have discussed this with REP. ZOOK and it is my understanding that he has no objection to the proposed amendment. (EXHIBIT #10) handed out and explained. The way the bill is currently drafted all our recoveries would have to go to the General Fund which means we would not be able to participate in these antitrust cases because the court order settlement requires the money go back to the consumers. This is not a steady source of revenue, we only get money if we participate in the cases. We urge your adoption of the proposed amendment. (EXHIBIT #11)

Peter Blouke, Department of Commerce (DOC) I rise in support of the DOJ amendment. DOC runs a consumers affairs office which would be under the same constraints when prosecuting consumer fraud, the money would have to go to the General Fund instead of being returned to the consumers.

Dan Pouliot, Montana Telecommunications Access Program Testimony handed out. (EXHIBIT #12)

Opponents' Testimony: None

{Tape: 1; Side: A; Approx. Time Count: 7:37; Comments: None.}

Questions From Committee Members and Responses:

SEN. LARRY BAER Do you have any problem with the amendments?

REP. ZOOK I'm not going to reject any amendments this committee approves.

SEN. BECK Did the House try any amendments on HB 166? Ben Havedahl An amendment was offered on the House floor and was defeated by 4 votes.

Closing by Sponsor:

REP. ZOOK closes.

{Tape: 1; Side: A; Approx. Time Count: 7:40; Comments: None.}

HEARING ON HB 281

Sponsor: REP. BILL RYAN, HD 44, GREAT FALLS

Proponents: Doris Romanisko, Montana Operating Engineers and
Associated General Contractors Joint
Apprenticeship and Training Trust
Rhonda Fiscus, Montana Contractors Joint
Apprenticeship Training Center
LuAnn Jones, Operating Engineers Apprenticeship
Jerry Driscoll, Montana State Building and
Construction Trades
Daryl Holzer, Montana AFLCIO

Opponents: Peter Blouke, Department of Commerce
Don Chance, Montana Building Industry Association

Opening Statement by Sponsor:

REP. BILL RYAN, HD 44, GREAT FALLS HB 281 is a one-time appropriation of \$140,000 in FY98-99 for apprenticeship training in Montana. This is a good program that is a vital educational tool that has served the state well.

Proponents' Testimony:

Doris Romanisko, Montana Operating Engineers and Associated General Contractors Joint Apprenticeship and Training Trust Testimony handed in. (EXHIBIT #13)

Rhonda Fiscus, Montana Contractors Joint Apprenticeship Training Center On behalf of my fellow brothers and sisters at the school I urge you to continue the necessary funding for our education and those of future carpenters in Montana. This instruction assures the training needed in providing Montana with qualified journeymen and women carpenters. We are only asking for the same opportunity you have sanctioned for apprentices before us. Help us maintain our reputation as true craftsmen by allocating funds for our education and we'll assure you the same distinctive style of construction that our brothers and sisters before us have set as a precedent.

LuAnn Jones, Operating Engineers Apprenticeship Testimony handed in. (EXHIBIT #14)

Jerry Driscoll, Montana State Building and Construction Trades There are 600 people in the state in these programs. This \$280,000 comes to about \$227 per person per year. I urge your support of this bill.

Daryl Holzer, Montana AFLCIO The Montana AFLCIO will continue to work during the interim with OPI and other organizations to come up with a permanent appropriation for this very necessary and worthwhile program. We appreciate your support of HB 281.

{Tape: 1; Side: A; Approx. Time Count: 7:47; Comments: None.}

Opponents' Testimony:

Peter Blouke, Department of Commerce I rise in opposition to this bill not because we believe this is an ineffective program but in regards to the funding source. (EXHIBIT #15) handed out and explained.

Don Chance, Montana Building Industry Association Our organization is strongly opposed to this legislation partly as a result of several bills that have passed this session that have completely changed the complexion of the finances of the Building Codes Bureau. The Building Codes Bureau is totally self financed by building permit fees where the person applying for the permit pays for the service he is receiving. Statute prohibits cities and counties from transferring building permit funds and using them for other purposes within their jurisdictions. This bill will set a precedent whereby people will be using a permit fee for a completely different purpose, funding educational programs that are unrelated to what permit holders are charged for. We know the bureau will come up shorthanded this year because fewer homes will be built in Montana. We also know fees will be increased. We strongly recommend voting against this bill.

{Tape: 1; Side: B; Approx. Time Count: 7:54; Comments: None.}

Questions From Committee Members and Responses:

SEN. LINDA NELSON How is this money dispensed, do they apply to the Department of Labor and Industry (DLI)? **REP. RYAN** They apply through the Office of Public Instruction.

SEN. NELSON How long have we been doing this? Are we increasing the amount in this? How much can a person receive? **REP. RYAN** We've been doing this for at least 15 years. This is an increase over last biennium's money but less than in years past. Most of this money is used to train instructors to teach the different trades.

SEN. KEN MILLER Do all of the apprenticeship instructors have to have training such as this? **REP. RYAN** No. Apprentices have on the job and classroom training. This is to help the instructors become better classroom teachers.

SEN. MILLER Who decides who get this training? Why can't the students pay for this training or do they pay other fees? **REP. RYAN** All apprenticeship programs are registered and approved by DLI. Requirements are laid out for each trade by DLI and the industry. Most students pay the entire cost of training. This is mainly money used for training their instructors.

SEN. MILLER Are these apprentices getting paid while they are working? **REP. RYAN** Yes, most work 40 hours per week depending on the trade they are in.

SEN. LOREN JENKINS Language has been stricken out on page 2, can you explain that? **REP. RYAN** This amendment was put on during House Appropriations.

Closing by Sponsor:

REP. RYAN I feel this is an appropriate funding source for this program. These inspections are done by people who have been through an apprenticeship. I believe there is plenty of money available for this. I urge a do pass on HB 281.

{Tape: 1; Side: B; Approx. Time Count: 8:04; Comments: None.}

HEARING ON HB 169

Sponsor: **REP. TOM ZOOK, HD 2, MILES CITY**

Proponents: **Kelly Jenkins, Department of Administration**
Terry Teidevan, Public Employees Retirement Board

Opponents: **Steve Bender, Office of Budget and Program Planning**

Opening Statement by Sponsor:

REP. TOM ZOOK, HD 3, MILES CITY This bill came out of the Finance Committee and is putting money under the control of the legislative appropriations process. It also clarifies statute.

We removed and added some statutory appropriations. There will be coordination amendments for this bill. I won't reject any amendments this committee puts on HB 169.

Proponents' Testimony:

Kelly Jenkins, Department of Administration (DOA) Testimony handed in. (EXHIBIT #16)

Terry Teidevan, Public Employees Retirement Board We brought this issue to the legislature 2 years ago and are back again this session with it. PERS has a division manager and an attorney who have 2 bosses and it is difficult for them to make a decision between the two. This bill will allow the Board to manage the organization the way it should be with a fiduciary responsibility that keeps us in check. This bill also makes the salaries of PERS management and staff comply with the state pay plan. I encourage a do pass.

{Tape: 1; Side: B; Approx. Time Count: 8:15; Comments: None.}

Opponents' Testimony:

Steve Bender, Office of Budget and Program Planning I rise as an opponent on behalf of the Governor. The Governor objects to the change in statute on the governance of the PERS system and I offer an amendment to strike one section of the bill. (EXHIBIT #17) I'd hate to see the bill derailed by this issue which is a subject that is totally unrelated to the appropriation law and has been rejected on its own merits by a previous legislature.

Questions From Committee Members and Responses: None

{Tape: 1; Side: B; Approx. Time Count: 8:17; Comments: None.}

Closing by Sponsor:

REP. ZOOK closes.

{Tape: 1; Side: B; Approx. Time Count: 8:55; Comments: None.}

EXECUTIVE ACTION ON HB 14

Motion: SEN. J.D. LYNCH MOVES HB 14 BE CONCURRED IN. (EXHIBIT #18) handed out.

Amendment: Amendment #hb001401.agp. (EXHIBIT #19)

Motion: SEN. BECK MOVES TO AMEND HB 14 WITH AMENDMENT #HB001401.AGP.

Discussion: SEN. BECK The purpose of this amendment is to try and salvage the arts trust account by bonding for the purchase of Virginia and Nevada cities. We will save money by bonding rather

than robbing the trust. The trust is generating more money than it would cost us to issue the bonds. The money that was allocated from the Coal Tax Trust fund to continue funding the arts program will be used to pay off the bond. The \$400,000 from the accommodations tax for the first 4 years will also offset these bonds. The other possibility is to have the rental car tax offset this but that bill hasn't passed through the House. I ask for your concurrence with this amendment.

SEN. TOM KEATING What will the General Fund expense be to service the bond? **Nan LeFebvre, Legislative Fiscal Division (LFD)** The HB 5 coordinating amendment takes .63% of the coal tax that is currently flowing into the trust for debt service and a percentage of the coal tax currently going into the General Fund. This will be a total of 2.6% of coal tax. The total impact to the General Fund would be approximately \$1.5 million per biennium.

SEN. BECK The way the bill is set right now it is \$1.79 million, is that \$1.5 million between the figures you just mentioned and \$1.79 million? **Ms. LeFebvre** The way HB 5 reads right now the negative impact would be \$300,000 per year.

SEN. MIGNON WATERMAN Is it your intention that the money will flow back into the trust after the bonds are paid off in 10 years? **SEN. BECK** I don't believe it is written into the amendment that way. This might happen automatically. **SEN. WATERMAN** It does make a difference if eventually that trust will grow again. I can support the amendment as long as the trust will grow again after the 10 years.

SEN. KEATING The trust would remain at \$7.75 million and the interest income from the trust would be appropriated for the arts and cultural grants.

SEN. LYNCH I want to speak in favor of this amendment. I have received many letters expressing fear at eliminating the trust. This is the best way to go because we will end up with savings and the trust is intact.

SEN. MILLER I have an amendment for HB 5 that may not be needed. Is it possible to listen to all the different proposals on this and then make a decision? **CHAIRMAN SWYSGOOD** No.

Vote: THE MOTION TO AMEND HB 14 WITH AMENDMENT #HB001401.AGP CARRIED WITH SEN. MILLER, BAER AND TOEWS VOTING NO.

Amendment: Amendment #hb001456.a12. (EXHIBIT #20)

Motion: SEN. WATERMAN MOVES TO AMEND HB 14 WITH AMENDMENT #HB001456.A12.

Discussion: **SEN. WATERMAN** This amendment removes the language requiring MSU-Billings to pay half the maintenance and operations

cost. We do not do this for other buildings, I believe we should not start down this path as it will result in an increase in student tuition.

SEN. LYNCH I oppose the motion. They can find the money to build the building and I think they need to find part of the maintenance costs. I believe this is a legitimate precedent to set.

SEN. KEATING MSU-Billings has had this building on the list for about 10 years. It is essential for the campus. They made a deal that they would pay 50% of the cost of maintenance and they want to stand by that deal. They don't want to do anything to jeopardize that building. It will cost the students \$7.50 per year, that is a small price to pay for having a decent classroom building. Please leave the deal alone and reject this amendment.

SEN. JERGESON (EXHIBIT #21) handed out. We did not put this requirement on the students last session for the buildings at Montana Tech. I think we should be consistent with what we have done in the past.

SEN. WATERMAN I think we're shifting a lot of costs to the students in this state. If we increase fees for every building we will soon make it prohibitive for students to attend school. I think this is an obligation of the state.

Vote: THE MOTION TO AMEND HB 14 WITH AMENDMENT #HB001456.A12
FAILED 5-12 ON ROLL CALL VOTE.

{Tape: 1; Side: B; Approx. Time Count: 9:08; Comments: None.}

Amendment: Amendment #hb001457.a12. (EXHIBIT #22)

Motion: SEN. WATERMAN MOVES TO AMEND HB 14 WITH AMENDMENT #HB001457.A12.

Discussion: **SEN. WATERMAN** This amendment removes the \$2.1 million bonding for the cook/chill operation at Montana State Prison (MSP). I don't understand why we would put money into the budget to fund chain gangs to go out of the prison to pick up garbage when they could be in the prison peeling spuds. I don't think this program makes sense. I've talked with the people at Boulder and they do not feel they are utilizing their clients and teaching them things they need. These are skills the inmates need.

SEN. LYNCH I oppose the motion. We should not compare this to the chain gang bill. This has been in the plans for 4-5 years. It is an efficient method and they will use every prisoner they can. You don't want to give a lot of prisoners knives at the same time. This is efficient, will save money and may be able to produce food for Warm Springs. I hope you defeat the amendment.

SEN. MIKE TAYLOR This is one of the proposals from corrections that makes economic sense. We researched it thoroughly in long range building. I urge you to vote against this amendment.

SEN. BECK Currently the kitchen is within the confines of MSP, if they have a lock down no one gets fed. This operation will be outside the prison so everyone will be served even if they are in lock down. That was one of the major concerns with the people at MSP. I hope you do not concur with this amendment.

SEN. WATERMAN I don't agree with the direction we are going with this, with the kitchen outside and serving satellite meals to everyone.

Vote: THE MOTION TO AMEND HB 14 WITH AMENDMENT #HB001457.A12
FAILED WITH SEN. MILLER, NELSON AND WATERMAN VOTING YES.

{Tape: 2; Side: A; Approx. Time Count: 9:11; Comments: None.}

Motion: SEN. KEATING MOVES TO AMEND HB 14 WITH (EXHIBIT #23).

Discussion: **SEN. KEATING** (EXHIBIT #23) explained. This amendment will eliminate the overcrowding and increase security at the Women's Correctional Center (WCC) in Billings. There are some pretty dangerous ladies in that facility and security is very important.

SEN. LYNCH I oppose the motion, we went over this long and hard in long range building. They need to get their act together and figure out where they are going. I believe they should make plans to have a dual campus on the outskirts of Billings. The corrections problems to be addressed are at MSP, we can't build them all.

SEN. TAYLOR Please explain the General Fund cost for bonding this. **Ms. LeFebvre** This would cost the General Fund another \$316,551 per year for 20 years.

SEN. WATERMAN I don't want to enlarge WCC, I think they need to look at some alternative sentencing. But I'm not in favor of the dual campus idea because there has been talk of putting something like this on the Galen campus and we don't need 2. If we are going to expand, I think we should expand at the existing site but I'm not enthused about expanding anywhere.

SEN. BECK WCC in Billings is confined for room for expansion. I have a concern with putting a bunch of money into that facility right now when they may come back in 2 years and want to build a new facility. We never got a good future plan for this in long range building.

SEN. CHRIS CHRISTIAENS What are we getting for the \$6,261,100 and what won't we get if we don't put the additional money in?

SEN. KEATING I don't know.

Vote: THE MOTION TO AMEND HB 14 WITH (EXHIBIT #23) FAILED 5-12 ON ROLL CALL VOTE.

Amendment: Amendment #hb001402.agp. (EXHIBIT #24)

Motion/Vote: SEN. LYNCH MOVES TO AMEND HB 14 WITH AMENDMENT #HB001402.AGP. THE MOTION CARRIED UNANIMOUSLY.

Amendment: Amendment #hb001470.a12. (EXHIBIT #25)

Motion: SEN. LYNCH MOVES TO AMEND HB 14 WITH AMENDMENT #HB001470.A12.

Discussion: SEN. LYNCH This amendment puts the funny money in community corrections and the real money will go into MSP to build the two 96 bed units. We need these 2 units regardless of the other proposals we've seen. Deer Lodge is in trouble in terms of maximum security cells. We keep hearing we shouldn't count on those federal dollars for this.

SEN. WATERMAN Why don't we put the real money in the regional prison facilities? SEN. LYNCH We haven't even picked sites yet. They wouldn't be on board until 1999. Missoula, Great Falls and Glendive are in now.

SEN. KEATING Is this dealing with federal money? SEN. LYNCH I'm taking the iffy federal money and putting it into community corrections. I'm taking our bonding authority and putting it into the real prison building.

SEN. KEATING The bonding authority is real state money. SEN. LYNCH Yes. CHAIRMAN SWYSGOOD That will cost us above and beyond what is already in the bill for debt service, another \$829,850.

Vote: THE MOTION TO AMEND HB 14 WITH AMENDMENT #HB001470.A12 FAILED 4-13 ON ROLL CALL VOTE.

Discussion: SEN. KEATING Is there any contingency spending authority in HB 14 in the event the money is realized? SEN. LYNCH Yes.

Motion/Vote: SEN. LYNCH MOVES HB 14 BE CONCURRED IN AS AMENDED. THE MOTION CARRIED UNANIMOUSLY. SEN. BECK will carry HB 14.

{Tape: 2; Side: A; Approx. Time Count: 9:27; Comments: None.}

EXECUTIVE ACTION ON HB 5

Motion: SEN. LYNCH MOVES HB 5 BE CONCURRED IN.

Amendment: Amendment #hb000514.agp. (EXHIBIT #26)

Motion: SEN. BECK MOVES TO AMEND HB 5 WITH AMENDMENT
#HB000514.AGP.

Discussion: SEN. BECK In the event HB 14 does pass and they authorize the bonding, this restores the cultural trust back into the arts and cultural trust account.

CHAIRMAN SWYSGOOD If HB 14 doesn't get the required two-thirds vote necessary then VC/NC is funding out of the cultural trust as it is now, is that correct? SEN. BECK Yes.

Vote: THE MOTION CARRIED UNANIMOUSLY.

Amendment: Amendment #hb000518.agp. (EXHIBIT #27)

Motion: SEN. MILLER MOVES TO AMEND HB 5 WITH AMENDMENT
#HB000518.AGP.

Discussion: SEN. MILLER This would be the back-up plan for the purchase of VC/NC. I had some concerns with eliminating the trust and the hit to the General Fund. (EXHIBIT #28) explained.

CHAIRMAN SWYSGOOD I oppose this amendment. We're getting convoluted in our quest for funding. This amendment is contingent on the passage of SB 399, the rental car tax. This doesn't work with what is currently in HB 5. I'm concerned with taking more from parks.

SEN. MILLER REP. OHS kind of liked this amendment.

Vote: THE MOTION TO AMEND HB 5 WITH AMENDMENT #HB000518.AGP
FAILED 9-8 ON ROLL CALL VOTE.

{Tape: 2; Side: A; Approx. Time Count: 9:37; Comments: None.}

Amendment: Amendment #hb000517.agp. (EXHIBIT #29)

Motion: SEN. KEATING MOVES TO AMEND HB 5 WITH AMENDMENT-
#HB000517.AGP.

Discussion: SEN. KEATING There is a group of people raising private donations and establishing a foundation for the building of a chapel at the women's prison. This amendment exempts them from bidding with the state, they can build the chapel much cheaper privately and donate the building to the state. At the time of donation the contract will provide that they will provide maintenance for this building.

CHAIRMAN SWYSGOOD The resolution we heard the other day doesn't give them the authority to do anything. It is just a statement that the legislature supports their efforts in trying to provide these services. HB 5 contains the authority for them to construct a chapel. This amendment allows them not to have to go through A&E and the Department of Administration to do that.

SEN. LYNCH It is a sad comment that so much money can be saved by not going through the state process, that tells us something about the state process. Who decides on the contractor? **SEN. KEATING** The group building the chapel has a contractor who has agreed to build the chapel on an in-kind contribution basis. This is a licensed contractor.

Vote: THE MOTION TO AMEND HB 5 WITH AMENDMENT #HB000517.AGP CARRIED UNANIMOUSLY.

Amendment: Amendment #hb000565.a12. (EXHIBIT #30)

Motion: SEN. BECK MOVES TO AMEND HB 5 WITH AMENDMENT #HB000565.A12.

Discussion: SEN. BECK This amendment removes action taken on the House floor for funding the Fort Peck Interpretive Center.

CHAIRMAN SWYSGOOD REP. KITZENBERG was looking for numerous ways to fund the Fort Peck center. He finally was successful in taking \$45,000 of the bed tax in HB 5 to fund it. This amendment will put this money back in the VC/NC program and Fort Peck will have to look elsewhere.

SEN. NELSON I oppose this amendment. This is as suitable a place to get this money as any and is a minimal amount of money. That area is very rich in fossils. I think the communities in the area will jump on the band wagon and raise money for this. I believe it would be a good idea to keep some of those fossils in that area instead of shipping them to Bozeman. This is a reasonable request.

SEN. TOEWS I oppose this amendment. There is a lot of support in the area. This is the kind of project that should be coming from the bed tax money.

SEN. JENKINS The bed tax is a very good place to take this from. I don't think it will hurt anyone very much. Eastern Montana gets ignored in this area.

Vote: THE MOTION TO AMEND HB 5 WITH AMENDMENT #HB000565.A12 FAILED 2-15 ON ROLL CALL VOTE.

{Tape: 2; Side: A; Approx. Time Count: 9:45; Comments: None.}

Amendment: Amendment #hb000564.a12. (EXHIBIT #31)

Motion: SEN. BECK MOVES TO AMEND HB 5 WITH AMENDMENT #HB000564.A12.

Discussion: SEN. BECK The construction of the Warm Springs hospital is just about ready to get underway. The Xanthopoulos building will be turned over to the Department of Corrections upon completion of the Warm Springs hospital. They need the

authority to use prison staff to enhance the security of that unit. This is a good amendment that has no financial impact.

SEN. LYNCH I oppose the amendment. I'm for the private enterprise system and I don't believe prison staff should do this.

SEN. KEATING We had a bill to allow prison labor on certain things. Is there a connection between this amendment and the bill? **Bob Anderson, Department of Corrections (DOC)** HB 101 went through and is capped at \$200,000. This appropriation for \$600,000 is for security renovations at Warm Springs once we've taken control of the building. If we bid it out it will cost twice that amount.

SEN. ARNIE MOHL I reject this amendment.

Vote: THE MOTION TO AMEND HB 5 WITH AMENDMENT #HB000564.A12 CARRIED 9-8 ON ROLL CALL VOTE.

Amendment: Amendment #CD-ROM: HB 5.FWP. (EXHIBIT #32)

Motion: SEN. CHRISTIAENS MOVES TO AMEND HB 5 WITH AMENDMENT #CD-ROM: HB5.FWP.

Discussion: **SEN. CHRISTIAENS** This amendment removes the language that the state prepare all these reports. It takes a lot of time for them to get public input and many of these reports will not be used. We can eliminate this and save money for the Department of Fish, Wildlife and Parks (FWP).

Vote: THE MOTION TO AMEND HB 5 WITH AMENDMENT #CD-ROM: HB5.FWP CARRIED UNANIMOUSLY.

Amendment: Amendment #hb000559.a12. (EXHIBIT #33)

Motion: SEN. CHRISTIAENS MOVES TO AMEND HB 5 WITH AMENDMENT #HB000559.A12.

Discussion: **SEN. CHRISTIAENS** This amendment allows sovereign nations the opportunity to sell souvenirs at places like Ulm Pishkin.

SEN. JENKINS What is the reason for this? **SEN. CHRISTIAENS** There is more than one tribe involved, this opportunity would be available to all seven tribes.

SEN. TAYLOR Are you familiar with the state-tribal cooperative agreement? **SEN. CHRISTIAENS** No. **SEN. TAYLOR** I don't think we want to preclude anyone from being able to sell artifacts or souvenirs, including non-tribal members. I'm concerned that we might be doing that by inserting this language. Everyone should have equal opportunity.

SEN. TOEWS It is virtually impossible to get anyone to agree on anything when dealing with the tribes. Why not let the state work out a deal with one tribe and forget all the rest. Why have all the tribes agree on this?

SEN. CHRISTIAENS I don't think this excludes anyone. I think it is important to encourage the involvement of Native Americans in this type of venture and allows economic development for our tribes.

Vote: THE MOTION TO AMEND HB 5 WITH AMENDMENT #HB000559.A12
FAILED 6-11 ON ROLL CALL VOTE.

{Tape: 2; Side: B; Approx. Time Count: 9:57; Comments: None.}

Amendment: Amendment #hb000560.a12. (EXHIBIT #34)

Motion: SEN. BECK MOVES TO AMEND HB 5 WITH AMENDMENT
#HB000560.A12.

Discussion: **SEN. BECK** The City of Deer Lodge applied too late for a grant, they needed \$40,000 to divert the sewage lagoon from the river. We tried to come up with funding and couldn't do it. Arco has agreed to come up with \$20,000, we picked up another \$5,000 and I'm asking for this \$15,000 to finish that project. I hope you will concur. Item #1 is a technical amendment. **Ms. LeFebvre** The House increased the future fisheries program and the amount was not changed in the bill, this fixes that problem. The \$15,000 would come from this \$1,470,000.

SEN. KEATING Is the project in Deer Lodge an emergency? **SEN. BECK** They are being forced by the Department of Health to get that out of the river **SEN. KEATING** The Governor has an environmental contingency fund that may be available for this, also the Department of Environmental Quality has an account for environmental emergencies. I don't think we should take fisheries money for this.

SEN. LYNCH I'm in favor of the motion. This has to get done, if not now then in 2 years when we approve it then. Let's use the \$20,000 Arco has given the city.

CHAIRMAN SWYSGOOD Do you object to segregating the 2 items in this amendment? **SEN. BECK** No.

Motion/Vote: SEN. BECK MOVES TO AMEND HB 5 WITH ITEM #1 OF
AMENDMENT #HB000560.A12. THE MOTION CARRIED UNANIMOUSLY.

Motion: SEN. BECK MOVES TO AMEND HB 5 WITH ITEM #2 OF AMENDMENT
#HB000560.A12.

Discussion: **SEN. WATERMAN** Did this go to long range planning?
SEN. BECK It was submitted to long range building but it was too late.

SEN. BECK This is a \$160,000 project, the city is putting some money into the project and they have an EPA grant for this. This entails diverting the water into a sprinkler system to get it out of the river. The nutrient load in the river is so heavy that it is hard to maintain the fish, that is how I tied this in with the fisheries program.

Vote: THE MOTION CARRIED 11-6 ON ROLL CALL VOTE.

Amendment: Amendment #hb000558.a12. (EXHIBIT #35)

Motion: SEN. DALE MAHLUM MOVES TO AMEND HB 5 WITH AMENDMENT #HB000558.A12.

Discussion: SEN. MAHLUM This amendment takes fuel tax funding from FWP and returns it to the Department of Transportation (DOT).

CHAIRMAN SWYSGOOD A couple of session ago we took money out of the fuel tax and gave it to FWP for road improvement in their parks. This amendment allows FWP enough money to continue the projects they have on the burner and puts the rest back into the highway fuel tax account.

SEN. LYNCH Where does this amendment come from, why didn't we here this in subcommittee? **SEN. MAHLUM** DOT requested this.

SEN. LYNCH I oppose the amendment, DOT never came to us during 40 days of hearings to suggest we should do this. I resent the fact that DOT doesn't visit with us before doing this, we could have analyzed this for some time. This late amendment completely distorts the committee process.

Vote: THE MOTION TO AMEND HB 5 WITH AMENDMENT #HB000558.A12 CARRIED 9-8 OR ROLL CALL VOTE.

{Tape: 2; Side: B; Approx. Time Count: 10:07; Comments: None.}

Amendment: Amendment #hb000563.a12. (EXHIBIT #36)

Motion: SEN. MAHLUM MOVES TO AMEND HB 5 WITH AMENDMENT #HB000563.A12.

Discussion: SEN. MAHLUM This amendment is for spending authority for the UM-Missoula building projects.

CHAIRMAN SWYSGOOD Long range building authorized spending authority for both universities. It was removed on the House floor. This is spending authority only and has no impact on bonding.

SEN. LYNCH I'm supportive of the motion, what will the maintenance be? **Richard Crofts, Commissioner of Higher Education** The maintenance would be picked up entirely by UM-Missoula.

Vote: THE MOTION TO AMEND HB 5 WITH AMENDMENT #HB000563.A12
CARRIED 16-1 ON ROLL CALL VOTE.

Amendment: Amendment #hb000561.a12. (EXHIBIT #37)

Motion: SEN. BECK MOVES TO AMEND HB 5 WITH AMENDMENT
#HB000561.A12.

Discussion: SEN. BECK This amendment is for \$19 million
spending authority for MSU-Bozeman with half the operations and
maintenance (O&M) costs coming from the General Fund.

CHAIRMAN SWYSGOOD This building is classrooms, the building we
just passed is not going to be used for classrooms. Therefore,
there is a difference on O&M. For consistency we are paying half
of the O&M on this building.

SEN. CHRISTIAENS Will the 50% come from the funds appropriated
for Hamilton Hall or will there be excess? **Rob Specter, MSU-
Bozeman** Hamilton Hall's raising yields \$136,000 that would be
available to apply to this building. The number we are taking
50% of is net of that Hamilton Hall number. The gross O&M for
this building is \$481,000 less the \$136,000.

SEN. LYNCH I support the motion and at the same time telling the
university system that they have to start being responsible for
some of the maintenance on these buildings. I believe the
maintenance on this building is \$375,000 per year. **Mr. Specter**
It is \$346,000 per year maintenance.

SEN. TOEWS I support this amendment. We need to keep in mind
that the maintenance cost aren't nearly as high on new buildings.
They use these generic figures to work with so the actual cost
may not be this high.

SEN. MOHL I support this amendment. You're not only talking
maintenance, your talking heat bill and other items too.

Vote: THE MOTION TO AMEND HB 5 WITH AMENDMENT #HB000561.A12
CARRIED UNANIMOUSLY.

Motion/Vote: SEN. LYNCH MOVES THAT HB 5 BE CONCURRED IN AS
AMENDED.

Discussion: SEN. LYNCH My only problem with both HB 14 & HB 5
is that I think we are burying our heads in the sand. We have
not put one extra bed this biennium into MSP. We all say we know
they have to be there, we got upset when it was suggested they
will be running in the streets because we don't have anywhere to
put them. We haven't done anything for correction beds. We need
additional space.

CHAIRMAN SWYSGOOD We all know this bill is a long way from being out of the process. Those concerns will probably be addressed somewhere in this process.

Vote: THE MOTION CARRIED UNANIMOUSLY. SEN. LYNCH will carry HB 5.

{Tape: 2; Side: B; Approx. Time Count: 10:15; Comments: None.}

EXECUTIVE ACTION ON HB 281

Motion: SEN. EVE FRANKLIN MOVES HB 281 BE CONCURRED IN.
(EXHIBIT #38) handed out.

Discussion: SEN. JENKINS I have a problem with this bill because the license fees are being cut and this bill takes money out of these fees. **CHAIRMAN SWYSGOOD** I can't argue with you.

SEN. KEATING It is estimated that about 6,000 new homes will be built this year. To raise this amount of money they will have to build 14,000 new homes and add \$10 to each permit to raise the \$140,000. This is going to raise fees to fund the program. I feel the program should be funded through the Vo-Tech.

SEN. MILLER This is a good program but it should be funded through the student and employer.

SEN. FRANKLIN There is a precedent for funding apprenticeship programs through fees, I don't think this is out of line with things we've done before.

CHAIRMAN SWYSGOOD No one is arguing with the worthiness of the program, the funding mechanism may not be appropriate.

SEN. CHRISTIAENS For the last 3 sessions we've been trying to find the right funding source for this. Sometime we need to make a permanent decision on this.

SEN. KEATING DLI has a slush fund called the admin fund that the employers pay as a percentage of payroll. That's funding the displaced homemakers and that program is not near as good a program as this one. That might be a possible funding source.

CHAIRMAN SWYSGOOD Last session we took displaced homemakers out of that and put it in General Fund.

Vote: THE MOTION THAT HB 281 BE CONCURRED IN CARRIED 9-8 ON ROLL CALL VOTE.

{Tape: 2; Side: B; Approx. Time Count: 10:25; Comments: None.}

EXECUTIVE ACTION ON HB 17

Motion: SEN. LYNCH MOVES HB 17 BE CONCURRED IN.

Amendment: Amendment #hb001701.a35. (EXHIBIT #39)

Motion: SEN. JERGESON MOVES TO AMEND HB 17 WITH AMENDMENT #HB001701.A35. Strike "available" and insert "appropriated" in the amendment.

Discussion: SEN. WATERMAN May I ask Commissioner Crofts for some input on this amendment. Dr. Crofts We oppose this bill without some additional funding for it. The fee waivers in the university system budget have already been reduced \$587,000. We don't know how we could implement this without some additional funding. It has been pointed out that the regents wouldn't have to authorize these waivers, however, tremendous level of expectation will be built that the fee waivers would be awarded. We'd solicit some direction in terms of at whose expense.

SEN. WATERMAN Are these numbers accurate on the fiscal note?
Dr. Crofts The biennial impact would be about \$850,000.

SEN. JERGESON The National Guard is a vital organization which provides services throughout the State of Montana. I believe it is a state service to benefit this organization and should be the responsibility of all our taxpayers and not the 23,000 taxpayers who pay tuition to the university system. Paying these fee waivers will cost another \$21 tuition per year per student.

CHAIRMAN SWYSGOOD Since we appropriate money to the university system as a lump sum, how will this amendment work with the language "appropriated" in there? SEN. JERGESON There are also programs outside the lump sum. I anticipate this being an identifiable line item.

SEN. WATERMAN I am in favor of the amendment. It is real easy for us to say this is a great idea, vote for it and not appropriate the money. If it is important enough I believe we should appropriate the money.

SEN. JENKINS All this bill does is give the regents permission to waive tuition for the guard. It doesn't make them do it.

SEN. LYNCH I oppose the amendment. Why would the national guard be treated any differently than others who have received waivers over the years.

SEN. JERGESON We were asked to fund the other fee waivers in our subcommittee, that was turned down by the subcommittee. I think we should be upfront as we begin this program and fund this as an appropriation.

Vote: THE MOTION TO AMEND HB 17 WITH AMENDMENT #HB001701.A35
FAILED 5-12 ON ROLL CALL VOTE.

Motion/Vote: SEN. TOEWS MOVES TO TABLE HB 17. THE MOTION FAILED 5-11 ON ROLL CALL VOTE.

Discussion: SEN. TOEWS You have a major problem with this bill, whether you believe it or not. You are putting the regents in the position of sorting through this litany of things on page 3. There is no money in the system for them to give these waivers, we have cut the waivers and you put them in the position of choosing who will get them. They are the wrong people to be sorting through this, this is our job. Get the funding in the military and out of education. Education should not be doing welfare things for the rest of the state, let education stand on its own merit. We keep putting the burden on education and they don't have the money to carry the load.

SEN. MOHL I reject this bill. The service is volunteer, when are we going to stop giving them stuff. We served our time in the military. This is another deal for people to get a free education by joining the national guard. I think it is wrong.

SEN. LYNCH I'm in favor of the bill. The Board of Regents has plenty of staff and they don't have to do these waivers.

Vote: THE MOTION THAT HB 17 BE CONCURRED IN FAILED 7-10 ON ROLL CALL VOTE.

Motion/Vote: SEN. WATERMAN MOVES THAT HB 17 BE TABLED. THE MOTION FAILED 8-9 ON ROLL CALL VOTE.

Motion/Vote: SEN. LYNCH MOVES THAT HB 17 BE CONCURRED IN. THE MOTION FAILED 8-9 ON ROLL CALL VOTE.

{Tape: 3; Side: A; Approx. Time Count: 10:36; Comments: None.}

EXECUTIVE ACTION ON HB 166

Motion: SEN. BECK MOVES TO AMEND HB 166 WITH (EXHIBIT #40).

Discussion: CHAIRMAN SWYSGOOD This amendment allows the telecommunications access program to stay in place. I think they make a strong argument for this.

Vote: THE MOTION TO AMEND HB 166 WITH (EXHIBIT #40) CARRIED UNANIMOUSLY.

Motion: SEN. JERGESON MOVES TO AMEND HB 166 WITH (EXHIBIT #41).

Discussion: SEN. JERGESON This amendment allows DOJ to disperse the money as the court orders when they participate in antitrust actions.

Taryn Purdy, LFD This pertains to times when the judge allocates the funds to a specific place. There are other times when the judgement may not do so, in those instances all the money from that judgement would accrue in this account. One alternative to avoid that situation is to amend the language to say it will go to the General Fund unless precluded by the judgement.

SEN. WATERMAN If we pass this amendment as it is and all the funds flow into this account, will they then flow to the General Fund since they are not appropriated? **Ms. Purdy** No, they would remain in the account.

SEN. TAYLOR I am in favor of this amendment, **REP. ZOOK** has no objections to it. We don't have an antitrust division in the State of Montana, this allows us to work with other states on these antitrust cases.

Vote: THE MOTION TO AMEND HB 166 WITH (EXHIBIT #41) CARRIED UNANIMOUSLY.

Motion: SEN. WATERMAN MOVES HB 166 BE CONCURRED IN AS AMENDED.

{Tape: 3; Side: A; Approx. Time Count: 10:43; Comments: None.}

Amendment: Amendment #hb016612.a05. (EXHIBIT #42)

Motion: SEN. LYNCH MOVES TO AMEND HB 166 WITH AMENDMENT #HB016612.A05.

Discussion: CHAIRMAN SWYSGOOD This is a technical amendment. Ms. Purdy explains amendment.

Vote: THE MOTION TO AMEND HB 166 WITH AMENDMENT #HB016612.A05 CARRIED UNANIMOUSLY.

Amendment: Amendment #hb016610.a05. (EXHIBIT #43)

Motion: SEN. BECK MOVES TO AMEND HB 166 WITH AMENDMENT #HB016610.A05. THE MOTION CARRIED UNANIMOUSLY.

Amendment: Amendment #hb016611.a05. (EXHIBIT #44)

Motion: SEN. BECK MOVES TO AMEND HB 166 WITH AMENDMENT #HB016611.A05.

Discussion: CHAIRMAN SWYSGOOD This retains the 9-1-1 distribution as a statutory appropriation.

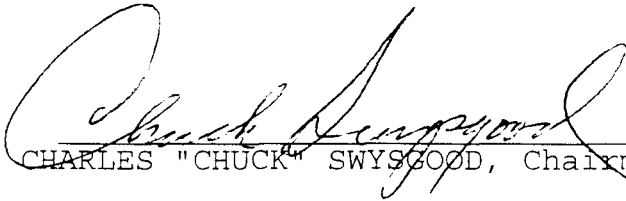
SEN. TOEWS Aren't they working on something in tax on this?
CHAIRMAN SWYSGOOD That doesn't have anything to do with this amendment.

Vote: THE MOTION TO AMEND HB 166 WITH AMENDMENT #HB016611.A05 CARRIED WITH SEN. TOEWS VOTING NO.

Vote: THE MOTION THAT HB 166 BE CONCURRED IN AS AMENDED CARRIED UNANIMOUSLY. SEN. GROSFIELD will carry HB 166.

ADJOURNMENT

Adjournment: 10:48 a.m.


SEN. CHARLES "CHUCK" SWYSGOOD, Chairman


SHARON CUMMINGS, Secretary

CS/SC