

MINUTES OF THE MEETING
APPROPRIATIONS COMMITTEE
MONTANA STATE
HOUSE OF REPRESENTATIVES

March 8, 1985

The meeting of the Appropriations Committee was called to order by Chairman Bardanoue on March 8, 1985 at 11:10 a.m. in Room 104 of the State Capitol.

ROLL CALL: All members were present.

(Tape 26:B:078)

Judy Rippingale, Legislative Fiscal Analyst (LFA), gave a report on the cuts in budgets made by the subcommittees. She said the figures are not precise to the dollar, but as of today, subcommittees have cut approximately \$8.2 million of General Fund dollars as follows:

General Government.....	\$2.600
Human Services.....	1.600
Natural Resources.....	1.300
Institutions.....	.250
Education.....	<u>2.500</u>
Total cut from current level.....	<u>\$8.250</u>

The LFA said the above cuts do not include inflation factors or utility adjustments. At this time, she could not estimate how much inflation factors or utility adjustments will amount to.

Chairman Bardanoue (093) said there is a General Fund shortfall of approximately \$31 million, so there will have to be more cuts or more revenue.

Representative Donaldson (130) said he feels it is not the decision of the Appropriations Committee to address the question of revenue. He said the Appropriations Committee at this time should deal with the question of whether the budgets are as low as the subcommittees can go; then, report the findings to the leadership.

Chairman Bardanoue said he assumes the subcommittees have cut as far as they can. He said the full committee could possibly make some additional cuts, but not at the magnitude needed to cover the shortfall unless the committee does violence to some budgets.

Representative Quilici (144) said his subcommittee cut \$.648 million out of the budgets by working over the soft spots and he thinks his subcommittee budgets are tight... a little over current level, but there are various reasons for this. For instance, postage costs alone in the Department of Revenue are \$200,000+

Appropriations Committee
March 8, 1985

over current level figures by the LFA. He said any more cuts will result in cutting services.

The Chairman (168) asked if there are any modifieds in budgets. Representative Quilici said there are some modifieds in his subcommittee budgets, but these should be granted.

The Chairman said he is hesitant to have subcommittees go back into the budgets, but it may be necessary to show the Legislature that more revenue is needed.

Representative Swift (195) said there are some modifieds in the subcommittee he is on (Natural Resources). He does not know if the need for these modifieds has been addressed as yet. He said he thinks there is at least \$3 million in Alternate Energy which has not been considered. He said he thinks priorities should be looked at prior to addressing the need for new revenue. The Chairman said he assumes the committee will look at any visible revenue not now counted. This will reduce the shortfall.

Representative Menahan (215) said the committee he is on (Institutions) has done about all it can to cut costs and still be able to run the institutions.

Representative Quilici (234) asked if all subcommittees are using the same inflation factors and vacancy savings. The Chairman said one subcommittee refused to use the 4-3-3 inflation factor, so it will have to come before the full committee for a vote on whether that committee should conform with the inflation factors adopted by the full committee.

Senator Regan (257) said she thinks the subcommittees have worked very hard and if the subcommittees went into the budgets and further worked them over, there would be terrific violence done to programs.

Upon invitation from the Chairman, the Speaker of the House, John Vincent, said he recognizes the difficult work being done by the subcommittees. He said he has faith in the appropriation process and with the House split 50-50, there is co-equal responsibility. He said the decision to cut budgets further or increase revenue will be a bipartisan effort.

Chairman Bardanouve (347) said the local coal impact money is not in these budget figures. He said there are quite a few legislators who have been looking at the possibility of using some of these funds. He said there is from \$7 to \$15 million (roughly estimated) in this fund, and use of these funds will be a policy decision. He said he would support use of part of these funds, but not all.

Upon a request from Representative Quilici (374), the President of the Senate, Bill Norman, addressed the committee. He said the budget will be balanced by either cutting or raising taxes. He said subcommittees have not sufficiently cut budgets. He said it

Appropriations Committee
March 8, 1985

is not clear on the cigarette tax - even if the Montana Legislature passes it - whether the federal government will refrain from using it. He said he suspects the Legislature will be back for a special session, but this is no excuse for not trying to do the best that can be done now.

The Chairman (415) asked Senator Norman if there are any further plans for joint leadership talks between the House and Senate. Senator Norman said yes. He said, "if the subcommittees are through, let's talk taxes; but if they aren't through, let's get to cutting". He said, "I don't know where, but this is their painful job". The Chairman said, "I would suggest somewhere in between."

Representative Moore (443) said the subcommittee he is on (Education) has been serious this week and no more can be cut; however, the subcommittee will take another look at the budgets this evening.

Senator VanValkenburg (477) said the time is here for people who think cuts can be made beyond the subcommittee cuts to propose them.

The LFA (540) outlined the schedules for subcommittees to report to the full committee as follows:

Monday.....	Institutions
Tuesday.....	Human Services
Wednesday.....	Education
Thursday.....	General Government
Friday.....	Natural Resources
Next week.....	Long-Range Planning

Speaker Vincent (598) requested, due to the severity of the situation, that committee members communicate with their fellow legislators.

Chairman Bardanouve (660) said there is no accommodation in the shortfall projection for the "cats & dogs" bills. These bills will all die unless there is additional revenue.

Adjourn: The meeting adjourned at 11:50 a.m.


FRANCIS BARDANOUE, Chairman

DAILY ROLL CALL
 APPROPRIATIONS COMMITTEE

49th LEGISLATIVE SESSION -- 1985

Date March 8, 1985

NAME	PRESENT	ABSENT	EXCUSED
BARDANOUE	X		
DONALDSON	X		
BRADLEY	X		
CONNELLY	X		
ERNST	X		
HAND	X		
LORY	X		
MANUEL	X		
MENAHAN	X		
MILLER	X		
MOORE	X		
NATHE	X		
PECK	X		
QUILICI	X		
REHBERG	X		
SPAETH	X		
SWIFT	X		
THOFT	X		
WALDRON	X		
WINSLOW	X		