

**EXECUTIVE ACTION - HOUSE BILL 2 - JANUARY 7, 1992**

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**MINUTES**

**MONTANA HOUSE OF REPRESENTATIVES  
52nd LEGISLATURE - 1st SPECIAL SESSION**

**COMMITTEE ON APPROPRIATIONS**

**Call to Order:** By Chair Bardanouve, on January 7, 1992, at 8:08 a.m.

**ROLL CALL**

**Members Present:**

Francis Bardanouve, Chairman (D)  
Ray Peck, Vice-Chairman (D)  
Dorothy Bradley (D)  
John Cobb (R)  
Dorothy Cody (D)  
Mary Ellen Connelly (D)  
Ed Grady (R)  
Larry Grinde (R)  
John Johnson (D)  
Mike Kadas (D)  
Berv Kimberley (D)  
Wm. "Red" Menahan (D)  
Jerry Nisbet (D)  
Mary Lou Peterson (R)  
Joe Quilici (D)  
Chuck Swysgood (R)  
Bob Thoft (R)  
Tom Zook (R)

**Staff Present:** Terry Cohea, Legislative Fiscal Analyst  
Sylvia Kinsey, Committee Secretary  
LFA and OBPP Analysts

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

**Announcements/Discussion:** CHAIR BARDANOUE said according to the Fiscal Analyst's figures there is still a shortfall of over \$5.6 million in the subcommittee action. He said the committee would begin HB 2 with Section E on Education. House Appropriation Committee met in the old Supreme Court Chambers to accommodate the public and State Departments.

Mrs. Cohea handed out EXHIBIT 1 and briefly discussed the reductions in the subcommittees to date and action still to be completed. EXHIBIT 2, worksheets for HB 2 were passed out for the use of the committee. She said gold sheets passed around would replace those in the exhibit.

HEARING AND EXECUTIVE ACTION OF HOUSE BILL 2EDUCATION COMMITTEE Section E

REPRESENTATIVE PECK, Education Subcommittee Chair, conducted the Hearing on Section E on Education.

Board of Public Education

E-1, LFA, E-1, Exec., and white worksheet.

Rep. Peck said the committee went along with the Governor's recommendation. The total amount of the reduction is consistent, but they changed the source of funding, requiring that the Board themselves come up with the additional plus \$3,000 from their funds rather than taking it from Council money. The first year reduction is indicated in the funding switch from general fund to the fees paid by teachers into the Council. and the contested hearings that were provided in anticipation of a number of increased hearings has not materialized and was reduced in both years.

Motion: REP. PECK moved adoption of the Board of Public Education budget reduction.

Discussion: There was some discussion on whether or not the public knew of the hearing, and CHAIR PECK said they were told yesterday. We did not know the order in which they would come up and interested parties knew they should be present. He pointed out that representatives from the Montana School for the Deaf and Blind (MSDF) were present.

Vote: Motion passed unanimously.

Montana School for the Deaf and Blind

E-5 LFA, E-1 Exec., White worksheet in EXHIBIT 2

REP. PECK said this budget was negotiated directly between the Governor and the MSDB. There were no adjustments made in subcommittee.

Motion: REP. PECK moved adoption of the MSDB budget.

Discussion: REP. BRADLEY asked what the cut means to MSDB and asked if the director could make a statement.

Mr. Prickett said the impact will be less services. They sincerely hope they will not be required to lay off any employees or to curtail any current programs. It is clear that the quality of the services provided will be impacted and lowered. They are suffering some additional funding losses in other areas and the impact of this could result in serious destruction to the program, but will manage as best they can.

Vote: The motion passed 15-3 with Reps. Cody, Bradley and Nisbet voting no.

Office of Public Instruction  
E-7, LFA, E-2 Exec., White worksheet

**REP. PECK** said the OPI reduction was reduced on a motion that takes the three 06 items, Personal Services, Operating Expenses and Equipment and applies a 5% reduction to those. It takes the 09 items, the next 5 items, and applies an 8% reduction on those. It is somewhat less than the Executive recommendation, but the committee was attempting to bring the 06 items more in line with those of other elected officials.

Motion: **REP. PECK** moved the adoption of the sub-committee's recommendation.

Discussion: **REP. KADAS** said he felt it should be clear to everyone that particularly in the areas of Special Ed Contingency and Secondary Vo-Ed the cuts are below previous year budget. There will be a reduction in the money that was there, not a reduction in increase. He pointed out that it was going to cause some difficulty in terms of what will happen in these circumstances is that the OPI will have less money to forward to school districts for those particular needs. In probably all cases the district will raise taxes because that amount is already built into that district's budget. The effect of this action is an increase to local taxpayers.

**REP. BRADLEY** asked if someone could give them a more specific idea of the Vo-Ed cuts. She asked if they thought those dollars, for the most part, will be made up at the local level or will it be actual cuts in those kinds of programs: Who will it hit and what will it do to the program? **REP. PECK** said it would vary from school to school. When you distribute that amount of money over all the secondary schools that are eligible in the State of Montana, some secondary schools choose not to apply because the dollar amount is too small. Some secondary schools, such as one in Helena where they have planned, in relation to some curriculum changes, for about \$20,000 in Capitol High School. This will be reduced by that percent and it will create a problem that they will have to try to make up out of general fund. He said this was a problem because the OPI has already sent out notice to the schools next year. In Special Ed, they will actually get a 3% decrease because of new programs coming on line in some schools and other costs associated with Special Ed, which will be in addition to the decrease we have on this particular bill on a fund that was not increased.

**REP. KADAS** said if the question is whether the district will reduce the program, he thought if one looked at the voted levies in Montana over the last year, over 90% of the levies passed. He said he would assume from this that they will increase their taxes to backfill the cut.

Vote: Motion failed, 8 to 9. Roll call vote # 1.

Discussion: REP. THOFT asked if there weren't substantial increases in the Personal Services area coming out of the last session? He asked what those were compared to these cuts. He asked if there wasn't a sizeable increase in the administration of OPI? Mr. Groepper, OPI, said he thought this question was referring to two items that were dealt with initially as modifications, one of which ended up in the Personal Services budget and one is a line item expenditure detailed further down in HB 2. The first issue dealt with curriculum specialists. They were using a large portion of federal money to fund a curriculum specialist and the federal funding was going down. We were between 60 to 70% funding with federal money and the Legislature approved about \$200,000 a year so the curriculum specialists could be funded more out of general fund rather than federal money. The other increase that the administration budget received was for financial management controls. The office of the Legislative Auditor had audited their office and indicated they did not have sufficient staff for the amount of money we were expected to manage out to the school districts. Along with the two new guaranteed tax base programs and refinancing or rescheduling how they paid the school transportation, they increased staff to approximately 4 FTE to handle the financial management. After the Governor's first round of cuts we left one of those FTE vacant. The cuts we are dealing with, in part, go into those programs to reduce personal services. In round terms there is about \$400,000 in personal services increases to deal with the curriculum specialists and financial management staff and some of those positions are being held vacant to address this particular shortfall.

REP. THOFT said he thought the important thing to note is that OPI came up with these suggested cuts. He asked if that was true. Mr. Groepper said the Governor first came out and asked all agencies for basically an 8% across the board reduction. He felt this was an effort to find out if they were cut 8%, where were the cuts to be. Superintendent Keenan said if we are to cut 8% in administration, we will cut a major portion in personal services and surrender \$20,000 in operating expenses and \$50,000 in equipment. At that time we assumed all other elected officials would be asked to do the same thing, recognizing the Governor had problems and we were prepared to make the 8% across the board cut. About a month later, we found out other elected officials did not go the full 8% and ended up with 3%, 4% and 5% cuts. It was our position that our Constitutional office is as important as the other four and we wanted to be treated fairly. That is all we are asking, and that is all we asked the subcommittee to do, was to treat us the same way.

REP. THOFT, asked Mr. Groepper if initially could OPI have taken these cuts in the area of personal services? Mr. Groepper said they did offer to take those cuts, all but \$70,000 in personal services. REP. THOFT then asked why this can't be done now and

leave the money in these school programs? Mr. Groepper said at the 8% level, we have 5 specialist positions vacant and are still not projected to meet 8% cuts in FY '92. At the level the committee has funded us versus an 8% cut, there is about \$100,000 difference. The cuts you are talking about in distribution to schools amount to a far greater amount than the \$100,000 difference between a 5% level cut and an 8% level cut in personal services.

REP. THOFT commented that he did not understand why they could have taken 8% at one time and reduced it to 5% now and taken money out of the programs. CHAIR PECK said there were other people that were required to submit reductions of 8% that we are no longer getting 8% out of. We have some departments and agencies that are showing 0%. He suggested if there was agreement to take 8% out of everybody else he would vote with him to take 8% out of OPI, but let's not play politics. Let's go down the line on it.

REP. KADAS told REP. THOFT he felt it was important to note we are dealing with two fairly distinct programs here, the operational budget and pass-through money. The Executive proposed more cuts than half the monies that are proposed in some committee recommendations. The subcommittee reduced the Executive cuts on pass-through monies. Your question is why not reduce the pass-through money cuts and take more out of their own budget. The subcommittee has already done that. The cuts in the pass-through were over 10%; we reduced those to 8%. The Executive budget cuts in the operational section of OPI was over 10%, three times as much as any other operational cuts for elected officers. The subcommittee did not think that was fair.

**Motion:** REP. KADAS moved the subcommittee recommendation in the 06 programs.

**Discussion:** REP. KADAS said this would be a 5% cut in the operating budget, the first 3 items on the sheet. He said this would separate the operation from the pass-through and see what happens. He said he would note that OPI's cut is higher at this level than any other elected office so far.

**Vote:** The motion passed 15 to 2 with 1 absent. Roll call vote # 2.

**Motion:** REP. KADAS moved to accept the subcommittee recommendations on #4, 5, 6 and 7, the 09 programs.

**Discussion:** REP. KADAS said these are all funds that pass through the office. The subcommittee has reduced the recommended cuts from a little over 10% to 8%.

**Vote:** Motion passed 11 to 6 with 1 absent. Roll call vote #3.

**Commissioner of Higher Education**  
**E-15 LFA, E9 Exec, gold worksheet**

REP. PECK said the reductions were negotiated between the Executive office, the Board of Regents (BOR) and the Commissioner's office. The committee has recommended the adoption of the figures on the gold sheet.

**Motion:** REP. PECK moved the adoption of the subcommittee report.

**Discussion:** CHAIR BARDANOUVE asked if these are the figures that were presented by the Governor. REP. PECK said there were some distribution corrections that had to be made in '93, but basically they are the Governor's figures.

REP. KADAS said the committee recommended about \$1 million less than the Governor's recommendation.

REP. BRADLEY asked for a little more discussion of the impact, Mr. Hutchinson said that of the \$200,000 targeted for the Commissioner of Higher Education, approximately \$100,000 of that will come out of Student Assistance. Originally, the Executive Budget called for \$399,000 to be eliminated from Student Assistance and the committee agreed this could be reduced down to \$100,000. The balance at this time will have to be taken out of the Commissioner's office in some way.

CHAIR BARDANOUVE said as a rearrangement of this money, your office itself will have a bigger cut than that proposed by the Governor, but not the Student Assistance program. The shift was to your operational budget? Commissioner Hutchinson said at this time that is correct.

REP. BRADLEY asked what the impact would be if the cut of Student Assistance money was made. Commissioner Hutchinson said, at this point, they are hoping they have no students that are currently on student aid or who are eligible for student aid will lose it, but it will mean new students will not be able to get additional aid. He said it will hurt, and when you are ratcheting up tuitions, which they are likely to do, and cutting student aid on the other side, you can see the problem created for the student population.

REP. BRADLEY asked if it is probable, given the present scenario, that more students will actually be in need and that the demand will be going up. Commissioner Hutchinson said that is a very logical conclusion.

**Vote:** Motion passed 11 to 6 with one absent. Roll call vote #4.

**Vocational-Technical Centers**  
**E-19 LFA, E-4 Exec, gold worksheet**

REP. PECK said a comparison of the gold sheet with the white

sheet would note about a \$7,000 difference in the far column which reflects a redistribution of the dollars in the Student Assistance. Basically, complying with what the committee did in changing the student assistance and the redistribution, required taking some items out of the base such as bond payments, that were not supposed to be there. It is basically in line with the Executive's recommendation.

**Motion/Vote:** REP. PECK moved the adoption of the subcommittee report. The motion passed 14 to 3 with one absent and Reps. Bradley, Menahan and Nisbet voting no.

REP. PECK suggested skipping the white page which was language and the committee would take it up later. This was agreed to by the committee.

#### Six University Units

E-21 LFA, E-10 Exec., gold worksheet

REP. PECK said there was some distribution changes in this budget in regard to the Student Assistance and basically approving the recommendations from the Executive branch.

**Motion:** REP. PECK moved the adoption of the subcommittee report.

**Discussion:** REP. BRADLEY asked Commissioner Hutchinson to comment on this. She felt there was some confusion about what the dollar increases were in this budget that was appropriated by the last session. Her recollection was that besides trying to deal with the lowest faculty salaries in the country and increased enrollments, we are trying to salvage the accreditation of some of the major programs. She would like the dollars put into perspective as to what the increases were and the context of the last several years.

Commissioner Hutchinson said in terms of general fund the last Legislature appropriated \$45.6 million to Higher Education. That figure has to be reduced in three categories. There were decreases from FY '90 to '91 in other funding sources, largely the six mill levy. They also had some expenditures that increased from FY '90 to '91 and there were some enrollment adjustments. When you take those three categories out, the actual new money is about \$32 million, not \$45 million. Against that \$32 million, if you stack the \$15 million cut that is being proposed by the Education Subcommittee, it leaves them about \$17 million. The pay plan and the arbitrated faculty salaries alone eat that up, and we can array against that a whole variety of obligations that Higher Education has.

**Tape 1, side 2**

REP. BRADLEY asked if she could get some sort of a picture of what this will do to the system. Commissioner Hutchinson said he had proposed a scenario to the campuses and asked them what they

would do to respond. His suggestion was to annualize the proposed tuition surcharge and perhaps reduce it by \$1 per student credit hour which is an option that could be considered. Each student would be paying \$14 more per semester credit hour, and if they bring the out-of-state tuition to the level of their peers, he asked how would they respond to it. He said every campus would reduce their library budgets, reduce their maintenance, and reduce operations in travel. There will be lost positions in faculty, staff and administrators and significantly reduced services and hours available to the students. Most campuses will also reduce courses in sections and the current estimate ranges between 250 and 300 courses or sections in the next year. There are an average of 40 students in a course or section, so we are talking about 12,000 students' seats that are affected.

REP. BRADLEY asked if that dollar amount per credit was adopted by the Regents, what percentage of increase would that be for the students. Commissioner Hutchinson said he did not remember the exact percentage increase but believed it was in the 20% to 30% range. He was told it was a 33% increase.

REP. BRADLEY said the students would be facing a 33% increase next year for a sloppier system because of the additional cuts. Commissioner Hutchinson said the students would be paying more for a less efficient system. He did not think the students would be able to get through in as timely a fashion because of the unavailability of courses and sections.

REP. BRADLEY said she had been concerned about the number of students who had told her because already the decrease in sections, particularly in the freshman year which forces them to delay prerequisites, they have to take 5 years for what is usually 4 years. Because of this, increasing numbers of high school students are leaving. Traditionally, a certain number has always left, but the last time she checked, this was substantially going up. She asked if they had any documentation on this. Commissioner Hutchinson said he did not have historical information that would indicate the trend line, but suspects she is right and that it is going up. There is a federal survey that is conducted and they are able to determine the residencies of students. In 1990 28% of the college bound Montana students were going out of state. There is a program called the Western Undergraduate Exchange Program which is under the auspices of WICHE, and Montana, of all the Western states is the largest exporter of students in this program. He had heard Boys State and Girls State conducted a survey this last year about the number of those students planning to leave and they are trying to obtain that data.

REP. BRADLEY said when she checked a year ago on the trend, that only 5 years ago it was only 22% or 23% that were going out of state, whereas now it is already up to 28%. She asked if he had any information to show that was true. Commissioner Hutchinson

said those are believable data to him and suspects we are having an increase. When we go through the downsizing scenario there will be reduced access for students in Montana and that likely will drive more students out-of-state.

REP. BRADLEY said, if we were at this point following the recommendation of the Commission on the 90's and beyond, what additional dollars would be committed this year that would increase? Commissioner Hutchinson said as they came to the 52nd Legislature they were looking at catch up money alone, not inflationary dollars, etc. They needed \$35 million over 5 years or \$7 million a year to catch up to their peers. He said they not only didn't have it, but were going in the opposite direction.

CHAIR PECK said we agreed during the phase of this that the Montana University System's six units had about 20% to 21% of non-resident students attending. When told by Commissioner Hutchinson that was correct, he said we must rank pretty high as an importing state also. Commissioner Hutchinson said that will depend on the institution you look at. U of M has the highest number of non-resident students followed by MSU and Montana Tech. He said we are not only the largest exporter, we are also the largest importer of students from other states.

REP. PECK said we don't seem to have a very strong reputation within the boundaries, but have a good reputation outside the boundaries in terms of an educational program in the University System. Commissioner Hutchinson said the largest contributor of those incoming in the WUE program is Minnesota. He said in the next year or so it is anticipated Minnesota will drop out of WICHE and join a mid-western compact and they are hoping they can stay in both, but was not sure the Minnesota Legislature would want that unwarranted duplication.

CHAIR PECK called the committee's attention to some data and asked the Commissioner if they put all the surcharge on all non-resident students in all of the 6 units they would still be significantly below the non-resident tuition for our peer institutions? Commissioner Hutchinson said if they were to put that surcharge on and annualize it they wouldn't be substantially below our peers but would still be below, yes.

CHAIR PECK said if you put the surcharge on at Tech you would only be 62.6% of the peer institution non-resident tuition. The high point would be at Western where you would achieve a 98.9%, but the two big institutions are at 84% and 85%. Commissioner Hutchinson said those figures sound about right. If we were to annualize the surcharge it would take another \$35 per semester credit hour for non-resident students to bring them to 100% of the peers.

CHAIR PECK said he would like to suggest that taxpayers in Montana, given the present financial circumstances of the state,

would be very concerned to know they are not collecting at least the average non-resident tuition of these peers. He thought he might suggest some language to offer guidance to the Regents. It is their authority, but thinks most of the committee members would agree we should strive to get up to at least the peer average if we are going to talk about peer expenditures. Commissioner Hutchinson said they agree and felt the Regents would be sympathetic to that language.

REP. GRINDE asked if the enrollment has increased at the six units. Commissioner Hutchinson said at this time five of the six units in the University System are showing enrollment increases. The one exception is Eastern and the largest increases are at U of M and Western. They are not projecting enrollment increases for the fall. They are anticipating some enrollment limitations placed upon the campuses as a part of their commitment to quality, through their downsizing effort. He said he felt there was desire for students to attend, but simply did not have the space for them.

REP. GRINDE said barring next year, the trend is for increases in the system, and asked if that was correct. Commissioner Hutchinson said system-wide, that would be correct.

REP. CODY asked if it is accurate to say that no matter how much money the Governor or the Legislature gives the University System, we cannot tell you how to spend the dollars. Commissioner Hutchinson said we have been told, in some ways, how to spend the money with rather strict line item appropriations. He said he suspected there could be a Constitutional battle mounted on the question, but they are pretty much adhering to line item appropriations at this time.

REP. CODY said the bottom line is that the BOR has the control of where the money goes. Commissioner Hutchinson said that is a matter that needs to be decided by the courts. He said it is their opinion that is correct.

REP. BRADLEY said she wanted to be sure she understood where we are with the tuition. If that 33% tuition increase took place next year for Montana students, where would they rate with other students who are peers in other states? Commissioner Hutchinson said the out-of-state students would be at 100% of the average of their peers, the in-state students would be at 111% of their peers.

REP. BRADLEY asked, if they were at 111% of the peers, at that time considering the appropriation with these cuts, how far behind the peers would the state be with the other sources of revenue? Commissioner Hutchinson said he is not sure and was told about 80%.

REP. KADAS said he would like to make clear to the committee and to the people present what is going on. The first thing the

subcommittee recommended was that there be a tuition surcharge in the first year. We put in a \$4.5 million to offset any tuition surcharge in this semester of FY '92. We don't have the flexibility to do that for next year and have essentially gone along with the Governor's recommendation that a \$14 million cut, with approximately 10% be taken out of the University System in FY '93. The majority of that cut will be made up with tuition because the Regents have recognized that if the system is going to maintain any level of quality it cannot sustain significantly more cuts. It is clear that tuition can be raised some, but felt the 33% increase is too much, and it is possible under what is being recommended here that the tuition increase could be 40%. It depends on what the Regents do, as to whether they want to take more than \$2.1 million in cuts the second year or less. If they take less, they will have to increase tuition. He felt it should be clear the Regents have made the decision and he thinks they will make the decision to take the bulk of the offset of \$13 million will be tuition increases. The subcommittee recommended reducing the total second year cut from \$14 million to \$13 million because of some specific instances. (1) While there is still a cut in student assistance, we reduced that cut from over \$300,000 to \$100,000 at the recommendation of the Commissioner. (2) In the Vo-Tech budget there are bond costs they have to pay. There is no way to avoid those and the subcommittee tried to offset them. The bottom line is that the system is in trouble and this action will not make it any better. The subcommittee recognizes the University System is a part of state government and has to take cuts like the rest, but there is going to have to be more revenue. If there isn't any more revenue, he did not see any way to avoid cuts like this.

REP. ZOOK said we need to keep in mind that we are talking about decreases in increases and we also need to keep in mind the University System has other sources of monies, endowments, etc. As to whether the Regents decide to increase tuitions or not, that is their decision, not ours.

REP. PECK said he did not like to do so, but would ask the democrats on the committee to support the subcommittee decision. We are searching to try to ameliorate the tuition question that is going to fall upon students. He suggested the BOR have under study now the "so called" commitment to quality which is a down-sizing of the University System. He has some language later that will deal with that which says we will not penalize them for down-sizing, and that was in the bill last session. He said REP. ZOOK made a good point that we are not talking about cuts. The Commissioner has indicated to you that it is, but when they negotiate an agreement that increases salaries, they can't hold the Legislature always responsible for accepting the financial responsibility they create. He reminded the committee of what was done in Public Education and said he felt it necessary to be fair in terms of our treatment of education and public schools. K through 12 are very important. He asked members to vote with the subcommittee now and, hopefully, there would be something more

positive before they get to the floor.

Vote: The motion by REP. PECK to accept the subcommittee report passed 14 to 4. Roll call vote #5.

Agriculture Experiment Station  
E-26 LFA, E-14 Exec., gold worksheet

REP. PECK said the subcommittee is \$15,783 over the Governor's recommended level. The difference is the sharing of the distribution pulled out of the base again. It is their figures less the correction in the distribution that took place.

Motion/Vote: REP. PECK moved the adoption of the subcommittee report. The motion passed 15 to 3 with Reps. Bradley, Menahan and Quilici voting no.

Cooperative Extension Service  
E-31 LFA, E-15 Exec., gold worksheet

REP. Peck said again the difference was the distribution that took place.

Motion/Vote: REP. PECK moved the committee report. The motion passed 16-2 with Reps. Bradley and Cody voting no.

Forest & Conservation Experiment Station  
E-33 LFA, E-17 Exec., gold worksheet

REP. PECK said the only difference is the \$1,475 which is again the distribution matter.

Motion/Vote: REP. PECK moved adoption of the Committee report. The motion passed 17 to 1 with Rep. Bradley voting no.

Bureau of Mines  
E-35 LFA, E-16 Exec., gold worksheet

REP PECK said again the \$2,678 is a distribution factor which is the difference between the committee report and the Executive recommendation.

Motion/Vote: REP. PECK moved adoption of the subcommittee report. Motion passed 13 to 5 with Reps. Bradley, Quilici, Cody, Cobb and Menahan voting no.

Fire Service Training School  
E-39 LFA, E-19 Exec., gold worksheet

REP. PECK said this is basically the Executive recommendation with the distribution correction in it for \$478.

Motion/Vote: REP. PECK moved the adoption of the subcommittee

report. Motion passed 16 to 2 with Reps. Johnson and Nisbet voting no.

REP. KADAS asked the committee to go back to the OPI sheet, E-7 LFA, E-2 Exec., white worksheet, and said he had missed making a motion. He referred to item 8 in HB 999, dealing with out-of-district placement for Special Ed. This is an 8% cut there and he forgot to include that in the second motion.

Motion/Vote: REP. KADAS moved to adopt the subcommittee recommendation on item 8, HB 999. Motion passed 13 to 5 with Reps. Quilici, Menahan, Cody, Bradley and Nisbet voting no.

REP. PECK said the LFA has suggested consideration of the School Equalization Account adjustment. Mrs. Cohea explained this to the committee and said the numbers may be changed later on in the process.

Motion/Vote: REP. PECK moved to adopt the Executive recommendation amount of \$41.5 million for the School Equalization Account at this time (E-3, Executive book) with the understanding it will have to be corrected. Motion passed unanimously.

REP. PECK asked the committee to turn to the white worksheet on language items (following Vo-Tech system). He said the first one would go into the bill just one time and would cover all of it. He read the language. He said we need the language because of the agencies, the experiment station, etc., that will need some refinancing or refunding from that due to the cuts.

Motion: REP. PECK moved the adoption of the language.

REP. KADAS said it was important for the committee to understand this is a fairly significant change from past practices. The language says they can take the tuition and move it any place within the University System, so when they increase tuition, those dollars are essentially a pool for the system and gives them the rudiments of the lump sum policy and is a limited experiment that we are allowing. We need to do something because of the Experiment Station and the affiliated institutions attached to the University do not receive any tuition revenue. They are strictly general fund-federal fund revenue. By taking the 8% out of them, we need to allow some flexibility so they can pay their faculty as well.

Vote: Motion passed 17 to 1, with Rep. Swysgood voting no.

REP. PECK read (#2), "Item--- reduces the---" etc. and said this gives them the management authority and needs to go into each area.

Motion: REP. PECK moved adoption of the language. Motion passed unanimously.

REP. PECK read the intent language (#3) which stated the Montana University System is not contingent upon or tied to any action concerning operation of the state liquor stores. He said what the subcommittee is saying is that we definitely do not want to put the two together. We do not think booze and education is a very good mix and want to state it plainly and up front in this bill.

Motion/Vote: Motion by REP. PECK to adopt the intent language. Motion passed 16 to 2, with Reps. Cobb and Swysgood voting no.

CHAIR PECK said the existing language in HB 2 has to be passed on and inserted in this bill. It says if the commitment to quality or downsizing takes place, the 53rd Legislature would not penalize them for any downsizing operations they take. (#4)

Motion/Vote: Motion by REP. PECK to adopt the language. Motion passed 16 to 2, with Reps. Quilici and Connelly voting no.

REP. PECK said he would like to ask that the LFA be instructed to draft the statement relative to non-resident tuition and that it is the intent and desire of this special session of the 52nd Legislature that the Regents achieve a level of tuition for out-of-state students equal to the average of their peer institutions.

Motion/Vote: Motion by REP. PECK for the language above and the LFA be instructed to draft the language. Motion passed unanimously.

Motion Vote: REP. PECK moved Section E, of HB 2 the Education Section be closed. Motion passed unanimously.

General Government and Highways  
(Sec. A)

REP. QUILICI, Chair for the Subcommittee on General Government and Highways, presented the subcommittee recommendations for Section A.

REP. QUILICI said the subcommittee had removed general fund dollars in this budget by \$1.2 million. The Legislative agencies took the Executive recommendation for '92 and 5% in '93.

Legislative Auditor  
A-1 LFA, A-4 Exec.

REP. QUILICI said the Legislative Auditor took \$100,000: 64% in '92 and \$46,500 cut in '93.

Motion/Vote: Motion passed unanimously.

Language for the Legislative Auditor  
White worksheet

**Motion/Vote:** REP. QUILICI moved the language, #s 1, 2 and 3, on white worksheet. Motion passed unanimously.

Legislative Fiscal Analyst  
A-5 LFA, A-5 Exec., white worksheet

REP. QUILICI said they cut \$51,004 in '92 and \$48,806 in '93.

**Motion:** REP. QUILICI moved the LFA budget.

**Discussion:** REP. CODY asked for an explanation of the worksheet. Mrs. Cohea explained the Executive budget recommended an 8% reduction. The subcommittee proposed a 5% reduction and this represents the 5% reduction.

**Vote:** Motion passed unanimously.

Legislative Council  
A-7, LFA, A-6 Exec., white worksheet

REP. PECK said they cut \$142,544 in 1992 and \$108,608 in '93.

**Motion:** CHAIR QUILICI moved the Legislative Council budget.

**Discussion:** REP. CODY said, under item number 7, Galen/Warm Springs, you took \$2,960 more than the Executive recommended. She asked why. REP. QUILICI said that was the Governor's proposal. We accepted the Executive recommendation on this. He said no one disputed this and it passed. REP. SWYSGOOD said he was a member of that committee and would assume it would be just cut down on some travel or some paper work, and is just in line with the reductions we have made.

**Vote:** Motion passed unanimously.

Environmental Quality Council  
A-11 LFA, A-7 Exec., white worksheet

REP. QUILICI said in 1992 they cut \$7,958 and, in '93, \$7,400. He said this is a very small budget.

**Motion/Vote:** REP. QUILICI moved the EQC budget. Motion passed unanimously.

Judiciary  
A-15 LFA, A-8 Exec., gold worksheet

**Motion:** REP. QUILICI moved the Judiciary budget.

**Discussion:** REP. QUILICI said in 1992 they cut \$144,316 and in '93, \$117,912. He said 35% of the Judiciary budget is salaries and they are

either cut by statute or by the Constitution for the Judges. The District Judge reimbursement comes out of the Judiciary budget and one of the things they did not do was to take \$224,000 plus for reimbursement to the District Courts recommended by the Executive. The subcommittee did not accept this because those are monies collected in local government, and are put into the Judiciary budget and given back to the local governments for District Courts. They felt if this was cut it would be another burden on Local Government and the subcommittee voted against this cut. He said they also took \$33,600 out of Court Automation to help the general fund.

REP. CODY asked how many of those counties apply for those funds. Mr. Oppendahl, Administrator, Supreme Court, said he assumed every county gets District Court reimbursement and, in FY '90, 17 counties applied for Grant & Aid. REP. CODY asked if there is any money left in that account, and if so how is it treated, or is it depleted? Mr. Oppendahl said the statute says this is a three tier program, the first tier, which is all the appropriation goes to reimburse criminal costs in District Courts. The second tier is a Grant & Aid program up to the level of the appropriation the Legislature provides and that is a Grant & Aid program for which counties apply. 17 counties applied in fiscal 1990 and received about \$111,000. If there is any money left after the appropriation is expended and there is still more revenue that came in from the vehicle taxes, the statute says that money is returned to the counties. In FY '90 they returned \$61,000 to the counties and in FY '89 they returned approximately \$97,000.

REP. SWYSGOOD asked how much money is in that account. Mr. Oppendahl said in FY '92 we have about \$2.6 million in the appropriation.

Vote: Motion passed unanimously.

REP. KADAS discussed offering some additional percentage cuts beyond what is proposed here.

Motion/Vote: REP. QUILICI moved the language under Judiciary on the white worksheet in regard to the law library. Motion passed unanimously.

There was some discussion on how to proceed when the committee wished to change the subcommittee action. There was discussion on a motion followed by a substitute motion versus a second motion following the passage of the first, and an effort to be clear on what is not included in a do pass motion. It was decided if the second motion was cuts over and above the subcommittee recommendation it would be a second motion. If it were in lieu of the cuts, it would be a substitute motion.

REP. KADAS gave the gist of his motion and asked the LFA to help him on it. He said he was working off the sheet handed out

yesterday on the approximate court reduction and wanted to be clear what is not included in the base. District Court Justices are not included, and those would be elected officials. He asked if the District Court Operation Program was included in the base? Mrs. Cohea said yes, it would be. REP. KADAS asked if the District Court Reimbursement Program included in that base? Ms. Steinbeck, LFA, said it is not included in the budget.

Motion: REP. KADAS said his motion is to increase the cuts that were adopted by the subcommittee on the operational funds, excluding pass-through types of monies, the Elected Offices, and the Judges' salaries. He is proposing a 5% cut in operational expenses for FY' 92 and an 8% cut in FY' 93. He said that would be a total cut. Some of that has already been taken, and this motion would bring the cut up to 5% and up to 8%, not greater. He said he was not adding these percentages. He was bringing the total up to the 5% and the 8%.

In answer to a question on procedure from CHAIR BARDANOUVE, REP. KADAS said mechanically this would work the same way we did the across the board cuts during the regular session, where there is a new line item at the bottom of the budget, below personal services, operating and equipment, that says budget reduction. The agency then has the authority to distribute that cut within its' budget however it feels it is the most efficient way to do it. He said he was trying to leave as much discretion to the agency in dealing with this as possible. If Judiciary feels this is going to cripple a program too bad, it is then their opportunity to come to us and say they cannot take the across the board cut. The Legislature needs to identify a program to eliminate. They need to be the ones to identify that program.

REP. SWYSGOOD asked what the monetary amount in this motion was REP. KADAS said for Judiciary in the first year, using figures prior to last night's actions, the cut would be \$24,421 in '92 and \$115,823 in '93. This would be the amounts if the subcommittee made no changes in Judiciary last night. If they did take increased cuts it will decrease these amounts by that amount.

REP. GRINDE asked for clarification on the motion. If this motion were to pass, it gives the authority to the Judiciary to make the cuts or eliminate programs without coming to this body. REP. KADAS said not quite. It gives them the authority to make the cuts and distribute the cuts within their agency as they wish, if they don't feel they can distribute those cuts within the agency without crippling one or two programs. His suggestion is that they would turn to the Legislature and suggest which program be eliminated instead of the across the board cuts and we would consider that at that point. He felt it was their responsibility to tell us which program we would have to pass judgment on and pass statutory legislation, in most cases, to repeal the responsibilities of that particular program.

REP. GRINDE said, if this motion would pass, you want them to go back within the next few days and during this special session come back with recommendations? REP. KADAS said that is correct.

REP. QUILICI said he understands the need to generate more funds, but did not feel this particular program is one that you can take another big percentage cut out of. The majority of this program is salaries for Judges and District Judges, but also this program has Boards of Commission, the Law Library, Water Court Supervision and Clerks of the Court, which are all mandated programs, either by statute or by the Constitution. They have to run their department according to the law. He said they spent five hours last night trying to make additional cuts in these budgets and came up with \$80,000. He said he agreed with a legislator who said if we want to make cuts, let's go after programs, but find out how the statute pertains to that program and put in bills to rectify it. He said he would oppose the motion.

REP. ZOOK said he would resist the motion and one of the reasons is that this is comparing apples to oranges, and it is very difficult to make a decision which is fair to these agencies. He said the worksheets vary and it is very difficult to know what cut is being taken or what percentage since they vary on the sheets. CHAIR BARDANOUE explained that in some agencies there is no money taken by the agency that handles the pass-through money and, therefore, cannot take a cut on what they don't have. He said the LFA has not used pass-through money which does not pertain to the actual budget. Mrs. Cohea explained the procedure and said pass-through money was not included for cuts. CHAIR BARDANOUE said the LFA has kept all the agencies on the same basis for their operating budget and has not counted pass-through money.

REP. ZOOK said he was not disagreeing on the basis of the sheets, but would like to also get the figures from the OBPP based on the same situation with no pass-through and see if we arrive at the same percentage.

Mrs. Cohea said she believed the sheet from the Governor's office takes into account the vacancy savings that was imposed in HB 2. She said if they would like to see it that way, they could do it, but this deals with HB 2 as it passed and we worked from there. One of the concerns they had in preparing their sheet was that if they mixed what was in HB 2 and what is being proposed today, it could get confusing.

REP. KADAS said he was trying to find what he felt was a fair base to use for the cuts and thought a fair base includes some assumptions such as not including pass-through monies. Those go to someone else and the agency does not use them in their daily operation. You shouldn't include elected officials' salaries because you can't reduce those without statutory changes. He thought it was fair to get down just the operational budget, what

it takes in that office to do their day-to-day operation: the amount of personal services, equipment and their operations and to use that as a base.

REP. ZOOK said it had taken about 5 months of study on these budgets to try to reduce them with as little pain as possible, and he was not sure what we do in this committee holds true to that.

CHAIR BARDANOUE said there was concern that there was no pain endured by some people at all and some had too much. REP. ZOOK felt the agencies had recommended certain cuts in the beginning and felt that should hold true since they work with the budgets all the time.

Tape 2, Side B

REP. KADAS, in answer to a question from REP. CODY, said he believed REP. QUILICI's committee had tried to take the 5% and the 8% in the over-all budget. As a consequence of that, they did end up taking a smaller amount, generally of the operational budget. In the case of Judiciary, the operational budget cuts in FY '92 are 1.82% and, in '93, 1.50%. His motion would apply to the operational budget and not affect any of the other decisions the subcommittee made or that we adopted. For Judiciary, that would be in FY '92, 1.82% up to 5%, or an increase of 3.18%.

REP. GRINDE asked the OBPP to comment whether the same numbers that REP. KADAS is using are the same figures OBPP is using.

Ms. Hammond passed out EXHIBIT 3 and said she did not know how many had the sheet REP. ZOOK and REP. GRINDE are referring to, it was hurriedly prepared last evening in preparation for the meeting of the subcommittee and in the left hand column is the fully funded operating plan which are identical figures to those in the worksheet by the LFA. We got those figures from the LFA, and did not have time to double check and see if we concurred. They simply used the LFA figures. As REP. ZOOK was saying, we then added the HB 2 vacancy savings factor, which varied from agency to agency, as well as the subcommittee action to begin to show the total cuts in this agency. She said they did not have time to also insert the unfunded pay plan figures. The Legislative branch agencies were fully funded. Many had 110% to 120% of the pay plan by the time you added the pay bill, plus the market adjustments that were included in HB 2. All of the other agencies in Section A were unfunded by 10% in FY '92 and 13% in FY '93. She gave the example of the State Auditor who was underfunded in the pay plan, in addition to these vacancy savings by \$31,000 Justice was under funded by another \$140,000 in their pay bill. She said they could roll those figures together and recalculate this spread sheet so you could see the answer to the question you have been asking.

REP. GRINDE asked if REP. KADAS's motion contained the unfunded pay plan, REP. KADAS said he would have to ask Mrs. Cohea, but would suspect they don't since they go off HB 2, and also rolled

into that is the pay plan that was included in HB 509. Mrs. Cohea said, yes, their sheets deal with HB 2 as you passed it and HB 509 as allocated by the Budget office for Executive branches which is line itemed in the bill for Legislative and Judiciary. It reflects what HB 2 contained which was varied levels of vacancy savings, budget reductions in Section A, and a variety of things. The budget office is putting the vacancy savings included in HB 2 in their sheet.

REP. KADAS said he felt that was a fair base to work off of because that is what the last Legislature, through all its deliberations, got to. Even though there are different vacancy savings rates for different agencies, there were reasons for the difference. He said what he is attempting to do is to offer fairly consistent cuts in operational budgets, and did not want to vary those by different agencies. Some are too small to absorb them and he would not offer the cuts. For the bigger agencies, he is trying to offer a consistent 5% and 8%.

REP. GRINDE asked if someone from Judiciary could comment on this motion. Mr. Opendahl said they worked with the subcommittee for the past 5 days dealing with these figures, and felt that was the easiest place to establish a base. He said he is comfortable with the numbers the subcommittee used in that process. There are numbers in their budget that are in that base that really are pass-through monies. He told about money in the law library that looks like general fund, but is really state special, also in Boards and Commissions for training, etc. He said there is at least \$.25 million each year in their budget that he considered to be pass-through money. He said they did not create any of the programs in the Judiciary. They were either created by the Constitution or the Legislature and it is their job to administer them. He said they had presented what they considered to be a realistic and necessary budget in the 1991 Legislature. The Governor's office cut that before it got to you. The Legislature cut it as you left and reduced it in a number of areas. He said the Legislature did not fund the market adjustment in salaries. You put 1/2 of 1% vacancy savings across the board budget reductions on the bottom of the budget and left them with an inadequate budget in a number of areas. He discussed complaints they received because they could not get the work done and new duties were added in the last session. He told of the items they had reduced to try to meet the first cut, and said he did not know how they could manage with the cuts proposed here.

REP. GRINDE said if this motion passes and you went back and looked at your budget, are there any programs that are not statutory or Constitutional that you could bring back to us for review? Mr. Opendahl said the only one that comes to mind is the court automation program we presented in the last session.

REP. PECK said if you take the motion as presented, you still have not achieved the Executive recommendation. He felt the word inadequate is grossly over-used. It has been inadequate in what

we have done to education, and it will be inadequate in what we are going to do down the line. Everybody needs more money and we are going to have to make the tough call. This is a tough call, but he felt the committee should support the motion since we are still not at the cuts the Governor recommended.

REP. COBB asked how short we are in this budget. He said with the action last night, and not counting the supplementals, we had a \$20 million ending fund balance. When you take out the \$5.6 million we spent above the Governor's, that leaves about \$14.4 million. The issue then is how far are we below our revenues if we use the \$11 million. He went through the various figures which had been presented on cuts, ending fund balance, etc. as presented by different groups. He asked if there was some figure we could use to know if we have to cut more. CHAIR BARDANOUVE said we will never cut more than we need, we will still be short. He said there is a new revenue estimate and it shows we are still several million dollars short.

REP. KADAS said he did not feel the committee could assume the Governor's revenue estimate is the one we will operate on. A bipartisan committee with a majority of Republican votes adopted a revenue estimate last Saturday that is \$15 million less than the Governor's estimate. We can't ignore it or the budget will be out of balance either now or later.

REP. COBB said his concern was that the Revenue Estimating Committee had to make a report to the Legislature and a vote had to be taken before they would know how much revenue they would have. He felt it was hard to make these cuts without knowing how short we were. CHAIR BARDANOUVE said in a normal session you would probably have plenty of time for that process, but this is not a normal session and the time is so short.

REP. GRINDE said he felt structurally is where we make the mistake in this committee in the process of the Legislative body. It is the cart before the horse. The question is, will we decide on the revenue picture and go from there, or just continue to spend money and then decide what the revenue estimations will be. He thought perhaps the committee should back off and take a look at how we will conduct this process.

CHAIR BARDANOUVE said, even if we use the Governor's estimate of revenue, we will still not have enough money to balance this budget.

Vote: REP. KADAS's motion for a 5% and 8% cut in Judiciary passed 10 to 8. Roll call vote #6.

Governor's Office

A-21 LFA, A-11 Exec. White worksheet

REP. PECK said in 1992 they cut \$139,000 general fund, and \$36,000 in other funds. In '93 they cut \$157,881 in general fund

and \$45,000 other funds.

Motion/Vote: REP. QUILICI moved to accept the subcommittee recommendation. Motion passed unanimously.

Motion/Vote: REP. QUILICI moved the language on the white work sheet. The motion passed unanimously.

Motion: REP. KADAS moved the same motion as on Judiciary for a 5% and a 8% total cut. He did not believe there were any changes last night and the cuts would be \$59,292 in '92 and \$93,295 in '93, with the same intent his previous motion had.

Discussion: REP. CODY said taking into consideration the size of these agencies, she asked if a lesser percentage could be taken on some of them. REP. KADAS said he was working on the bigger agencies in this section of the budget and if you think you want to replace his percentages with a lesser number, that is your prerogative, but he felt the agencies can deal with 5% and 8%. Smaller ones could not, but these larger ones can and we don't have much choice.

REP. GRINDE asked for clarification of the motion. REP. KADAS said the motion is to take from the operations budget in FY '92, \$59,292 and in FY '93, \$93,295. That is a lump sum that is a line below the agency and the agency has the authority to distribute that reduction throughout the budget however it feels necessary.

REP. GRADY asked if it was REP. KADAS's intention that if it is necessary to make the cuts in the departments they would make lay offs. REP. KADAS said if that is what they have to do, then yes. REP. GRADY said he would like to hear from each department where it would create a layoff.

REP. ZOOK said this is an area that would actually be below what they had in the last biennium, and asked if this was correct. Mr. Schenck said he did not have the exact figures, but said they would vary from biennium to biennium. REP. ZOOK asked if someone from the Governor's office could speak to this.

REP. GRINDE asked REP. KADAS about the first motion. He said the first motion was that they had the ability to look at this motion and come back to the committee. This motion is that they have the discretion to do whatever they want with these reductions. REP. KADAS said that is the intent. They can allocate the reduction within their budget the way they think will do the least damage to their agency.

Curt Nichols, OBPP, said this motion represents about a \$150,000 reduction in the Governor's office and, at this point, the committee has adopted all the recommendations for reductions that have been proposed in the Executive budget for the Governor's office. The original proposal, plus another \$150,000, would be

the result of this motion. He said the Governor's office, as it comes out of the Governor's budget, is one of two agencies that were reduced below the '91 level. We are operating on a very lean budget and he thinks they presented the best they can do in the budget proposal. This reduction will impact their ability to get the job done, and would probably put into jeopardy the Citizens' Advocate office.

REP. GRINDE asked if these reductions could cause total programs to be eliminated? Mr. Nichols said at this time he could not tell them what would be eliminated. We would have to go back and take a look at them. They have discussed briefly the Citizens' Advocate office as a function they do have some discretion with. Beyond that, that office would be worth about \$70,000 so there would be another \$80,000 in reductions required to meet the motion.

REP. GRINDE asked for a follow-up on the reductions taken under the Governor's proposal and give some indication percentage wise what this motion would do. Mr. Nichols said if all the reductions are below the appropriated level, and current level is looked at in terms of the previous biennium, our budget as it comes to you from the subcommittee is below the previous biennium. These reductions would push it further down.

CHAIR BARDANOUE asked if the airplane was in the prior budget. Mr. Nichols said he believed there were payments for the airplane in the current biennium.

Mr. Schenck said there were two payments for the airplane in the '90-'91 biennium and one in the '93 biennium.

REP. QUILICI said he did not have a lot of problems with this motion, except that last night one of the recommendations to save \$70,000 was to do away with the Citizens' Advocate office. He said there are not many here who were here at the time we implemented this office, but a lot of legislators use that office and call in to the Citizens' Advocate and tell them to get hold of an agency and have them call back. This saves legislators a lot of money, and it is the one thing we are giving the people of this state the right to communicate with government at no expense to themselves. If he knew they weren't going to cut the Citizens, Advocate office he could probably go along with this motion, but that would probably be one of the first offices to go, and he felt that would be wrong.

REP. KADAS said, as one who uses the opportunity for legislators through that office, he is sympathetic, but in order to be fair in these cuts he felt it was best not to tie the hands of the agency that is administering the singular cut. He said if the Governor's office thinks the Citizens' Advocate is the most effective cut to make in the office, they should be able to make that cut.

**Substitute motion for all motions pending:** REP. QUILICI moved to not allow the Citizens' Advocate office to be cut out of the Governor's budget.

**Discussion:** REP. SWYSGOOD said this motion would tie the hands of the agency and we should not tie the hands of one and not the others. This would be a cut across the board of another 8% and these cuts are dramatic for some of the agencies. This office has already been hit with a vacancy savings that hasn't been talked about. If you tie the hands of an agency and not let them manage then this is all for naught and he would not support any of it. CHAIR BARDANOUVE said with this type of motion he was not sure how it would be a line item. REP. QUILICI said he thought language could be put in as boiler plate language since we have done it before.

**Tape 3, side A**

Mr. Cohea said if she understood the motion correctly, you would adopt the budget reduction but then reference the language in HB 2 saying the budget reduction could not be applied to the Citizens Advocate office.

CHAIR PECK questioned whether this is an appropriate motion since he does not have a reduction that he could be concerned about at this point in time. He should come back, assuming this motion should pass, and make an appropriate motion.

REP. QUILICI said one of the things they argued on last night was one of the cuts they were contemplating was the Citizens Advocate fund. The subcommittee didn't want this office removed in any way and neither did he. He felt it was one of the better programs for the people in this state that there is. He felt it was a proper motion and should be voted on.

REP. KADAS asked if the intent of this motion that no portion of the cut come out of the Citizens Advocate office, or that the office not take the whole cut. Could the Citizens Advocate office still be reduced by 5% and 8% as opposed to having the whole office taken out? REP. QUILICI said if the Citizens Advocate office could be cut by the 5% and the 8% without doing away with the total program, that is fine, but wants to make sure they do not do away with this office.

Mrs. Cohea in response to whether they could write the language said, if she understood the motion, there would be language stating that a yet to be adopted budget reduction would not be applied to the citizens advocate office. REP. KADAS said except that this office could be cut up to 5% the first year and 8% in the second year, they just couldn't take the whole office.

REP. PETERSON said on the first budget we did, we said that agency could go back, look over the cut made and come back with suggestions. She asked if each of these would have the same opportunity.

REP. MENAHAN said these reductions do not include the elimination of the Citizens' Advocate office. That is the motion, that they can reduce the money, but not eliminate the office. He was told, yes.

Vote: The substitute motion failed on a tie vote. Roll call vote #7.

REP. PETERSON asked if each agency would get a chance to come in once they have had a reduction in their budget and tell us where that is going to happen or if they need to eliminate a program. She asked if we would have that review agency by agency.

CHAIR BARDANOUVE said there was very limited time in this session and, in some of the agencies, it will take awhile to adjust to it.

REP. THOFT said in order to get this bill on the floor it has to be closed today, and we can't make that offer.

Vote: The original motion from REP. KADAS that there be a 5% and an 8% cut failed on a tie vote. Roll call vote #8.

Motion/Vote: REP. KADAS said he would offer a 5% cut in the first year and 6% cut in the second and include the language REP. QUILICI offered that the Citizens' Advocate office not be eliminated. Motion passed 11 to 7. Roll call vote #9.

Secretary of State

A-24 LFA, A-15 Exec., and Gold worksheet

REP. QUILICI said the language was no longer necessary, and skipped it. He said they cut \$70,000 in FY '92 and \$25,000 in '93 and said there were a couple of projects going there. They are fire-proofing the document and micro-film room. They cut these fees out plus they had some fund balance transfers of \$20,000.

Motion: REP. QUILICI moved the Secretary of State's budget.

Doug Mitchell, Chief Deputy in the Office of Secretary of State, said they agreed with the subcommittee last night on these particular budget cuts which represents roughly 25% above what the Executive asked for coming into this special session.

Vote: Motion passed unanimously.

Motion: REP. KADAS moved we adopt a 5% cut in the first year and a 6% cut in the second year under the same premises the previous motions were made.

CHAIR BARDANOUVE asked about the cuts last night and REP. KADAS said they get credit for what was cut last night and what was cut previously as well. There will be no cut in '92, but there will

be an additional cut in '93. They are already over in '92. Mrs. Cohea said that would be \$35,840 in '93.

REP. QUILICI said he would oppose this motion. There are only about 35 FTE in the Secretary of State's Office. It is one of the smallest elected offices in the state. After looking at the budget, if you accept this motion you will emasculate the Secretary of State's Office because they will not be able to function. He felt it was wrong to take this additional cut.

REP. GRINDE asked if this were to pass, would you be looking at cutting certain programs within the Secretary of State's Office, and, if so, which ones? Mr. Mitchell asked if their cut in the first year would be reduced to 5% from the 6.9%. He was told it would not. He said they do basically three things in the Secretary of State's Office: file corporate documents on behalf of businesses in Montana and out of the state that do business here; file liens that allow commerce to continue in this state; and administer elections. All of those are statutorily driven and a cut above what we have agreed to in the subcommittee will cause them to do two things. They will violate statutory provisions. They will cut staff perhaps in excess of 15%. If we have to cut, in addition to what we gave last night, those two things will happen.

CHAIR BARDANOUVE said he had offered an alternative last night. You said a corporation license filing fee which was set 20 years ago at \$10, which would be equal to less than \$5 today, has never been changed over the years. If you raised the fee it could generate some money. Mr. Mitchell said that is correct; they have talked a great deal about revenue. We have offered \$40,000 in reversions in the second year from our current special revenue and proprietary accounts. The other concept we brought up last night is the raising of the annual report fee that is charged to all corporations which is currently \$10. If it is not the lowest, it is among the lowest in the country. A raise to \$15 for an annual report fee would raise \$150,000 of general fund money every year starting in fiscal 1993.

REP. GRINDE said he had not had a chance to review the cuts that were made last night and asked what percentages have been taken to this point. Mr. Mitchell said the cut in the first year is roughly 6.9%. The cut in the second year, with just cuts alone, is about 3% and, including fund transfers, it goes up to about 6+%.

REP. GRINDE said he has some problems because we are starting to get in to agencies that have three areas they administer and look to take more money out of them. He felt they had done well in what they have done, and will oppose this motion.

REP. KADAS asked how the corporation filing fee was established. Mr. Mitchell said it is an administratively established fee. The statutory provision mandates we charge fees commensurate with the

services we provide, but within that we can change that fee through administrative rule.

**REP. KADAS** asked Mr. Mitchell what the service provides and was told it provides for document storage, document retrieval, and requires a great deal of staff time. The largest part of their staff deals on a day-to-day basis with the corporate inquiries. He said they get 350 phone calls a day from people about corporations and, because we have this report, we are able to give accurate information on certificates that are outstanding on these companies.

**REP. KADAS** said since that cost \$10 twenty years ago, don't you think it would cost considerably more today? Mr. Mitchell said with computerization the answer has become no. Twenty years ago they needed to manually deal with these forms and it cost an amount of an FTE to do that. Now he can put them on a computer and punch them up in a matter of seconds. Document retrieval, which used to take 12 FTE, currently takes 1.5.

**REP. QUILICI** said if you go back over the years on the Secretary of State's budget, you will see that the FTE cut in their budget reflects the automation.

**REP. COBB** said if we cut their budget as in the motion, will we allow them to raise the fees and keep the money? He said while it costs less, the computer is a fixed cost that corporations should pay for.

Mr. Mitchell said his concern with that suggestion is that there is not much relation with income and the cut. If we earn this income, it goes directly to the general fund. If their appropriation is reduced, all the money in the world will not help him. If the answer is to raise fees instead of making the cut, he is not sure they can take the cut, lower their services and then raise the fee to balance the fund somewhere else.

**Vote:** The amendment to take a 5% and a 6% cut was voted on and failed, 7 to 11. Roll call vote #10.

**REP. COBB** asked how much money the fees would bring in if he were asked to raise them. Mr. Mitchell said they have roughly 35,000 corporations in the State of Montana. It is fairly safe to assume we will get reports from about 30,000 of those and the others will go by the wayside. If we raised the fee by \$5, we should be able to earn about \$150,000 per year beginning FY '93.

**Motion:** **REP. COBB** moved the Secretary of State is directed to raise the annual corporation report fee by an amount sufficient to result in the deposit of an additional \$150,000 in the general fund beginning in fiscal '93.

**REP. GRINDE** said he was not sure they raise fees in Appropriations. Most of those he has seen done were done through bills or

departmental authority, and asked if this is something that has been done. CHAIR BARDANOUVE said this has been done a lot of times. Mrs. Cohea said in the Dept. of Health this time, part of the Executive budget recommendation was to increase the fee on birth certificates, which the department can do administratively and the additional anticipated revenue was used to offset general fund. As you go through the budget, there is a number of places where the agency is directed to deposit funds and the subcommittee chairs agreed to include that in the language of HB 2 so it will allow it to be "counted" toward balancing the general fund.

REP. GRINDE asked if the motion of REP. KADAS failed and was told yes. He then asked REP. COBB since the motion failed and if this was to pass, why is it necessary to raise the fees on the people if that motion failed. REP. COBB said most fees are much higher than \$10. When they commensurate costs he felt it was justified and that small amount isn't going to break them anyway.

REP. KADAS said he suspected the Secretary of State's budget still is an issue and will be until we adjourn. The budget deficit is truly an issue and this is one way to address it. He said he did not think it was unfair since the fee hasn't been raised for 20 years.

Vote: The motion passed 13 to 5. Roll call vote #11.

Commissioner of Political Practices  
A-29 LFA, A-16 Exec., White worksheet

REP. QUILICI read the language, white work-sheet. He said this is a real small budget and he did not feel there should be any more cuts in this budget.

Motion/Vote: REP. QUILICI moved adoption of the budget on the Commissioner of Political Practices. Motion passed unanimously.

Motion/Vote: REP. QUILICI moved the language on the white work-sheet. Motion passed unanimously.

State Auditor  
A-31, LFA, A-17 Exec. Gold worksheet

REP. QUILICI said they had reduced this budget by \$87,490 cut in '92 and \$96,000 in '93, and again last evening by \$18,490.

Motion/Vote: REP. QUILICI moved the subcommittee's recommendations on the budget. Motion passed unanimously.

Motion: REP. KADAS moved to cut up to 5% in '92, before last night it would be \$51,257 and 6% in FY '93 which would be \$42,207. It would be those numbers, minus what the subcommittee took out of the operational budget last night.

**Mrs. Cohea** said the numbers would be \$41,767 in '92. The subcommittee last night took \$18,490.

**REP. QUILICI** said as a point of interest to the committee, the State Auditor's Office generates over \$30 million to the state. If you curtail their operation too badly, there is a chance they wouldn't be able to generate this kind of revenue.

**REP. KADAS** said the bulk of that money is the insurance premium tax which is in place of corporate license tax that the insurance companies don't pay. He said he did not feel they are paying an unfair amount and did not think it would hinder that revenue.

**REP. COBB** referred to an audit on the Auditor's Office and it was a concern over her wanting to charge \$10 for non-resident insurers. That might have been a mistake because when they changed all the insurance laws they were supposed to take that out and didn't do so. He asked if there would be a problem in allowing her to collect that \$41,850 a year in state special revenue fund and let her reflect that \$10 fee. **REP. KADAS** said he thought it would be more appropriate to do it as a separate amendment, and was not opposed to the idea.

**Mrs. Cohea** asked to have the figures corrected. They should read \$22,746 in '92 and the same in '93.

**Vote:** Motion failed on a tie vote. Roll call vote #12.

**Motion:** **REP. KADAS** moved a 5% and a 5% cut. The cut would be \$42,767 in the first year and \$19,173 in the second year and the same intent as the last motions, that they be able to deal with it in their over-all budget and cuts made last night not be counted against them.

**Discussion:** **REP. KADAS** said this is a question of fairness and asked that we try to treat all the agencies relatively the same.

**Vote:** Motion passed 13 to 5. Roll call vote #13.

**Motion:** **REP. COBB** moved to give the State Auditor each year \$41,850 for FY '92 and '93.

**Discussion:** **REP. COBB** said this would be the \$10 fee she could charge for non-resident insurers. He said he did not know if it would be collected this year.

**REP. KADAS** asked if the motion had the intention that with the addition of the state special it would reduce the general fund by a like amount. **REP. COBB** said it could be done that way, but we have already reduced her budget. He wanted to give her state special revenue fund so she would have the authority to collect this and put it in the budget. **REP. KADAS** said he thought it was appropriate to collect the fee, but she should have been collecting it and it should be a credit to the general fund when

she does collect it. He felt the general fund should be reduced by the same amount she receives from state special in the collection of this fee.

Motion Clarification:

REP COBB clarified his motion to increase the state special revenue fund by \$41,850 and reduce the general fund by that much and it would be only for FY '93.

Vote: Motion passed 16 to 2 with Reps. Grinde and Grady voting no.

Crime Control Division

A-33 LFA, A-19 Exec., White worksheet

Motion: REP. QUILICI moved the subcommittee recommendation.

Discussion: REP. QUILICI said the Crime Control Division is a small agency and they took \$40,500 out in '92 and \$42,000 in FY '93.

REP. KADAS said on A-34, in the LFA book, there is a notation regarding a funding switch of the federal match on government enforcement programs. He asked for an explanation of how that works.

Tape 3, Side B

Mr. Ed Hall, Crime Control Division said during the regular session they were appropriated match money for the Anti-Drug Abuse Act at the rate of 50-50 that we had anticipated Congress would pass. When Congress actually appropriated the match, it was 75-25 and we had an extra 25% there so 1/2 the match money reverted back.

REP. KADAS said this was instead of 50-50, it was 25% state, 75% federal? Mr. Hall said this was correct. REP. KADAS asked what the future match would be and Mr. Hall said to the best of his knowledge Congress will keep it at 75-25, although the act is up for re-authorization next year.

REP. QUILICI said there is some excess money in the Crime Victims' fund and we might be able to get another \$250,000 out of that fund without hurting the fund in any way. He said he had discussed this with the Board as well as with Mr. Hall.

Vote: Motion passed unanimously.

Highway Traffic Safety

A-37 LFA, A-20 Exec., White worksheet

REP. QUILICI said with fund transfers, etc., taken in FY '92, \$15,900 and in FY '93, \$15,900, and there was \$415,950 taken out. Most of these funds are pass through funds, federal funds that go to local governments.

Motion/Vote: REP. QUILICI moved the subcommittee recommendation. Motion passed 16 to 2 with Reps. Cobb and Connelly voting no.

Department of Justice  
A-39 LFA, A-21 Exec., White worksheet

Motion: REP. QUILICI moved the Department of Justice language.

Discussion: REP. QUILICI said there is language in this budget, white worksheet.

Vote: Motion passed unanimously.

Motion: REP. QUILICI moved the Department of Justice Budget.

Discussion: REP. QUILICI said there was \$531,221 removed in 1992 and \$578,000 in '93 and other funds of \$343,643.

Vote: Motion passed unanimously.

Motion: REP. KADAS moved an across the board 5% cut the first year, which is \$117,346 and 6% across the board in FY '93, which is \$574,766, minus any subcommittee action last night.

Discussion: REP. QUILICI said he opposed the motion. He said they tried last night to take as much as possible out of the Dept. of Justice budget. He said this budget had been scrutinized carefully. This is an agency that is for the public safety of the people of Montana and if we start to cut Highway Patrol, Fire Marshal's Bureaus, etc., which have already been cut some, then we are not doing a service to the people of Montana. In answer to a statement by CHAIR BARDANOUE he said it is true that the Highway Patrol does not operate on general fund money, but there are other agencies in the budget that do and it all reflects on the Highway Patrol. CHAIR BARDANOUE asked how it affects the Highway Patrol and Attorney General Racicot said indirect services, which certainly affect the Highway Patrol, include the crime control lab, crime control functions on data processing and other support services which support Highway Patrol.

REP. GRINDE asked the Attorney General if the cuts in the budget had brought him to the point of cutting complete programs and Mr. Racicot answered yes.

REP. CODY said in looking at HB 646, HB 568, HB 809, HB 155, every thing in this budget, including SB 232 and HB 579, all the funding she sees in those bills has to do with the Dept. of Justice and came from this body. She said she would oppose the motion.

REP. KADAS said he thought it was inaccurate to say this Dept. has taken more cuts than other agencies. If you look at the percentage cuts in operational budgets, they are one of the

lowest with a 2.11%. We have a very big budget that is squeezed like the other budgets, and the most significant factor here that is affecting our ability to cut budgets, is the effectiveness of the Attorney General in explaining the tightness of his budget. When we look at these bigger budgets, this is the only place we are going to be able to cut money. He said he did not argue that it will cut some reductions in services, but until we are willing to raise some potential revenue we are going to have to do this.

REP. PETERSON said as we listen to these budgets, it became obvious that some of what we are doing is in a punitive nature. It is very difficult to cut across the board because from agency to agency some services are more important as a state and to citizens of the state and some are less important to us. We have come into that with trying to judge agencies on what the service is and what they can afford to be reduced, etc. This is an area where the people of the state don't want to reduce services. We worked hard to get the crime lab up to first class. If we reduce their budget, we are starting to go downhill again. She felt this was one area that should not be reduced.

REP. GRINDE asked the Attorney General if he had comments at this point. Mr. Racicot said they have an agency that is comprised of a number of smaller agencies and in the coagulation of all those agencies, ultimately end up with a larger agency, but each program being as important to them as any other, he was not certain he could offer any intuition or insight that will assist the committee on what ought to be eliminated. We cannot absorb any further cuts without program elimination. If you impose this kind of cut upon the agency, he requested the committee also impose the management flexibility that will allow them to deal with the cut. He said he felt it was the responsibility of the Legislature to make the value judgement of what is the most important to the State of Montana. He said if they do not accept that responsibility and request he make that decision, he would ask for special language that says "notwithstanding any other provision of the law, the Attorney General, in order to meet budget reductions imposed herein is authorized to eliminate entire programs and to be relieved of the performance of any statutory duties assigned to that program or to the Department of Justice". He said the bottom line for them is that if this kind of cut is imposed on the Dept. of Justice, they will eliminate a program, but would not take part out of each program and emasculate each program to the point where it is ineffective. He said he had to live with the approved budget for 18 months and this budget did not include cuts already made such as SB 232, the Salvage Vehicle Inspection Program, the Motor Vehicle Registration System in the amount of \$51,000 for a total of \$93,000 in FY '92. He said these cuts are not included in the sheets you are referring to. He said there was \$124,000 in 1993 that is not referred to, and did not think the result was accurately referred to what is occurring and did not feel the program or the agency is being dealt with honestly in just taking a figure out of the sky and say this is a 5% cut, figure out what

to do.

**CHAIR BARDANOUE** said he had supported this office in the regular session. They had given Mr. Racicot the money and thought it was there, but the revenue is down and our responsibility now is not to maintain your appropriation, but to balance the budget. **Mr. Racicot** said he recognized the responsibility, but said that if he has to eliminate a program he will do so, but said it would be necessary to eliminate services. He said he would need the language that authorizes him to ignore the statutory duties assigned.

**REP. PECK** asked if he had understood correctly that Mr. Racicot had told the committee they were to tell him which program to cut. **Mr. Racicot** said ultimately the will of the people of this state is determined collectively through their legislative representatives. Which programs they choose to have in operation serving them seemed to him to be a value judgement that should be drawn by the Legislature. In the absence of the Legislature's willingness to do that then he, as a representative of the Executive branch, will do it if provided the authority to do so.

There was some discussion on program responsibility and language authority between the Chair and the Attorney General. **REP. QUILICI** said the Legislature must look at the budget and come out with the best possible budget they can, but they also have another job which is to see that the people in this state are protected. The people in this state should have the kind of services they expect and pay for. He said services such as fire protection is affected by the Fire Marshall's lack of FTE and they do not have the ability to do the work now, then we want to cut them more.

**REP. KADAS** defended his motion saying we are doing this across the board on state government and thinks we should not exempt one particular area from that kind of "disastrous" consideration. He said in regard to putting language into this bill to allow **Mr. Racicot** to ignore statutory law, that will not be overruled by an A.G. opinion because there is a court case on that. In response to the suggestion, this is one of the steps through a fairly long process and will take another week. He encouraged **Mr. Racicot** to come back to the House Appropriations Committee and to the Senate Finance and Claims Committee if he thinks there is a better way to do this, to recommend a way and those particular bodies will consider it at that point. This budget has only been reduced in operational terms 2.1%, not nearly as much as a lot of other budgets. It is a big budget and big budgets have considerably more flexibility than most other budgets. It is not reasonable to cut others and not have the same kind of action out of this budget.

Vote: The motion by **REP. KADAS** failed, 7 to 11. Roll call vote #14

**Motion/Vote:** REP. KADAS moved to take 5% and 5% and the numbers would be \$117,346 in FY '93 and \$464,576 the second year. Motion failed 11 to 7. Roll call vote #15.

**Motion:** REP. KADAS moved we go to 4% both years, the cut in the first year would be \$5,672 and in the second year \$351,975.

REP. QUILICI said we have discussed this budget thoroughly and this motion is emasculating the department as the A. G. says.

**Motion to Amend:** REP. GRINDE moved to amend the motion to insert language "Notwithstanding any other provisions will allow the Attorney General in order to comply with budget reductions imposed herein, is authorized to eliminate programs within the Department of Justice in their entirety and relieve the performance of any statutory duties assigned to that program within the Dept. of Justice."

**Discussion:** REP. GRINDE said if we are going to make these cuts it is going to affect programs whether they are statutory or not, and we have to give these departments some flexibility.

CHAIR BARDANOUVE said this is really a separate amendment. if this motion fails we will not need your motion.

**Motion to Amend** was withdrawn by REP. GRINDE.

**Vote:** The KADAS motion on 4% and 4% reductions across the board on the Dept. of Justice failed on a tie vote. Roll call vote #16.

**Department of Transportation**  
**A-15 LFA, A-23 Exec., White worksheet**

REP. QUILICI said the Budget on Transportation had some language on the white worksheet.

**Motion/Vote:** REP. QUILICI moved the language for the Dept. of Transportation. Motion passed unanimously

**Motion:** REP. QUILICI moved the budget for the Department of Transportation.

**Discussion:** REP. QUILICI said the general fund money is small in this budget and they have taken 8%. They also took \$4,500,000 in trust money which was done with some reservation. The Director of the Dept., at the time, testified that it would not affect the construction projects in any way in this biennium. He said it will put us into a deeper hole in the next biennium.

CHAIR BARDANOUVE said that would be under the provision that a certain House bill would have to pass first. If that bill does not pass, this would not happen.

REP. KADAS said on A-45, in the LFA program description, in FY '92 there is \$12,000 in general fund in the pay plan and said he did not understand why there is general fund in the Transportation pay plan. Mr. Schenck said the table shows only the pay plan that was distributed throughout to the Dept. of Highways. What is not shown there, because the LFA shows the original HB 2 structure of that agency, is what was brought into the Dept. of Transportation that will be effective on July 1. The Transportation Division is the only division that really has general fund and was treated differently.

REP. CODY said she would like to ask about the McCarty Farms litigation. She said this has been a point of contention for a long time and the original appointee of Governor Stephens under the Dept. of Commerce wanted to eliminate this, which brought on a big fight and the agriculture community feels very strongly about this. This case is coming down to the wire now and we are going to cut that money and what ever settlement they get, they will get that money back. She asked why that is here and if there is any justification for it. REP. QUILICI said 8% of the \$180,000 that they received is for the litigation case. They seem to think they could cut this 8% out without affecting the litigation.

REP. CODY asked someone involved with the case to answer and no one was present. REP. ZOOK said he thought not long ago there was a ruling in this case and the only reason it is not totally settled is that the farm groups involved want to appeal the decision. They were not satisfied with the awards that were made. He said as he recalled the department thought there was sufficient funds there to take care of this case at the present time. REP. QUILICI said this money was to be used for expert witnesses and they didn't feel they would need that much money for expert witnesses.

CHAIR BARDANOUE said when the Interstate Commerce Commission renders their opinion, it has long been known the Interstate Commerce Commission is owned by the railroads and their opinion was very favorable to the railroads. Unless the case is appealed, it is over.

REP. CODY asked who "they" were. REP. QUILICI said the lawyers for the state. He said the Department did not think this issue would come to trial during this biennium.

Vote: Motion passed 17 to 1, with Rep. Cody voting no.

Department of Revenue  
A-49 LFA, A-25 Exec., White worksheet

Motion: REP. QUILICI moved the Department of Revenue budget.

Discussion: REP. QUILICI said it was \$168,300 and in 92, and \$261,300 in '93.

REP. KADAS asked the department if they could go through briefly some of the revenue increase projections based on increased audits. He asked Mr. Ellery what they are going to do and how many people it will take to do it, and how much it will generate. Mr. Ellery said they have \$5 million in appropriations cranked into the appropriations tax to accommodate the number of audits required to generate that \$5 million. Mr. Ellery said they transferred 2 FTE from existing programs to Natural Resources and transferred enough resources to fund this.

Tape 4, Side A

REP. KADAS how many FTE is that in Personal Services? Mr. Ellery said it was two additional FTE. REP. KADAS asked if he was accelerating their audit ability? Mr. Ellery said that was correct. REP. KADAS asked if he could go into some detail of where those audits are and why they would not have been done normally. Mr. Ellery said normal audits are those in the normal routine of doing business, and you can only do so many audits in one fiscal year. With additional staff they will be able to accelerate audits for profits in future years. REP. KADAS asked why these haven't been done in the past? Why haven't we kept up with the backlog. Mr. Ellery said they had not been funded for it, and in the last session they asked for additional travel funds to be able to do that and the request was not approved. He said the money was in the Governor's budget. They gave up some FTE in that program for additional travel money. REP. KADAS asked if this was the only additional revenue that is generated by changes in the Dept. of Revenue? Mr. Ellery said no, there is another \$1 million generated in the Income Tax Division where they are going to reallocate resources for some of the other non-federal fund taxes administered. We will concentrate solely on general fund revenue sources. REP. KADAS asked how many FTE that would be and was told there would be no additional FTE.

REP. KADAS said if he continued on his reduction motions, how would the Dept. allocate the 5% and 8% cuts. Mr. Ellery said he was familiar with the 5% and 5% and was asked what his response would be to those cuts. Mr. Ellery said there are three programs within the DOR that comprise 87% of the general fund, the Income Tax Division, the Corporation and Natural Resources Tax Division and the Property Tax Division. The remaining programs comprise the balance of 13%. Those programs have already been designated at the 8% and any additional reductions will have to cut into the programs that generate revenue. Last session the Legislature approved two specific modifications to generate additional revenue. He said to date on the Cobb amendment they had collected \$340,000 and on the accounts receivable modification they have collected \$400,000. In addition to these two new programs, they have a property assessment schedule that might be delayed.

REP. CODY asked how much is out there on total accounts receivable that the Dept. of Revenue should be collecting and is not doing so. Mr. Ellery said currently about \$40 million and a large portion of that is property tax. He said about \$10 million

of that is uncollectible. REP. CODY asked the age of that amount and was told he did not have that information with him. He said they have made a concerted effort in the past year and a half to get rid of stale accounts. He said those to collect would be less than 2 years.

REP. COBB asked if Mr. Ellery had said he could not get the reappraisal cycle done now because of the cuts, or if we give you any more cuts you can't do it? Mr. Ellery said they are working as hard as they can without the 4% cuts to make sure we can get done with the resources they have on hand. A 5% cut in the rest of the Dept. will affect the revenue and our ability to do the reappraisal.

CHAIR BARDANOUE said he had heard a rumor around the hall that there was a serious error in the revenue tapes. Mr. Ellery asked if he meant the \$136 million in royalties, and said yes, there was an error there. CHAIR BARDANOUE asked what that was going to happen now, if we would be worse off than we are. Mr. Ellery said he thought it would be better off than you are right now. He said it is unfortunate that it occurred, but it is not as bad as it looks.

REP. COBB asked how much money they were talking about. Mrs. Cohea said she had met with her staff on this issue, and as she understands it, in the completed master tape of the calendar '90 income tax returns a key punch error was made that reduced the liability. It does not affect our staff's work because they were constantly checking the sample against the population. When we checked it, there was clearly something wrong and we corrected for that. The information we have already given to the Legislature turns out to be within \$2 million (in liability, not collections) of what it turns out to be when they corrected the error. The base is correct. The issue is how the House Tax Committee will decide growth rate should be in rent and royalty as you come off the '90 base and go to '92-'93. She said she believed the committee had adopted a zero growth rate because it is a large loss that appeared to have happened in '90. Based on the data one could argue for a relatively high growth rate, perhaps as high as 10% or 20% per year, and if you did that you would get sizeable tax collections in the \$4 million to \$6 million range. The uncertainty is that rent and royalty are a relatively volatile area, so both our committee and DOR are working on this for House Taxation to consider as soon as consider HJR 1.

REP. QUILICI said if the Revenue Estimate Committee had considered \$5 million as the Corporate and Natural Resource Tax. REP. KADAS said he believed they did not consider additional taxes caused by changes proposed in the session. They were working off of existing law. REP. QUILICI said the 1991 Legislature, in adopting the budget, during the interim there were two deputies removed and asked the reason. Mr. Ellery said they reconstructed the Corporation and Natural Resources

Corporations Tax and Bureaus took it from 3 down to 2 bureaus. We gave up two FTE to allow our budget office to increase travel. That travel increase did not materialize and we lost the positions.

Vote: Motion by REP. QUILICI to accept the DOR budget passed unanimously.

Department of Administration

A-57 LFA, Exec. A-28, gold worksheets for budget and language

REP. QUILICI read the language, gold worksheet (A) Section 9, and explained the language.

Motion/Vote: REP. QUILICI moved the language. Motion passed unanimously.

REP. QUILICI explained the language, gold worksheet (B), Section 16.

Motion: REP. QUILICI moved the language.

CHAIR BARDANOUE asked if we were appropriating new money here. Ms. Steinbeck explained this was a section of the pay plan bill appropriating money to various agencies. In section 2, the personnel division in the DOA was appropriated a fund to make the fiscal changes in the payroll personnel positions. The first phase of the project brought them under budget by about \$9,000. This increase reflects that payment. In section 2, where the reduction is, she asked them to note the amount of \$73,200 and the figure in lieu of that.

CHAIR BARDANOUE said he did not understand the language. It says the appropriation for the fiscal year, June 30, 1993, is for changes and the money is reappropriated for the biennium ending June 30, 1993. He said that language confused him.

Ms. Steinbeck said this is the existing language in the pay plan for the last session and they are only amending appropriations included there. The language says the appropriation will be expended over the biennium.

A woman who did not identify herself said the reason this was brought up is that it was a typographical error that was passed in the bill. The Legislative Council had given them a letter on Legislative intent.

REP. KADAS asked if it would be appropriate for us to correct the error in the bill now? He said if we pass this incorrect language again we are saying no, that is really the way we meant it.

Mrs. Cohea said she thought it would be appropriate to correct the error and would be easy for the staff to do.

Amendment to motion: REP. QUILICI asked to change the motion that on line 2 of (2) the year 1993 be changed to 1991.

Vote: Motion to pass the language as amended passed unanimously.

REP. QUILICI read the language on the white worksheet and said the reason for the language is to let them track the fund balances and the fund balance transfers.

Motion/Vote: REP. QUILICI moved the language on the white worksheet (C). Motion passed unanimously.

Motion: REP. QUILICI moved the Administration's budget.

Discussion: REP. QUILICI said in 1992 there is \$373,156 and in other funds, \$43,000. In fiscal 1993, they have 200,937 and \$45,000 in other funds.

Vote: Motion passed unanimously.

Motion: REP. KADAS moved cuts of 5% in '92 and 8% in '93. The numbers are \$73,299 for '92 and \$184,704 for '93 minus the subcommittee action of last night.

Bob Marks, Director, Dept. of Administration, said if this motion prevails it would require about 4 FTE reduction for the remainder of this year and 6 for '93. They have an agency that is not entirely general fund. The Personnel Division is about 71% general fund and the Director's office is about 81% general fund. General Services is only 12%, and 20% in the Purchasing Division. He said there are about 6 positions that are vacant, 4 of which occurred in the last month and 3 in Personnel Division, mostly in classification and did not think they could leave those vacant so it would require some shuffling around. He said the reductions taken so far put them at about 4.7% for the first year and about 4.29% for the second. He said they do not have any services in the Department that are not mandated.

CHAIR BARDANOUVE told Mr. Marks he has a bill in this session that would allow Departments to furlough employees up to at least one day a month. He said he felt that a furlough for one day a month is much better than firing an employee permanently. It would be up to the department and there would be many employees not covered by the furlough because they are considered essential. The department could use discretion when they have these furlough days, and asked if this would not be an advantage over just outright firing people? Mr. Marks said there could be some trouble because all the agencies have a mix of funding sources. The more important consideration would be about half of the employees are in collective bargaining units and research. They have made indications that unless collective bargaining units would willingly come in and get their contracts which are good to the end of the biennium, all ratified and accept one contract statewide. Those contracts end at the end of the

biennium and the people in the Personnel Division and the attorneys that deal with this issue feel that we probably could not enforce a furlough on those collective bargaining employees. From a managers prospective, he felt it would be favorable to have a furlough system to allow some flexibility.

**CHAIR BARDANOUE** asked if the collective bargaining agreements guarantee them a job? **Mr. Marks** if the funds are not available, then the FTE should be reduced. **CHAIR BARDANOUE** said his bill might give the DOA an alternative to permanent layoffs by using a furlough system and keeping the expertise of those employees.

**REP. SWYSGOOD** referred to the 10 positions that would be laid off over the biennium and asked if that would be actual layoffs of bodies that are currently filling positions. **Mr. Marks** said it would require some of that, but we would have to fill some of the essential vacancies now and create other vacancies.

**REP. SWYSGOOD** asked if filling certain vacancies would not aggravate the situation when making increased layoffs? **Mr. Marks** said yes, but they do not have any vacancies now they can establish to meet that requirement.

**REP. GRADY** said it looked to him as though we are trying to balance the budget on the employees' backs. He said in the Governor's proposal most of the departments had come within their goal and **CHAIR BARDANOUE's** bill is again balancing this budget on the employees' back. Last time was the first time the employees got a decent wage and he did not think it was fair to go backward again. The Executive did not have it in their proposal and he did not feel we needed to do it yet.

**CHAIR BARDANOUE** reminded the committee that the budget has been balanced over the years on the backs of the University System, welfare, foster children and every segment of Montana and he did not see how we can say 12,000 or 14,000 people will not suffer some pain too. **REP. GRADY** asked if he did not feel creating more layoffs would create more of a problem than we are having? **CHAIR BARDANOUE** agreed, but said Montana government is not a welfare agency and the budget has to be balanced.

**REP. ZOOK** said we need to remember we are talking about a small part of the pie and when we talk about balancing the budget on the University budget, they are a big part of the pie and this is less than 15% of it.

**REP. KADAS**, in closing on his motion, thanked **Mr. Marks** and said he understands his concern. He said he did not believe those concerns are any different than the other concerns that other directors and elected officials have represented to the committee. He has the same kind of problems, but also has a \$3.5 million general fund budget and the budget is big enough to deal with some of this.

Vote: The motion to take a 5% and 8% reduction failed on a tie vote. Roll call vote #17.

Motion/Vote: REP. KADAS moved to take 5% and 5%, both years and the numbers after subcommittee action would be \$34,015 in FY '92 and \$65,988 in FY 93. Motion passed 11 to 7. Roll call vote # 18.

Public Employees' Retirement Division  
A-63 LFA, White worksheet

Motion/Vote: REP. QUILICI moved the language on white work sheet. Motion carried unanimously.

Motion/Vote: REP. QUILICI moved the Public Employees Retirement Board. Motion carried unanimously.

Department of Military Affairs  
A-67 LFA, A-31 Exec. White worksheet

Motion: REP. QUILICI moved the language, white work sheet.

Discussion: CHAIR BARDANOUE said these are federal dollars and asked if we could require them to put the federal dollars in the general fund? REP. QUILICI said Ms. Steinbeck told him this language should not say in fiscal 1992, but should read over the biennium, and there was no problem with the transfer of these funds. He said he would include the change in language suggested in his motion to read over the biennium.

Vote: Motion passed unanimously.

Motion: REP. QUILICI moved the Military Affairs budget.

Discussion: REP. QUILICI said in 1992 we cut \$256,156 and '93 \$97,600.

Vote: Motion passed unanimously.

Motion: REP. KADAS moved a 5% and 8% total reduction. It would be 5% in '92 which would be \$4,779 and, in '93, the 8% would be \$150,900, minus whatever subcommittee action took last night.

Discussion: REP. QUILICI said he would oppose the motion. Over the years we have been trying to get the roofs fixed, painting done, etc., and if this kind of money is cut out of their budget you won't be able to retrofit these armories in communities all over this state.

CHAIR BARDANOUE said these are general funds, and the armory renovation is through the Long Range Building Committee and this is not Long Range Building money we are removing. REP. QUILICI said this is the every day maintenance, the roof repairs, painting, small plumbing, etc., all over the state and this is

general fund money.

General Blair, Adjutant General, said they are a unique state agency because most of the funds are federal funds. The vast majority of their programs are mandated by federal law, the Constitution of the U. S or the Constitution of Montana and regulated by a lot of federal laws and regulations. In their general fund, they have transferred 8% to a combination of reductions and transfers. They tried to maintain the service to the Montana Veterans at their current levels, and said their work load had increased with the Desert Storm veterans. They wanted to save as much federal match money as possible to preserve the current service activities and the current military organization level. He said they wanted to maintain the minimum maintenance program to take care of what was essential. He explained the vacancy savings efforts and the transfer of \$223,131 into the general fund and took reductions of \$130,325 over the biennium. He also referred to a reduction taken in Long Range Planning which was taken on the Military. He said, with the Kadas motion, they would have to reduce federal match or personal services, people, close an armory or a combination of all and could not tell the committee at this time what they would have to do.

REP. KADAS closed on his motion by saying again, it is the same situation. While there is a considerable amount of money in this budget, there is also a considerable amount of general fund. He felt the vote should be in context with everything else the committee is doing. General Blair said he would point out that for every matching dollar it came to \$56.75 federal dollars.

REP. MENAHAN asked if they would have to resort to laying off any of the people that manage the armories? Gen. Blair said he was not sure, but probably would have to. He said they are unusual from the standpoint that they have about 1,000 employees and 98.5 or more are FTEs but 65 of those are completely funded by federal funds. There are only 32 state employees in our agency. He told of the matches for the employees.

REP. JOHNSON asked if in the Dept. of Military Affairs, would this result in closing or shutting down any of the offices in the state such as the one in Miles City that covers about 20 counties. Gen. Blair said they looked at from the Veterans Affairs' standpoint because of covering such a wide territory, it wasn't the first place they looked. They looked at Army Guard program and the International Guard program.

REP. GRADY asked how much affect this additional cut would have on being able to protect the state in case of a crisis such as the prison riot or a strike where the guard has to step in and take over. Gen. Blair said they would take care of those things but felt that eventually it will affect the size of them because of the federal funding. The total number of the guard will decrease.

**Vote:** Motion failed 3 to 15. Roll call vote #19.

**Motion:** REP. KADAS moved to take 3% in '92, which would be a zero cut and 4% in '93, which would be \$66,650. The motion failed.

**Discussion:** REP. CODY said she would not vote to cut this budget since she remembered during the regular session who took over at the Montana Development Center, who it was that took over at the prison, and was always there for an emergency.

**Vote:** Motion failed 5 to 13. Roll call vote #20.

**Motion/Vote:** REP. QUILICI moved the section on General Government and Highways be closed. Motion passed unanimously.

### DEPARTMENT OF HUMAN SERVICES

#### Section B

REP. BRADLEY, Chairman for the Human Services Subcommittee, referred the committee to B-3 of the LFA book. She said there is such a different array of services within a department that are hardly connected that a vote on each number will probably be the most efficient way to move through the section.

#### Department of Health

#### B-3 LFA, B-2 Exec., White worksheet

REP. BRADLEY said to summarize the Dept. of Health, they took all the proposed Executive cuts with three exceptions, numbers 14, 15, and 16 on the worksheet and LFA book.

**Motion:** REP. BRADLEY moved the subcommittee recommendation on #1.

**Substitute Motion:** REP. COBB moved to accept all the subcommittee's action.

**Discussion** REP. COBB said he did not see why each one had to be voted on unless there is a question.

REP. THOFT said numbers 14, 15 and 16 were exceptions to taking the Governor's recommendations, and asked the committee to accept numbers 1 through 13 and 17 and 18.

**Motion for all Motions Pending/Vote:** REP. BRADLEY moved to accept numbers 1 through 13 and 17 and 18, which are all Executive cuts. Motion passed unanimously.

REP. BRADLEY said #14 deals with the MIAMI program. The committee chose not to accept that cut because there is a direct relationship to the lawsuit, community funds to deal with the problem of low birth rate babies, and it would translate to a

direct loss of dollars for community projects for training funds for the Indian projects on the seven reservations, for the inability to publish mortality studies and the statistical analysis of the success of the program.

Motion/Vote: REP. BRADLEY moved to accept the committee recommendation on #14. Motion passed 14 to 4 with Reps. Thoft, Swysgood, Grinde and Grady voting no.

REP. BRADLEY said #15 is the Perinatal program for the Dept. of Health. The information given to the committee is that it seems to be a proven fact that for every dollar spent in the state on this program we save \$3 down the line.

Motion/Vote: REP. BRADLEY moved the committee report not be accepted. Motion passed 13 to 5, with Reps. Thoft, Grinde, Zook, Swysgood and Grady voting no.

REP. BRADLEY said #16 is the End State Renal Disease program. The Executive proposal recommended a percentage cut of this program because of the reasoning that we are not coming even close to the population that needs help on this program anyway. Between 2/3 and 3/4 of the way through each fiscal year, those dollars run out, and it is a matter of first come, first served. It does not actually pay for treatment, but for associated costs for people who are terminally ill with kidney failure. She said it was not within the ability of the committee to cut off a program any further when it is clearly used.

Motion: REP. BRADLEY moved the committee report which was that the Executive cuts not be adopted.

There was discussion on this motion in regard to the fund being so small it was nearly a joke, no criteria for being funded, and the question of removing a service which was badly needed.

Vote: Motion failed on a tie vote. Roll call vote #21.

Motion/Vote: REP. THOFT moved to follow the last vote up by accepting the Executive cut. Motion passed 11 to 7 with Reps. Cobb, Quilici, Menahan, Bradley, Johnson, Kimberley and Nisbet voting no.

REP. GRINDE said overall in this budget for Health and Environmental Sciences, what is the percentage taken out in the first year and also the second? REP. BRADLEY said they took out all the proposed cuts, but a great deal was made up with fee increases. She thought it was over 8%. Mrs. Cohea said she is working from the table that shows percent cut in actual operation prior to the action today was a 3.2% cut in '92 and a 2.62% cut in '93 for a biennium cut of 2.92%. Ms. Purdy said the total general fund reduction is between 7.25% and 7.5%.

Motion: REP. GRINDE moved, in fairness, a 5% cut the first year

and 8% the second year and the department has the discretion to reduce the funds as they choose.

Tape 5, Side A

Discussion: REP. COBB said the Health Department will switch this to some other program and then charge fees to make up the difference. REP. BRADLEY said this was why she wanted to go through item by item so the committee could see they were doing very little damage to the department because of the fees coming in.

Clarification of Motion: REP. GRINDE said the intent of his motion is that they have to make the reductions and not raise the fees.

REP. KADAS asked if it was the intent that this be up to 5% and up to 8%, the same kind of motion that he was making earlier. REP. GRINDE said that is correct.

Mrs. Cohea said this would be additional cuts of \$65,724 in '92 and \$204,011 in '93.

Mr. Hoffman, DHES, said he could tell the committee what would probably happen if this motion passes. First they will terminate the Renal Disease Program, since that is totally general fund. The next cut would be to terminate either the Occupational Health Program or the Food and Consumer Safety Program to meet the cuts in the coming fiscal year. He said the Food and Consumer Safety Program does all the inspections on hotels, restaurants, etc. The Occupational Health Program inspects the radiation inspections on machines in dentists, doctors, etc.

CHAIR BARDANOUVE asked if they were allowed to raise fees, do you raise fees for everything or just for a certain area? Mr. Hoffman said in the last session the Air Quality and Water Quality came before you and recommended fees increased in their programs to meet EPA standards. There were specific agreements made with those industries based upon a predetermined fee. If the fees are raised, it will not be the Dept. of Health that raises them, it will be the Legislature of the State of Montana that does so.

CHAIR BARDANOUVE asked, if there is no language in the bill about the fees, would there be some increase in fees and some that will take cuts in their operation. Mr. Hoffman said the additional cuts they will not absorb, they will cut. The reason is because if the fee is raised and the money goes to the general fund, it is putting the burden on the citizens in Montana to provide an additional fee. If you then say you will cut the program, we will not only be charging more for the service, but the service will be delayed.

Mrs. Cohea said this would be \$65,724 for the first year, minus \$18,500 and \$204,011 for the second year, minus \$18,500.

Vote: The motion to make a 5% and an 8% cut failed 6 to 12.  
Roll call vote #22.

REP. KADAS asked REP. BRADLEY about the End Stage Renal Program. He said he is wondering if it should just be eliminated all together. REP. BRADLEY said she had actually proposed that 2 years ago because she thought they were in a position where we were trying to deal with our consciences in a way that fell so short we really didn't deserve to. It is a difficult decision and does not in any way represent what this committee decides to do with the program. She felt it was ridiculous to cut it a "little". It doesn't do the job in the first place and there is no reason we should pretend to ourselves that it does. The program pays for medication, transportation, etc., which are not paid for by medicare so it was reaching a population that needed the help.

Mr. Hoffman said if you had an individual that had renal disease and if you asked them if that program was a benefit for them they would say yes. That is actual money out of their pocket which you are reimbursing them. The Health Department accepted this program from SRS about 1986 and has been \$125,000 for as long as he was on board, and that was probably true prior to 1986. It reaches a population that is in dire need of the services. If you cut that \$125,000, whether that is going to make a significant difference in the overall state budget he did not know, but to the individuals receiving that money, it does make a difference.

REP. KADAS said in your response to REP. GRINDE's motion, that was the first thing your department was going to cut out, and since you identified it so clearly, it raised the question in my mind as to how important the department feels the program is. Mr. Hoffman said priorities must be set and when you asked the question of what impact this would have, we are telling you this is the first place we will go.

Motion: REP. KADAS moved to eliminate the End Stage Renal Disease program.

Mrs. Cohea asked if this would be for FY '93 only? She said she would assume they have spent virtually all of '92's appropriation. REP. KADAS answered, yes.

Vote: Motion passed 12 to 6, with Rep. Menahan, Cobb, Quilici, Bradley, Kimberley and Connelly voting no.

Department of Labor and Industry  
B-9, LFA, B-7 Exec., White worksheet

REP. BRADLEY said they accepted the Executive cuts in the Dept. of Labor and they are described in the LFA book.

Motion: REP. BRADLEY moved the subcommittee recommendation.

**Discussion:** REP. BRADLEY said there is no reduction in Silicosis Administration and in Human Rights Commission the reduction means that the backlog of cases will increase.

REP. KADAS said he was a little confused by this since they have been looking at sheets with set cuts of operational budgets. Considering you are only cutting two relatively small programs he could not understand how we get such a high percentage of cuts of the operational budget. REP. BRADLEY said there is very little general fund in the Dept. of Labor. It is mostly federal dollars. Mr. South, LFA said there are basically two general fund appropriations in the Dept. of Labor, one is the Silicosis Benefits Program which is nearly half general fund and the other is the Human Rights Commission. The reason the percentage is so high is because all of the operational costs in the Silicosis Benefits fund has been taken.

**Vote:** Motion passed unanimously.

**Motion:** REP. COBB said that the Dept. of Labor has the Unemployment Insurance Administration Tax and last year we gave \$1.7 million for FY '93 to make up the JEPTA funding that the job training funding shortfall the federal government has and all this language would do is to allow the Dept. of Labor to match that with SRS federal money to get more money. The JOBS program is a different program at SRS for welfare mothers and the federal government will give us another \$500,000 for JOB training programs they need matched. He said this would let the department and industry maximize the use of that \$1.7 million in U I Tax. He asked the LFA to write the motion.

**Discussion:** REP. SWYSGOOD said he knew where REP. COBB thought he was taking the money for a match from, but wanted to know how much of that has to be put up for getting the \$500,000 in federal money? REP. COBB said it is roughly a 1/3 + 2/3 match, the same as before. It stays in JEPTA, is not going out of their budget and not going out of the county, it would just pick up the extra \$500,000 to use for job training.

REP. CODY said REP. THOFT has a bill to transfer money. Does it have any effect on this? REP. THOFT said that was out of the reserves. REP. COBB said this is money we spent last time, it is already in the budget.

REP. SWYSGOOD asked if Mr. Micone, Director, Dept. of Labor to explain exactly what program we would get this out of and if it was Admin. tax that was given to the JOBS programs and if the bill REP. THOFT has is a different part of that reserve fund.

Director Micone said his understanding of the motion is that it would have no bearing on REP. THOFT's bill.

CHAIR BARDANOUVE asked where this money is coming from and Mr. Micone said he has not talked to REP. COBB about this, but would

assume he is proposing that if the federal government, through the JPTA program, provides funding where somewhat less than \$1.7 million is needed for the JPTA program, that those monies left over would be used to escalate the JOBS program. He said the \$1.7 million are anticipated unemployment insurance administrative tax monies.

REP. BRADLEY said this is on B-10 under JPTA funding shortfall. She said this certain sum of money that was allocated out of the U I Admin Tax and now it seems Director Micone is saying there was not a shortfall. REP. COBB said no, there is still a shortfall but they don't know for sure but it could be about \$1.7 million. We have to have state match to pick up more federal money and we would use this U I Tax as state match to pick up more federal money.

CHAIR BARDANOUVE said, if we don't pass this motion what happens to this money? REP. COBB said that \$500,000 will not get picked up. REP. SWYSGOOD said if we don't pass this motion the \$1.7 million will still stay in the JOB program like we appropriated it last session. This money has been appropriated to the JOBS programs that were listed.

REP. BRADLEY asked where the federal money was coming from? REP. COBB said from the federal pot. The SRS determined just this morning that if we matched this money up we could get \$500,000 additional federal funding for the JOBS program for welfare recipients.

REP. QUILICI asked if this would raise the unemployment tax on the employers? REP. COBB said no. He discussed what is happening with the unemployment tax. CHAIR BARDANOUVE said a few years ago this fund bankrupt and we had to borrow money to keep it alive and we raised the unemployment on the employers enough to make up what was owed plus revitalizing the fund. Is there a possibility with the recession that this thing could go down again?

REP. CODY said this is not the unemployment tax. This is strictly money that was raised for job service offices in rural areas if the federal government pulled its money out of those offices. It was added to the unemployment tax. We are not talking about the regular unemployment trust money.

Vote: REP. COBB's motion passed 16 to 2, with Chair Bardanouve and Rep. Quilici voting no.

Department of Social and Rehabilitation Services  
B-14, LFA, B-9 Exec., White worksheets

#1. Legal Services Contract. The reason this is controversial is because the purpose is to take people off of fully general fund program and put them on SSI which has federal dollars. The Executive cut was adopted.

Motion/Vote: REP. BRADLEY moved the adoption of #1, B-14, LFA analysis. Motion passed 17 to 1, with Rep. Kadas voting no.

#2. Child Care Rate Increase. REP. BRADLEY said this was almost taken care of last time, but we now know federal dollars will replace state dollars.

Motion:/Vote: REP. BRADLEY moved the adoption of #2, LFA analysis. Motion passed unanimously.

#3. Project Work Program. REP. BRADLEY said the Dept. thought this cut was appropriate because the unit cost of training has been lowered and felt all those who took project training who were G. A. recipients would still be served.

Motion/Vote: REP. BRADLEY moved adoption of the subcommittee report on #3, which is for the Executive cut. Motion passed unanimously.

#4. AFDC Case Load Increase. REP. BRADLEY said the charts the LFA has prepared for this are on page 2 and 3 in the yellow pages of the summary. This deals with an increase that has already taken place. In spite of the fact that we have some JOBS programs in place, it would appear the state of the economy is such that the jobs aren't there for these people once this program is over. There has been some discussion as to whether there will be future supplementals requested a year from now and the charts show the caseload projections have leveled off like a flat table and she felt it was probably false optimism. We are now paying for the caseloads based on the first 5 month projections that came in beginning July.

Motion: REP. BRADLEY moved to accept the Executive increase.

Discussion: REP. SWYSGOOD said he assumed these were anticipated being supplementals? How much of this is actually being borne out with the increased caseload and how much of it is anticipated? REP. BRADLEY said she could not divide the two figures in two, some has already been expended. If we take the projections for the fiscal year we are in for the first 5 months, take the top numbers and level it off, we could project that would be the number we have to serve as an entitlement for the remainder of the biennium.

REP. KADAS said he thought it would be approximately half of the FY '92 number and all of the '93 number.

Vote: Motion passed unanimously.

#5. General Assistance Case Load Increase. REP. BRADLEY said this is the GA population which is on the increase. It is still substantially lower than it was several years ago at which time some rather major cuts in the benefits took place, particularly with regard to employable persons. The committee adopted the

Executive increase.

**Motion:** REP. BRADLEY moved the adoption of the subcommittee recommendation.

**Discussion:** CHAIR BARDANOUE asked if REP. BRADLEY had said the GA caseload was lower than it was a few years ago. REP. BRADLEY said it was substantially lower. She said the change had taken it way down. The population there was around 5,000 and we hoped with Project Work, etc., that the population would be somewhere in the 800 area but it is now up to 1,000 and, while it is substantially lower than it was, it is higher than we budgeted for.

REP. QUILICI said under the caseloads they hired a Billings law firm to classify those people who are employable and not employable. What kind of fee charges has this brought for this kind of service? Julia Robinson, Director, SRS, said this does not pertain to the GA people, it pertains to State Medical. Our State Medical program is not within budget so you will probably get an increase in that area. The program we are talking about is the one from last session where we were to distinguish as rapidly as possible those individuals who have some kind of health problems and get them on federal funding. If they are not on federal funding we pay 100% state general fund for the state medical. They had anticipated we could get them on more rapidly than we have, but thinks they have saved about \$600,000 since last fall. She passed out EXHIBIT 3, GA Caseload and EXHIBIT 4, State Medical Expenses. These exhibits were charts showing growth and effects of Project Work. EXHIBIT 5 was also given to the committee, along with EXHIBITS 6 and 7. She said they are paying a contract for someone to decide whether people should be on State Medical or not, and said the contract is \$65,000 for the year and they determine eligibility for anyone going on State Medical. She also handed in EXHIBIT 8.

REP. QUILICI asked if they still have the Disability Bureau and Ms. Robinson said yes. REP. QUILICI asked if the Disability Bureau handle this kind of work for you before you contracted it out? Ms. Robinson said no, they never handled this volume. The Disability Bureau is 100% federally funded and are under Vocational Rehabilitation Division and are responsible for determining SSI on people applicability, and had told her they absolutely could not handle this volume.

**Vote:** Motion passed unanimously.

#6. Agency-Wide Operating Costs. REP. BRADLEY said they did a funding switch of approximately \$16,000 and a general fund reduction of approximately \$45,000 and the numbers reflect what they did. The Executive cut is recommended by the committee.

**Motion:** REP. BRADLEY moved the subcommittee recommendation.

Discussion: There was some discussion on the amounts.

Substitute Motion: REP. SWYSGOOD moved to take what the Executive recommended.

Discussion: REP. CODY asked REP. SWYSGOOD, if you accept that the Executive, does that put us in the position of having to pass on some of those costs to the county? REP. SWYSGOOD suggested she offer that to the agency that offered up the cuts in the first place. Ms. Robinson said those particular costs are internal administrative costs so they are not.

REP. COBB said he thought the reason the majority of the committee left that in was because these are your training costs. They train people. There are 1,000 people coming in now and the more they are trained the better. It also helps people who really need help to get it sooner. If you wreck the training, you don't get the work done.

Vote: Motion passed 11 to 7. Roll call vote #23.

#7. Grant Writing. REP. BRADLEY said the subcommittee moved the adoption of the Executive report.

Motion: REP. BRADLEY moved the adoption of the subcommittee recommendation.

Discussion: REP. CODY asked if this grant writing would have any positive effect on federal funds. REP. COBB said that was one time money last session. They were trying to pick up federal money and with the grant money they would try to pick up different federal monies now. This was a new program, and this is what they gave up to cuts and try to take care of the older programs and the people who had already been on board.

Vote: Motion passed unanimously.

#8. Operating Costs in Child Support. REP. BRADLEY said this deals with operating costs in child care enforcement. It is an actual reduction of expenditures and with complicated situations of cash balances being turned over to the general fund, there will still be some additional revenue that will go to the general fund at the end of it because of their expenditure cut.

Motion: REP. BRADLEY moved the subcommittee recommendation.

Discussion: REP. CODY said she was concerned with how much was allocated to this program during the regular session, what percent has been expended, and how much has been saved in the general fund in dollars because of collections. Ms. Robinson said Child Support is taking in some money. They have increased collections substantially. They generate their own money and support themselves. A man said they do not have the exact figures at this point, but the program has expended as of the end

of November \$1.6 million total which is special revenue and federal match. They are currently projecting they will collect a total of \$17.4 million this year. Of that money, \$11 million is collected from families not receiving welfare and about \$7 million is collected for AFDC families and approximately 1/3 is returned to the general fund. In addition, there are some savings as a result of collecting from those families that are not receiving welfare. REP. CODY said she needed reassurance from him that this is a reserve you find you are in and there isn't going to be a cut in this program, which means there won't be the flow to the general fund. The man asked if she was saying the \$17,000 is going to represent a substantial cut to the programs which produce revenue? He said because they cut expenditures by \$17,000 we will have that much more to turn over to the general fund.

Vote: Motion passed unanimously.

#9. Personal Care Contract. REP. BRADLEY said the Department told the committee the cut will come from administrative savings rather than the Increase in Aid Services. They accepted the Executive cut.

Motion/Vote: REP. BRADLEY moved the adoption of the subcommittee recommendation. Motion passed unanimously.

#10. Durable Medical Equipment. REP. BRADLEY said this is a savings made by the bulk purchasing costs. They accepted the Executive cuts.

Motion/Vote: REP. BRADLEY moved adoption of the subcommittee report. Motion passed unanimously.

#11. OBRA 1990 Delay. REP. BRADLEY said this is a delay in the OBRA 1990 regulations or directives, which is reducing the number of children to whom rehabilitation services would be provided. Motion passed 15 to 3, with Reps. Menahan, Cody and Quilici voting no.

#12. Hospital Rate Increase. REP. BRADLEY said this was an Executive cut proposal for the hospital rate increase. This is a Medicaid increase and the committee in the regular session did not give the Medicaid inflation increase in the first year of this biennium. In the cuts done on the night of the 90th day they further delayed the increase another 3 months for those provider increases. They did not accept the Executive proposed cuts because we think there will be a direct relationship in those who possibly would be put on the private sector to seek hospital services. They felt because we already did not allow an increase the first year and 3 months of this biennium they felt it would be totally unfair to postpone the increase to the next biennium. The committee did not approve the Executive cut.

Motion: REP. BRADLEY moved the adoption of the subcommittee

recommendation.

**Discussion:** CHAIR BARDANOUE asked if the fiscal impact is one year and was told yes. He said we lose almost \$1 million on this motion.

**Substitute Motion:** REP. COBB moved to accept the Executive recommendation.

REP. COBB said it is true we will delay this, but the department conducted a calculation in 1987 and 1988 and they said they would see what kind of a payment system they would give to the hospitals. This calculation showed SRS paid 95.97% of allowable hospital costs for medicaid patients in that period. There isn't any more current data than that, but the hospital association did indicate this percentage had not changed significantly through 1990. The hospitals are concerned that things have changed and will change, at least until Oct 1, 1992. It could be a large change as to whether we are paying our fair share or not. SRS says preliminary indications from the Hospital Association are that they are willing to await the outcome of the department's reimbursement study, which will show whether the department is paying a fair share, before considering any litigation. The federal government says you will pay the true cost and the hospitals said they will not pursue it until we see this new study. The study will not be done until the next session, but at that point we will have to pay pretty much what the study says.

REP. BRADLEY said since there was some disagreement with the subcommittee's recommendation she would like to bring some items to the committee's attention. First, we bargained the hospitals into silence and no complaints a year ago in putting up with a one year freeze with the promise we would do something the second year. Second, for every state dollar, we lose several federal dollars, so the loss you have created by the freeze already is a total of \$10 million if you count the federal loss. If you look at this proposed total loss, it is another \$3.2 million if you take the general fund and the federal dollars. These are dollars that are not going into struggling hospitals in Montana. We have talked a lot about cost shifts and this is a direct cost shift, or very close to one. It is estimated that for the freeze that we already created in the first 15 months of this biennium, for those individuals that pay of pocket or through health insurance, we have already added \$225 to their private pay bill. If we continue this freeze it will add another \$75 to it.

CHAIR BARDANOUE said the argument that we should spend money to chase federal dollars falls on deaf ears. We cannot have enough Montana dollars to chase all the federal dollars in Washington.

REP. KADAS asked Ms. Robinson a question. He said he believed in the waning hours of the last regular session, one of the proposals was to delay the increase to hospitals in this hospital rate increase. He said she argued strongly against it and he

wondered what has changed between then and now as far as the principals involved in it. Ms. Robinson said she had not argued against it. She had suggested to REP. BRADLEY that she would rather cut the hospitals than the nursing homes because she felt in dealing with the nursing homes they could substantially lose in a lawsuit and we could sustain the loss in the hospital area. Hospital reimbursement in Medicaid is less than 7% of their operating costs. The cost shifts we have as a result of federal programs is a result of Medicare. The primary funder of hospitals is Medicare and there is no question that Medicare is causing all kinds of problems in this country. It is hurting our rural hospitals and there is nothing this Legislature can do about that. She approved of REP. COBB's motion and said she felt when this study was done we would be faced with the same issue that the Nursing Homes were last time and we will have to put up millions of dollars to rebase our hospitals. She said they would have that proposal in the next session.

REP. KADAS asked Ms. Robinson to explain to him how we are more legally liable on the nursing homes. Ms. Robinson said it has to do with the percentage of funding we are meeting. The 1988 study of hospitals indicated we were meeting about 95% of their cost. In looking at nursing homes, we were only meeting about 52%. The final judgment call is in the courts in those lawsuits. She said she would always recommend to the state that they stay out of the courts because when they have lawsuits it costs millions and millions of dollars. She said when we rebase the hospitals she, will make the same commitment she made to the nursing homes, that they will get the money into the budget for them.

REP. KADAS asked if that was a promise, even if the Legislature doesn't fund it as was done in the case of the nursing homes? He said in the nursing homes you did that. Ms. Robinson said they made some adjustments after you left, yes. REP. KADAS said your adjustments were beyond--in fact, you overrode what the Legislature intended. He asked if this was her promise to the hospitals next time? Ms. Robinson said she has told the hospitals they will rebase and she will present the very best information she can and do everything she can to defend that and keep it in place. She said that would be her obligation as a state employee to not put this state in liability of \$20 million to \$100 million beyond what has been appropriated. If we need to do some creative accounting to do that, that is what she will do. They have her firm commitment that she will be lobbying for them next time.

REP. KADAS asked what the rate increase is for this coming fiscal year for nursing homes and Ms. Robinson said from the top of her head, she believed it is \$22 million total in new money that you put into nursing homes. REP. KADAS said he meant the increase between FY '92 and FY '93 and Ms. Robinson said she would have to get that figure. REP. KADAS asked her to get it for both years, to include the rebase and the inflationary increase we included.

Ms. Robinson said she would point out one other thing on the nursing home base. One of the things the Hospital Association asked them to do on nursing homes was, because many of the hospitals run nursing homes, to readjust the formula so that nursing homes that were combined facilities, those with a hospital component and a nursing home component, which most of the rural hospitals are, would get a larger piece of the nursing home pie. She said they did meet that commitment.

John Chappuis, Deputy in Medicaid and fiscal head, said the total amount the nursing home will receive in FY '93 is \$75,030,000. In '92, it will be \$68,263,000 and in '91, it was about \$60 million. REP. BRADLEY said the budget book they put together for the last session states 11.31% in '92 and 5.95% in '93.

REP. KADAS said the question he wanted to raise for the committee was that since we are proposing delaying the rebasing to the hospitals, he wondered if we should consider delaying some of the increase for nursing homes in the second year. They would get 100% of the rebasing, but we added to that an increase for the second year. If we delayed that for 3 months or 6 months we could generate some general fund savings.

CHAIR BARDANOUE said this was one of the few times he disagreed with Ms. Robinson because last session we passed a bill and there is \$720,000 more than we appropriated that went to nursing homes. He said it was hard for him to forget that.

REP. KADAS said that was why he had raised the question. REP. CODY asked if we should buy into what he is offering wouldn't that put us in a litigation position. REP. KADAS said he is not an attorney and has not studied this at any length. He felt the legal situation was with particular respect to the rebase. The rebase is now implemented in FY '92 and he is talking about delaying the inflationary increase for FY '93. It is not rebasing as he understands it.

REP. BRADLEY asked if someone from the Hospital Association could speak to this motion.

Jim Ahrens, President of the Montana Hospital Association, said the data Ms. Robinson presented was 1988 data and all you funded was 6%. The 95% comfort level keeps coming down and that is one of the reasons they are having trouble. It is below 90%, but we don't know what the range is. For every dollar you don't put in, there are 42,000 beds in Montana that were paid for by yourself and by health insurance and the funding is not there for the two-year biennium. If the funding is not there, you can count about \$300 more on that hospital. It is true that only 7% of the business is Medicaid, but if you are a little hospital out there and you don't get that 7%, it is a very low margin.

Vote: The substitute motion by REP. COBB passed 12-6. Roll call vote #24.

#13. OB/GYN Service @ 85%. REP. BRADLEY said this is a decrease in the OB/GYN services. The committee went along with this cut which was an increased cut after the cut on the 90th day of the last session. She said she did not want to slight the issue since this is a real problem, especially in rural Montana.

Motion/Vote: REP. BRADLEY moved the subcommittee recommendations. Motion passed unanimously.

#14. Managed Care @ 16%. REP. BRADLEY said this is Medicaid Managed Care and this action reduces funding. This cut is due to implementing managed care 3 months earlier and the sentiment of the subcommittee and the department is that implementing managed care earlier will allow for the cut in the cost of this program because it would become more efficient.

Motion/Vote: REP. BRADLEY moved adoption of the subcommittee recommendation which was to accept the Executive cut. Motion passed unanimously.

#15. Medicare Buy-In. REP. BRADLEY said this deals with the buy-in of a program given a greater percentage of federal dollars. The subcommittee accepted the Executive cut.

Motion/Vote: REP. BRADLEY moved adoption of the subcommittee recommendation. Motion passed unanimously.

#16. State Medical Increase. REP. BRADLEY said this is an Executive increase in the State Medical due to increased funding for the State Medical benefits which is directly related to the GA caseloads. The subcommittee accepted the Executive increase.

Motion: REP. BRADLEY moved the adoption of the subcommittee recommendation.

Discussion: CHAIR BARDANOUVE said he would like some information from the department since this is a tremendous increase.

Ms. Robinson referred back to EXHIBITS 3 and 4, the charts she had given the committee. She said they are not higher than last time, but have not gone down as they had projected. You didn't give us an increase last time and we asked that you cut our budget by several million dollars and we have not been able to achieve that savings. Ms. Cohea has in the LFA book a chart of what we are projecting now. We are projecting the cost of continuing current level and a leveling off next year. She said the money will pay for the current level and the leveling off.

Vote: The motion passed 16 to 2 with Rep. Cody and Peck voting no.

#17. County Computer Costs. REP. BRADLEY said this is for the system we have bought in with relation to all the county welfare offices. This was to pass on the costs to the non-assumed

counties the second year of the biennium. We felt that was an unfair shift of burden and did not accept the Executive cut.

**Motion:** REP. BRADLEY moved the adoption of the subcommittee recommendation.

**Substitute Motion/Vote:** REP. ZOOK moved we accept the Executive proposal. Motion failed 7-11. Roll call vote #25.

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**Vote:** The original motion to adopt the subcommittee recommendation. Reverse roll call vote #25.

#18. TEAMS. (The Economic Assistance Management System) REP. BRADLEY said the cuts were proposed by postponement of certain printer and maintenance costs and adjusting lease agreements for personal computers.

**Motion/Vote:** REP. BRADLEY moved the adoption of the subcommittee report. Motion passed unanimously.

#19. SEARCHS. (System for Enforcement and Recovery of Child Support). REP. BRADLEY said they accepted the Executive report because the contract was developed at less cost than anticipated.

**Motion:** REP. BRADLEY moved the subcommittee recommendation.

**Discussion:** CHAIR BARDANOUVE said this is federal money, and he complimented the computer services personnel at the Capitol and SRS for doing a very good job and for coming in considerably under cost. He said the committee should thank the people in the computer system in the capitol area.

**Vote:** Motion passed unanimously.

#20. Rate Increase Delay. REP. BRADLEY said this was an Executive cut the subcommittee did not accept because it would delay the 4.5% provider increase in services for Developmentally Disabled, Vocational Rehabilitation and Visual Services.

**Motion:** REP. BRADLEY moved the subcommittee recommendation to not accept the cut.

**Substitute Motion:** REP. SWYSGOOD moved to accept the Executive recommendation.

REP. KADAS said in many respects the programs funded with this increase are essentially state employees who are providing these services. Taking away this 4.5% increase is more than equivalent to reducing the pay plan for state employees with providers who would hopefully get some increase. He said he did not believe we were going to do anything like that to the pay plan and did not think we should be doing it to here.

Ms. Robinson said they had argued before the subcommittee that

there is no question in Human Services, that when you start to cut the budget, there are some that hurt people. She said in looking at this they had built the base for the future, and that is why they chose the 6 month delay and the 4.5%. The current inflationary rate in social security is 3.8%. They put the 4.5 in this July and hope they will be able to get the overall inflationary increase in the last 6 months of the biennium.

Vote: Motion failed 7-11. Roll Call vote #26.

Vote: The original motion by REP. BRADLEY passed. Reverse Roll Call vote #26.

#21. DO Part H Fund Switch. REP. BRADLEY said this would reduce fiscal '92 general fund by a like amount for the federally sponsored Part H program which provides early prevention services for infants and children up to 36 months who have special needs.

Motion/Vote: REP. BRADLEY moved adoption of the subcommittee motion. Motion passed unanimously.

#22. DO Part in H Reduction. REP. BRADLEY said they did not accept the proposed Executive cut. The Part H program is for physical therapy, speech therapy and other services like that which benefit infants and children up to the age of three. This program was cut on the 90th day and it would delay implementation of the program with a loss of federal dollars that would go to direct services for these children to help catch them up as much as possible.

Motion: REP. BRADLEY moved the adoption of the subcommittee recommendation.

Discussion: REP. KADAS said he could not see any mention of lost federal dollars and asked if it was not here, where is it? Mike Hanshaw, DD, SRS, said there is no loss of federal funds associated with this cut. There was reduction of about \$70,000 from federal funds that came with the action of the regular session when they decreased the appropriation on the 90th day.

Substitute Motion: REP. SWYSGOOD moved to accept the Executive budget recommendations.

Chris Volinkaty, Developmental Disabilities Legislative Action Committee, said this is \$200,000 out of Part H legislation that has to do with serving infants and toddlers. This was federal legislation carried by Pat Williams at the federal level. They had agreed to adopt this and now we are providing for full implementation and this will delay it for an indefinite time. This is the same program that \$300,000 was taken out of on the 90th day. It does provide wrap-around services for little children for those therapies that need to be implemented early in life to have the greatest effect.

**Ms. Robinson** said they recommended the cut because they thought that every child would get some service, they might not get the total service, but would get some. One of the conditions in this cut was that the children in this program would receive some service.

**Vote:** Substitute motion failed 6 to 11. Roll call vote #27.

**Vote:** The original motion passed 11 to 6. Reverse roll call vote #27.

#23, Other Benefit Reduction. **REP. BRADLEY** said this was other DD reductions. This was money that has not been spent the first year of the biennium, and as in the past, those dollars would go to help deal with other waiting lists that are growing because of the failure to address them in the past session. She said they did not accept the cut and moved adoption of the subcommittee recommendation.

**REP. COBB** said basically at DD, we give them a lump sum and they decide where it is used to give everybody some kind of service. When we are gone, **Mr. Hanshew** says who gets some service. If you look at #25, it says phase 4 start up, we were going to help pay for these community group homes which was \$400,000 and we cut that out. This money could be used to help rebuild old homes or to help with services.

**Motion:** **REP. BRADLEY** moved the subcommittee recommendation.

**Substitute Motion:** **REP. SWYSGOOD** moved to accept the Executive recommendation.

**REP. KADAS** asked **Mr. Hanshew**, if we do accept the elimination of the phase 4 start up costs, do you anticipate that most of the funds here would go for that purpose? **Mr. Hanshew** said it would depend on the need for bids we get. They are in the process of accepting proposals for those bids. If they all required no start-up funds, we would then use this money to serve people on the waiting list. If they did require start-up funds, this is one source we would use.

**REP. KADAS** said he would like to ask a question about #25. He asked what the reaction was of the group involved in letting bids to decrease the \$400,000 for the phase 4 start-up? **Mr. Hanshew** said they were concerned, but one of the things going on since this project was first put together two years ago as a part of the Governor's action plan for dealing with funds on the DD funds for development of community services was that we might be better off looking at other alternatives for people that have these kinds of needs other than group homes. We were encouraging people to look at creative ways even before these cuts came to move folks out of existing homes and place them in more appropriate services for them. This would free up that physical plant and then we could use that to expand these services and, as

a result, would not need the start-up.

REP. KADAS asked REP. BRADLEY what her thoughts were on the elimination of the phase 4 start-up funds and how that relates to this particular line item? REP. BRADLEY said her original concern was responded to very well by Mike Hanshew. Her original concern was that the start up funds existed for the first year of the biennium and the bulk of them went for group homes to take people out of the Montana Development Center. The second year was specifically aimed for the waiting list in the communities. She said Mr. Hanshew's response was good because some of those in some group homes now can be moved into more independent living kinds of situations and free up some space in the group homes, so some of those waiting lists would be dealt with. She felt the money should probably be there, but it was easier this past session to get the money for the group homes when there is just as much need for different kinds of settings that aren't group homes.

REP. ZOOK commented on the substitute motion by saying the agency itself says they anticipate general fund savings for this fiscal amount for '92. They have worked with this budget from the start and did not want to substitute his judgement for theirs.

REP. COBB said he did not think it was necessarily savings as much as giving up something to cut. In giving up this money they are saying we will not serve people we could serve. There is a waiting list and they can only serve so many. If we have to cut back, we serve less.

REP. ZOOK said he did not think there was an end to the amount of money we could spend to help people. He did not like to do this either, but the word "savings" is what is printed in the book.

**Vote:** The substitute motion to accept the Executive proposal failed on a tie vote. Roll call vote #28.

**Vote:** The original motion passed with REP. PECK changing his vote to support the positive motion and making it a 10 for, 8 against vote. REP. MENAHAN changed his vote to a positive vote leaving a final vote of 11 to 7.

A two hour break was given to the committee and the meeting resumed at 7 p.m. with the understanding HB 2 would be finished tonight so the LFA could finish their analyses.

#24. Supported Living 30 Slots. REP. BRADLEY said the Executive recommendation for a cut was not supported by the subcommittee. There is a tremendous waiting list in this area. There have been cuts already, and the subcommittee thought the previous expansion was a modest attempt to chip away a little at the waiting list.

**Motion:** REP. BRADLEY moved adoption of the subcommittee recommendation which was not to accept the cuts.

**Substitute Motion/Vote:** REP. SWYSGOOD moved to accept the Executive recommendation. Motion passed 8 to 7, with 3 members absent. Roll call vote #29.

#25. Day Care Service Increase. REP. BRADLEY said this was phase 4 start-up. The Executive cut on Phase 4 start-up was accepted by the subcommittee.

**Motion/Vote:** REP. BRADLEY moved acceptance of the subcommittee report. Motion passed 14-1, with Rep. Nisbet voting no and 3 absent.

#26. Day Care Service Increase. REP. BRADLEY said previously they replaced general funds with federal funds in Day Care in a variety of services including providers increases. This was a request by REP. SQUIRES for the program that provides day care for AFDC mothers who are going to college. This will have a federal match, will still not reach the entire population, but is a good faith effort to try to reach a greater number with day care costs so they can get a college education.

CHAIR BARDANOUVE said in '92 the year ends July 1 and this won't benefit many. REP. SQUIRES said this request for money not only covers individuals going to college, but also to Vo-Tech and proprietary schools and training schools. She said she had worked with the SRS Department because this is a mandated program from the federal government that it shall be provided to individuals who are participating in these three kinds of schools. She said they were selecting criteria and it proved to be selective against the AFDC person in the JOBS program and the AFDC person who was self-initiated. Without criteria, the numbers were large and the department chose to put on criteria and use the word "slots". Under the federal mandate as of October of this particular year, it is against the law on the federal level to mandate slots. She had come to the Legislature trying to rectify the problem of slots and had wanted to garner additional dollars because initially the program was to serve 900 people and with the increase it was reduced to 500 and 300 because of not having the funding and the criteria. She had spoken to Ms. Robinson and she is willing to withdraw the rule she had put into place. They will go back as a task force and look at and set up some criteria for all of the people in the pool who are all alike and hopefully can manage the problem. Because everyone was allowed to have the program without the criteria we are short of funds and need to fund this program for the next couple years.

REP. SWYSGOOD said he realized something has to be done in this area for these people, but is not sure this is the time we institute another program.

**Substitute Motion:** REP. SWYSGOOD moved to eliminate the additional money put in by the subcommittee.

**Discussion:**

REP. COBB said the problem is that when we first started having a lot of people in the program there was about 900 women who signed up for day care so they could go to school. These are women on AFDC who want to get off, want a second chance, and we need to give them the chance to get off welfare. We can be fiscally conservative and say no, not now, but we have to give them a chance. When they are in the system, it is very hard to get off this system once you are in. He said if we wait two years the child is older and they have been on welfare longer. He felt those who wanted to go to school and get off welfare should be encouraged to do so.

**Motion:** Substitute motion failed 7 to 10 with 1 absent. Roll call vote #30.

**Substitute Motion for all motions pending:** REP. SWYSGOOD said given the situation that we are halfway into the '92 fiscal year, he would move this be implemented for fiscal year '93.

**Discussion:** REP. KADAS asked REP. SQUIRES to respond to the concern in regard to being halfway into fiscal year '92. What would happen if we did the full appropriation, half the appropriation or wait until fiscal '93? REP. SQUIRES referred the question to Ms. Robinson.

Ms. Robinson distributed EXHIBIT 8 and said they did not cut this program at all. We are not talking here about anything the Governor has cut. She discussed the exhibit. She said they are already spending next year's budget.

REP. KADAS said the program is growing fast enough so if we do it both years you will not have a problem spending this money. Ms. Robinson said they are already spending next year's money and are trying to pull it back down to whatever is appropriate.

REP. CODY asked how many people, since this program was started, have been followed to see if they have gone to work and are off AFDC. She asked if any history had been developed on these people. Ms. Robinson said on the JOBS program they guaranteed they would place at least 350 people last year. They placed over 350 people. People can choose not to participate in JOBS. They can say they are going to school rather than be in the JOBS program. They get a waiver from participating in the JOBS program and they initiate their own day care. She said they hoped to put in their rules and regulations criteria that they must complete their education and have a job.

Tape 6, Side B

REP. SWYSGOOD said this was not a cut offered by the Administration and was not a recommendation for a supplemental or an increase on your part. You are already expending this money. What were you intending to do? Ms. Robinson said day care is very complicated because part of it is in her budget, part is in

Mr. Olsen's budget and part in Family Services. The state of Montana received a block grant in Child Care as of October of this year which was over \$2 million in new money. In addition, you funded these programs and we are trying to open one more program for working parents that will be called "At Risk". That program will be matching with Mr. Olsen's money so that people who are working can get day care on a sliding fee scale. When we get done we will have more day care in Montana than we have ever had, and felt that was very positive. The reason they did not ask for more money in these categories was that we knew we were looking at budget reductions and did not want to cut this category, but knew we would have to pull it down to the appropriations. They had rules hearings to pull it down, and that is what REP. SQUIRES is talking about. There has been some disagreement. It is not easy to take 900 people who are on day care and try to pull it into the appropriation. In order to do that, we will have to reduce this program to 300 next year, but have the plans in place to do it and, therefore, they felt they could manage.

REP. SWYSGOOD asked, if you were given the '93 increase, what number would it have to be pulled back? Ms. Robinson said this is a match program on 28%, 72% and if we got the full \$200,000 we could make this 500 instead of 300. If we get \$100,000, we would assume we could take care of 400.

Vote: Substitute motion to cut out the FY '92 increase and give them the FY '93 increase. This would be \$100,000. Motion failed 6 to 12. Roll call vote #31.

Vote: Original motion passed 12-6. Reverse roll call vote #31.

REP. BRADLEY said the last motion for this department was the language for SRS.

Motion/Vote: REP. BRADLEY moved the language. Motion passed unanimously.

REP. KADAS asked Ms. Robinson a question on the nursing home rate basing. He said, upon further review, he understood in the action of the Conference Committee at the end of the session was to delay not only the first year but also the second year. He said she had managed to go beyond our recommendation in the first year, and asked at what point the rate basing goes into effect for FY '93? Ms. Robinson said July 1. REP. KADAS said HB 2 says October 1. Ms. Robinson said the way we are paying for that through contributions. REP. KADAS said HB 2 specifically says Oct. 1. Ms. Robinson said she is not a legal expert, but did have their attorney review the legality of how this was put together the funding for this. She said they had legal advice and had gone through the appropriate people on the legislative staff and would be more than happy to have Mr. Cater come tomorrow and go over this with you.

REP. KADAS said he would point out to the members of the committee that this is the second occasion on this particular item that the department chooses to do something other than what is specifically stated in the bill. He said they got away with it the first time and would like to find a way to enforce what we passed in the law the second time. Ms. Robinson said she would be happy to xerox records for the committee. This was done and are enclosed with the minutes as EXHIBIT 9. She said as a result of court action, they anticipated a lawsuit unless this was done and her reason for doing this was to avoid a costly lawsuit to the State of Montana.

REP. PECK said he believed he had heard Ms. Robinson say she would use the judgment of the department to override what is in the appropriation bill in terms of money and dates. Because they said something in Indiana does not necessarily apply in Montana and he would caution her to be very careful about exercising that judgment. Ms. Robinson said she would have to get her attorney here, but it was her understanding that we are not using any money in the appropriation bill. We are using patient contributions, but there is some kind of distinction they worked out.

CHAIR BARDANOUE said you can't really change the intent of the Legislature because somebody else says something. We had a little disagreement on the nursing homes and we said no payments signed and sealed by the Governor and the Legislature, a 3 month delay in the nursing home, but somehow there was a magic \$720,000 jumped into that 3 month delay when the Legislature said no. Just because you found some money, it does not authorize the money to be spent.

Ms. Robinson asked that the Legislature then put into the bill language which says they do not want the department to spend that money after July 1. She asked them to please put that into her bill and they would go to court and see what happens. She said they need to make sure the Legislature does not want her to roll any kind of rate increase, including the patient contribution in July 1.

CHAIR BARDANOUE said he realized she was a very able administrator, but if every time we had to throw money into the budget because somebody says they might sue us, there would be no end to the possibility of violating the Legislative intent. The mere fact that there is a lawsuit hanging out there does not change the Legislative intent. Ms. Robinson said she was sorry she does not have Mr. Cater here tonight. He felt in his discussions with the budget office that we had handled this in a legal manner. She believed the funds were from appropriate sources, but has a disadvantage without him here. She said she would be happy to have Mr. Cater come in tomorrow and explain why we did this. On the other hand, if you all disagree with him, then she would like a firm reaffirmation that you do not want us using the patient contributions and we will go to court.

REP. PECK said you can't really be serious that you are suggesting to the Legislature that you can have a staff attorney give you a ruling and proceed on that. If you get the Attorney General of the State of Montana to give you such a ruling we would have to respect that, but we could have every department in Montana with some attorney giving an opinion. It is in the law now and we don't have to put anything further in the law. Just obey the law.

Ms. Robinson said they thought they did obey the letter of the law, apparently the committee disagrees.

REP. GRINDE said because of the fairness issue involved, particularly in this budget, which is the third from the lowest in the percentage of cuts, he would make the standard 5-8 motion.

Motion: REP. GRINDE moved to cut 5% in the first year and 8% in the second and roll back any action we did this evening. This is the same motion we had before, the 5 and the 8, and give them the discretion to use the cuts where they think best.

Discussion: Ms. Cohea said if she is understanding this correctly they would have no cut in '93. Her records show that tonight you have taken in '93 \$1.089 million from SRS and 8% would be \$744,000.

REP. KADAS said most of that would be hospital rate increase and that is pass through money. Mr. South, LFA, said he would explain first what these percentages are based on. These percentages are based on nothing more than operational cuts and do not include pass through money. The only additional operational cuts in SRS tonight, as of your action, is \$57,000 in '92 and \$111,000 in '93. The other deductions are hospital rate increases. These percentages are based on operational costs only. Ms. Cohea said, in your motions earlier today, most of them were operational cuts, however in administration there was one funding switch for \$13,000 you allowed to be counted. The list is true cuts, but then you were taking subcommittee action and cutting against that. The only thing you have counted in committee action today against the 5% that was not a true cut was one funding switch in administration.

CHAIR BARDANOUE asked the department to clarify what this does to them. Ms. Robinson said as she understands it, the committee wants to know what will happen with a 5% this year and an 8% next year. She said she was intrigued by the concept of equity. She had heard Mr. South argue it yesterday and suggest all agencies are funded identically and deserve identical treatment.

REP. KADAS had pointed out earlier on the Labor Dept. budget this simply is not the case. A 5% cut at Labor would have very few general fund dollars and very little impact on their staff and very little impact on the entire operation of their program. Ms. Robinson said she felt across the board cuts are simplistic, not

acceptable and do not take into account the complexity of government, nor the priorities services of the people of the State of Montana. Some agencies are largely federally funded and when you take very small reductions in those, they are still large percentage cuts. Others have private sources of funds such as Fish and Wildlife. She said her agency, if you make this cut, you have a 50% match, so if you cut \$273,000 this year, you are cutting \$500,000. If you cut \$800,000 this year, you are cutting \$1.6 million and if you go all the way up to 8% you are cutting over \$2 million in operation costs. Our case load is the highest it has ever been in history. We have been freezing hiring since last October. They had to freeze positions because they were underfunded by the Legislature by 4% a year on the pay plan. They still need 12 vacancies because of their current pay plan. They have spent 5 months trying to get a proposal that would do the least harm possible to our agency and the people we serve. This kind of cut will be very hard for our agency to accept. She said her people at SRS work hard and are very good at their jobs. She said she had been in government 15 years, and was sorry but she was embarrassed that the Legislature would propose this kind of cut. She said it would mean lay-offs in their agency.

**REP. KADAS** said he was not going to offer a cut to this agency and will vote against the substitute motion on the basis that he thought the agency had enough problems already. He said looking at supplementals that we have already approved for this agency, he felt this was indicative of the kind of difficulties that face us. He said he had tried to be selective in doing the 5% cuts. He said he was not trying to do an across the board slash. He was trying to pick places where he did not feel capable of picking programs, but wanted to put some pressure on agencies to do that where he felt they had the ability. He did not believe that flexibility exists here. He did not believe it exists in DFS, either, and did not offer the cuts and will not support them.

Vote Motion failed, 3 to 15. Roll call vote #32.

**REP. COBB** said he was late and would like to reconsider action on #24.

Motion/Vote: **REP. COBB** moved to reconsider our action on #24, Supported Living 30 Slots. Motion failed 9-9. Roll call vote #33.

Department of Family Services  
B-25 LFA, B-18 Exec., gold worksheet

#1, Personal Services 3% VS. **REP. BRADLEY** said this is Personal Services 6% and the cut was accepted, but it was cut in half making it 3%, bringing it to a total of 5% in management support. This is half the Executive cut.

**Motion:** REP. BRADLEY moved the subcommittee recommendation.

**Substitute Motion/Vote:** REP. SWYSGOOD moved to accept the Executive recommendation. Motion failed, 7 to 11. Roll call vote #34.

**Vote:** The original motion passed. Reverse roll call vote #34.

#2 Training Funds. These would be taken away from social workers mostly. The department did try to keep training programs for the support programs. The committee accepted the Executive recommendations.

**Motion/Vote:** REP. BRADLEY moved the adoption of the subcommittee report. Motion passed unanimously.

#3. Personal Services 2% VS. REP. BRADLEY said this cut the vacancy savings in half from the Executive proposal, to 2% instead of 4%. It would affect social workers that were originally exempted by language in the previous bill, and if we change this we would have to change the language.

**Motion:** REP. BRADLEY moved adoption of the subcommittee recommendation.

**Substitute Motion/Vote:** REP. SWYSGOOD moved to accept the Executive recommendation. Motion failed 7 to 11. Roll call vote #35.

**Vote:** Original motion passed 11 to 7. Reverse roll call vote #35.

#4. Parental Assets Rule. REP. BRADLEY said this is a proposal that was originally going to come up by the Executive branch that was to change an administrative rule, and was then postponed until the Legislature would meet and decide it. This deals with children in in-patient psychiatric hospitals receiving Medicaid payments after 30 days. The situation in Montana now is that after 30 days of treatment a child is considered, in the language that is used, a family of one, so the parental assets of that child are not of consideration in the child receiving Medicaid support. The proposal would change that so the child would not necessarily receive that care, but the parental assets would be a matter of consideration. She felt the committee did not adopt this recommendation because of their sentiment that we did not have the facts before us to let us know how many children would be impacted or how many families would be impacted. We are talking about psychiatric care in a hospital setting that may cost from \$500 to \$900 a day. The question is whether children who are very ill are not going to receive the help because the families cannot afford to go down to the medically needy level. We have no understanding whether the families can actually afford to keep their children in or whether they would be taken out all together. They did not accept the Executive recommendation.

Motion: REP. BRADLEY moved adoption of the subcommittee recommendation.

Substitute Motion: REP. COBB moved to accept the Executive recommendation to change the Parental Assets rule.

REP. COBB said he thought they had given them some numbers on the amount of people out there on this. 231 would be not eligible for this entitlement and we would have to look at their parents assets. The parents would have to spend down as they do on so many programs on AFDC and Medicaid, etc. This is a tough decision, but we have a lot of other entitlements where if you don't meet the criteria, you will not be in it, and this is just restricting eligibility.

REP. ZOOK asked who will make the decision. Who will decide when parental assets will be considered? REP. BRADLEY said if the department imposed the rule, they would make that consideration. REP. BRADLEY said she thought the bulk of it would fall with the eligibility technicians. She thought a parent would be asked for all the information at the time the child went in and after 30 days that information would be the determining factor.

Mr. Olson said he thought this is a choice, given the best of possible worlds, you probably would not have made. The department advocated this particular budget cut, when we realized we had an 8% vacancy savings, or an 8% reduction in our over all budget, we basically had to look at what we currently had available to get the money from. The in-patient psychiatric program is a program that currently we operate differently than many of the states do. We have what we call a family of one here in Montana. That means a child can be considered for eligibility under Medicaid considering only the child's assets and not the parental assets. When we tried to determine what would happen to change that so if the parent could pay, what would they pay, we tried to get the best statistics we could. Unfortunately, there aren't very many available. In talking to the mental health management people they found that approximately 35% of the kids that come to Medicaid come via third party insurance and roll-over on Medicaid. 65% of the kids on Medicaid are Medicaid eligible before they go into psychiatric care, but 35% are kids whose parents had insurance or they came in other than Medicaid entitlement.

Tape 7, Side A

Mr. Olson said many of these kids have parental assets to contribute to this. We don't know how much is available since there is no means test done on the parents now. We will not know what the savings will be until the rule is put in place.

REP. CODY said REP. ZOOK carried the bill in the last session on parental assets. Mr. Olson said there was a bill carried that allowed them to consider parental assets for kids that are committed to the department. These kids we are talking about are not committed to the department.

REP. CODY said if you have the statute and have the rule making authority under the statute, why do you need to come in and request a rule change? Mr. Olson said SRS is the keeper of the Medicaid plan in the state and are responsible for designing the Medicaid plan. In order for this procedure to go through, we will have to amend the rule that is in the state Medicaid plan and that is what we are asking permission to do.

REP. CODY said in her experience the department initiates the rule and even initiate a rule change. You are doing it through the SRS Medicaid or some statute. She could not understand why the Legislature had to pass it now, since it would go through the procedure. Mr. Olson said they had a rule hearing set for the rule change and, in discussing the matter with SRS, it was decided that it would be best to hear the wisdom of the Legislature on this particular rule, so they rescheduled the hearing for Jan. 21.

REP. KADAS asked if the Legislature refuses to adopt this cut, will you proceed with the rule making process? Mr. Olson said if the Legislature tells him this is not their will, he will drop the rule making process. REP. KADAS asked, would our not adopting the cut be enough to tell you we don't want this to happen? Mr. Olson said yes, it is.

REP. KADAS asked Jim Smith to give the other side of this. Mr. Smith, Montana Residential Child Care Association, said it was a different prospective. Several of their member agencies will be affected by this. He agreed with REP. BRADLEY that we are dealing with some very sketchy data here. We don't know how many kids would be affected by this, but we are talking about having their families impoverish themselves to get treatment for their children. The family has to pay in-patient psychiatric hospitalization for the first 30 days in any case. That is the way it is now. After that first 30 days, if this cut is adopted, those families will have to make themselves Medicaid eligible in order to get services for their children. Generally speaking, Medicaid eligibility means for a family of four these days, gross income, all sources, cannot exceed almost \$12,500. In addition, there is a severe resource and asset test and he thought it was correct, that a family to be Medicaid eligible cannot have more than \$2,000 in all resources and assets. The value of the home is not counted, but a family automobile can't be worth more than \$2,000. He said if we accept the department's data, we are talking about 232 kids who won't get services. These kids have been certified by a specialist that this service is medically necessary and those kids will stay within the system, and we will probably see them in the juvenile probation system or later in more restrictive institutions. He said those kids don't just disappear when they are not treated.

REP. KADAS asked what the average length of time for a child to receive these services? Mr. Smith said that length of time is decreasing. In terms of acute care in a psychiatric hospital it

has gone from 45 days about 6 months ago to around 30 to 35 days now. REP. KADAS said, regarding the 230 kids, that number was arrived at by using the number of referrals that came from insurance covered kids, so those kids will still be covered by insurance? Mr. Smith said until that insurance expires. That is what Director Olson meant when he said these kids roll over into Medicaid. The insurance coverage is time limited and when it expires, then Medicaid tends to pay more.

REP. PECK said you have talked solely about the lower end of the spectrum here. What about the guy that has the money? Why shouldn't we consider the fact that he has the money? Mr. Smith said we were hoping for something less draconian in this particular rule. REP. ZOOK's bill had sort of a sliding scale to count parental assets. This rule is pure Medicaid eligibility, no graduated level at all. REP. PECK said you do have a means test in some cases now, and did not see why it should be in some cases and not in others. CHAIR BARDANOUE asked if there couldn't be some middle ground that could be agreed upon and Mr. Smith said that is what they were hoping for in the rule to be proposed by SRS. CHAIR BARDANOUE asked if this special session couldn't work out something in the middle ground. Mr. Smith said he would like to.

Pat Melby, representing provider groups, said this is an easy target since who can argue with the proposition that parents ought to be responsible for the medical bills for their children or take issue with REP. PECK's statement about people making \$100,000 making Medicaid pay for his. That is not the people we are talking about. People that make that kind of money have medical insurance. At the time a youth is admitted to a psychiatric facility, whether a hospital or a treatment center, they become eligible for Medicaid if they don't have any assets. If there is third party liability, that insurance must be exhausted first. Most insurances under group insurance plans, where there is a state requirement that there be at least 30 days coverage for this type of medical treatment, have 30 days treatment under their coverage. The average stay is about 35 days and insurance is covering nearly the average length of stay. If someone is completely impoverished and meet the Medicaid eligibility they qualify for AFDC, then Medicaid pays for that. We are talking about the people in between, those that make \$15,000 or families of 5 and 6 that make \$20,000 to \$25,000. They know from experience when coverage runs out and the psychiatrist says the child still needs treatment, these people do not leave their children in the hospital. He said the kids they are talking about here come from dysfunctional families that have very marginal incomes and the families are told they have to spend all your assets down to get the service for the kids.

REP. PECK said his point is if you are having a means test on some, why not want and accept a means test on all? Mr. Melby said he was not arguing that there can't be a means test. He is opposed here because these kids will end up in the system and

cost the state more general fund dollars. He said this rule was originally proposed in June of 1990 and it had a lot of objections to it. This is a public policy decision: it is not a decision of administrative agencies. It is a Legislative decision to make this kind of determination about who is going to receive what kind of services in the State of Montana. The department did not make an analysis, did not come to the Legislature in 1991 to propose this change. We were told there was no serious consideration in making this change until the DFS was told to reduce their budget by 8%. He said matching funds are in SRS and this will actually be about a \$3 million funding loss for this program.

**REP. KADAS** said he thinks this is a good example of soft money in this budget. The administration is expecting a million dollars that is very likely not to be there. He said **Mr. Melby's** point that the kids this will affect are those that don't have insurance but are not absolutely impoverished and it will not be the 35% **Mr. Olson** spoke of. He asked **Mr. Melby** if they could accept a graduated means test. **Mr. Melby** said they could if it is possible under federal Medicaid rules. Unfortunately, it is either the way it is or the way the department is proposing it. **REP. KADAS** said he was confused since there are other graduated means tests. He asked **Mr. Olson** if these do not apply to the federal Medicaid dollars? **Mr. Olson** said that is correct.

**CHAIR BARDANOUVE** asked again if there isn't something in between and was told no. **Mr. Olson** said federal Medicaid rules don't allow graduated scales. You are eligible or not eligible for entitlement. There is no in between in the federal government. **Mr. Smith** said he was in error.

Vote: The substitute motion by **REP. COBB** passed 10 to 7. Roll call vote #36.

#5. Delay Foster Care Rate, Inc. **REP. BRADLEY** said this is another delay proposed by the Executive in the 4.5% provider increase. The subcommittee did not accept the Executive cut.

Motion: **REP. BRADLEY** moved adoption of the subcommittee recommendations.

Substitute Motion: **REP. SWYSGOOD** moved to accept the Executive recommendation.

**REP. PECK** asked if this deals with the foster homes? **REP. BRADLEY** said it deals with the foster care budget, which is not actually the foster care families. It is the entities under foster care such as residential group homes.

**John Wilkenson**, Administrator for the Intermountain Childrens Home, said over the past decade prior to two sessions ago, one of our colleagues told them they had received an increase of about \$1 per day per child. Two sessions ago the Legislature adopted a

rate system that helped a lot. Based on our wage and salary survey our state counterpart makes about \$1 an hour more than our providers in the system do. We are asking the rate increase be kept in place so at least we can still enjoy the average of \$1 an hour less than our state counterpart.

**Vote:** Substitute motion failed 4 to 14. Roll call vote #37.

**Vote:** Original motion passed, 14 to 4. Reverse roll call vote #37.

#6. Day Care Rate Increase. REP. BRADLEY said the subcommittee adopted the proposed Executive cut.

**Motion/Vote:** REP. BRADLEY moved adoption of the committee recommendation. Motion passed unanimously.

#7. IV-B Revenue Increase. REP. BRADLEY said this is an Executive recommendation that would reduce the general fund and increases federal dollars. The subcommittee accepted the Executive recommendation.

**Motion/Vote:** Motion by REP. BRADLEY to adopt the subcommittee recommendation. Motion passed unanimously.

#8. Corrections Division Operating. REP. BRADLEY said this is the Corrections Division operating budget, and they did not accept the Executive cut. The subcommittee was concerned about the whole operations of Pine Hills, Mountain View, etc., where there are federal investigations going on and this division oversees those budgets.

**Motion:** REP. BRADLEY moved adoption of the subcommittee recommendation.

**Substitute Motion/Vote:** REP. SWYSGOOD moved to accept the Executive proposal. Motion failed 6 to 11 with one absent. Roll call vote #38.

**Vote:** Original motion passed, 11 to 6. Reverse roll call vote #38.

#9. Cap Alcohol and Drug Treatment. REP. BRADLEY said this is a program for indigent youth. Recipients are all eligible indigent youth, generally in a foster care system or in low income families that do not have insurance. It is a small program, is fully based on need and would have long term repercussions, which is why they didn't accept the Executive's proposed cap.

**Motion:** REP. BRADLEY moved to adopt the subcommittee recommendation.

**Substitute Motion:** REP. SWYSGOOD moved to accept the Executive recommendation.

**Discussion:** REP. KADAS asked why the Executive chose to cap this rather than reduce the funding. He did not think that mechanism had been used in any of the other programs. Mr. Olson said this is a typo. It is really a reduction back to last biennium's spending, and not really a cap.

**Vote:** Substitute motion failed 9 to 9. Roll call vote #39.

**Vote:** Original motion passed 10 to 8. Reverse roll call vote #39, with REP. PECK changing his vote to aye, making the vote positive.

#10. Domestic Violence 8% Reduction. REP. BRADLEY said this program had no inflationary increase so this was a very direct cut. The subcommittee did not accept the Executive cut.

**Motion:** REP. BRADLEY moved the adoption of the subcommittee report.

**Discussion:** REP. PECK said the notation says as of Nov. 30 only 25% of this was spent. Do they normally spend slower in the early stages of the year? Doug Matthies said the Domestic Violence Program is funded through three different sources, general fund, federal funds and an earmarked account from fine money. It is all contracted out to Domestic Violence Programs.

**Substitute Motion/Vote:** REP. SWYSGOOD moved to accept the Executive proposal. Motion failed 7 to 11. Roll call vote #40.

**Vote:** Motion passed 11 to 7. Reverse roll call vote #40.

#11. Big Brothers 8% Red. REP. BRADLEY said the subcommittee did not accept the proposed 8% Executive reduction. They did give them an inflationary increase a year ago for several reasons. It has an amazing track record and had not had an inflationary increase for some time. The cut will take them below last year's increase, and would be an actual cut.

**Motion:** REP. BRADLEY moved adoption of the subcommittee recommendation.

**Substitute Motion/Vote:** Motion by REP. SWYSGOOD to accept the Executive recommendation. Motion failed 5 to 13. Roll call vote #41.

**Vote:** Original motion passed 13 to 7. Reverse Roll call vote #41.

#12. Misc. Federal Recovery. REP. BRADLEY said they accepted the executive recommendation which reduces general fund and increases federal funds.

**Motion/Vote:** REP. BRADLEY moved adoption of the subcommittee recommendation. Motion passed unanimously.

#13. Residential Treatment Continuum. REP. BRADLEY said the committee accepted the Executive cut. We allocate about \$3.4 million in general fund match out of SRS and into DFS, and some of those general fund dollars were to put a fence around about \$1.3 million to take care of costs for residential psychiatric care, but to give the incentive of that money to have the department develop a continuum of care program. It has not been implemented yet, and while there are some areas that are going, the dollars we allocated have not yet been fully implemented and there is a savings.

Motion/Vote: REP. BRADLEY moved to adopt the subcommittee recommendation. Motion passed unanimously.

#14. Foster Care Increase. REP. BRADLEY said this is an Executive proposal for an increase due to the population increase of children in Foster Care. She said she thought one of the reasons for the increase was that they did not calculate the supplemental in the original projections, and there is also a different mix of services where we are going to the more expensive and not needing as much of the less expensive services. She said there is an enormous increase in cost of treatment for out of state for which some of the children who are sicker have had to go with those costs going up 36% compared to in-state costs only going up 2.9%. For those reasons the subcommittee felt the proposed increase was justified.

Motion: REP. BRADLEY moved adoption of the committee recommendations.

Discussion: CHAIR BARDANOUE asked why it is all in one year? Will it all disappear in '93?

Jane Hammond, Budget office, said it is too early to tell, based on the data which has come in, what an actuary projection for '93 would be. We had approximately \$2 million in the \$8.5 million this committee released last session. CHAIR BARDANOUE said he did not think this big pot of money should just be thrown in there. REP. BRADLEY said this is all for this year, so a good deal of it is already spent. There is a possibility you will get a chance at another supplemental a year from now.

Tape 7, Side B.

Mr. Matthies said the reason it could be a supplemental in '93 is that it is too early to tell what the amount is going to be. The reason is because we have a fairly intensive federal refinancing project under way to try to bring back some of the federal tax dollars back to Montana and pay for some of the services we are currently paying general fund for. Our consultants feel we can realize extensive savings for general fund by moving certain categories of spending to federal funds. Depending on what we can accomplish, we may be able to reduce that supplemental greatly.

Vote: Motion passed 16 to 2. Roll call vote #42.

#15. Personal Services 3% VS. REP. BRADLEY said the Executive increases the vacancy savings at Mountain View. The subcommittee did not accept the Executive cut. There is already a 2% vacancy savings imposed and both #s 15 and 16 are somewhat the same. The subcommittee wondered about cutting back too much through forced vacancy savings when we just had a prison riot on our hands. We have tremendous personal and financial costs that come out of not taking care of our institutions, and did not feel this cut was appropriate.

Motion: REP. BRADLEY moved to adopt the subcommittee recommendation.

Substitute Motion/Vote: REP. SWYSGOOD moved to accept the Executive recommendations. Motion failed 7 to 11. Roll call vote #43.

Vote: Original motion passed 11 to 7. Reverse roll call vote #43.

#16. Personal Services 2% VS. REP. BRADLEY said this is for Pine Hills, 2% was recommended, but we have 2% already. The Executive cuts were not accepted.

Motion: REP. BRADLEY moved the adoption of the subcommittee recommendations.

Substitute Motion: REP. SWYSGOOD moved to accept the Executive proposal.

Discussion: CHAIR BARDANOUE asked what the vacancy rate was. He was told at Pine Hills they have 2% imposed on them now so the net effect is 4%. CHAIR BARDANOUE asked if it runs more than 2% and on a regular basis they run at about 2%.

REP. CODY asked if Pine Hills isn't currently being looked at by the federal government and Mr. Olson said that was correct. REP. CODY asked if there was a possibility they will have a report or have you received any information as to how that investigation will go which might have some impact on this budget? Mr. Olson said they have not received anything. Apparently, it takes 4 to 6 months to do their report. They will be back the 15th, 16th and 17th and bring along a federal fire marshall and federal sanitarian. REP. CODY said apparently this investigation was brought about by a complaint against something at Pine Hills. Mr. Olson said to the best of their knowledge, yes. The federal investigators are apparently not at liberty to tell us why they come in and a complaint is the only thing they can think of. REP. CODY said she was concerned about the Pine Hills problem and what may happen after the Legislature goes home. Because of this she was quite concerned about the possibility of this costing more money.

Vote: The substitution motion failed 6 to 12. Roll call vote #44.

Vote: The original motion passed 12-6. Reverse roll call vote #44.

#17. (This was listed as the Management Information System in LFA book.) REP. BRADLEY said this was for savings recommended by the Executive on the Management Information System. The subcommittee accepted the recommendation. She said this deals with developing a computer system, the department did not have the expertise to do it and now we are told they do, so we accepted the cut.

Motion/Vote: REP. BRADLEY moved to adopt the subcommittee recommendations. Motion passed unanimously.

#17. (on goldsheet) Develop Federal Recovery Plan. REP. BRADLEY said these are dollars to develop a federal recovery plan. The dollars are there as the last item on the goldsheet. The thought was to take some of the dollars that were being saved in the continuum of care and allocate it for a joint program with the Depts. of Health; Family Services; and SRS for an effort to try to access more federal dollars that are available for a variety of programs that we have not had an organized effort to get at this time. There is already an effort among these three agencies to try to access federal dollars and that could come in on a match that we already pay in the state through the Foundation Program or that we already have such as the county health programs.

Motion: REP. BRADLEY moved to adopt the subcommittee recommendations.

Substitute Motion: REP. SWYSGOOD moved to delete the increase in the second year.

Discussion: REP. COBB said he would oppose the substitute motion. If you look at the \$2.2 million foster care increase and imagine what it might be next time, and they are trying to get federal recovery money. One plan said they might get \$14 million or \$16 million which is probably too high, but they might get a million or two. When Legislature comes back next time there is going to be big budgets to contend with and if we get federal money to help pay for existing money, it would help.

REP. SWYSGOOD said this is a program where we are using general fund money to research for federal monies. He said he found this hard to justify at this stage of the game.

REP. PECK asked if there wasn't money put in and now made a reduction on the grants writer who was to work in this kind of thing. REP. COBB said the budget cuts came up and the first thing to cut was the grant writer and the second was when we cut 3 of the 5 FTE in DFS, part of them were supposed to get federal recovery money. If you look where it says Miscellaneous Federal Recovery Money, the \$200,000 they were supposed to get might be a

problem because they don't have the people to do it. When the cuts came they abolished the grant writer.

REP. KADAS asked what made him think the Department will do it this time? REP. COBB said we need to get these kids at a lower rate so we don't have to pay the higher cost of a psychiatric hospital. He said the only reason he would think the department would do it this time was "eternal hope". He said they could probably go through the Legislative Auditor's office to recommend earlier treatment and go after the federal funds, since they seem to pay more attention to those audits.

REP. KADAS asked Mr. Olson if he thought they would get some return out of this, and also if he was going to do it. Mr. Olson said he would rather do it. REP. KADAS asked if there are federal funds there to be gotten? Mr. Olson said he felt personally that there is a very high rate of return on this sort of investment. He said he was not going to tell them he didn't want the \$150,000 because it was not in the Governor's budget. He was telling them he was going to do this one way or another if he has to use private money to do it. He thinks this state spends too much general fund on services other states pay for with federal dollars.

REP. KADAS asked why the position to do this in the first place was one that was eliminated. REP. COBB said they did not have enough people. Family Services is doing this. SRS will match it with federal dollars with DFS as the lead agency and the others will work together as a team to eliminate duplication of efforts.

REP. QUILICI said he was glad to hear Mr. Olson say that with or without this money he was going after the federal money. He asked if there was any staff on board now that is doing any grant writing? Mr. Olson said they do not have any staff that are just grant writers. REP. QUILICI asked if there were any people on board that were looking for those grants and was told no, not now. In answer to a question from CHAIR BARDANOUVE on agencies knowing what to look for on grants, he said they do not have the staff to do this. Their agency runs on about the thinnest margin of any state agency you can find.

Vote: The substitution motion passed 10 to 8. Roll call vote #45.

HB 371. Aging 50%. REP. BRADLEY said this pertained to modifieds that were made in the last session and the first is Aging Services. The Executive proposed a cut and the department said no funds out of this had been expended after Nov. 30. The program has increased and the committee felt this was a good program to keep down other nursing home costs and did not think the cuts were justified because they would be expended on the population by the end of the biennium. The subcommittee did not recommend the cuts.

**Motion:** REP. BRADLEY moved adoption of the subcommittee recommendations.

**Discussion:** CHAIR BARDANOUE asked if this was a good program why aren't they using it now? REP. BRADLEY said they are pulling it out of the other fund and this was still additional funds. This was a modified under the existing program.

In following discussion, it was mentioned that this was a modified put in by REP. MENAHAN on in-home health care. REP. BRADLEY said they had not spent the money yet, the need was there, and it would be spent by the end of the biennium and should keep nursing home costs down.

Hank Hudson, Governor's office on Aging, said the in-home funds are allocated to their contractors for the year. Currently they are drawing on federal funds. The funds are already contracted, they just haven't been expended. If these cuts are made we will have to amend those contracts.

REP. SWYSGOOD said he could see this was for only one year of the biennium. He asked if there was some reason for this. REP. BRADLEY said this is a biennial appropriation and the cut would be biennial, too.

REP. QUILICI said since we passed this legislation for in-home agencies, he asked if it had been tracked to see if your services have kept some of these aging out of nursing homes? Mr. Hudson said they have no scientific data that it has because we don't have a test group we don't serve and another that we do to see what the results are. Our common sense tells us that people who have someone who comes over and sees their nutritional and other needs are met, can be kept out of nursing homes. Nationally, any attempts to learn the effectiveness of this program has not come up with real hard data.

REP. MENAHAN said this shouldn't be hard to obtain out of your area agencies on aging to find out how many people this program is keeping out of nursing homes. Mr. Hudson said he thought the area agencies on aging would assure you they are keeping people out of nursing homes.

REP. BRADLEY said from a broad respect in their committee they have noticed in the last several years that the nursing home population so far as the elderly has stabilized and it might have something to do with this and the Medicaid waiver increases. The population of elderly in the nursing homes has somewhat stabilized whereas the population of disabled is increasing.

**Vote:** Motion passed 16 to 2. Roll call vote #46.

#19. Respite Care 50%. REP. BRADLEY said the Respite Care increase is for Foster parents who have troubled or difficult children. This will give them some respite care by giving them

some funds to hire a baby sitter or help of that nature that allows them to leave the situation for awhile and take some time out. This was an increase, and while the funds have not yet expended, it seems to go to an accounting situation, and it was stated at one time that the bookkeeping was behind enough that it didn't show an expenditure of these dollars. The subcommittee accepted the executive proposal.

Motion/Vote: REP. BRADLEY moved adoption of the subcommittee recommendation. Motion passed 17 to 1, with Rep. Bradley voting no.

REP. BRADLEY said they would need language which would amend HB 2 which states there will be no reduction with social workers in the community services program. We have adopted a 2% vacancy savings and either that exact cut needs to be reflected or the language needs to be deleted.

Motion/Vote: REP. BRADLEY moved to delete the language in HB 2 which states there will be no reduction with social workers in the community services program. Motion passed unanimously.

REP. BRADLEY said the language on the white worksheet was no longer needed.

Motion/Vote: REP. BRADLEY moved to close this section of the Human Services. Motion passed.

Motion/Vote: REP. BRADLEY moved the Human Services budget be closed. Motion passed 17 to 1, with Rep. Cobb voting no.

Tape 8, Side A

#### LONG RANGE PLANNING

#### F-1 LFA, F-1 Exec. gold worksheet

REPRESENTATIVE CONNELLY, Chair, Long Range Planning Subcommittee, said their subcommittee did not deal much with general funds, but did do some rearranging. She said the Executive recommendation for the MSU Engineering Bldg., which has a general fund match of \$75,000, was reduced by \$58,000 and replaced \$133,000 with other funds. NMC gymnasium: the subcommittee accepted the Executive recommendation to reduce general fund by \$82,500. University System Deferred Maintenance: the subcommittee adopted the Executive recommendation and reduced this by \$82,500. Capitol Parking Lot: there was \$50,000 taken out in the first year and an additional \$15,104 plus in the second year making it a total of \$103,104 for the biennium. She gave the remainder of the reductions, which are listed on the gold worksheet.

Motion: REP. CONNELLY moved adoption of the subcommittee's recommendations.

Discussion: CHAIR BARDANOUE said they worked very hard in that

committee and came up with \$695,514 more than the Governor recommended.

Vote: Motion passed unanimously.

REP. CONNELLY said the subcommittee took funds which diverts \$103,865 in Vo-Tech dividends deposited in the not expendable trust fund for Capital projects which the Montana Arts Council offered. This was an 8% reduction in their grants. She said because people had been working on this for two years and often getting matching funds, they did not think it fair to take it away the grant. They decided to take this diversion for FY '93 only. The Arts Council agreed and this will replace general funds. She said they had a committee bill to give five grants funding water activities in DNRC. They are the Carbon County/Roberts Water System for \$47,500; Cascade Water System for \$50,000; Cascade Landfill and Park for \$11,711; Cataract Creek Reclamation for \$21,565, and Grasshopper Creek Restoration for \$2,274. She said these grant projects meet Executive recommendations, but various things had happened to bog them down and that is why these were taken. She said there would be general fund savings here.

Motion/Vote: REP. CONNELLY moved the subcommittee recommendations be adopted. Motion passed unanimously.

Motion/Vote: REP. CONNELLY moved section F on LRP be closed. Motion passed unanimously.

#### NATURAL RESOURCES & COMMERCE

REP. KIMBERLEY, Chair for the Subcommittee on Natural Resources & Commerce, introduced the members of the subcommittee and said Section C varies from the Executive in only three agencies. It has \$1,053,361 more in cuts than the Executive. In the Dept. of State Lands, there are \$800,000 contingency funds for forest fire supplementals that was removed. It is more than likely this will be contained in the supplementals in '93. The DNRC is \$51,799 less based on the action taken by the section A subcommittee. In the Dept. of Commerce there is \$305,160 operational cuts more than the Executive. This subcommittee is one with the greatest reductions over the Executive.

#### Public Service Commission

##### C-2 LFA

REP. KIMBERLEY said there is no worksheet for the PSC because it was not included in the Governor's proposal and the subcommittee ruled not to act on it. Any decrease in the Commission's budget would have to be offset by reduction in utility tax collected.

Motion/Vote: REP. KIMBERLEY moved to accept the subcommittee report. Motion passed unanimously.

Department of Livestock  
C-13 LFA, C-B Exec., White worksheet

REP. KIMBERLEY said the subcommittee accepted the Governor's recommendations and there are two funding switches in the DOL: one is to reinstate the Meat and Poultry Inspection program and the effect was to reduce the general fund appropriation and to increase the federal appropriations. In the Diagnostic Labs, FY 92 general fund, Personal Services appropriations would be reduced by \$45,000 and replaced by state special revenue accounts.

Motion/Vote: REP. KIMBERLEY moved adoption of the subcommittee recommendations. Motion passed unanimously.

Department of State Lands  
C-7 LFA, C-4 Exec., White worksheet

REP. KIMBERLEY said the committee refused to reduce equalization to the counties that they receive in lieu of taxes and the director took the \$21,200 involved out of program and reductions and is reflected on the print-out. The other has to do with the \$800,000 in regard to the fire prevention he had already mentioned.

Motion: REP. KIMBERLEY moved adoption of the subcommittee recommendation for the Department of State Lands.

Discussion: CHAIR BARDANOUVE asked about the Nursery Program and was told that was merely a funding switch.

REP. COBB asked if the \$800,000 is a debt for an actual fire already or for the rest of the year? REP. KIMBERLEY said this was contingency for future fires.

Vote: Motion passed unanimously.

REP. KADAS said he was under the impression the mods granted last session were the economic impact statement for access to trust lands. He asked if this was included in the reductions? He told Director Casey he was under the impression that the \$250,000 and \$300,000 that was appropriated for the economic impact statement was deemed unnecessary and was cut. He asked if this were the case and Mr. Casey, Director, State Lands, said at no time was it deemed unnecessary. He said however, when the first evaluation of cuts were made they suggested that cut and it was accepted by the budget office. After that, we went out to 12 cities in Montana and had hearings on the rules imposed to implement recreational access and although the economic study was not a part of those hearings, the issue was raised. Both the leasers and the sports people said they believed the \$250,000 study was a necessary part of that program. He reported that to the budget office and they reinstated it.

REP. KADAS asked if this would have been reinstated if there was not a special session? Mr. Casey said he would suspect so, but you would have to ask the budget office that question.

Motion REP. KADAS moved to cut the \$250,000 for the economic study. He did not think it necessary at the time and still didn't.

REP. GRADY said he would resist the motion. He said if anybody had been to those hearings they would know more now than ever that we need that economic study. This access to state lands bill has turned into a lot larger issue than it was to start. The sportsmen now are trying to get into the rule making process and wanting year-round access to state lands. Those of us who supported that bill at the time were under the understanding this would only be during hunting season and that period of time which is between six weeks and two months. Now they are wanting coyote calling, gopher hunting scouting, etc., which is nearly year-around activities. This will put a lot more pressure on the lessee and felt that now, more than ever, we need this economic study. We worked this budget so we could leave this in. State Lands has taken the Executive amount of budget out and he felt it was more important to leave this in.

REP. SWYSGOOD said he would echo REP. GRADY's comments. He said we attended these hearings and during the session when we worked on this controversial bill, it was put together with the understanding that these parts be agreed upon and compromised on. That economic study was an essential part of that compromise, and during the hearings, it was indicated that assessment was necessary. He said another issue for the Legislature to look at was getting a fair return for our school trust lands. He said there needs to be a fair gauge of funds for different activities, and he would urge the committee to think seriously about this before voting for the motion.

REP. ZOOK said he agreed with what has been said and, in addition, if the money for the economic study had not been included in that bill, the vote would have been quite different. This is an important issue to a lot of people and felt it would be a big mistake to take this money out.

REP. PECK said on the other side, we are sitting here looking at some priorities and he could not believe we would want to cut education and aid to people to the extent we have and turn around and say we have to spend \$250,000 for this.

REP. COBB said this might show that we are not paying enough for school trust stands and that money could be used for education.

REP. ZOOK said this is no ploy on the part of the Livestock Industry. This is a sincere attempt to find out if State lands are getting a fair return from the results of this bill. He said he would be surprised if this didn't benefit education.

**CHAIR BARDANOUVE** said he appreciated the remarks, but we don't need \$250,000 to know we are not getting a fair return. They are getting less than half of what they should be getting.

**REP. KIMBERLEY** asked Mr. Casey if this would have anything to do with delaying HB 778, the access bill? Mr. Casey said the department is in the process of developing the rules and implementing HB 778 and it would go forward.

**REP. GRADY** said we are talking about something that is going to affect the number one industry in this state, and we are talking about prioritizing. He said he was both an educator and in the agriculture business and felt this was a high priority in the state and thought the subcommittee had done a good job of staying within the Executive budget or below it. We felt this was a pretty high priority.

**REP. MENAHAN** asked if we don't have the study, could the result be we go with an EIS which would take more in time and cost more? He was told no, they just make the rules.

Vote: Motion failed 3 to 15. Roll call vote #47.

Agriculture Department

C-19 LFA, C-14 Exec., White worksheet.

**REP. KIMBERLEY** said the subcommittee accepted the Governor's cuts.

Motion/Vote: **REP. KIMBERLEY** moved adoption of the subcommittee action. Motion passed unanimously.

Department of Natural Resources

C-14 LFA, C-11 Exec., White worksheet.

**REP. KIMBERLEY** said the subcommittee accepted all but the water courts reductions and the figure presented is \$40,891 in FY '92 and \$40,908 in FY '93. Judge Loble came into the two committees and asked for \$30,000 in '92 and nothing in '93 and our subcommittee agreed to go along with the decision.

Motion/Vote: **REP. KIMBERLEY** moved adoption of the subcommittee recommendation on DNRC. Motion passed unanimously.

Motion: **REP. KADAS** moved a 5% cut in both years for the DNRC in both years which would be \$48,596 in '92 and \$83,469 in '93, less any changes the subcommittee made.

Discussion: **REP. THOFT** said he would request a department response.

Karen Barclay, Director, Department of Resources and Conservation asked to have the question repeated and **REP. KADAS** explained it along with the provisions that had applied to other departments

to give departmental flexibility on where the cuts would be applied. She said they met their target. They exceeded their target and as a 9.6% reversion to the general fund and some of that as reported in the LFA presentation, was comprised of funding switches and new funding sources. She felt they should be getting credit that as a part of our proposal we went out and were able to find other funding sources to accommodate part of the general fund reversion which includes increases in user fees which include private and federal dollars to offset the general fund. In addition, \$133,000 of grant money was included in a funding switch. She said in addition to some of the projects being delayed, we have to leave 12 positions open. The additional cuts you are asking for would require us to leave an additional 4 positions this year and probably 4 to 5 positions open in the second year of the biennium. We do not have those vacant positions. We would have to lay people off and eliminate programs. The programs they would have to eliminate because they are general fund programs would be a field office or eliminate the dam safety program. To accomplish the 12 positions currently left open and the additional positions you are requesting, she cannot leave vacant positions and will have to eliminate a program. She said her general fund budget is centralized in the water division and in the centralized services division. In the water division there is general fund in adjudication and new permits. She said if they cut here, it would cut back the adjudication staff and would lengthen the examination from 12 to about 16 years or 17 years.

**CHAIR BARDANOUVE** asked about a furlough program, rather than laying off people. Wouldn't it be more beneficial to an agency to manage the personnel? **Ms. Barclay** said she appreciated the attempt to provide some flexibility in the management of the agencies, but unfortunately she felt a program like that would be very unfair to a department like Natural Resources. We have a variety of funds, federal, state special, general fund and some private funds, and what we would have is that those people who are not on general fund working the full 40 hour week and someone sitting right beside them that happened to have general fund, like the centralized services or our legal staff, and they would be taking the furlough program. The people who rely on centralized services would be operating inefficiently because the support people would not be there to provide those services.

**REP. KIMBERLEY** said he would resist the motion. He felt the department worked hard on the funding switches, did a good job of going through their budget, met the request of the Governor's cuts, and the subcommittee was thorough in examining the budget.

**Ms. Purdy** said the table you are working on is in regard to how much addition would have to be cut to reach 5%. Since the table has been developed, the subcommittee had not taken any additional cuts in DNRC actual operational budget. They would need to take the entire amount shown upon the table, which is the \$48,596 in '92 and \$83,469 in '93.

Vote REP. KADAS motion for a 5% and 5% cut failed 4 to 14. Roll call vote #48.

Fish, Wildlife and Parks  
C-3 LFA, C-3 Exec., white worksheet

REP. KIMBERLEY said the subcommittee accepted the Governor's cuts to FW&P. The Executive budget reduces personal service appropriations in the Parks Futures Committee modification in Montana Conservation for 8% per year. The Montana Conservation Corps is to be delayed. It will be in operation, but delayed.

Motion/Vote: REP. KIMBERLEY moved the budget be adopted for FW&P. Motion passed 16 to 2, with Reps. Bradley and Cobb voting no.

Department of Commerce

C-21 LFA, C-15 Exec., White worksheet, gold worksheet for language

REP. KIMBERLEY said the subcommittee acted on the budget and brought it back and decided they really hadn't taken their 8% cuts. We went back into subcommittee hearings this morning and presented that information to Director Brooke. They presented additional cuts beyond the coal board grant funds which amounted to \$500,000 in '92 and \$1,500,000 in '93. Along with that, they had a \$56,000 reduction in the Lewis & Clark interpretive center. We went back into subcommittee and asked for the 5% and 8% cuts and the agency came in and agreed to those. He said there was a list of cuts the subcommittee agreed to. (Secretary did not receive a copy of this).

REP. BARDANOUE said operational reductions did not mean anything to him and asked for the cuts to be named. REP. KIMBERLEY said in regard to the Lewis & Clark Interpretive Center, the subcommittee agreed to include that \$56,000 as part of the percentage. The reductions the department brought in were plans for technology, \$40,000 in personal services, which had to do with two investment officers positions not filled for a half year. Cuts under general operating reductions were spread out in a number of different areas with \$4,000 in '92 and \$2500 in '93; Legislative Auditor \$3,000 in '92 and \$3,000 in '93; Legislative Systems \$3,000 and \$3,000; and Indian Affairs \$2,000 and \$2,000.

Tape 8, Side B

REP. KIMBERLEY said Indian Affairs was underfunded. Under Equipment there was \$12,000 in '93 with nothing in '92, and the savings was in not purchasing equipment related to the 1990 census including library shelving, portable computer, and microfiche printer. In county profiles, they cut \$5,000 in '92 and \$15,000 in '93 and eliminated printing of county profiles. They are not discontinuing a service here. This information is

not going to be mailed out, but will still be there on demand. Under Business Development, there was \$34,100 in '92, \$54,413 in '93, and would eliminate the certified communities program and that program provides business development planning and assistance to 44 communities. In that reduction, there is an FTE that was retained and would be moved into another program. In the science and technology science plan there was \$37,974 in '92, \$75,000 in '93, vacancy savings on the operating side. Under weights and measures, we left \$15,000--\$9,300 in '93 was taken out which has to do with purchase of a vehicle. The total reduction for both years is \$305,160 beyond what they presented in their initial budget.

Motion: REP. KIMBERLEY moved the subcommittee action.

Discussion: REP. KADAS asked where the FTE which was removed moved to and Ms. Purdy said they have a position in another bureau which was counseling for business development. That position has been vacant for a number of months and it was reclassified from a higher grade position to a lower grade. The person which was in that position is a 16 year state employee who was a higher grade than the reclassified position that is vacant. The department would like to put that 16 year state employee with the duties of the previous position which has been vacant that is currently at a lower grade. To save going through a reclassification, the department allowed the department to retain that FTE.

REP. KADAS asked how long the other position had been vacant. Ms. Purdy said she could not answer that.

REP. KADAS asked the department how long the position that has been vacant been vacant and Mr. Brooke said about 60 days.

Vote: Motion passed 17 to 1, with Rep. Peck voting no.

Motion: REP. KIMBERLEY moved language on gold worksheet.

REP. KADAS asked the department what the rationale is for the number chosen in the transfer of the coal board money. Mr. Brooke said basically they had the staff identify all contracts that had already been entered into for FY '92, which amounted to about a million dollars. They also identified all applications to be processed and all pre applications that had been received in FY '92 and that amounted to close to \$800,000. Even though you don't anticipate that all the pre-applications will be approved, the budget office left money for '92. In '93 the department proposed a reduction, \$300,000 savings. At the \$500,000 plus remaining figure in FY '93, the average size of the coal board grant is about \$115,000, which will probably go out in about 4 or 5 grants for FY '93.

REP. KADAS asked what is left in the account in '93 after taking out the \$1.5 million and Mr. Brooke said in FY '93, \$2.5 million

appropriated, administration of expense \$162,000, the \$2.4 million available for grants--there were contract commitments that were carried over of \$300,000, which would leave \$2 million available for grants. \$1.5 million was transferred in the second year leaving roughly \$600,000.

**CHAIR BARDANOUE** asked how much money they will be passing out from here to the end of the fiscal year, total. **Mr. Brooke** said they already passed out \$1 million in grants. They have \$1.5 million left.

**REP. KADAS** asked if that was in this fiscal year, after the \$500,000 cut there is still that much left? **Mr. Brooke** said no, \$1 million is already cut in contracting and with the \$500,000 cut there is \$1 million remaining and we have estimated there are \$800,000 worth of grant applications in now in one stage or another.

**REP. KADAS** said if we increase this cut to \$1 million you would still be able to grant another \$500,000 in grants this fiscal year? **Mr. Brooke** said if all the applications under consideration on a pre-application base were approved, we would be short. **CHAIR BARDANOUE** said usually you approve applications to the level of money you have on hand.

**Vote:** **KIMBERLEY'S** motion to adopt the language on the gold sheet passed unanimously.

**Motion/Vote:** **REP. KIMBERLEY** moved the language on the white worksheet be adopted. Motion passed unanimously.

**Motion/Vote:** **REP. KIMBERLEY** moved to close the section on Natural Resources budget. Motion passed unanimously.

#### Department of Institutions and Cultural Education

**REP. MENAHAN**, Chair, Subcommittee on Department of Institutions and Cultural Education, introduced his committee and staff.

#### Montana Arts Council

D-2 LFA, D-2 Exec., White worksheet

**REP. MENAHAN** said they accepted the Executive recommendations. There is \$103,865 in this budget that will come from LRP for coal funds.

**Motion/Vote:** **REP. MENAHAN** moved adoption of the Governor's recommendation and the coal fund switch. Motion passed unanimously.

#### Library Commission

D-4 LFA, D-3 Exec., white worksheet

**REP. MENAHAN** said the subcommittee accepted the Executive

recommendations, except in '93 they cut half. They couldn't make their budgets on supplementals and we left half.

Motion/Vote: REP. MENAHAN moved adoption of the subcommittee recommendations. Motion passed unanimously.

#### Historical Society

D-6 LFA, D-4 Exec., white worksheet

REP. MENAHAN said this was a reduction on capitol tours and vacancy savings, eliminated the tour guide, electronic security, made a fund switch on historic sites and a funding switch with state special/proprietary funding. He said they accepted the executive proposal.

Motion/Vote: REP. MENAHAN moved adoption of the subcommittee recommendation. Motion passed unanimously.

#### Department of Corrections & Human Services

D-9 LFA, D-6 Exec., gold worksheet

General Savings, Community Services, Local Jurisdiction  
Sentencing, Worker's Comp. Rate Adj. and License Plate Factory

Motion/Vote: REP. MENAHAN moved to adopt subcommittee recommendation on the five items. Motion passed unanimously.

#### Population Increase

REP. MENAHAN said the recommendation is for \$425,418 and of that money there was \$115,076 for this population increase, but they had given them some extra money for food and other items so there was no recommendation made by the subcommittee to give them this \$115,000.

Motion/Vote: Motion passed unanimously.

#### Personal Services Shortfall

REP. MENAHAN said the subcommittee accepted the Executive proposal on personal services shortfall and this was vacancy savings again. He said this was an increase because they cannot meet the increased wages and the vacancy savings factor.

Motion/Vote: REP. MENAHAN moved adoption of the subcommittee recommendation. Motion passed unanimously.

#### Corrections Medical

REP. MENAHAN said they denied the Corrections Medical because that is "betting on the future" and did not want to give them that money up front. That is a subcommittee recommendation, not the Executive proposal.

Motion/Vote: REP. MENAHAN moved adoption of the subcommittee recommendation. Motion passed unanimously.

Technical Advisor/MSP

REP. MENAHAN said they were going to contract with someone to come in to help the warden develop some personnel policies, etc., and the subcommittee felt the technical advisor was not something they needed, but could do this with in-staff training. The subcommittee recommendation is not to give them the Technical Advisor.

Motion/Vote: REP. MENAHAN moved adoption of the subcommittee recommendation. Motion passed 17 to 1, with Rep. Peterson voting no.

Galen Program Changes

REP. MENAHAN said the subcommittee did not accept the Governor's recommendations for the \$200,000 and \$800,000. They thought with HB 966, that the committee that has been appointed to study Warm Springs and Galen should be allowed to continue with their study and come back to the '93 session and give recommendations for what should be done.

Motion: REP. MENAHAN moved to adopt the subcommittee recommendation.

Substitute Motion: REP. THOFT moved to adopt the Executive recommendations.

Discussion: REP. THOFT said if cuts are going to be made somewhere, the Galen issue has been studied pretty thoroughly. He thought cuts in the human service program could do a lot more harm than cutting the Galen program and this amounts to \$1 million. He said he was certain the chemical dependency programs would continue to get good care. He said he thought the plan was to reduce the nursing home patient population from 59 to 35 and that level would not be closing Galen. It is just downsizing. He said there are beds available in Warm Springs and Lewistown and it would close out the acute medical care unit at Galen and operate the one at Warm Springs to meet their medical needs. He asked the Director of the Dept. of Corrections to discuss this.

Curt Chisholm, Director, DOC said he would explain what the Galen process is about. He said they have studied this issue immeasurably in regard to the campus situation at the Montana State Hospital (MSH). Of all the programs in the department in terms of priority, we need those services in terms of the criticalness of those services. They are the most vulnerable areas in the department in their judgement. He said they are operating a 32 bed acute hospital on the third floor of one of the buildings that is averaging this year 2.71 patients a day that need acute medical care and it has been less than that for

the past four or five fiscal years. The population averages around 13 patients, but only 2.71 need acute medical care. He said they have sent out 50 or 60 patients a year to the Warm Springs campus that need acute medical care from community centers, hospitals, etc. They do this because of the limitations on the acute care hospital. We are not utilizing that efficiently. He said he did not believe this proposal would preempt the study. They will still have nursing care services on the campus, and a consolidated chemical dependency program there. The campus is there and it will be operational on a limited basis. In view of some of the budget cuts they have taken in the corrections area and in other areas of the department, he did not like to see \$1 million of general fund resources being wasted on those kinds of services.

**REP. MENAHAN** said the subcommittee heard from Dr. Lord and other professionals and said this program went through the regular session. Those people came in and their figures refute the ones Mr. Chisholm has been using. The subcommittee heard this, with the exception of **SEN. BECK**. He asked that this committee accept the subcommittee action. He could bring those people back if necessary and have the members of this committee visit with them and get information from them.

**CHAIR BARDANOUE** asked Mr. Chisholm how long the committee has been in operation and was told it was to operate during the course of this biennium. Its first meeting was in Sept. of '91 and it has met about three times. **CHAIR BARDANOUE** asked if there could be some recommendation? He said he did not like to move in on decisions. He was trying to do this last session and it did not pass. Once the committee was appointed, he felt they should have the opportunity to come in and report before the rug is jerked out from under them. He asked if they would be able to finish their work by July 1 of this fiscal year? Mr. Chisholm said he is a member of that committee and he did not remember how the tentative calendar set-up through Oct. of '92. He said he was not sure they could complete the work by July. **CHAIR BARDANOUE** said if they could get a report they might be able to make some tentative moves in the last year of this biennium.

Vote: Substitute motion failed 6 to 12. Roll call vote #49.

Vote: Original motion to accept subcommittee recommendation passed, 12 to 6. Reverse roll call vote #49.

#### Montana State Hospital Canteen

**REP. MENAHAN** said this is hospital canteen spending authority for increased cost of goods. The subcommittee accepted the Executive proposals.

Motion/Vote: **REP. MENAHAN** moved adoption of the subcommittee recommendation. Motion passed unanimously.

### Inflation Adjustment

Motion/Vote: REP. MENAHAN moved to take the subcommittee recommendation on inflationary adjustment. Motion passed unanimously.

### Program Staffing Levels

REP. MENAHAN said the money is for Eastmont and the Developmental Center to meet the recommendations in order to receive their federal funding. The subcommittee accepted the Executive recommendation.

Motion/Vote: REP. MENAHAN moved adoption of the subcommittee recommendation. Motion passed unanimously.

### Service Contracts - EHSC

REP. MENAHAN said these are service contracts for Eastmont Hospital, which are laundry services, etc., at Eastmont. The subcommittee approved the Executive recommendation.

Motion/Vote: REP. MENAHAN moved adoption of the subcommittee recommendation. Motion passed unanimously.

### Funding Switch

REP. MENAHAN said there was an error in this and it was corrected, so this is a subcommittee recommendation, not an Executive one.

Motion/Vote: REP. MENAHAN moved adoption of the subcommittee recommendation. Motion passed unanimously.

### Ihler Ruling Compliance

REP. MENAHAN said this is the decision on Warm Springs. There is more to this than what is on the gold sheet and in the wording they are going to say there is \$1 million that can follow the 85 patients that can be moved out of the hospital when there is room for them in the communities. This is for 10 staff that will be brought on to meet the Ihler court decision.

CHAIR BARDANOUVE said if you are putting them into the community, then why more staff? REP. MENAHAN said the staff would go to Warm Springs, but there are 85 new patients we have there that will be moved into communities when the space becomes available. The \$1 million which is moved with them can go and can be used to match Medicaid funding which will bring in another \$1 million to follow these people into the communities. The staff will be professional staff recommended by Judge McCarter on the Ihler decision with the ACLU lawsuit that the hospital has to meet for staffing ratio. He said this is the subcommittee recommendation and these are the staffing patterns that were brought to the committee to meet the Ihler court decision.

CHAIR BARDANOUE said if you put them in the community facilities, why do you have to increase the personnel at Warm Springs? REP. MENAHAN said some of them aren't professional staff, but is a better ratio than we have been able to meet.

REP. CODY said they are cutting back on 50 FTE and \$1 million is going to the Mental Health Community Base Centers. They had to increase funding to Warm Springs to reach the Ihler compliance, so there are 50 less FTE and you would have to deduct 10 which leaves 40 less. There is a loss of FTE which is the downsizing which will follow the mental health community base moves.

CHAIR BARDANOUE asked if these 50 FTE will be retired? REP. CODY said that is the plan. CHAIR BARDANOUE said their money will go where? REP. CODY said that is the savings from the 50 which will go to the community mental health facilities and is about \$1 million. The department plans to try to transfer 85 patients into those community health centers.

REP. KADAS asked if there will be a decrease of 50 FTE and an increase of 10 at higher positions? REP. CODY said she assumed they were talking about more professional staff, which would answer the judge's requirement.

REP. THOFT asked Mr. Chisholm to explain this issue. Mr. Chisholm said the state of Montana lost it's defense in the Ihler lawsuit, which is a Civil Rights lawsuit brought against the state on behalf of patients in the MSH. The ruling of the Justice Department basically found them in compliance with many of the issues raised, out of compliance with some. We had to submit a compliance plan relative to the fact that Judge McCarter found us in violation of state law because we were not providing treatment to those people in that in-patient setting at MSH. They were to have submitted a compliance file to her court by Dec. 26. The issue is that the only way, in her judgement, that we can provide treatment to the in-patients at MSH's Warm Springs Campus, is to increase our professional staff to patient ratios. Professional staff is defined as psychiatrists, psychiatric nurses and other professionals such as social workers, psychologists and therapists. To do that, with the population levels we have right now, would require us to ask you people to give us an additional \$800,000 a year for the professional staff. They did not think it made sense, did not think the state could afford it, and it is bad public policy because we feel there is sufficient numbers of patients at MSH's Warm Springs Campus, given the opportunity to be served in the community, that could be served there. As a result, the plan is basically to downsize the size of the patient population at the state hospital and, in effect, lay off some of the direct care nursing staff, but preserve our professional staff and add to that about 10 professional positions. He felt they could come into compliance with the expectations of the court. By reducing patients and nursing staff, in their judgement, they will free up \$1 million of money currently appropriated to MSH's Warm Springs campus and

give that to the community development health centers to provide the services required to sustain and treat the 80 or so patients they expect to successfully get out of the state hospital. He said this plan is totally supported by the mental health services and are able to provide money to serve these patients.

**Tape 9, Side A**

Mr. Chisholm said their decision and the decision of the subcommittee was that they need the 10 positions, and decided to fund those up front with new money. That will allow them to reduce their patient population in the course of the next 6 to 7 months and free up about a million dollars in personal services money to place out into the communities.

**Motion/Vote:** REP. MENAHAN moved to accept the subcommittee recommendation. Motion passed unanimously.

**Elimination of Special Services Modification, Parole Violators Mod and Peace Officers Training Modification**

REP. MENAHAN said the subcommittee did not accept the Executive proposals.

**Motion/Vote:** REP. MENAHAN moved to adopt the subcommittee recommendation. Motion passed unanimously.

**Prison Industries Revolving**

REP. MENAHAN said this is the ranch and they are taking \$505,212 out of the prison ranch out of the cash balance they have and put it into general fund. He said this would leave about \$350,000 for operating costs.

CHAIR BARDANOUVE asked if this wasn't a separate bill? REP. MENAHAN said it will be in a separate bill.

**Motion/Vote:** REP. MENAHAN moved adoption of the subcommittee recommendation. Motion passed unanimously.

**Institutional Reimbursements**

REP. MENAHAN said this is private insurance and would go directly to the general fund. The Executive recommendation was accepted by the subcommittee.

**Motion/Vote:** REP. MENAHAN moved to adopt the subcommittee recommendation. Motion passed unanimously.

**Fiscal 1990 Cost Settlement**

REP. MENAHAN said this was for the Executive for cost settlement of \$1,050,012 which was accepted by the subcommittee.

**Motion/Vote:** REP. MENAHAN moved to adopt the subcommittee recommendation. Motion passed unanimously.

Court Ordered Evaluations

REP. MENAHAN said this is one that the counties are very concerned about. The subcommittee accepted the Executive recommendations.

Motion: REP. MENAHAN moved to adopt the subcommittee recommendations.

Substitute Motion: REP. BRADLEY moved the committee do not adopt that cut.

Discussion: REP. BRADLEY said she would make this motion because she felt it should be consistent with the pass through that was in the Human Services Committee where they did not think it was the right thing to do to pass this sort of thing onto the counties.

REP. SWYSGOOD said he would resist the substitute motion. He realized everyone thought this was passing costs on to the counties that they cannot assume under I-105. He said this goes a little further since these counties can bill to be reimbursed for this through the court order reimbursement fund. He said earlier in REP. QUILICI's budget there was a \$244,000 request by the Executive to reduce that court order reimbursement account by that much money and we did not make a motion on that because it would have depleted some of the funds that might have affected the counties ability to get reimbursement for the fees charged by the department. Statute requires, but has never been pursued, that they charge the counties for these evaluations. The counties then submit their bill back to the court and receive a percentage reimbursement of those charges. At the end of the year, if there is any money left over in that fund, it is proportioned back to the counties, and this has been done in the last two years. He said this would put some responsibility on the counties to bill the fund, and also to not use the state hospitals as a holding facility until they appear in court. He urged the committee to reject the substitute motion.

There was some discussion on putting this cost onto counties versus having the counties take their cuts along with everyone else, that burden being put on the local taxpayers.

REP. THOFT said this is a pretty hot issue with his County Commissioners and he had spent time visiting with both the Commissioners and the Department. They have sent seven people in for evaluation in 1991 and it was agreed by the County Attorney and the Commissioners that at least one of them should never have been sent down. A big portion of them should have had evaluation in the county jails, so the courts are not being responsible. Either the prosecuting attorneys or the defense attorneys are getting them sent down for a 60 day evaluation they don't need. It simply becomes a holding pen for these people until the courts get around to doing something with them. He felt they were going

to have to make the counties be responsible and cut out that waste of state money.

**REP. QUILICI** asked about the people that were sent down. Did the state reimburse the counties on them? **REP. THOFT** said yes, and he thought they got total reimbursement.

**REP. CODY** said this is in the law that the department will charge the counties, and the department for some reason has not been following the law. They have been breaking it, and if the counties are unhappy about it we should change the statute.

**REP. BRADLEY** closed on her motion by saying she felt the counties were upset not because they are small minded about playing their part in the budget crunch the state is facing, but they're not welcoming it because the Legislature has neither taken them off their freeze or given them the local option in order to do it. She said until the Legislature does make the necessary changes she would not vote for anything that would give them increases.

Vote: Substitute motion failed 4 to 14. Roll call vote #50.

Vote: Original motion by **REP. MENAHAN** passed. Reverse roll call vote #50.

#### Ihler Lawsuit

**REP. MENAHAN** read the language on the white worksheet in regard to the Ihler lawsuit.

Motion/Vote: **REP. MENAHAN** moved the language in the first paragraph beginning "The department may transfer appropriation authority---". Motion passed unanimously.

Motion/Vote: **REP. MENAHAN** moved language in paragraph #2 on the white worksheet. Motion passed unanimously.

Motion/Vote: **REP. MENAHAN** moved language in paragraph #3 on the white worksheet. Motion passed unanimously.

Motion/Vote: **REP. MENAHAN** moved language in paragraph #4 on white worksheet. Motion passed unanimously.

Motion/Vote: **REP. MENAHAN** moved language in paragraph #5 on the white worksheet. Motion passed unanimously.

Motion/Vote: **REP. CODY** moved **EXHIBIT 10** which states the department will have an additional 2% vacancy savings in the central operations division. Motion passed unanimously.

Motion/Vote: **REP. MENAHAN** moved to close section D. Motion passed unanimously.

**BOILER PLATE**

Mrs. Cohea gave a report on what was done today. She said the committee has cut \$3.2 million from the budget so at this point we are \$2.1 million over the Executive budget. She referred the committee to House Bill 2 and said the committee would normally strike everything after the enacting clause and insert the committee bill. She said this would necessitate some other changes.

**Motion/Vote:** REP. PECK moved to strike everything below the enacting clause and the bill as created by this committee be inserted. Motion passed unanimously.

Mrs. Cohea said the staff had worked out with the Legislative Council a number of technical changes. She said at the end of the last session one of the bills that was passed had not yet been signed. It has been signed and there is a lot of contingency language that needs to be stricken. She said her staff has gone over this with the budget office and it looks fine.

**Motion/Vote:** REP. PECK moved to adopt the technical language as created and approved by the OBPP and the LFA be inserted in this bill. Motion passed unanimously.

Mrs. Cohea said the committee has adopted a lot of language today that specifies fund balance transfers. She had met with the budget office and would recommend putting that in one place in the boiler plate so it is easy to find, identify and keep track of so they can balance the budget.

**Motion/Vote:** REP. THOFT moved the new language be put in one place in the boiler plate. Motion passed unanimously.

Mrs. Cohea asked the committee to move to Boiler Plate page 2, section 6. That section was put in at the end of the last session directing her office to roll the personal service reduction through the agencies before the bill was enrolled. At this point there are no specific personal service reductions, but in case some is put on one of the floors, they would ask the committee to consider striking this.

**Motion/Vote:** REP. PECK moved the language dealing with personal services reductions, section 6, HB 2, be deleted. Motion passed unanimously.

Mrs. Cohea said the last two issues, which are the only two substantive changes in the boiler plate, are proposed by the OBPP. Section 2, subsection 3, deals with exceptions to the transfer of personal services. She said as far as she knew, there were no exceptions in the bill except the one you just adopted in the Corrections in Human Services. This language would need to be there to allow that exception.

**Motion:** REP. PECK moved the statement "funds appropriated for personal services may be expended under other categories when specifically authorized by chapter 815, laws of 1991 as amended by this act."

**Discussion:** REP. KADAS asked if this amendment would allow only for the use of personal funds in contracted services in the Institutions budget in response to the Ihler decision and in no other case in the budget is that allowed. Jane Hammond, OBPP said she was not 100% sure of this. She said she knew this is a major exception, and is not absolutely sure there isn't some money in SRS from her position on state continuum. She said they have had this language in their management memo for the last four years. The reason it is here is because the attorneys in the last lawsuit felt they were really stretching things to be using a management memo to further define legislative intent.

CHAIR BARDANOUVE suggested this amendment be taken up on the floor and in the meantime this can be resolved as to whether it is necessary or not.

**Motion withdrawn:** REP. PECK withdrew the motion.

Mrs. Cohea said the last substantive change being proposed by OBPP is on Boiler Plate 3, section 14, and would give explicit direction to the OBPP on how line items must be handled. She said at the end of the last session, the current law is silent on what a line item is and how OBPP must handle it. Historically, when there many fewer line items, OBPP set up separate appropriations for every line item. In the last session the number of line items grew dramatically and it became a little unclear in the discussions at the end of the session as to how OBPP was to handle them. OBPP, in setting up fiscal '92 appropriations, did combine some of the items in the bill and that was at least a subject of discussion in the district court ruling.

**Motion:** REP. PECK moved that section 14, entitled "Appropriations control and reading as follows: Item 1 Except as provided section 2, the budget director may for the purpose of appropriation control, subsequent reporting and management, combine separate appropriations for a program included in chapter 815, laws of 1991 as amended by this act. In combining appropriations, the budget director may not change the appropriation fund source or fiscal period for which the appropriation was made. Subsection 2 reads biennial appropriation and appropriation with specifically defined uses prescribed in chapter 815, laws of 1991 is amended by this act and marked by an asterisk may be controlled and managed separately. Program level appropriations may not be combined.

**Discussion:** REP. KADAS said he was not clear on why this was needed. Why does the budget director need to be able to combine separate appropriations? Ms. Hammond said she felt this was a

critical issue and gave one example of one program in the Dept. of Social Services. The language does not provide any new authority. It simply states what is, at the present time. She said the problem is that although this has been the practice for at least the last three administrations, it has never been written down and therefore became a great concern during the last lawsuit. At the advice of the Attorney General and other attorneys in other state agencies, they said it was time to prepare in advance of lawsuits by having this kind of information in the bill. She distributed EXHIBIT 11 and said this is in the Family Assistance program in the Dept. of SRS. The top half shows it as it was in HB 2 when you left the last session. She said there is the Family Assistance current level general fund in the shaded box followed by five lines ( a through e below that). She said you would assume there would be a current general fund appropriation and four other general fund appropriations, one for each line, and that would be the logical conclusion that a lawyer, reading this bill, would reach. What you see below is what we actually have to do, working with the agency and the LFA in many instances, to set up the appropriation to implement what was legislative intent in this program. In the bottom half you see the shaded amounts of general fund repeated. Across, between the dotted lines, are the seven general fund appropriations that were necessary to implement legislative intent.

Ms. Hammond explained the remainder of EXHIBIT 11 showing the breakdown required to manage this and what would have to be done for the agencies and the accounting department to manage a separate appropriation for 42% of poverty. It's an incremental amount above the current level and you can't charge part of an AFDC benefit to current level and another part to an incremental amount above it. They put those two pieces together in one appropriation to provide benefits equal to 42% of poverty.

REP. KADAS asked what the last lawsuit was. Ms. Hammond said she was referring to the authority of the Governor to reduce budgets. When we were in court a couple months ago, that occasioned their meeting with attorneys from many agencies and the Attorney General's office going over HB 2 with a fine tooth comb for all the issues that arose out of chapter 815 as it was left by the last session. It was the A. G.'s opinion that the lack of language dealing with these appropriations was one of the most critical deficiencies in the way we write our appropriations act.

REP. KADAS asked if the issue arose in the suit. Ms. Hammond said, indirectly, it did. No matter how you write the bill, if it deals in some way with cutting 1% or 2% or 3% of something, if it is defined as an appropriation, or as a part of a program that may or may not include a biennium appropriation for some other item, you can't get there from here unless you know what is in or not in the appropriation.

REP. KADAS asked if it arose in any way in the decision of the

lawsuit? Ms. Hammond said no. REP. KADAS asked if this language would allow the combining of line items within the budget. Ms. Hammond said they had tried in writing the language to indicate that all biennial appropriations, all line items where specific legislative intent is indicated in the language, or where ever there is an asterisk. They added that asterisk factor to give this special session of the legislature additional control so that, if as this bill goes through, you would like to designate anything else, you may do it by amending and adding an asterisk behind the item.

REP. KADAS asked again if this language would allow the combining of line items by the budget office and Ms. Hammond said in the example she had shown under AFDC, two line items were combined. The current level for AFDC benefits and to \$418,910 of the 42% of poverty line items were combined under an appropriation number 12069. The only way to get to 42% of poverty is to combine the current level and the portion of the mod that related to that. She explained each column across EXHIBIT 11. She said where a line item stands alone, they don't combine it, but where, for management purposes, to be able to accomplish the program objectives that were established by the Legislature, yes, they do.

REP. PECK asked Mrs. Cohea if she has any concern about this, and assumed this is an OBPP request. Mrs. Cohea gave an example in HB 2 on a specific page and showed the possible impact of this. She asked the committee to turn to B-12 and B-13 in SRS which has an unusual number of sub-items within each program. If you look at program 07, which is Medical Assistance, which is number 6 in the left hand column, if you go to the end of B-12, all of B-13 and the top of B-14, there is only one starred item in all that which is the Targeted Case Management. OBPP under this language could technically roll up all of those appropriations into one. Normally, the Legislature has set up line item appropriations for two purposes. One is to ensure no more is spent for a program so you couldn't move money in. The other reason is to be able to specifically track those expenditures. She said it was often used so something was not in the base next time or if you want to watch how a program is going. What may happen is that you will lose the ability to track some things. She felt Ms. Hammond has raised a good point, that some of the line items that were created last time, particularly the provider rate increases were extremely difficult for agencies to deal with because it is the same service you are providing and it makes sense to roll that one together. One of the difficulties in adopting the language at this point is that you have stricken everything after the enacting clause so technically there is not asterisks on anything in the bill. Also, the subcommittees did not consider this concept as they moved through, so there has not been a Legislative review at this point of which ones you do want asterisked or not. If you don't accept the language, we are back where we were, which is that the law is silent on the OBPP's authority to do this. Your not accepting the language will not

ensure they don't roll up because they are rolling up now.

**REP. PECK** asked if there is any special concern about doing it in the special session or would it be better to do it in the next regular session? **Mrs. Cohea** said from a detailed point of view as opposed to a policy point of view, if you do re-enact a bill, it gives the Governor the authority to cut X% of an appropriation and we are back to the issue of what is an appropriation.

**CHAIR BARDANOUVE** said if we follow this new concept it will be more difficult to find out what the appropriation is that we are referring to? **Mrs. Cohea** said in the suit, the issue was what can the Governor cut 15% of? Is it a line in HB 2 as enacted by the Legislature or is it 15% of the appropriation that OBPP has set up, which in some cases combines several lines. That issue was not addressed by the court because they ruled another issue, but the question remains.

**CHAIR BARDANOUVE** said he felt it was imperative so if we go into a House Bill which he is sponsoring, they could clearly define what is being cut.

**REP. GRINDE** said if we were to pass in this session another bill or resolution giving the Governor authority, do you think we need this language here to safeguard against another lawsuit or winning a lawsuit? **Mrs. Cohea** said she had not thoroughly reviewed **REP. BARDANOUVE's** bill, but would assume if it speaks to percent of an appropriation, then you still have the issue of what is an appropriation. She believed the Legislative Council had a legal opinion stating that an appropriation was a line in the bill. There has been no counter written legal opinion to her knowledge on that opinion, but the issue has been raised.

**CHAIR BARDANOUVE** said it might be better to wait until the regular session in '93 to give them time enough to analyze what they may be doing.

**REP. COBB** said in the example of Medical Assistance given, if they roll that all in one they could put money between those programs then? **Mrs. Cohea** said it would be her understanding that it could be possible under the language.

**Ms. Hammond** said she would remind everyone that 17-7-138 substantive law states that each operating budget must include expenditures for each agency program. She said that is where they start, is with a program. In looking back in HB 2, stated in the front in Section 3 is the agency and program appropriation tables in the LFA narrative accompanying the bill showing first level expenditures and funding which are five programs adopted as intended. **Mrs. Cohea** said she did not disagree with that. She said traditionally the Legislature has set up line item appropriations and the budget office has set them up separately, and again there were many fewer prior to this biennium, but there has been a change in how the budget office is handling them and

this language would state explicitly they could roll up more.

**CHAIR BARDANOUVE** said he thought it too late tonight to resolve a controversial issue at midnight. He suggested if something can be worked out before the bill leaves the House, we can make an amendment or wait until the regular session.

**REP. GRINDE** said he was concerned about a lawsuit. He knew there was concern that the Governor's office might be trying to pull something here, but if we get into another lawsuit, it will have to be addressed before the next session because that is when the lawsuit will come.

**REP. KADAS** said perhaps it would be appropriate to try to take this issue up when we hear the Chairman's bill. The two are somewhat interwoven, and might be a better place to consider this language.

**Motion withdrawn:** **REP. PECK** withdrew the motion and suggested some members of the committee go down to meet with Ms. Hammond and Mrs. Cohea and try to get a better understanding of it. He was concerned with the timing and felt it might be better to consider this in the next session when a new budget is initiated.

**REP. THOFT** said he thought the concern of the **BARDANOUVE** bill is that it may have to begin in this biennium, and in that case, we had better support this language.

**CHAIR BARDANOUVE** stressed the lateness of the hour in trying to determine a controversial issue of this sort, and suggested waiting until the bill is on the floor of the House. **REP. GRINDE** said he was willing to delay this language, but did not want to delay it until this bill gets on the floor. He wanted some information and consensus when the committee does **REP. BARDANOUVE's** bill, which is up tomorrow. Some of the committee members agreed to wait until the proposed bill was in committee tomorrow.

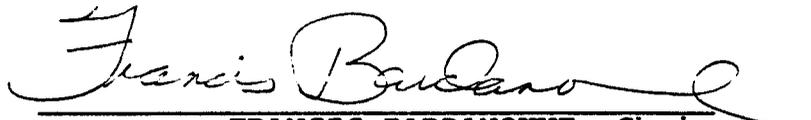
**Motion/Vote:** **REP. MENAHAN** moved House Bill 2, as amended, do pass. Motion passed 16 to 2, with Reps. Thoft and Swysgood voting no.

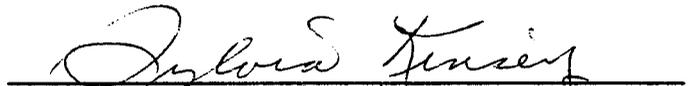
**EXHIBIT 12** was submitted to the Secretary for the official record at the end of the meeting by Julia Robinson, Director, Department of Social and Rehabilitation Services.

**CHAIR BARDANOUVE** announced the Committee would meet in the morning at 9 a.m..

ADJOURNMENT

Adjournment at 11:50 p.m.

  
FRANCIS BARDANOUE, Chair

  
Sylvia Kinsey, Secretary

FB/sk

HOUSE OF REPRESENTATIVES

APPROPRIATIONS COMMITTEE

ROLL CALL

DATE

1-7-92

NAME	PRESENT	ABSENT	EXCUSED
REP. FRANCIS BARDANOUVE, CHAIRMAN	✓		
REP. RAY PECK, VICE-CHAIRMAN	✓		
REP. DOROTHY BRADLEY	✓		
REP. JOHN COBB	✓		
REP. DOROTHY CODY	✓		
REP. MARY ELLEN CONNELLY	✓		
REP. ED GRADY			
REP. LARRY GRINDE	✓		
REP. JOHN JOHNSON	✓		
REP. MIKE KADAS	✓		
REP. BERV KIMBERLEY	✓		
REP. WM. "RED" MENAHAN	✓		
REP. JERRY NISBET	✓		
REP. MARY LOU PETERSON	✓		
REP. JOE QUILICI	✓		
REP. CHUCK SWYSGOOD	✓		
REP. BOB THOFT	✓		
REP. TOM ZOOK	✓		

HOUSE STANDING COMMITTEE REPORT

January 9, 1992

Page 1 of 1

Mr. Speaker: We, the committee on Appropriations report that HB 2 (first reading copy -- white) do pass as amended .

Signed: *Bardanoue*

Francis Bardanoue, Chairman

And, that such amendments read:

\* SEE CHIEF CLERK

STATE OF MONTANA

*Office of the Legislative Fiscal Analyst*

STATE CAPITOL  
HELENA, MONTANA 59620  
406/444-2986



HB  
TERESA OLCOTT COHEA  
LEGISLATIVE FISCAL ANALYST

January 7, 1992

TO: House Appropriations Committee

FROM: Teresa Olcott Cohea  
Legislative Fiscal Analyst

A handwritten signature in cursive script, appearing to read "Teresa Olcott Cohea".

RE: Subcommittee Review

The subcommittees took the following action on January 6, reducing general fund appropriations by \$1,261,959. As the attached summary shows, the subcommittee recommendations are \$5,606,313 above the Executive Budget.

**General Government and Highways-\$95,986**

State Auditor

- 1) Budget reduction of \$18,490 in fiscal 1992.

Judiciary

- 1) Budget reduction of \$5,729 in fiscal 1993.

Secretary of State

- 1) Elimination of second year of microfilm budget modification(\$25,000)

Administration

- 1) Reduction in equipment budget, totalling \$24,767.
- 2) Funding switch in the Personnel Division, for a general fund savings of \$13,000.

3) Reduction of HB509 appropriation to implement the pay plan, for a general fund savings of \$9,000

## **Human Services-\$437,879**

### **Family Services**

1) Increased personal services vacancy savings in Management Support by an additional 3 percent, saving \$96,054.

2) Increased personal services vacancy savings in Community Services by an additional 2 percent, saving \$341,825.

### **Natural Resources and Commerce**

Not yet completed.

## **Institutions and Cultural Education--\$728,094**

### **Corrections and Human Services**

1) Elimination of three budget modifications totalling \$214,640.

2) Impose cost of court-ordered evaluations on counties, starting in fiscal 1993, saving \$513,454.

## **Education**

While there was no overall change in budget reduction, the subcommittee reallocated the budget reductions among agencies.

## **Long Range Planning**

While there were some changes in projects funded, there was no change in overall budget reductions.

TOC3E:lt:hsapprop1-7.mem  
Enclosure

SUBCOMMITTEE ACTION  
Over/(Under)  
EXECUTIVE BUDGET

Subcommittee/Agency	Fiscal 1992 General Fund	Fiscal 1993 General Fund	Biennium General Fund
<i>GENERAL GOVERNMENT &amp; TRANSPORT.</i>			
Legislative Auditor	(\$18,512)	\$57,550	\$39,038
Legislative Fiscal Analyst	0	25,002	25,002
Legislative Council	0	65,164	65,164
Environmental Quality Council	0	0	0
Consumer Counsel	0	0	0
Judiciary	66,429	286,348	352,777
Governor's Office	0	0	0
Secretary of State	0	(25,000)	(25,000)
Commissioner of Political Practices	0	0	0
State Auditor	(18,490)	0	(18,490)
Crime Control Division	0	0	0
Highway Traffic Safety	0	0	0
Justice	0	0	0
Transportation	0	0	0
Revenue	0	0	0
Administration	(91,642)	(5,125)	(96,767)
State Fund	0	0	0
Public Employee's Retire. Board	(9,583)	4,000	(5,583)
Teacher's Retirement Board	0	0	0
Military Affairs	(5,100)	5,100	0
<b>TOTAL</b>	<b>(\$76,898)</b>	<b>\$413,039</b>	<b>\$336,141</b>
<i>HUMAN SERVICES</i>			
Health & Environmental Sciences	\$36,485	\$36,485	\$72,970
Labor & Industry	0	0	0
Social & Rehabilitation Services	562,921	1,904,221	2,467,142
Family Services	875,052	1,529,538	2,404,590
<b>TOTAL</b>	<b>\$1,474,458</b>	<b>\$3,470,244</b>	<b>\$4,944,702</b>
<i>NATURAL RESOURCES AND COMMERCE</i>			
Public Service Regulation	\$0	\$0	\$0
Fish, Wildlife and Parks	0	0	0
State Lands	(800,000)	0	(800,000)
Livestock	0	0	0
Natural Resources & Conservation	10,891	40,908	51,799
Agriculture	0	0	0
Commerce	0	0	0
<b>TOTAL</b>	<b>(\$789,109)</b>	<b>\$40,908</b>	<b>(\$748,201)</b>

<i>INSTITUTIONS AND CULTURAL EDUCATION</i>			
Montana Arts Council	\$0	(\$103,865)	(\$103,865)
Library Commission	0	31,281	31,281
Historical Society	0	0	0
Corrections & Human Services	(683,104)	986,180	303,076
<b>TOTAL</b>	<b>(\$683,104)</b>	<b>\$913,596</b>	<b>\$230,492</b>

<i>EDUCATION</i>			
Board of Public Education	\$0	\$0	\$0
School for the Deaf & Blind	0	0	0
Office of Public Instruction	394,364	195,373	589,737
Commissioner of Higher Education	0	607,504	607,504
Vocational-Technical System	0	17,238	17,238
Six University Units	0	297,719	297,719
Agricultural Experiment Station	0	15,783	15,783
Cooperative Extension Service	0	6,081	6,081
Forestry & Conser. Exp. Station	0	1,475	1,475
Bureau of Mines	0	2,678	2,678
Montana Council of Vocational Ed.	0	0	0
Fire Services Training School	0	478	478
<b>TOTAL</b>	<b>\$394,364</b>	<b>\$1,144,329</b>	<b>\$1,538,693</b>

<i>LONG RANGE PLANNING</i>	(\$695,514)	\$0	(\$695,514)
----------------------------	-------------	-----	-------------

<b>TOTAL SUBCOMMITTEE ACTION</b>	<b>(\$375,803)</b>	<b>\$5,982,116</b>	<b>\$5,606,313</b>
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07:14 AM

01/07/92

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AGENCY	FULLY-FUNDED* OP PLAN	HB02 VAC SAVINGS	SUBCOMM ACTION	TOTAL OUTS	DIFF %	FULLY-FUNDED* OP PLAN	HB02 VAC SAVINGS	SUBCOMM ACTION	TOTAL OUTS	DIFF %
1101 LEG AUDITOR	1,277,986	(5,668)	(78,481)	(84,149)	-6.58%	1,301,260	(5,637)	(3,211)	(8,848)	-0.68%
1102 LEG FISCAL ANALYST	898,224	(4,221)	(48,364)	(52,585)	-5.85%	926,863	(4,260)	(47,156)	(51,416)	-5.55%
1104 LEG COUNCIL	2,180,200	(10,918)	(139,584)	(150,502)	-6.90%	2,182,005	(9,852)	(108,608)	(118,460)	-5.43%
1111 E.Q.C.	298,646	(1,410)	(6,900)	(8,310)	-2.78%	303,285	(1,390)	(7,400)	(8,790)	-2.90%
2110 JUDICIARY	2,508,596	(25,856)	(99,716)	(125,572)	-5.01%	2,550,859	(25,781)	(86,183)	(111,964)	-4.39%
3101 GOVERNOR'S OFFICE	2,770,912	(85,069)	(75,000)	(160,069)	-5.78%	2,661,415	(84,216)	(112,881)	(197,097)	-7.41%
3201 SECRETARY OF STATE	1,079,369	(15,506)	(70,000)	(85,506)	-7.52%	1,029,396	(15,394)	0	(15,394)	-1.50%
3202 COMM OF POL PRACTICE	175,712	(627)	(17,156)	(17,783)	-10.12%	122,672	(591)	0	(591)	-0.48%
3401 STATE AUDITOR	2,480,237	(75,094)	(69,000)	(144,094)	-5.81%	2,376,911	(73,457)	(96,000)	(169,457)	-7.13%
4107 CRIME CONTROL	509,250	(2,412)	(40,547)	(42,959)	-8.44%	599,679	(2,522)	(13,400)	(15,922)	-2.95%
4110 JUSTICE	11,287,838	(362,069)	(428,942)	(791,011)	-7.01%	11,390,441	(371,405)	(86,376)	(457,781)	-4.02%
5401 TRANSPORTATION	515,798	(18,126)	(47,814)	(65,940)	-10.71%	410,011	(18,100)	(31,353)	(49,453)	-12.06%
5801 REVENUE	18,866,463	(630,786)	(260,300)	(891,086)	-4.72%	19,499,085	(631,475)	(375,495)	(1,006,970)	-5.17%
6101 ADMINISTRATION	3,691,687	(115,429)	(105,514)	(220,943)	-5.98%	3,790,690	(115,157)	(104,539)	(219,696)	-5.89%
6301 MILITARY AFFAIRS	2,322,943	(52,857)	(72,725)	(125,582)	-5.41%	2,158,042	(51,789)	(17,600)	(69,389)	-3.22%

*Sec. House Appropriations*

House Appropriations

Ex. 1

1/7/92

HB 2



# Governor's Executive Budget

Fiscal Years 1992-1993

January 1992 Special Session

A handwritten signature in cursive script, appearing to read "Stan Stephens".

---

Stan Stephens, Governor  
State of Montana

1-7-92

Exhibit 2 contains spreadsheets from the Executive Budget proposal. The originals are available at the Montana Historical Society, 225 No. Roberts, Helena, MT 59624. (406-444-4775)

EX. 3

1/7/92

HB 2

# BUDGET ANALYSIS

## JANUARY 1992

# SPECIAL SESSION



# OFFICE OF THE LEGISLATIVE FISCAL ANALYST



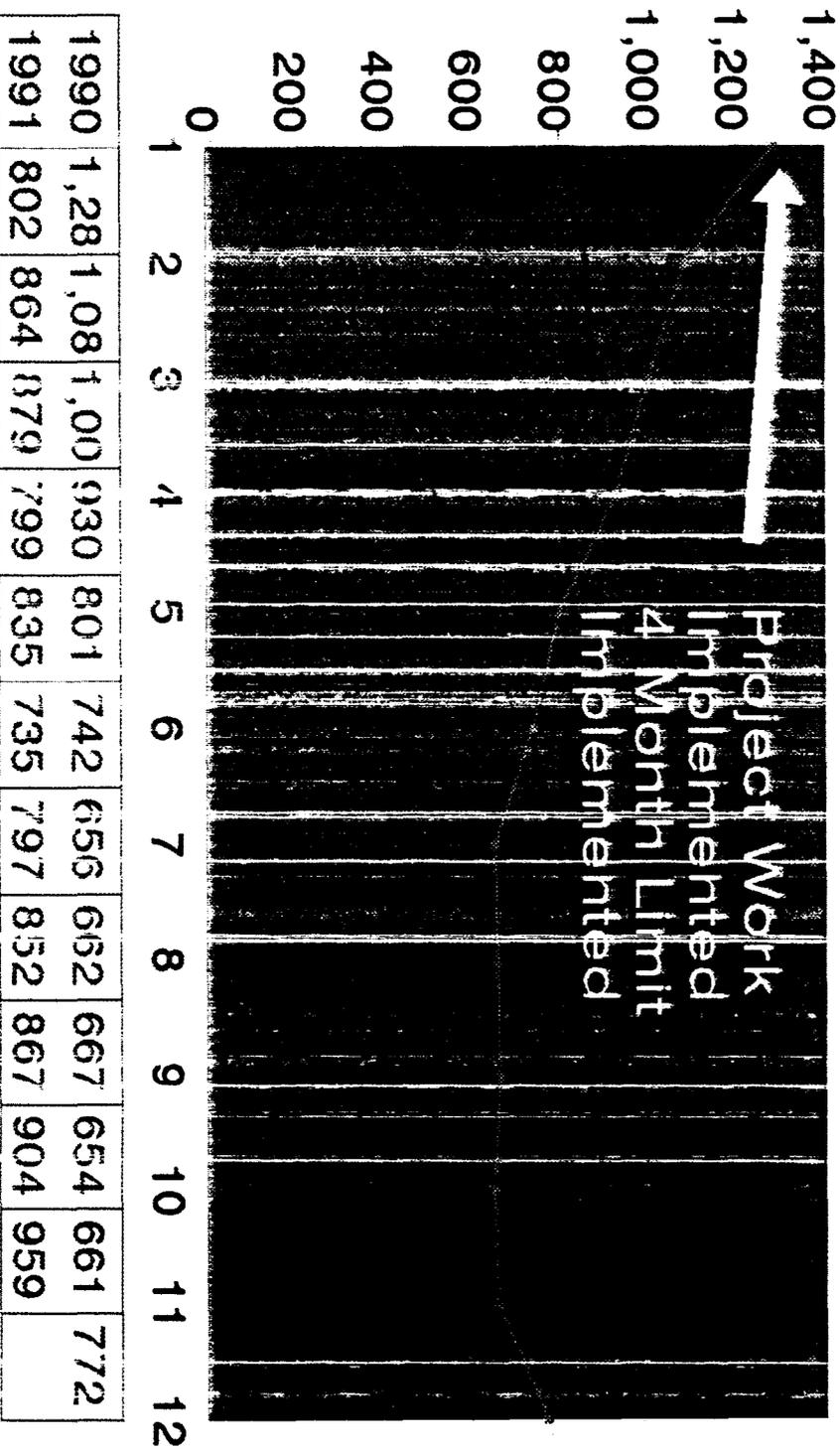
HELENA, MONTANA • JANUARY 1992

201/8  
 11/19/90  
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 11/19/90

# GVA Caseload

July, 1990 - November, 1991

GVA Caseload



--- 1990  
 + 1991

Although GVA caseload initially stabilized around 660, it has since climbed to over 900.

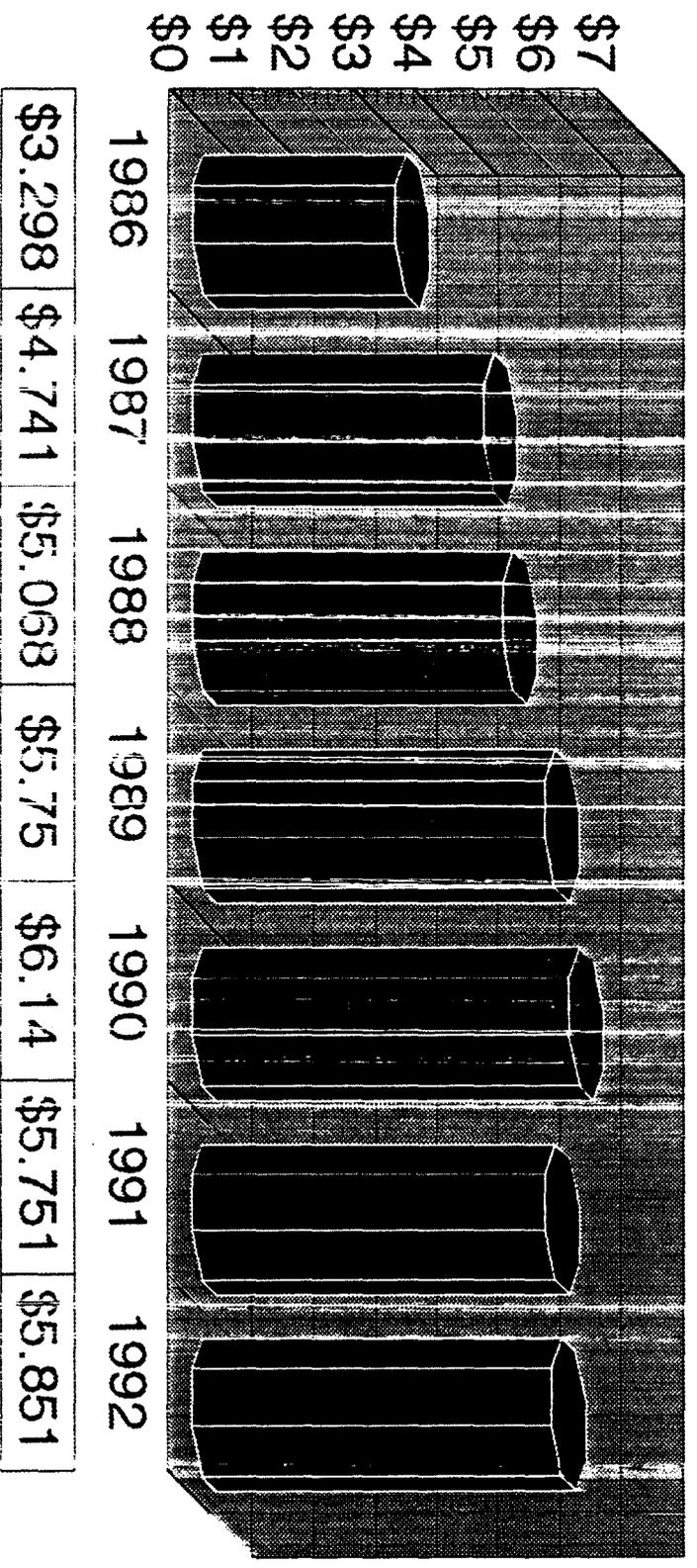
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*11/19/92*  
*2*

# State Medical Expenses

FY 1986 - 1992

EXPIRES 11/19/92  
DATE 2

Cost in Million \$



Fiscal Year

85% of State Medical costs are from GA recipients.

FY 92 costs are estimated.

Project Work and 4 month limit implemented in January, 1991

EXHIBIT 5  
DATE 4/2/92  
HB 2

# 'Monday Night Massacre' cuts draw some criticism

By BILL LOMBARDI  
IR State Bureau

Lobbyist Jim Smith called it the "Monday Night Massacre."

It was the night — late Monday evening — when a six-member legislative panel, which had received its directions from the administration and legislative leaders of both parties, cut about \$8 million of spending out of the proposed state budget.

Rep. John Cobb, an Augusta rancher, lawyer and Republican known for his fiscal conservatism, however, objected to some of the \$3.5 million in human services reductions, especially cuts in proposed program expansions for the state's developmentally disabled.

But with the legislative session reaching a crescendo and lawmakers itching to get home, Cobb's and other lawmakers' attempts to restore some funding to human services program increases and expansions were unsuccessful.

"We're talking about people who can't help themselves," said Rep. Dave Brown, D-Butte, who opposed the cuts.

Rep. Dorothy Bradley, D-Bozeman and chairman of the House Appropriations subcommittee on human services, defended the cuts, saying few state agencies were spared the paring knife.

However, she said, "There are human beings behind those numbers."

Brown argued that certain cuts didn't have to be made because the state now is projected to realize a \$24-million surplus at the end of the 1993 fiscal year.

The panel's action included:

■ Eliminating a children's dental program expansion that would have increased the amount of Medicaid reimbursements to dentists from the current 66 percent of billed charges to 79 percent of billed charges for child patients. State savings - \$122,641.

■ Delaying increases in Medicaid reimbursements to nursing homes to save \$721,353 in state

---

**6** What we're doing in this state is not taking care of the people who need help.

---

money.

■ Delaying increases in Medicaid reimbursements to hospitals by three months in fiscal 1993 to save \$306,871. The state generally has increased Medicaid reimbursements to help compensate hospitals, nursing homes and other providers for the actual costs of their services to low-income clients.

■ Reducing from 5 percent to 4.5 percent the increase given to community-based providers for the developmentally disabled and the visually impaired in the vocational rehabilitation program. Savings - \$381,422.

■ Cutting \$342,504 from increases in Medicaid reimbursements over the next two years to obstetricians, gynecologists and pediatricians under a plan to pay them closer to their billed charges for Medicaid patients.

■ Cutting the proposed expansion of the Early Periodic Screening, Diagnosis and Testing program, a Medicaid program for children to help prevent health problems. The case-management portion of the program won't be completed this biennium. Savings - \$180,346.

■ Cutting \$300,000 in the first year from the proposed expansion of a developmentally disabled program that would provide early intervention to infants up to 36 months.

■ Cutting by half the proposed increase in openings — to reduce the lengthy waiting lists — for developmentally disabled programs in specialized family care, adult residential care and adult day programs. Savings - \$363,558.

"What we're doing in this state is not taking care of the people who need the help," Bradley said. "It wasn't all negative, though. The fact of the matter is we got some good things in our budget."

HOUSE APPROPRIATIONS COMMITTEE ACTION  
 January 7, 1992  
 Morning

EXHIBIT 6  
 DATE 1/7/92  
 HB 2

Agency	----- Fiscal 1992 -----			----- Fiscal 1993 -----			----- Biennium -----			Grand Total
	Cut	Funding Switch	Additional Revenue	Cut	Funding Switch	Additional Revenue	Cut	Funding Switch	Additional Revenue	
Judiciary	\$24,421			\$110,094			\$134,515	\$0	\$0	\$134,515
Governor Office	59,292			41,751			101,043	0	0	101,043
Comptroller of State						150,000	0	0	150,000	150,000
State Auditor	32,767			19,173	41,850		51,940	41,850	0	93,790
<b>Total</b>	<b>\$116,480</b>	<b>\$0</b>	<b>\$0</b>	<b>\$171,018</b>	<b>\$41,850</b>	<b>\$150,000</b>	<b>\$287,498</b>	<b>\$41,850</b>	<b>\$150,000</b>	<b>\$479,348</b>

EXHIBIT 7  
 DATE 1/19/92  
 HB 2

HOUSE APPROPRIATIONS COMMITTEE  
 ADDITIONAL REDUCTIONS TO SUBCOMMITTEES, GENERAL FUND ACTIONS  
 January 7, 1992 5:00 PM

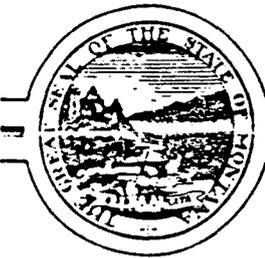
Agency	Fiscal 1992			Fiscal 1993			Biennium			
	Cut	Funding Switch	Additional Revenue	Cut	Funding Switch	Additional Revenue	Cut	Funding Switch	Additional Revenue	Biennium Total
<b>SECTION A</b>										
Judiciary	\$24,421	\$0	\$0	\$110,094	\$0	\$0	\$134,515	\$0	\$0	\$134,515
Governor Office	59,292	0	0	41,751	0	0	101,043	0	0	101,043
Sec. of State	32,767	0	0	19,173	0	150,000	150,000	150,000	0	150,000
State Auditor	31,657	0	0	71,113	0	0	51,940	41,850	0	93,790
Administration							102,770	0	0	102,770
<b>TOTAL</b>	<b>\$148,137</b>	<b>\$0</b>	<b>\$0</b>	<b>\$242,131</b>	<b>\$41,850</b>	<b>\$150,000</b>	<b>\$390,268</b>	<b>\$41,850</b>	<b>\$150,000</b>	<b>\$582,118</b>
<b>SECTION B *</b>										
Health	\$18,500	\$0	\$0	\$143,500	\$0	\$0	\$162,000	\$0	\$0	\$162,000
SRS	57,475	0	0	1,031,730	0	0	1,089,225	0	0	1,089,225
<b>TOTAL</b>	<b>\$75,975</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,175,230</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,251,225</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,251,225</b>
<b>SECTION C **</b>										
<b>SECTION D **</b>										
<b>SECTION E</b>										
<b>TOTAL</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>TOTAL CHANGE</b>	<b>\$224,112</b>	<b>\$0</b>	<b>\$150,000</b>	<b>\$1,417,381</b>	<b>\$41,850</b>	<b>\$150,000</b>	<b>\$1,641,493</b>	<b>\$41,850</b>	<b>\$150,000</b>	<b>\$1,833,343</b>

Action not yet completed on the section.  
 \* Action not yet taken.

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*Robinson 8*  
*47/92*  
*SR*

DEPARTMENT OF  
SOCIAL AND REHABILITATION SERVICES



STAN STEPHENS  
GOVERNOR

STATE OF MONTANA

EXHIBIT 8

DATE 4/7/92

JULIA E. ROBINSON  
DIRECTOR

January 3, 1991

TO: Mike Billings, Director  
Office of Management Analysis and Systems

FROM: Jack Lowney, Budget Analyst  
Family Assistance Division

SUBJECT: *Jack Lowney*  
Day Care Estimates for FY92 and FY93

I have attached estimates of FY92 and FY93 Day Care expenditures if there are no limits places on the participation in Self-Initiated Day Care. The Self-Initiated program has grown an average of 58% annually over the past four years, and there is no indication that the growth will subside.

I estimate that all day care programs would cost \$2.99 million for FY92 and \$4.1 million in FY93. Family Assistance Division was appropriated \$2.201 million in FY92 and \$2.299 million in FY93. Allowing open participation in Self-Initiated Day Care will result in a deficit of \$0.789 million in FY92 and \$1.8 million in FY93. The general fund portion of these expenditures is 28.29% in FY92 and 28.88% in FY93.

c: Norm Waterman, FAD Administrator  
Jon Meredith, FAD Assistant Administrator  
Penny Robbe, Bureau Chief

DAY CARE EXPENDITURES

	SELF-INITIATED *****	JOBS/WIN *****	TRANSITIONAL *****	TOTAL *****
FY88	\$283,936	\$396,851	\$0	\$680,787
FY89	\$403,373	\$600,851	\$0	\$1,004,224
FY90	\$608,824	\$636,384	\$12,232	\$1,257,440
FY91	\$1,072,419	\$519,849	\$316,091	\$1,908,359
EST. FY92	\$1,742,647	\$691,479	\$556,072	\$2,990,198
EST. FY93	\$2,751,818	\$746,797	\$600,558	\$4,099,173

DAY CARE EXPENDITURES

	SELF-INITIATED *****	JOBS/WIN *****	TRANSITIONAL *****	TOTAL *****
FY89	42.06%	51.40%		47.51%
FY90	50.93%	5.91%		25.22%
FY91	76.15%	-18.31%	2484.13%	51.77%
EST. FY92	62.50%	33.02%	75.92%	56.69%
EST. FY93	57.91%	8.00%	8.00%	37.09%

19-Dec-91

DAY CARE EXPENDITURES FY91 AND FY92

	AFDC TRAINING DAY CARE			JOBS/WIN DAY CARE			TRANSITIONAL DAY CARE		
	ACTUAL	CUMULATIVE	CHANGE	ACTUAL	CUMULATIVE	CHANGE	ACTUAL	CUMULATIVE	CHANGE
	FY91	FY92	FY92	FY91	FY92	FY92	FY91	FY92	FY92
JULY	\$33,995	\$50,985	\$16,990	\$17,636	\$48,852	\$31,216	\$12,019	\$33,664	\$21,645
AUGUST	\$33,889	\$84,874	\$50,985	\$17,601	\$66,453	\$48,852	\$21,625	\$55,328	\$33,664
SEPTEMBER	\$56,961	\$141,835	\$66,960	\$29,210	\$95,663	\$66,453	\$18,097	\$73,425	\$40,000
OCTOBER	\$115,793	\$257,628	\$141,835	\$49,527	\$145,190	\$119,439	\$26,747	\$100,172	\$60,000
NOVEMBER	\$104,062	\$361,690	\$115,793	\$51,901	\$197,091	\$178,634	\$26,927	\$127,100	\$67,009
DECEMBER	\$60,891	\$422,581	\$104,062	\$35,653	\$232,744	\$234,955	\$25,812	\$152,912	\$27,168
JANUARY	\$106,510	\$529,091	\$106,510	\$44,652	\$277,396	\$478,910	\$32,373	\$185,285	\$58,000
FEBRUARY	\$113,666	\$642,757	\$113,666	\$55,632	\$333,028	\$513,865	\$26,501	\$211,786	\$65,000
MARCH	\$113,730	\$756,487	\$113,730	\$53,771	\$386,800	\$569,637	\$32,018	\$243,798	\$77,000
APRIL	\$128,091	\$884,578	\$128,091	\$64,945	\$451,745	\$634,582	\$31,156	\$274,954	\$106,000
MAY	\$141,789	\$1,026,367	\$141,789	\$59,633	\$511,378	\$714,964	\$33,265	\$308,219	\$133,000
JUNE	\$65,043	\$1,091,410	\$65,043	\$39,609	\$550,987	\$784,013	\$29,550	\$337,769	\$166,000
FIRST SIX MONTHS		\$635,375			\$691,479			\$556,072	
ESTIMATED FY92		\$1,742,647			\$691,479			\$556,072	

TRAINING DAY CARE \$1,742,647  
WIN/JOB DAY CARE \$691,479  
TRANSITIONAL DAY CARE \$556,072

BUDGET AMOUNT \$2,990,199  
SURPLUS/(DEFICIT) (\$788,793)  
GENERAL FUND (\$220,862)

\*\* Transitional Day Care changes November 1, 1991. For those families under the poverty level 100% minus \$4 is paid by SRS. Before November 1st SRS paid 90% for the first 6 months, 75% for the next two months, 50% for the next two months, and 25% for the final two months. For the estimate it is assumed that all families are below the poverty level and will now receive 100% minus \$4. This means that the new monthly expense will be 43% higher than last year.

\*\* Day care rate increases are effective October 1, 1991. Day care homes are increasing from \$9.50 to \$10.50; day care group homes are increasing from \$10.00 to \$11.00; and day care centers are increasing from \$10.50 to \$11.00. Homes are increasing 18.4%; group homes are increasing 12.5% and centers are increasing 14.3%. In September there were 50% of the kids in Centers, 30% in group homes and 20% in family homes. This will result in a 7.5% increase in overall rates.

DEPARTMENT OF  
SOCIAL AND REHABILITATION SERVICES

EXHIBIT 9  
DATE Jan-09-92  
SHB 2

STAN STEPHENS  
GOVERNOR

JULIA E. ROBINSON  
DIRECTOR

STATE OF MONTANA



P.O. BOX 4210  
HELENA, MONTANA 59604-4210  
(406) 444-5622

January 8, 1992

Representative Francis Bardanoue  
House of Representatives  
State Capitol Building  
Helena, MT 59620

Subject: Medicaid reimbursement to nursing facilities

Dear Representative Bardanoue:

On Tuesday, January 7, 1992, you and other members of the House Appropriations Committee expressed concern regarding the legality of the department's decision to adopt increases in nursing facilities reimbursement rates effective July 1, 1991. In order to answer your concerns, I have requested that Russ Cater, the department's Chief Legal Counsel, prepare a memo detailing these concerns. A copy of his memo is attached.

Mr. Cater's memo indicates that the department has acted within the law in implementing nursing rate increases on July 1, 1991. His memo also indicates that this matter has been reviewed by the Montana Legislative Council and the Office of the Legislative Auditor. In both instances, they have concluded that the department acted within its authority.

If you have any further concerns, please feel free to contact me or Mr. Cater.

Sincerely,

A handwritten signature in cursive script that reads "Julia E. Robinson for".

Julia E. Robinson  
Director

Attachment

cc: House Appropriation Committee members  
Steve Yeakel  
Terry Cohea

DEPARTMENT OF  
SOCIAL AND REHABILITATION SERVICES

EXHIBIT 9

DATE Jan-4-92

HB 2



STAN STEPHENS  
GOVERNOR

JULIA E. ROBINSON  
DIRECTOR

STATE OF MONTANA

P.O. BOX 4210  
HELENA, MONTANA 59604-4210  
(406) 444-5622

January 8, 1992

To: Julia E. Robinson  
Director

From: Russell E. Cater  
Chief Legal Counsel  
Office of Legal Affairs

RC

Subject: Nursing Home rate increase

You have requested that I prepare a summary of the legal analysis which was the basis for the department's implementation of the nursing home rate increase on July 1, 1991. There were numerous discussions regarding this issue during May and June of 1991 but apparently the matter has resurfaced once again during deliberations of the House Appropriations Committee.

The department's decision to implement nursing home rate increases on July 1, 1991 was based upon my legal analysis as well as an administrative decision that it would be in the best interest of the state. The Department of Social and Rehabilitation Services has clear legal authority to establish rules setting rates for reimbursement of Medicaid services pursuant to 53-6-101(5) and 53-6-113(3), MCA.

The complaint raised by members of the House Appropriations Committee focuses upon item 6e on page B-11 of House Bill 2, the General Appropriations Act passed by the 1991 session of the Montana Legislature. The narrative on page B-16 of House Bill 2, states that "the rate increase in item 6e and 6h are funded beginning October 1, 1991." (See also chapter 815, Montana Session Laws 1991 at pages 3247 and 3250.) Line item 6e is entitled "Nursing Home Rate Rebase (Line Item)." The general appropriations for nursing homes is contained in the general category number 6 entitled "Medical Assistance (07)."

The monies needed for the increase to nursing homes beginning on July 1, 1991 were not taken from the appropriations contained in line item 6e. In fact, the department did not fund the rate increase through general appropriations but rather patient contributions. The department was able to

HB.T 9  
DATE Jan 7 - 92  
HB 2

Julia E. Robinson  
January 8, 1992  
Page #2

provide a higher rate of reimbursement because benefits to recipients under Title II and XVI of the Social Security Act have increased.<sup>1</sup>

The department's legal ability to increase nursing reimbursement rates on July 1, 1991 was reviewed by the Montana Legislative Council and the Office of the Legislative Auditor. In both of these instances, it was determined that the department acted within its legal authority. (For your information, I have attached copies of the June 28, 1991 letter from the Office of the Legislative Auditor to Representative Mike Kadas and a June 6, 1991 letter from the Montana Legislative Council to Representative Francis Bardanouve.)

The July 1, 1991 increase in nursing home reimbursement rate was thoroughly discussed during the June 1991 meeting of the Legislative Finance Committee. A complete analysis of the department's rationale for the increase is contained in a memo which was presented to that committee. (See attached memo dated June 13, 1991 from Steve Yeakel and Peter Blouke to members of the Legislative Finance Committee.) That memo details the ability of the department to provide a July 1, 1991 increase in new reimbursement rates and at the same time retain the legislative cut of \$721,353 in general fund which was part of the rebase line item.

Immediately following the legislative session the department was threatened with a lawsuit if the increase was not implemented on July 1, 1991. The lawsuit would have been based on federal law and in particular the Boren Amendment to the Social Security Act. This amendment specifically prohibits states from adopting reimbursement rates to nursing homes and hospitals which are based upon state budgetary constraints rather than necessary costs associated with an efficient and economically operated medical facility. In this case, it was very clear that the legislature changed the reimbursement rate increase from July 1 to October 1 based solely upon budgetary constraints.

---

<sup>1</sup>Federal law limits a Medicaid recipient's personal needs allowance if they are in a nursing home to \$40 per month. Thus, any increase in income to Social Security recipients are automatically paid to the nursing home for their care. This has the effect of reducing the state's share.

Julia E. Robinson  
January 8, 1992  
Page #3

Serious concerns were also raised regarding the department's fiscal year 1991 reimbursement rate for nursing homes.<sup>2</sup> In order to avoid a costly lawsuit which would challenge the department's reimbursement rate for fiscal years 1991 and 1992, the department adopted the increase on July 1, 1991.

In conclusion, the legality for implementing the rate increase on July 1 is adequately supported by sections 53-6-101 and 53-6-113, MCA. This legal authorization is also supported by the previously mentioned correspondence from the Montana Legislative Council and the Office of Legislative Auditor. The rationale for providing the increase and why it is in the best interests to the state is adequately documented in the department's memo to the Interim Finance Committee.

#### Attachments

cc: Nancy Ellery  
Michael G. Billings

---

<sup>2</sup>The federal government was questioning the adequacy of our rates for FY91 at the time the decision was made to increase rates on July 1, 1991. In addition, an independent accounting firm under contract with the department presented a study which demonstrated that Medicaid reimbursement rates were substantially below statewide average nursing home costs. The Montana Health Care Association was also preparing a report to the federal government that showed only 25 of their 91 member facilities (27.5%) had Medicaid rates that covered their costs.

1-10-10  
I move that an additional 2 percent vacancy savings totalling \$14,407 in fiscal 1992 and \$29,790 in fiscal 1993 be imposed on the Central Operations Division of the Department of Corrections and Human Services. (\$44,197 for the biennium)

EXHIBIT 10  
DATE 1/7/92  
HB 2

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EXHIBIT  
DATE 1/17/92  
HB 2

Department of Social & Rehabilitation Services  
Montana Session Laws 1991, Chapter 815, Page 3246.

- 1. Family Assistance (01)
- a. Food Stamp Employment & Training
- b. Day-Care Rate Increase
- c. Food Stamp Job Search Support
- d. Statewide Jobs Program
- e. AFDC/General Assistance at 42% Poverty

TOTAL PGM 01:

General Fund	State Special	Federal Revenue	Total Funds
14,664,197	724,364	44,743,622	60,132,083
33,404		96,000	96,000
43,750		84,673	118,077
709,367		1,931,001	43,750
537,529	29,142	1,135,730	2,840,368
\$15,988,247	\$753,506	\$47,990,926	\$64,732,679

Department of Social & Rehabilitation Services  
Initial General Fund Appropriations set up in SBAS

- 1. Family Assistance (01)
- a. Food Stamp Employment & Training
- b. Day-Care Rate Increase
- c. Food Stamp Job Search Support
- d. Statewide Jobs Program
- e. AFDC/General Assistance at 42% Poverty

TOTAL PGM 01:

General Fund	FAMILY ASST OP # 12053	AFDC # 12069	FAMILY ASST BENGANON RES GA # 12078	PWP # 12896	Food Stamp Job # 12986	JOBS # 12998	Total Approp
14,664,197	777,090	10,412,725	712,994	388,388			14,664,197
33,404			33,404				33,404
43,750					43,750		43,750
709,367						709,367	709,367
537,529		418,910	118,619				537,529
\$15,988,247	\$777,090	\$10,831,635	\$746,398	\$388,388	\$43,750	\$709,367	\$15,988,247

*Handwritten signature*

4/12



STATE OF MONTANA  
Office of the Legislative Auditor

STATE CAPITOL  
HELENA, MONTANA 59620  
406/444-3122

EXHIBIT 12  
DATE Jan 7, 92  
HB 2

LEGISLATIVE AUDITOR:  
SCOTT A. SEACAT

LEGAL COUNSEL:  
JOHN W. NORTHEY

June 28, 1991

DEPUTY LEGISLATIVE AUDITORS:

MARY BRYSON  
Operations and EDP Audit

JAMES GILLET  
Financial-Compliance Audit

JIM PELLEGRINI  
Performance Audit

RECEIVED

JUL - 1 1991

ADMINISTRATION

Representative Mike Kadas  
922 Taylor  
Missoula, MT 59802

Dear Representative Kadas:

During the June 21, 1991, Legislative Audit Committee meeting you requested our office review the legality of the Department of Social and Rehabilitation Services' (SRS) plan to begin nursing home Medicaid rebasing on July 1, 1991, rather than October 1, 1991, as specified by House Bill 2. At issue is the rebasing payments beginning on July 1, because House Bill 2 has specific line-item language in SRS's Medicaid appropriation that states the nursing home rebase funding does not begin until October 1, 1991. State law [section 53-6-113(3), MCA] gives SRS authority to establish rules setting rates for reimbursement of Medicaid services regardless of whether sufficient funds were appropriated by the legislature. Section 53-6-113(3), MCA, states:

The department shall establish by rule the rates for reimbursement of services provided under this part. The department may in its discretion set such rates of reimbursement as it determines necessary for the purposes of the program. In establishing rates of reimbursement, the department may consider but is not limited to:

- (a) the availability of appropriated funds;
- (b) the actual cost of services;
- (c) the quality of services;
- (d) the professional knowledge and skills necessary for the delivery of services; and
- (e) the availability of services. (emphasis added)

Based on this law, the department seems to be operating within its legal authority in starting the nursing home rebasing on July 1, 1991.

Representative Mike Kadas  
June 28, 1991  
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The department plans to fund the higher rebase costs for the months of July, August, and September 1991, out of its "regular" Medicaid program appropriation rather than the specific line-item appropriation for nursing home rebase. SRS officials determined there would be at least \$1,337,506 of additional unanticipated funds in the "regular" Medicaid appropriation during fiscal year 1991-92. They believe funds are available because the patient contributions toward the cost of nursing home care are projected to be higher than initially budgeted. The increased patient contributions from social security and pensions lower the federal and state share of Medicaid reimbursement because the reimbursement payments are reduced by the patient contributions.

The attached report prepared for the Legislative Finance Committee will provide some background into the reasons why SRS choose to allow nursing home rebasing to begin three months early.

I have also enclosed a copy of the letter to Representative Bardanouve from Greg Petesch, Director of the Legal Services of the Legislative Council which explains the legal implications of the SRS decision.

I hope the information will clarify the concerns expressed during the last committee meeting. If you have any questions or if I can be of further assistance, please contact me.

Sincerely,



Wayne Guazzo  
Audit Manager

LE/v/f2

Enclosures

cc: Members of Legislative Audit Committee  
Peter Blouke, Deputy Director, Department of Social and  
Rehabilitation Services

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Senate Members  
GARY C. AKLESTAD  
VICE CHAIRMAN  
DELWYN GAGE  
MIKE HALLIGAN  
J.D. LYNCH

House Members  
RED MENAHAN  
CHAIRMAN  
JAN BROWN  
MARY LOU PETERSON  
JIM RICE

Executive Director  
ROBERT B. PERSON

## Montana Legislative Council

### Legal Services Division

Room 138 • State Capitol  
Helena, Montana 59620-1706  
(406) 444-3064  
FAX (406) 444-3036

Attorneys  
LEE HEIMAN  
VALENCIA LANE  
JOHN MACMASTER  
EDDYE MCCLURE  
DAVID S. NISS  
Legal Researcher  
BARTLEY J. CAMPBELL  
Paralegal  
DOUG STERNBERG

Legal Director  
GREGORY J. PETESCH

June 6, 1991

Representative Francis Bardanouve  
P.O. Box 367  
Harlem, Montana 59526

Dear Representative Bardanouve:

I am writing in response to your request for information concerning nursing home payment rates. The Department of Social and Rehabilitation Services is proposing to increase nursing home payment rates on July 1, 1991.

Item 6e on page B-11 of House Bill No. 2, the general appropriations act, appropriates money for nursing home rate rebase. The narrative on page B-16 of House Bill No. 2, states that "The rate increases in items 6e and 6h are funded beginning October 1, 1991." The Department is apparently planning to use a portion of the money appropriated for medical services to implement the proposed rate increases on July 1, 1991.

There are two statutes that grant the Department authority to establish nursing home reimbursement rates. Section 53-6-101(5), MCA, states:

The department may set rates for medical and other services provided to recipients of medicaid and may enter into contracts for delivery of services to individual recipients or groups of recipients.

Section 53-6-113(3), MCA, states:

The department shall establish by rule the rates for reimbursement of services provided under this part. The department may in its discretion set such rates of reimbursement as it determines necessary for the purposes of the program. In establishing rates of reimbursement, the department may consider but is not limited to:

Representative Francis Bardanoue  
June 7, 1991  
Page 2

- (a) the availability of appropriated funds;
- (b) the actual cost of services;
- (c) the quality of services;
- (d) the professional knowledge and skills necessary for the delivery of services; and
- (e) the availability of services. (emphasis supplied)

The general rule is that appropriation bills may not contain restrictions on the use of money in conflict with existing statutes. City of Helena v. Omholt, 155 Mont. 212, 468 P.2d 764 (1970). The language in the narrative in House Bill No. 2, merely implements 1-2-201, MCA, which states that every statute providing for an appropriation takes effect on the first day of July following passage and approval unless a different time is proscribed therein. The language in House Bill No. 2 is within the parameters of a general appropriations act and is not in conflict with existing statutes.

Sections 46.12.1111 and 46.12.1112 of the Administrative Rules of Montana implement the statutes relating to nursing home reimbursement rates. The rules describe the basis for setting rates and the items and services included in the rates.

The adoption of rules is governed by the Montana Administrative Procedure Act and may be found specifically in Title 2, chapter 4, part 3, MCA. Subsections (3) through (6) of 2-4-305, MCA, contain the requirements for valid rules. The requirements for valid rules include the following provisions:

(3) Each proposed and adopted rule shall include a citation to the specific grant of rulemaking authority pursuant to which it or any part thereof is adopted. In addition, each proposed and adopted rule shall include a citation to the specific section or sections in the Montana Code Annotated which the rule purports to implement.

(4) Each rule proposed and adopted by an agency implementing a policy of a governing board or commission must include a citation to and description of the policy implemented. Each agency rule implementing a policy, as used in the definition set forth in 2-4-102(10), and the policy itself must be based on legal authority and otherwise comply with the requisites for validity of rules established by this chapter.

(5) To be effective, each substantive rule adopted must be within the scope of authority

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conferred and in accordance with standards prescribed by other provisions of law.

(6) Whenever by the express or implied terms of any statute a state agency has authority to adopt rules to implement, interpret, make specific, or otherwise carry out the provisions of the statute, no rule adopted is valid or effective unless:

- (a) consistent and not in conflict with the statute; and
- (b) reasonably necessary to effectuate the purpose of the statute. Such reasonable necessity must be demonstrated in the agency's notice of proposed rulemaking and in the written and oral data, views, comments, or testimony submitted by the public or the agency and considered by the agency.

Section 53-6-113(3), MCA, requires the Department to adopt rules that may take into account the availability of appropriated funds. The Department may not use the funds appropriated in Item 6e for reimbursement payments until October 1, 1991. The Department has specific authority to consider factors other than appropriated funds in establishing rates. The Legislature has provided a mechanism for determining whether a disputed rule is consistent with the intent of the Legislature. Section 2-4-403, MCA, delegates that authority to the Administrative Code Committee as follows:

- (1) If the legislature is not in session, the committee may poll all members of the legislature by mail to determine whether a proposed rule is consistent with the intent of the legislature.
- (2) Should 20 or more legislators object to any rule, the committee shall poll the members of the legislature.
- (3) The poll shall include an opportunity for the agency to present a written justification for the rule to the members of the legislature.

Section 2-4-404, MCA, provides that the results of a poll conducted under 2-4-403, MCA, are admissible in any court proceeding involving the validity of the rule. If a majority of both houses determine that the proposed rule is contrary to legislative intent, the rule is conclusively presumed to be contrary to legislative intent in a court proceeding involving the validity of the rule.

If the Department incurs expenses beyond the amount appropriated for nursing home reimbursement, the Legislature is under no

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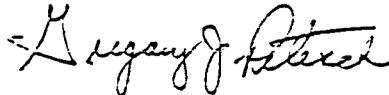
Representative Francis Bardanoue  
June 7, 1991  
Page 4

obligation to provide a supplemental appropriation for the expenses.

The Department is required to establish the nursing home reimbursement rates by rule. If the Legislature does not feel that the rates are consistent with the legislative intent contained in House Bill No. 2, the Legislature should object to the rule establishing the rates.

If you have any questions or if I can provide additional information, please feel free to contact me.

Sincerely,



Gregory J. Petesch, Director  
Legal Services Division

1158gpha

DEPARTMENT OF  
SOCIAL AND REHABILITATION SERVICES

EXHIBIT 12  
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HB 2

STAN STEPHENS  
GOVERNOR

JULIA E. ROBINSON  
DIRECTOR

STATE OF MONTANA

June 13, 1991

P.O. BOX 4210  
HELENA, MONTANA 59604-4210  
(406) 444-5622  
FAX (406) 444-1970

To: Members Legislative Finance Committee

From: Steve Yeakel <sup>SY</sup> Director  
Office of Budget and Program Planning

Peter S. Blouke, Deputy Director <sup>PSB</sup>  
Social and Rehabilitation Services

Subject: Nursing Home Rate Increase

The Department requested this opportunity to appear before the Legislative Finance Committee to present the rationale behind the Department's adjustments to nursing home rates for the 1993 biennium. We believe the adjustments are necessary to avoid costly litigation, are required by federal regulation and, in fact, are consistent with previous direction from the Finance Committee under similar circumstances.

**BACKGROUND**

Reimbursement for nursing home services is a significant portion of the state's medicaid budget. In fiscal 1991, projected nursing home payments accounted for \$56.97 million or 26% of total medicaid expenditures. As the primary payer for nursing home services, medicaid pays for approximately 62 percent of all nursing home beds in the state. Funding for the program is approximately 72 percent federal funds and 28 percent state general fund.

Reimbursement rates for nursing homes are based on a complex formula that takes into consideration such factors as allowable costs incurred in all facilities, the size and geographic location of the facility, the age and type of construction, and the level of nursing care required for the facility's residents. The actual

daily rate an individual facility might receive ranges from \$44.67 to \$72.69 per day. However, for budgeting purposes, a statewide average reimbursement rate is calculated and then multiplied times the projected number of nursing home bed days to arrive at total medicaid costs.

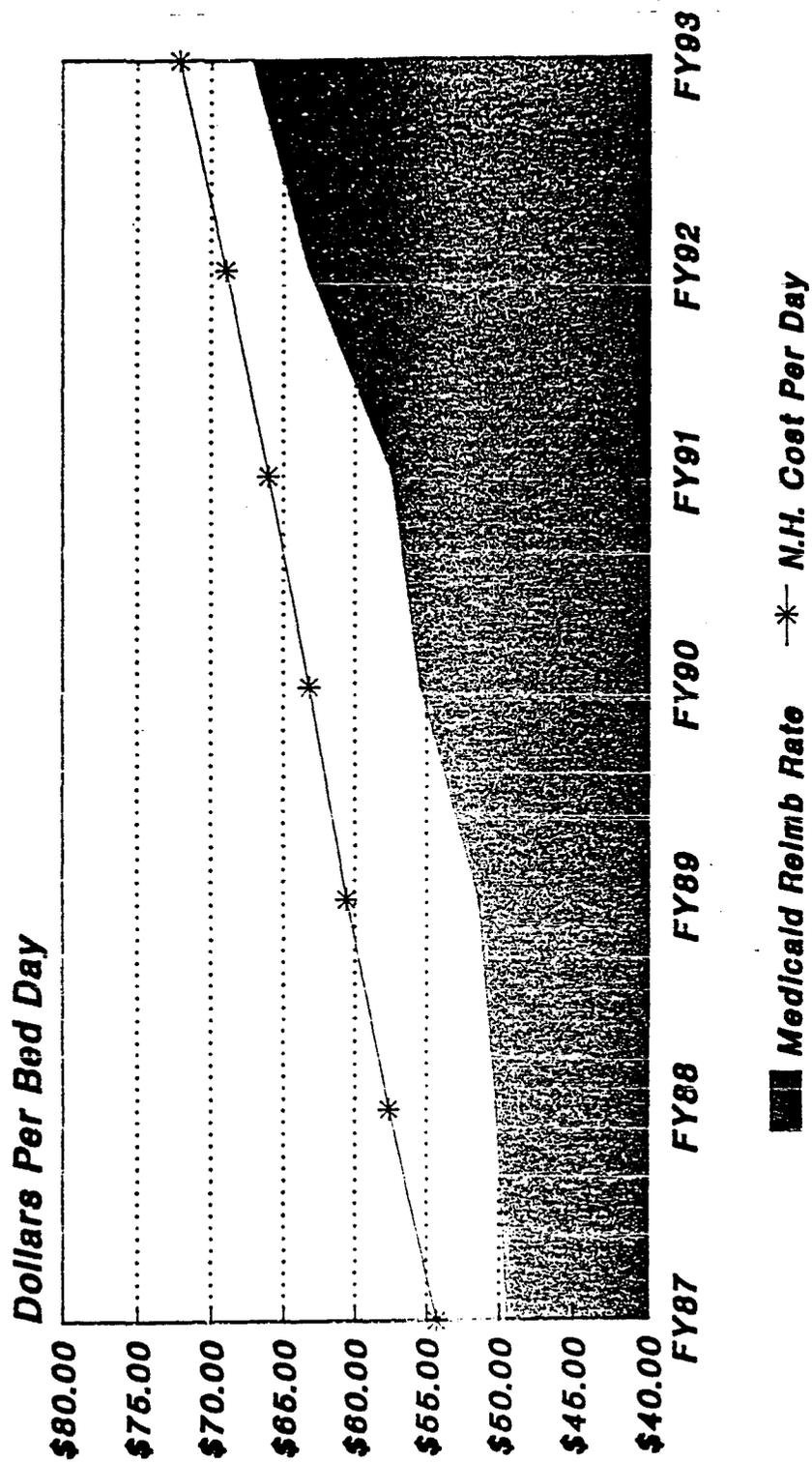
Although medicaid regulations do not require the state to reimburse all nursing home costs, the Boren Amendment of 1980 does require states to establish rates that are reasonable and adequate to meet the costs incurred by efficiently and economically operated facilities. If the state sets reimbursement rates too low, nursing homes may file suit in federal court to establish more equitable payment. Recently, several states have lost lawsuits based on the Boren Amendment requirements for adequate reimbursement rates and have been forced to pay very substantial retroactive settlements.

In 1984, the Montana nursing home industry filed a lawsuit to force the state to increase rates. Following an unfavorable district court decision, the department reached an out-of-court settlement. Nursing home reimbursement rates were increased 8% in fiscal 1984, and an additional 6% in 1985. However, since 1986 the state's increase in reimbursement rates has not kept pace with general health care inflation or the increase in actual nursing home costs (See Chart 1).

#### EXECUTIVE BUDGET REQUEST

During the preliminary analysis of critical budget issues that would need to be presented to the 1991 Legislature, nursing home reimbursement rates were identified as a top priority. Representatives of the Montana Health Care Association, Montana Hospital Association and the Montana Association of Homes for the Aged had met with the department and indicated their strong belief that medicaid reimbursement rates during the 1991 biennium had not kept pace with inflationary increases in health care costs and were not adequate to meet Boren Amendment criteria. However, the nursing home industry agreed to forgo a legal challenge of the 1991

**CHART 1**  
**Nursing Home Reimbursement**  
**1987 Through 1993**



**FY91-FY93 NH Costs are projected at 4.5% Medicaid Reimb. Includes Patient Contrib**

biennium reimbursement rates if adequate reimbursement rates could be established for the 1993 biennium.

Therefore, to objectively establish an equitable base for medicaid reimbursement, SRS contracted with a national accounting firm to study Montana's nursing home reimbursement system. The results of the study showed medicaid reimbursement rates were substantially below statewide average nursing home costs and would fall even further behind unless an adjustment was made.

Based on the results of the accounting firm's analysis, the executive budget included a \$3.77 per bed day increase for fiscal 1992 and an increase of \$3.95 per bed day in fiscal 1993. The total cost of the increase over the 1993 biennium would be \$15.9 million of which \$4.5 million was general fund.

In order to help fund the increase in medicaid reimbursement rates, the department also proposed that a \$1.00 per day utilization fee be assessed on every nursing home bed. The department estimated the utilization fee would generate an additional \$1.8 million in fiscal 1993. When leveraged against federal funds, the additional revenue from the user fee would generate \$6.4 million for support of the proposed nursing home rate rebase.

#### LEGISLATIVE ACTION

During the legislative session, the issue of nursing home reimbursement received a great deal of attention. The executive budget request for nursing homes was adopted by the Appropriations Subcommittee on Human Services with minor changes and ultimately included as part of the department's overall appropriation in House Bill 2. In addition to the funding in House Bill 2, the Legislature also included reimbursement for nursing homes in House Bill 93, the legislation that implemented the nursing home utilization fee proposed by the department. After considerable debate, House Bill 93 was amended to exempt days of care paid for by private individuals from the collection of the fee. In order to finance the additional nursing home funding included in House Bill

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93 and to replace revenue lost by exempting private pay residents, the amount of the utilization fee was increased to \$1.00 per day in fiscal 1992 and \$2.00 per day in fiscal 1993.

On the last day of the legislative session, as part of the negotiations between the Governor's Budget Office and legislative leadership, \$721,353 in general fund was removed from the appropriation for the nursing home rate increases. This reduction in general funds had the effect of shifting the implementation date of the nursing home rate increase by three months in fiscal 1992 from July 1, 1991 to October 1, 1991 and a similar three month delay in fiscal 1993. However, the user fee of \$1.00 per bed day in fiscal 1992 and \$2.00 per bed day in fiscal 1993 were still scheduled for implementation at the beginning of each fiscal year.

#### POST-SESSION ACTION

Immediately after the legislative session, representatives of the nursing home industry contacted the department and indicated that because the rate increase was delayed, they would challenge the adequacy of reimbursement rates in fiscal 1991, and file suit in court to block implementation of the user fee.

A successful legal challenge to the 1991 nursing home reimbursement rates could result in court ordered reimbursement costing the state several millions of dollars. In addition, the disapproval by the federal government of the medicaid state plan could result in the loss of additional millions of federal reimbursement the state would have to replace with general fund. Finally, a lawsuit could also jeopardize implementation of the user fee which would result in the loss of approximately \$17.1 million, revenue which was meant to off set rate increases during the 1993 biennium the state would still be required to pay.

At the time of the last legal challenge by the nursing home industry in 1984, the department was severely criticized by the Finance Committee for not having negotiated a solution that would have avoided expensive litigation and could have resulted in a less

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costly settlement. Therefore, the department requested that the nursing home industry postpone any action pending discussions between the department and the Governor's Office to find a reasonable solution to the situation.

#### DEPARTMENT SOLUTION

To avoid unnecessary and costly litigation and the potential loss of substantial federal revenue, the department has developed a solution that will not require any additional general fund.

Medicaid reimbursement to nursing homes equals the net of established medicaid rates minus any patient contributions from such sources as Social Security, Railroad Retirement, Veteran's Administration benefits, private pensions, or other private income below medical needy standards. (See Table 1). When the budget projections for nursing home bed days were agreed to by the department, the Office of Budget and Program Planning and the Legislative Fiscal Analyst, minimal increases in the amount of patient contributions was included in the projections. As more data became available during the legislative session, it became apparent that patient contributions would be increasing each year during the 1993 biennium. This information was brought to the attention of the Legislature during a conference committee discussion on House Bill 93 but no action was taken at that time to reduce the nursing home appropriation.

By adjusting the actual medicaid reimbursement to account for the increase in patient contributions projected for fiscal 1992 and fiscal 1993, the total amount of medicaid funding available is sufficient to provide the agreed to rate increases at the beginning of each fiscal year rather than imposing a three month delay. No new or additional general funds will be required.

The department has discussed this solution with representatives of the Montana Health Care Association, Montana Hospital Association and the Montana Association of Homes for the Aged who have agreed

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that if the department implements the agreed to medicaid rate increases as described above, they will withdraw their challenge to the 1991 state plan and forgo any litigation for court ordered nursing home reimbursement increases.

TABLE 1

NURSING HOME REIMBURSABLE COSTS AND FUNDING ALLOCATION

I. Budgeted Patient Contribution		
	<u>Fiscal 1992</u>	<u>Fiscal 1993</u>
Medicaid Rate	\$63.22	\$67.15
Patient Contribution	<u>14.90</u>	<u>15.10</u>
Medicaid Reimbursement	\$48.32	\$52.05
II. Increased Patient Contribution		
	<u>Fiscal 1992</u>	<u>Fiscal 1993</u>
Medicaid Rate	\$63.22	\$67.15
Patient Contribution	<u>15.83</u>	<u>16.30</u>
Medicaid Reimbursement	\$47.39	\$50.85
Reimbursement Difference	<u><u>\$0.93</u></u>	<u><u>\$1.20</u></u>
III. Additional Funds		
Bed Days	1,438,178	1,466,941
Add Funds	<u>\$0.93</u>	<u>\$1.20</u>
	\$1,337,506	\$1,760,329
General Fund	\$ 378,380	\$ 494,653
Federal Fund	<u>959,126</u>	<u>1,265,676</u>
Total Funds	\$1,337,506	\$1,760,329

# LEGISLATIVE FISCAL ANALYST

## SUBCOMMITTEE ACTION

Over/(Under)

## EXECUTIVE BUDGET

Subcommittee/Agency	Fiscal 1992 General Fund	Fiscal 1993 General Fund	Biennium General Fund
<b>GENERAL GOVERNMENT &amp; TRANSPORT.</b>			
Legislative Auditor	(\$18,512)	\$57,550	\$39,038
Legislative Fiscal Analyst	0	25,002	25,002
Legislative Council	0	65,164	65,164
Environmental Quality Council	0	0	0
Consumer Counsel	0	0	0
Judiciary	66,429	286,348	352,777
Governor's Office	0	0	0
Secretary of State	0	(25,000)	(25,000)
Commissioner of Political Practices	0	0	0
State Auditor	(18,490)	0	(18,490)
Crime Control Division	0	0	0
Highway Traffic Safety	0	0	0
Justice	0	0	0
Transportation	0	0	0
Revenue	0	0	0
Administration	(91,642)	(5,125)	(96,767)
State Fund	0	0	0
Public Employee's Retire. Board	(9,583)	4,000	(5,583)
Teacher's Retirement Board	0	0	0
Military Affairs	(5,100)	5,100	0
<b>TOTAL</b>	<b>(\$76,898)</b>	<b>\$413,039</b>	<b>\$336,141</b>
<b>HUMAN SERVICES</b>			
Health & Environmental Sciences	\$36,485	\$36,485	\$72,970
Labor & Industry	0	0	0
Social & Rehabilitation Services	562,921	1,904,221	2,467,142
Family Services	875,052	1,529,538	2,404,590
<b>TOTAL</b>	<b>\$1,474,458</b>	<b>\$3,470,244</b>	<b>\$4,944,702</b>
<b>NATURAL RESOURCES AND COMMERCE</b>			
Public Service Regulation	\$0	\$0	\$0
Fish, Wildlife and Parks	0	0	0
State Lands	(800,000)	0	(800,000)
Livestock	0	0	0
Natural Resources & Conservation	10,891	40,908	51,799
Agriculture	0	0	0
Commerce	(128,894)	(176,266)	(305,160)
<b>TOTAL</b>	<b>(\$918,003)</b>	<b>(\$135,358)</b>	<b>(\$1,053,361)</b>

<b>INSTITUTIONS AND CULTURAL EDUCATION</b>			
Montana Arts Council	\$0	(\$103,865)	(\$103,865)
Library Commission	0	31,281	31,281
Historical Society	0	0	0
Corrections & Human Services	(683,104)	986,180	303,076
<b>TOTAL</b>	<b>(\$683,104)</b>	<b>\$913,596</b>	<b>\$230,492</b>

<b>EDUCATION</b>			
Board of Public Education	\$0	\$0	\$0
School for the Deaf & Blind	0	0	0
Office of Public Instruction	394,364	195,373	589,737
Commissioner of Higher Education	0	607,504	607,504
Vocational-Technical System	0	17,238	17,238
Six University Units	0	297,719	297,719
Agricultural Experiment Station	0	15,783	15,783
Cooperative Extension Service	0	6,081	6,081
Forestry & Conser. Exp. Station	0	1,475	1,475
Bureau of Mines	0	2,678	2,678
Montana Council of Vocational Ed.	0	0	0
Fire Services Training School	0	478	478
<b>TOTAL</b>	<b>\$394,364</b>	<b>\$1,144,329</b>	<b>\$1,538,693</b>

<b>LONG RANGE PLANNING</b>	<b>(\$695,514)</b>	<b>\$0</b>	<b>(\$695,514)</b>
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<b>TOTAL SUBCOMMITTEE ACTION</b>	<b>(\$504,697)</b>	<b>\$5,805,850</b>	<b>\$5,301,153</b>
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01/07/92

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HOUSE OF REPRESENTATIVES

APPROPRIATIONS

ROLL CALL VOTE

TIME

DATE 1-7-92 BILL NO. 2 NUMBER 1

MOTION:

Peck OPI 9

NAME	AYE	NO	
REP. RAY PECK, VICE-CHAIRMAN	✓		
REP. DOROTHY BRADLEY		✓	
REP. JOHN COBB	✓		
REP. DOROTHY CODY		✓	
REP. MARY ELLEN CONNELLY		✓	
REP. ED GRADY	✓		
REP. LARRY GRINDE	✓		
REP. JOHN JOHNSON	✓		
REP. MIKE KADAS	✓		
REP. BERV KIMBERLEY		✓	
REP. WM. "RED" MENAHAN	✓		
REP. JERRY NISBET		✓	
REP. MARY LOU PETERSON		✓	
REP. JOE QUILICI			
REP. CHUCK SWYSGOOD		✓	
REP. BOB THOFT		✓	
REP. TOM ZOOK		✓	
REP. FRANCIS BARDANOUVE, CHAIRMAN	✓		
<b>TOTAL</b>	<b>8</b>	<b>9</b>	

HOUSE OF REPRESENTATIVES

APPROPRIATIONS

ROLL CALL VOTE

TIME

~~8~~ 8:40

DATE

1/7/92

BILL NO.

2

NUMBER

2

MOTION:

Kadas

5, 106 - OPI

or 1, 2 + 3

NAME	AYE	NO	ABSENT
REP. RAY PECK, VICE-CHAIRMAN	✓		
REP. DOROTHY BRADLEY	✓		
REP. JOHN COBB	✓		
REP. DOROTHY CODY	✓		
REP. MARY ELLEN CONNELLY	✓		
REP. ED GRADY	✓		
REP. LARRY GRINDE	✓		
REP. JOHN JOHNSON	✓		
REP. MIKE KADAS	✓		
REP. BERV KIMBERLEY	✓		
REP. WM. "RED" MENAHAN	✓		
REP. JERRY NISBET	✓		
REP. MARY LOU PETERSON	✓		
REP. JOE QUILICI			
REP. CHUCK SWYSGOOD		✓	
REP. BOB THOFT		✓	
REP. TOM ZOOK	✓		
REP. FRANCIS BARDANOUVE, CHAIRMAN	✓		
TOTAL	13	2	1

Passed

HOUSE OF REPRESENTATIVES

APPROPRIATIONS

ROLL CALL VOTE

TIME

8:42

DATE 1-7-92

BILL NO. 2

NUMBER 3

MOTION:

Kadas  
45,6,7 @ 87a - Sub Com  
Recom

NAME	AYE	NO	ABSENT
REP. RAY PECK, VICE-CHAIRMAN	✓		
REP. DOROTHY BRADLEY		✓	
REP. JOHN COBB	✓		
REP. DOROTHY CODY		✓	
REP. MARY ELLEN CONNELLY	✓		
REP. ED GRADY	✓		
REP. LARRY GRINDE	✓		
REP. JOHN JOHNSON	✓		
REP. MIKE KADAS	✓		
REP. BERV KIMBERLEY		✓	
REP. WM. "RED" MENAHAN	✓		
REP. JERRY NISBET	✓		
REP. MARY LOU PETERSON		✓	
REP. JOE QUILICI			✓
REP. CHUCK SWYSGOOD		✓	
REP. BOB THOFT		✓	
REP. TOM ZOOK	✓		
REP. FRANCIS BARDANOUVE, CHAIRMAN	✓		
TOTAL	11	6	

*6 out*

HOUSE OF REPRESENTATIVES

APPROPRIATIONS

ROLL CALL VOTE

TIME

8:48 *o*

DATE 1-7-92

BILL NO. 2

NUMBER 4

MOTION:

*Com Office*  
*with 2*

NAME	AYE	NO	ABSENT
REP. RAY PECK, VICE-CHAIRMAN	✓		
REP. DOROTHY BRADLEY		✓	
REP. JOHN COBB	✓		
REP. DOROTHY CODY		✓	
REP. MARY ELLEN CONNELLY		✓	
REP. ED GRADY	✓		
REP. LARRY GRINDE	✓		
REP. JOHN JOHNSON	✓		
REP. MIKE KADAS	✓		
REP. BERV KIMBERLEY		✓	
REP. WM. "RED" MENAHAN		✓	
REP. JERRY NISBET	✓		
REP. MARY LOU PETERSON		✓	
REP. JOE QUILICI			✓
REP. CHUCK SWYSGOOD	✓		
REP. BOB THOFT	✓		
REP. TOM ZOOK	✓		
REP. FRANCIS BARDANOUVE, CHAIRMAN	✓		
TOTAL	11	6	

*Pam*

HOUSE OF REPRESENTATIVES

APPROPRIATIONS

ROLL CALL VOTE

TIME

9:17

DATE

1-7-92

BILL NO.

2

NUMBER

2

MOTION:

Accept the 6 Union Sq. Bldg

accept 6 Un. Sq.

app 4

NAME	AYE	NO	ABSENT
REP. RAY PECK, VICE-CHAIRMAN	✓		
REP. DOROTHY BRADLEY		✓	
REP. JOHN COBB	✓		
REP. DOROTHY CODY	✓		
REP. MARY ELLEN CONNELLY	✓		
REP. ED GRADY	✓		
REP. LARRY GRINDE	✓		
REP. JOHN JOHNSON	✓		
REP. MIKE KADAS	✓		
REP. BERV KIMBERLEY		✓	
REP. WM. "RED" MENAHAN		✓	
REP. JERRY NISBET	✓		
REP. MARY LOU PETERSON	✓		
REP. JOE QUILICI		✓	
REP. CHUCK SWYSGOOD	✓		
REP. BOB THOFT	✓		
REP. TOM ZOOK	✓		
REP. FRANCIS BARDANOUVE, CHAIRMAN	✓		
TOTAL	14	4	

4

6

Gen 60

HOUSE OF REPRESENTATIVES  
APPROPRIATIONS

ROLL CALL VOTE

TIME

10:49 ~~0~~

DATE

1-7-92

BILL NO.

2

NUMBER

6

MOTION:

Kadas 5, Judiciary  
48%

NAME	AYE	NO	ABSENT
REP. RAY PECK, VICE-CHAIRMAN	✓		
REP. DOROTHY BRADLEY		✓	
REP. JOHN COBB		✓	
REP. DOROTHY CODY	✓		
REP. MARY ELLEN CONNELLY	✓		
REP. ED GRADY		✓	
REP. LARRY GRINDE	✓		
REP. JOHN JOHNSON	✓		
REP. MIKE KADAS	✓		
REP. BERV KIMBERLEY	✓		
REP. WM. "RED" MENAHAN		✓	
REP. JERRY NISBET		✓	
REP. MARY LOU PETERSON		✓	
REP. JOE QUILICI		✓	
REP. CHUCK SWYSGOOD	✓		
REP. BOB THOFT	✓		
REP. TOM ZOOK		✓	
REP. FRANCIS BARDANOUVE, CHAIRMAN	✓		
TOTAL			

10-8

HOUSE OF REPRESENTATIVES

APPROPRIATIONS

ROLL CALL VOTE

TIME \_\_\_\_\_

DATE

1-7-92

BILL NO.

2

NUMBER

7

MOTION:

Roll not a CA

Adj. Ord.

NAME	AYE	NO	ABSENT
REP. RAY PECK, VICE-CHAIRMAN		✓	
REP. DOROTHY BRADLEY		✓	
REP. JOHN COBB		✓	
REP. DOROTHY CODY	✓		
REP. MARY ELLEN CONNELLY	✓		
REP. ED GRADY		✓	
REP. LARRY GRINDE		✓	
REP. JOHN JOHNSON	✓		
REP. MIKE KADAS	✓		
REP. BERV KIMBERLEY	✓		
REP. WM. "RED" MENAHAN	✓		
REP. JERRY NISBET	✓		
REP. MARY LOU PETERSON		✓	
REP. JOE QUILICI	✓		
REP. CHUCK SWYSGOOD		✓	
REP. BOB THOFT		✓	
REP. TOM ZOOK		✓	
REP. FRANCIS BARDANOUVE, CHAIRMAN	✓		
TOTAL	9		

9

HOUSE OF REPRESENTATIVES

APPROPRIATIONS

ROLL CALL VOTE

TIME

DATE

1-7-92

BILL NO.

2

NUMBER

108

MOTION:

Kada 5, - 8

NAME	AYE	NO	ABSENT
REP. RAY PECK, VICE-CHAIRMAN	✓		
REP. DOROTHY BRADLEY		✓	
REP. JOHN COBB		✓	
REP. DOROTHY CODY	✓		
REP. MARY ELLEN CONNELLY	✓		
REP. ED GRADY		✓	
REP. LARRY GRINDE		✓	
REP. JOHN JOHNSON	✓		
REP. MIKE KADAS	✓		
REP. BERV KIMBERLEY	✓		
REP. WM. "RED" MENAHAN	✓		
REP. JERRY NISBET	✓		
REP. MARY LOU PETERSON		✓	
REP. JOE QUILICI		✓	
REP. CHUCK SWYSGOOD		✓	
REP. BOB THOFT		✓	
REP. TOM ZOOK		✓	
REP. FRANCIS BARDANOUE, CHAIRMAN	✓		
TOTAL	9	9	

*Julius*

HOUSE OF REPRESENTATIVES

APPROPRIATIONS

ROLL CALL VOTE

TIME

11:21

DATE 1-7-92 BILL NO. \_\_\_\_\_

NUMBER 9

MOTION: \_\_\_\_\_

*Read 5, ✓*

NAME	AYE	NO	ABSENT
REP. RAY PECK, VICE-CHAIRMAN	✓		
REP. DOROTHY BRADLEY	✓		
REP. JOHN COBB		✓	
REP. DOROTHY CODY	✓		
REP. MARY ELLEN CONNELLY	✓		
REP. ED GRADY		✓	
REP. LARRY GRINDE		✓	
REP. JOHN JOHNSON	✓		
REP. MIKE KADAS	✓		
REP. BERV KIMBERLEY	✓		
REP. WM. "RED" MENAHAN	✓		
REP. JERRY NISBET	✓		
REP. MARY LOU PETERSON		✓	
REP. JOE QUILICI	✓		
REP. CHUCK SWYSGOOD		✓	
REP. BOB THOFT		✓	
REP. TOM ZOOK		✓	
REP. FRANCIS BARDANOUVE, CHAIRMAN	✓		
TOTAL	11	7	

*Par*

HOUSE OF REPRESENTATIVES

APPROPRIATIONS

ROLL CALL VOTE

TIME

11:35

DATE

1-7-92

BILL NO.

2

NUMBER

10

MOTION:

5, 26, - 200 ✓  
See 7 State

NAME	AYE	NO	ABSENT
REP. RAY PECK, VICE-CHAIRMAN	✓		
REP. DOROTHY BRADLEY		✓	
REP. JOHN COBB	✓		
REP. DOROTHY CODY	✓		
REP. MARY ELLEN CONNELLY	✓		
REP. ED GRADY		✓	
REP. LARRY GRINDE		✓	
REP. JOHN JOHNSON		✓	
REP. MIKE KADAS	✓		
REP. BERV KIMBERLEY	✓		
REP. WM. "RED" MENAHAN		✓	
REP. JERRY NISBET		✓	
REP. MARY LOU PETERSON		✓	
REP. JOE QUILICI		✓	
REP. CHUCK SWYSGOOD		✓	
REP. BOB THOFT		✓	
REP. TOM ZOOK		✓	
REP. FRANCIS BARDANOUVE, CHAIRMAN	✓		
TOTAL	7	11	

*fraser*

HOUSE OF REPRESENTATIVES

APPROPRIATIONS

ROLL CALL VOTE

TIME

11:40

DATE 1-7-92

BILL NO. 2

NUMBER 11

MOTION:

*Cobb*

*raise fees to Corporation*

NAME	AYE	NO	ABSENT
REP. RAY PECK, VICE-CHAIRMAN	✓		
REP. DOROTHY BRADLEY	✓		
REP. JOHN COBB	✓		
REP. DOROTHY CODY	✓		
REP. MARY ELLEN CONNELLY	✓		
REP. ED GRADY		✓	
REP. LARRY GRINDE		✓	
REP. JOHN JOHNSON	✓		
REP. MIKE KADAS	✓		
REP. BERV KIMBERLEY	✓		
REP. WM. "RED" MENAHAN	✓		
REP. JERRY NISBET	✓		
REP. MARY LOU PETERSON		✓	
REP. JOE QUILICI	✓		
REP. CHUCK SWYSGOOD		✓	
REP. BOB THOFT		✓	
REP. TOM ZOOK	✓		
REP. FRANCIS BARDANOUVE, CHAIRMAN	✓		
TOTAL	13	5	

HOUSE OF REPRESENTATIVES

APPROPRIATIONS

ROLL CALL VOTE

TIME

11:47 ~~8~~

DATE

1-7-92

BILL NO.

NUMBER

12

MOTION:

Kadas 5 + 6

~~200~~ Bennetts 9

State Auditor's Office

NAME	AYE	NO	ABSENT
REP. RAY PECK, VICE-CHAIRMAN	✓		
REP. DOROTHY BRADLEY		✓	
REP. JOHN COBB	✓		
REP. DOROTHY CODY	✓		
REP. MARY ELLEN CONNELLY	✓		
REP. ED GRADY		✓	
REP. LARRY GRINDE		✓	
REP. JOHN JOHNSON	✓		
REP. MIKE KADAS	✓		
REP. BERV KIMBERLEY	✓		
REP. WM. "RED" MENAHAN	✓		
REP. JERRY NISBET		✓	
REP. MARY LOU PETERSON		✓	
REP. JOE QUILICI		✓	
REP. CHUCK SWYSGOOD		✓	
REP. BOB THOFT		✓	
REP. TOM ZOOK		✓	
REP. FRANCIS BARDANOUVE, CHAIRMAN	✓		
TOTAL	9	9	

failed

HOUSE OF REPRESENTATIVES

APPROPRIATIONS

ROLL CALL VOTE

TIME

11:50

DATE 1-7-92

BILL NO. 2

NUMBER 13

MOTION:

Kad 5 + 5

NAME	AYE	NO	ABSENT
REP. RAY PECK, VICE-CHAIRMAN	✓		
REP. DOROTHY BRADLEY	✓		
REP. JOHN COBB	✓		
REP. DOROTHY CODY	✓		
REP. MARY ELLEN CONNELLY	✓		
REP. ED GRADY		✓	
REP. LARRY GRINDE	✓		
REP. JOHN JOHNSON	✓		
REP. MIKE KADAS	✓		
REP. BERV KIMBERLEY	✓		
REP. WM. "RED" MENAHAN	✓		
REP. JERRY NISBET	✓		
REP. MARY LOU PETERSON		✓	
REP. JOE QUILICI	✓		
REP. CHUCK SWYSGOOD		✓	
REP. BOB THOFT		✓	
REP. TOM ZOOK		✓	
REP. FRANCIS BARDANOUE, CHAIRMAN	✓		
TOTAL	13	5	

*Pr...*

HOUSE OF REPRESENTATIVES

APPROPRIATIONS

ROLL CALL VOTE

TIME       

DATE 1-7-92

BILL NO. 2

NUMBER 14

MOTION: \_\_\_\_\_

*Kad 5 + 6*  
*AG 9*

NAME	AYE	NO	ABSENT
REP. RAY PECK, VICE-CHAIRMAN	✓		
REP. DOROTHY BRADLEY		✓	
REP. JOHN COBB		✓	
REP. DOROTHY CODY		✓	
REP. MARY ELLEN CONNELLY	✓		
REP. ED GRADY		✓	
REP. LARRY GRINDE		✓	
REP. JOHN JOHNSON	✓		
REP. MIKE KADAS	✓		
REP. BERV KIMBERLEY	✓		
REP. WM. "RED" MENAHAN	✓		
REP. JERRY NISBET		✓	
REP. MARY LOU PETERSON		✓	
REP. JOE QUILICI		✓	
REP. CHUCK SWYSGOOD		✓	
REP. BOB THOFT		✓	
REP. TOM ZOOK		✓	
REP. FRANCIS BARDANOUVE, CHAIRMAN	✓		
TOTAL	7	11	

HOUSE OF REPRESENTATIVES

APPROPRIATIONS

ROLL CALL VOTE

TIME

12:17

DATE

BILL NO.

NUMBER

15

MOTION:

5 + 5

AG

NAME	AYE	NO	ABSENT
REP. RAY PECK, VICE-CHAIRMAN	✓		
REP. DOROTHY BRADLEY		✓	
REP. JOHN COBB		✓	
REP. DOROTHY CODY		✓	
REP. MARY ELLEN CONNELLY	✓		
REP. ED GRADY		✓	
REP. LARRY GRINDE		✓	
REP. JOHN JOHNSON	✓		
REP. MIKE KADAS	✓		
REP. BERV KIMBERLEY	✓		
REP. WM. "RED" MENAHAN	✓		
REP. JERRY NISBET		✓	
REP. MARY LOU PETERSON		✓	
REP. JOE QUILICI		✓	
REP. CHUCK SWYSGOOD		✓	
REP. BOB THOFT		✓	
REP. TOM ZOOK		✓	
REP. FRANCIS BARDANOUVE, CHAIRMAN	✓		
TOTAL	11	11	

*friled*

HOUSE OF REPRESENTATIVES

APPROPRIATIONS

ROLL CALL VOTE

TIME

1:41

DATE \_\_\_\_\_

BILL NO. \_\_\_\_\_

NUMBER 16

MOTION:

Kada 4+4

bl

NAME	AYE	NO	ABSENT
REP. RAY PECK, VICE-CHAIRMAN	✓		
REP. DOROTHY BRADLEY		✓	
REP. JOHN COBB	✓		
REP. DOROTHY CODY	✓		
REP. MARY ELLEN CONNELLY	✓		
REP. ED GRADY		✓	
REP. LARRY GRINDE		✓	
REP. JOHN JOHNSON	✓		
REP. MIKE KADAS	✓		
REP. BERV KIMBERLEY	✓		
REP. WM. "RED" MENAHAN		✓	
REP. JERRY NISBET	✓		
REP. MARY LOU PETERSON		✓	
REP. JOE QUILICI		✓	
REP. CHUCK SWYSGOOD		✓	
REP. BOB THOFT		✓	
REP. TOM ZOOK		✓	
REP. FRANCIS BARDANOUVE, CHAIRMAN	✓		
TOTAL	9	9	

*Quilici*

HOUSE OF REPRESENTATIVES

APPROPRIATIONS

ROLL CALL VOTE

TIME

17

DATE

1-7-92

BILL NO.

2

NUMBER

2129

MOTION:

Mike Kadas  
5 + 8 ✓

Dept of Admin

NAME	AYE	NO	ABSENT
REP. RAY PECK, VICE-CHAIRMAN	✓		
REP. DOROTHY BRADLEY		✓	
REP. JOHN COBB		✓	
REP. DOROTHY CODY	✓		
REP. MARY ELLEN CONNELLY	✓		
REP. ED GRADY		✓	
REP. LARRY GRINDE		✓	
REP. JOHN JOHNSON	✓		
REP. MIKE KADAS	✓		
REP. BERV KIMBERLEY	✓		
REP. WM. "RED" MENAHAN		✓	
REP. JERRY NISBET	✓		
REP. MARY LOU PETERSON		✓	
REP. JOE QUILICI	✓		
REP. CHUCK SWYSGOOD		✓	
REP. BOB THOFT		✓	
REP. TOM ZOOK		✓	
REP. FRANCIS BARDANOUVE, CHAIRMAN	✓		
TOTAL	9	9	

Francis

HOUSE OF REPRESENTATIVES

APPROPRIATIONS

ROLL CALL VOTE

TIME

2:31

DATE

1-7-92

BILL NO.

2

NUMBER

18

MOTION:

5+5

Kadas

Dept of Edm

NAME	AYE	NO	ABSENT
REP. RAY PECK, VICE-CHAIRMAN	✓		
REP. DOROTHY BRADLEY	✓		
REP. JOHN COBB	✓		
REP. DOROTHY CODY	✓		
REP. MARY ELLEN CONNELLY	✓		
REP. ED GRADY		✓	
REP. LARRY GRINDE		✓	
REP. JOHN JOHNSON	✓		
REP. MIKE KADAS	✓		
REP. BERV KIMBERLEY	✓		
REP. WM. "RED" MENAHAN		✓	
REP. JERRY NISBET	✓		
REP. MARY LOU PETERSON		✓	
REP. JOE QUILICI	✓		
REP. CHUCK SWYSGOOD		✓	
REP. BOB THOFT		✓	
REP. TOM ZOOK		✓	
REP. FRANCIS BARDANOUVE, CHAIRMAN	✓		
TOTAL	11	7	

HOUSE OF REPRESENTATIVES

APPROPRIATIONS

ROLL CALL VOTE

TIME

2:48

DATE

1-7-92

BILL NO.

2

NUMBER

19

MOTION:

Roll Call Minutes  
54 Secs

NAME	AYE	NO	ABSENT
REP. RAY PECK, VICE-CHAIRMAN	✓		
REP. DOROTHY BRADLEY		✓	
REP. JOHN COBB		✓	
REP. DOROTHY CODY		✓	
REP. MARY ELLEN CONNELLY		✓	
REP. ED GRADY		✓	
REP. LARRY GRINDE		✓	
REP. JOHN JOHNSON		✓	
REP. MIKE KADAS	✓		
REP. BERV KIMBERLEY		✓	
REP. WM. "RED" MENAHAN		✓	
REP. JERRY NISBET		✓	
REP. MARY LOU PETERSON		✓	
REP. JOE QUILICI		✓	
REP. CHUCK SWYSGOOD		✓	
REP. BOB THOFT		✓	
REP. TOM ZOOK		✓	
REP. FRANCIS BARDANOUVE, CHAIRMAN	✓		
TOTAL	3	15	

HOUSE OF REPRESENTATIVES

APPROPRIATIONS

ROLL CALL VOTE

TIME

2:50

DATE 1-7-92

BILL NO. 2

NUMBER 20

MOTION: Kadas

3/10-92 4/10-93

NAME	AYE	NO	ABSENT
REP. RAY PECK, VICE-CHAIRMAN	✓		
REP. DOROTHY BRADLEY		✓	
REP. JOHN COBB		✓	
REP. DOROTHY CODY		✓	
REP. MARY ELLEN CONNELLY	✓		
REP. ED GRADY		✓	
REP. LARRY GRINDE		✓	
REP. JOHN JOHNSON		✓	
REP. MIKE KADAS	✓		
REP. BERV KIMBERLEY		✓	
REP. WM. "RED" MENAHAN		✓	
REP. JERRY NISBET	✓	1	
REP. MARY LOU PETERSON		✓	
REP. JOE QUILICI		✓	
REP. CHUCK SWYSGOOD		✓	
REP. BOB THOFT		✓	
REP. TOM ZOOK		✓	
REP. FRANCIS BARDANOUVE, CHAIRMAN	✓		
TOTAL	5	13	

*James*

HOUSE OF REPRESENTATIVES

APPROPRIATIONS

ROLL CALL VOTE

TIME

3:15 ~~6~~

DATE

1-7-92

BILL NO.

21

NUMBER

21

MOTION:

Bradley - Com recon on  
Recess

NAME	AYE	NO	ABSENT
REP. RAY PECK, VICE-CHAIRMAN		✓	
REP. DOROTHY BRADLEY	✓		
REP. JOHN COBB	✓		
REP. DOROTHY CODY		✓	
REP. MARY ELLEN CONNELLY	✓		
REP. ED GRADY		✓	
REP. LARRY GRINDE	✓		
REP. JOHN JOHNSON	✓		
REP. MIKE KADAS		✓	
REP. BERV KIMBERLEY	✓		
REP. WM. "RED" MENAHAN	✓		
REP. JERRY NISBET	✓		
REP. MARY LOU PETERSON		✓	
REP. JOE QUILICI	✓		
REP. CHUCK SWYSGOOD		✓	
REP. BOB THOFT		✓	
REP. TOM ZOOK		✓	
REP. FRANCIS BARDANOUVE, CHAIRMAN		✓	
TOTAL	9	9	

*Teid*

HOUSE OF REPRESENTATIVES

APPROPRIATIONS

ROLL CALL VOTE

TIME

3:28

DATE

1-7-92

BILL NO.

2

NUMBER

22

MOTION:

*Grinde*

*Nov. 5/8,*

*21508, v. E. G. - 18,500*      *204011 - 18,500*

NAME	AYE	NO	ABSENT
REP. RAY PECK, VICE-CHAIRMAN	✓		
REP. DOROTHY BRADLEY		✓	
REP. JOHN COBB		✓	
REP. DOROTHY CODY		✓	
REP. MARY ELLEN CONNELLY		✓	
REP. ED GRADY		✓	
REP. LARRY GRINDE	✓		
REP. JOHN JOHNSON		✓	
REP. MIKE KADAS		✓	
REP. BERV KIMBERLEY		✓	
REP. WM. "RED" MENAHAN		✓	
REP. JERRY NISBET		✓	
REP. MARY LOU PETERSON	✓		
REP. JOE QUILICI		✓	
REP. CHUCK SWYSGOOD	✓		
REP. BOB THOFT	✓		
REP. TOM ZOOK		✓	
REP. FRANCIS BARDANOUVE, CHAIRMAN	✓		
TOTAL			

*failed to 12*

HOUSE OF REPRESENTATIVES

APPROPRIATIONS

ROLL CALL VOTE

TIME

4:12

DATE

8-7-92

BILL NO.

2

NUMBER

23

MOTION:

1 given  
to take  
effect of 10/2  
#6  
Sub motion on #6 Savings

NAME	AYE	NO	ABSENT
REP. RAY PECK, VICE-CHAIRMAN	✓		
REP. DOROTHY BRADLEY	✓		
REP. JOHN COBB		✓	
REP. DOROTHY CODY	✓		
REP. MARY ELLEN CONNELLY		✓	
REP. ED GRADY	✓		
REP. LARRY GRINDE	✓		
REP. JOHN JOHNSON		✓	
REP. MIKE KADAS		✓	
REP. BERV KIMBERLEY		✓	
REP. WM. "RED" MENAHAN		✓	
REP. JERRY NISBET		✓	
REP. MARY LOU PETERSON	✓		
REP. JOE QUILICI	✓		
REP. CHUCK SWYSGOOD	✓		
REP. BOB THOFT	✓		
REP. TOM ZOOK	✓		
REP. FRANCIS BARDANOUVE, CHAIRMAN	✓		
TOTAL	11	7	

HOUSE OF REPRESENTATIVES

APPROPRIATIONS

ROLL CALL VOTE

TIME

4:35

DATE

1-

BILL NO.

2

NUMBER

24

MOTION:

Sub - y (Cobb)  
 P. O. Conn

NAME	AYE	NO	ABSENT
REP. RAY PECK, VICE-CHAIRMAN	✓		
REP. DOROTHY BRADLEY		✓	
REP. JOHN COBB	✓		
REP. DOROTHY CODY	✓		
REP. MARY ELLEN CONNELLY		✓	
REP. ED GRADY	✓		
REP. LARRY GRINDE	✓		
REP. JOHN JOHNSON		✓	
REP. MIKE KADAS	✓		
REP. BERV KIMBERLEY		✓	
REP. WM. "RED" MENAHAN		✓	
REP. JERRY NISBET	✓		
REP. MARY LOU PETERSON	✓		
REP. JOE QUILICI		✓	
REP. CHUCK SWYSGOOD	✓		
REP. BOB THOFT	✓		
REP. TOM ZOOK	✓		
REP. FRANCIS BARDANOUVE, CHAIRMAN			
TOTAL	✓		

Parish 6  
 12

HOUSE OF REPRESENTATIVES

APPROPRIATIONS

4:42 t

ROLL CALL VOTE

TIME

DATE 1/7/92 BILL NO. 2 NUMBER 25

MOTION:

#17

Book 4

By Mr. Zook

Zook

NAME	AYE	NO	ABSENT
REP. RAY PECK, VICE-CHAIRMAN		✓	
REP. DOROTHY BRADLEY		✓	
REP. JOHN COBB		✓	
REP. DOROTHY CODY		✓	
REP. MARY ELLEN CONNELLY		✓	
REP. ED GRADY	✓		
REP. LARRY GRINDE	✓		
REP. JOHN JOHNSON		✓	
REP. MIKE KADAS		✓	
REP. BERV KIMBERLEY		✓	
REP. WM. "RED" MENAHAN		✓	
REP. JERRY NISBET		✓	
REP. MARY LOU PETERSON	✓		
REP. JOE QUILICI		✓	
REP. CHUCK SWYSGOOD	✓		
REP. BOB THOFT	✓		
REP. TOM ZOOK	✓		
REP. FRANCIS BARDANOUVE, CHAIRMAN	✓		
TOTAL	7	11	

HOUSE OF REPRESENTATIVES

APPROPRIATIONS

ROLL CALL VOTE

TIME

4:50

DATE

1-7-92

BILL NO.

2

NUMBER

24

MOTION:

*Sw up food*

*Sub in 1 C 27 of 2000  
#20*

NAME	AYE	NO	
REP. RAY PECK, VICE-CHAIRMAN	✓		
REP. DOROTHY BRADLEY		✓	
REP. JOHN COBB		✓	
REP. DOROTHY CODY		✓	
REP. MARY ELLEN CONNELLY		✓	
REP. ED GRADY		✓	
REP. LARRY GRINDE	✓		
REP. JOHN JOHNSON		✓	
REP. MIKE KADAS		✓	
REP. BERV KIMBERLEY		✓	
REP. WM. "RED" MENAHAN		✓	
REP. JERRY NISBET		✓	
REP. MARY LOU PETERSON	✓		
REP. JOE QUILICI		✓	
REP. CHUCK SWYSGOOD	✓		
REP. BOB THOFT	✓		
REP. TOM ZOOK	✓		
REP. FRANCIS BARDANOUVE, CHAIRMAN	✓		
TOTAL	7	11	

HOUSE OF REPRESENTATIVES

APPROPRIATIONS

ROLL CALL VOTE

TIME 4:55

DATE 1/7/92

BILL NO. 2

NUMBER 27

MOTION: SW Sub of  
H 21

NAME	AYE	NO	ABSENT
REP. RAY PECK, VICE-CHAIRMAN	✓		
REP. DOROTHY BRADLEY		✓	
REP. JOHN COBB		✓	
REP. DOROTHY CODY		✓	
REP. MARY ELLEN CONNELLY		✓	
REP. ED GRADY	✓		
REP. LARRY GRINDE	✓		
REP. JOHN JOHNSON		✓	
REP. MIKE KADAS		✓	
REP. BERV KIMBERLEY		✓	
REP. WM. "RED" MENAHAN		✓	
REP. JERRY NISBET		✓	
REP. MARY LOU PETERSON	✓		
REP. JOE QUILICI		✓	
REP. CHUCK SWYSGOOD	✓		
REP. BOB THOFT	✓		
REP. TOM ZOOK	✓		
REP. FRANCIS BARDANOUVE, CHAIRMAN		✓	
<b>TOTAL</b>	<b>6</b>	<b>11</b>	

HOUSE OF REPRESENTATIVES

APPROPRIATIONS

5105

ROLL CALL VOTE

TIME

DATE 1-7-92 BILL NO. \_\_\_\_\_

NUMBER 28

MOTION: \_\_\_\_\_

*Sub 4*  
*27*  
*#23*

NAME	AYE	NO	ABSENT
REP. RAY PECK, VICE-CHAIRMAN	<del>✓</del>	<del>⊙</del>	
REP. DOROTHY BRADLEY		✓	
REP. JOHN COBB		✓	
REP. DOROTHY CODY		✓	
REP. MARY ELLEN CONNELLY		✓	
REP. ED GRADY	✓		
REP. LARRY GRINDE	✓		
REP. JOHN JOHNSON		✓	
REP. MIKE KADAS		✓	
REP. BERV KIMBERLEY		✓	
REP. WM. "RED" MENAHAN	✓	<del>⊙</del>	
REP. JERRY NISBET		✓	
REP. MARY LOU PETERSON	✓		
REP. JOE QUILICI	✓		
REP. CHUCK SWYSGOOD	✓		
REP. BOB THOFT	✓		
REP. TOM ZOOK	✓		
REP. FRANCIS BARDANOUVE, CHAIRMAN	✓		
TOTAL	<del>9</del>	<del>9</del>	

*9-9*  
*11-8*

*Rep Peck changed his vote. Vote Positive. Note changed his vote 10-8*

HOUSE OF REPRESENTATIVES

APPROPRIATIONS

ROLL CALL VOTE

TIME

7:08 t

DATE

1-7-92

BILL NO.

2

NUMBER

29

MOTION:

Sub in 24

NAME	AYE	NO	ABSENT
REP. RAY PECK, VICE-CHAIRMAN	✓		
REP. DOROTHY BRADLEY		✓	
REP. JOHN COBB			✓
REP. DOROTHY CODY		✓	
REP. MARY ELLEN CONNELLY		✓	<del>✓</del>
REP. ED GRADY	✓		
REP. LARRY GRINDE	✓		
REP. JOHN JOHNSON		✓	
REP. MIKE KADAS		✓	
REP. BERV KIMBERLEY		✓	
REP. WM. "RED" MENAHAN			✓
REP. JERRY NISBET		✓	
REP. MARY LOU PETERSON	✓		
REP. JOE QUILICI			✓
REP. CHUCK SWYSGOOD	✓		
REP. BOB THOFT	✓		
REP. TOM ZOOK	✓		
REP. FRANCIS BARDANOUVE, CHAIRMAN	✓		
TOTAL	8	7	

*passed*

HOUSE OF REPRESENTATIVES

APPROPRIATIONS

ROLL CALL VOTE

TIME

7:15

DATE

1-7-92

BILL NO.

21

NUMBER

30

MOTION:

*Supp Sub*  
*to*  
*Bill*  
*21*  
*to*  
*amend*  
*to*  
*insert*

NAME	AYE	NO	ABSENT
REP. RAY PECK, VICE-CHAIRMAN	✓		
REP. DOROTHY BRADLEY		✓	
REP. JOHN COBB		✓	
REP. DOROTHY CODY		✓	
REP. MARY ELLEN CONNELLY		✓	
REP. ED GRADY	✓		
REP. LARRY GRINDE	✓		
REP. JOHN JOHNSON		✓	
REP. MIKE KADAS		✓	
REP. BERV KIMBERLEY		✓	
REP. WM. "RED" MENAHAN		✓	
REP. JERRY NISBET		✓	
REP. MARY LOU PETERSON	✓		
REP. JOE QUILICI			✓
REP. CHUCK SWYSGOOD	✓		
REP. BOB THOFT	✓		
REP. TOM ZOOK	✓		
REP. FRANCIS BARDANOUVE, CHAIRMAN		✓	
TOTAL	7	10	1

*ad*

HOUSE OF REPRESENTATIVES

APPROPRIATIONS

ROLL CALL VOTE

TIME

7:25 *t*

DATE

BILL NO.

NUMBER

*31*

MOTION:

*Sub - ) c - y - 6 -*  
*Supp of PA in 2012, 2011, 2010 FY 13*

NAME	AYE	NO	ABSENT
REP. RAY PECK, VICE-CHAIRMAN		X	
REP. DOROTHY BRADLEY		X	
REP. JOHN COBB		X	
REP. DOROTHY CODY		X	
REP. MARY ELLEN CONNELLY		X	
REP. ED GRADY	✓		
REP. LARRY GRINDE	✓		
REP. JOHN JOHNSON		✓	
REP. MIKE KADAS	✓	✓	
REP. BERV KIMBERLEY		✓	
REP. WM. "RED" MENAHAN		✓	
REP. JERRY NISBET		✓	
REP. MARY LOU PETERSON	✓		
REP. JOE QUILICI		✓	
REP. CHUCK SWYSGOOD	✓		
REP. BOB THOFT	✓		
REP. TOM ZOOK	✓		
REP. FRANCIS BARDANOUVE, CHAIRMAN		✓	
	TOTAL	<i>6</i>	<i>12</i>

HOUSE OF REPRESENTATIVES

APPROPRIATIONS

ROLL CALL VOTE

TIME

7:40

DATE

BILL NO.

NUMBER

32

MOTION:

Grinde

Put SRS 5 + 8

NAME	AYE	NO	ABSENT
REP. RAY PECK, VICE-CHAIRMAN		✓	
REP. DOROTHY BRADLEY		✓	
REP. JOHN COBB		✓	
REP. DOROTHY CODY		✓	
REP. MARY ELLEN CONNELLY		✓	
REP. ED GRADY		✓	
REP. LARRY GRINDE	✓		
REP. JOHN JOHNSON		✓	
REP. MIKE KADAS		✓	
REP. BERV KIMBERLEY		✓	
REP. WM. "RED" MENAHAN		✓	
REP. JERRY NISBET		✓	
REP. MARY LOU PETERSON	✓		
REP. JOE QUILICI		✓	
REP. CHUCK SWYSGOOD	✓		
REP. BOB THOFT		✓	
REP. TOM ZOOK		✓	
REP. FRANCIS BARDANOUVE, CHAIRMAN		✓	
TOTAL	3	15	

2

HOUSE OF REPRESENTATIVES

APPROPRIATIONS

ROLL CALL VOTE

TIME

7:47 *f*

DATE

BILL NO.

NUMBER

33

MOTION:

Coth  
page #24

NAME	AYE	NO	ABSENT
REP. RAY PECK, VICE-CHAIRMAN		✓	
REP. DOROTHY BRADLEY	✓		
REP. JOHN COBB	✓		
REP. DOROTHY CODY	✓		
REP. MARY ELLEN CONNELLY	✓		
REP. ED GRADY		✓	
REP. LARRY GRINDE		✓	
REP. JOHN JOHNSON	✓		
REP. MIKE KADAS	✓		
REP. BERV KIMBERLEY	✓		
REP. WM. "RED" MENAHAN	✓		
REP. JERRY NISBET	✓		
REP. MARY LOU PETERSON		✓	
REP. JOE QUILICI	<del>✓</del>	✓	
REP. CHUCK SWYSGOOD		✓	
REP. BOB THOFT		✓	
REP. TOM ZOOK		✓	
REP. FRANCIS BARDANOUVE, CHAIRMAN		✓	
TOTAL			

*ML*

*9-9*

HOUSE OF REPRESENTATIVES

APPROPRIATIONS

ROLL CALL VOTE

TIME

1:50

DATE

1-7-92

BILL NO.

2

NUMBER

34

MOTION:

Sub - CR 7

NAME	AYE	NO	ABSENT
REP. RAY PECK, VICE-CHAIRMAN		✓	
REP. DOROTHY BRADLEY		✓	
REP. JOHN COBB		✓	
REP. DOROTHY CODY		✓	
REP. MARY ELLEN CONNELLY		✓	
REP. ED GRADY	✓		
REP. LARRY GRINDE	✓		
REP. JOHN JOHNSON		✓	
REP. MIKE KADAS		✓	
REP. BERV KIMBERLEY		✓	
REP. WM. "RED" MENAHAN		✓	
REP. JERRY NISBET		✓	
REP. MARY LOU PETERSON	✓		
REP. JOE QUILICI		✓	
REP. CHUCK SWYSGOOD	✓		
REP. BOB THOFT	✓		
REP. TOM ZOOK	✓		
REP. FRANCIS BARDANOUVE, CHAIRMAN	✓		
	TOTAL	7	11

HOUSE OF REPRESENTATIVES

APPROPRIATIONS

ROLL CALL VOTE

TIME

*7:52t*

DATE \_\_\_\_\_

BILL NO. \_\_\_\_\_

NUMBER

*35*

MOTION: \_\_\_\_\_

*Vote # 3*

*7:52t*

NAME	AYE	NO	ABSENT
REP. RAY PECK, VICE-CHAIRMAN		✓	
REP. DOROTHY BRADLEY		✓	
REP. JOHN COBB		✓	
REP. DOROTHY CODY		✓	
REP. MARY ELLEN CONNELLY		✓	
REP. ED GRADY	✓		
REP. LARRY GRINDE	✓		
REP. JOHN JOHNSON		✓	
REP. MIKE KADAS		✓	
REP. BERV KIMBERLEY		✓	
REP. WM. "RED" MENAHAN		✓	
REP. JERRY NISBET		✓	
REP. MARY LOU PETERSON	✓		
REP. JOE QUILICI		✓	
REP. CHUCK SWYSGOOD	✓		
REP. BOB THOFT	✓		
REP. TOM ZOOK	✓		
REP. FRANCIS BARDANOUVE, CHAIRMAN	✓		
<b>TOTAL</b>	<i>7</i>	<i>11</i>	

*d*

HOUSE OF REPRESENTATIVES

APPROPRIATIONS

ROLL CALL VOTE

TIME

8:25 E

DATE 1-7-92

BILL NO. 2

NUMBER 36

MOTION:

# 4 Cobb 20 W

By [Signature]

NAME	AYE	NO	ABSENT
REP. RAY PECK, VICE-CHAIRMAN	✓		
REP. DOROTHY BRADLEY		✓	
REP. JOHN COBB	✓		
REP. DOROTHY CODY	✓		
REP. MARY ELLEN CONNELLY	✓		
REP. ED GRADY	✓		
REP. LARRY GRINDE	✓		
REP. JOHN JOHNSON		✓	
REP. MIKE KADAS		✓	
REP. BERV KIMBERLEY		✓	
REP. WM. "RED" MENAHAN		✓	
REP. JERRY NISBET		✓	
REP. MARY LOU PETERSON	✓		
REP. JOE QUILICI		✓	
REP. CHUCK SWYSGOOD	✓		
REP. BOB THOFT	✓		
REP. TOM ZOOK	✓		
REP. FRANCIS BARDANOUVE, CHAIRMAN	abstain		
TOTAL			

10 7

[Signature]

HOUSE OF REPRESENTATIVES

APPROPRIATIONS

ROLL CALL VOTE

TIME

8:26

DATE

1-7-92

BILL NO.

2

NUMBER

37

MOTION:

Swop. of 39 #5 B-26

NAME	AYE	NO	ABSENT
REP. RAY PECK, VICE-CHAIRMAN		✓	
REP. DOROTHY BRADLEY		✓	
REP. JOHN COBB		✓	
REP. DOROTHY CODY		✓	
REP. MARY ELLEN CONNELLY		✓	
REP. ED GRADY		✓	
REP. LARRY GRINDE	✓		
REP. JOHN JOHNSON		✓	
REP. MIKE KADAS		✓	
REP. BERV KIMBERLEY		✓	
REP. WM. "RED" MENAHAN		✓	
REP. JERRY NISBET		✓	
REP. MARY LOU PETERSON		✓	
REP. JOE QUILICI		✓	
REP. CHUCK SWYSGOOD	✓		
REP. BOB THOFT	✓		
REP. TOM ZOOK	✓		
REP. FRANCIS BARDANOUVE, CHAIRMAN		✓	
	TOTAL	4	14

HOUSE OF REPRESENTATIVES

APPROPRIATIONS

ROLL CALL VOTE

TIME

8:31

DATE 1-7-92

BILL NO. 2

NUMBER 38

MOTION:

Sub Motion on #8

NAME	AYE	NO	ABSENT
REP. RAY PECK, VICE-CHAIRMAN	✓		
REP. DOROTHY BRADLEY		✓	
REP. JOHN COBB		✓	
REP. DOROTHY CODY			✓
REP. MARY ELLEN CONNELLY		✓	
REP. ED GRADY		✓	
REP. LARRY GRINDE	2		
REP. JOHN JOHNSON		✓	
REP. MIKE KADAS	✓	<del>5</del>	
REP. BERV KIMBERLEY		✓	
REP. WM. "RED" MENAHAN		✓	
REP. JERRY NISBET		✓	
REP. MARY LOU PETERSON		✓	
REP. JOE QUILICI		✓	
REP. CHUCK SWYSGOOD	✓		
REP. BOB THOFT	✓		
REP. TOM ZOOK	✓		
REP. FRANCIS BARDANOUVE, CHAIRMAN		✓	
TOTAL	6	11	1

HOUSE OF REPRESENTATIVES

APPROPRIATIONS

ROLL CALL VOTE

TIME

DATE 1-7-92 BILL NO. 2 NUMBER 39

MOTION:

Sub - 1 of 39  
# 9

NAME	AYE	NO	ABSENT
REP. RAY PECK, VICE-CHAIRMAN	✓		
REP. DOROTHY BRADLEY		✓	
REP. JOHN COBB		✓	
REP. DOROTHY CODY	✓		
REP. MARY ELLEN CONNELLY		✓	
REP. ED GRADY	✓		
REP. LARRY GRINDE	✓		
REP. JOHN JOHNSON		✓	
REP. MIKE KADAS		✓	
REP. BERV KIMBERLEY		✓	
REP. WM. "RED" MENAHAN		✓	
REP. JERRY NISBET		✓	
REP. MARY LOU PETERSON	✓		
REP. JOE QUILICI		✓	
REP. CHUCK SWYSGOOD	✓		
REP. BOB THOFT	✓		
REP. TOM ZOOK	✓		
REP. FRANCIS BARDANOUVE, CHAIRMAN	✓		
TOTAL	9	9	

HOUSE OF REPRESENTATIVES

APPROPRIATIONS

ROLL CALL VOTE

TIME

8:36

DATE 1-7-92 BILL NO. 2

NUMBER 40

MOTION:

# 10 Gov  
Swiss

NAME	AYE	NO	ABSENT
REP. RAY PECK, VICE-CHAIRMAN		✓	
REP. DOROTHY BRADLEY		✓	
REP. JOHN COBB		✓	
REP. DOROTHY CODY		✓	
REP. MARY ELLEN CONNELLY		✓	
REP. ED GRADY	✓		
REP. LARRY GRINDE	✓		
REP. JOHN JOHNSON		✓	
REP. MIKE KADAS		✓	
REP. BERV KIMBERLEY		✓	
REP. WM. "RED" MENAHAN		✓	
REP. JERRY NISBET		✓	
REP. MARY LOU PETERSON	✓		
REP. JOE QUILICI		✓	
REP. CHUCK SWYSGOOD	✓		
REP. BOB THOFT	✓		
REP. TOM ZOOK	✓		
REP. FRANCIS BARDANOUVE, CHAIRMAN	✓		
TOTAL	7	11	

HOUSE OF REPRESENTATIVES

APPROPRIATIONS

ROLL CALL VOTE

TIME

8:40

DATE

1-7-92

BILL NO.

2

NUMBER

41

MOTION:

Sub - 3 of #11

NAME	AYE	NO	ABSENT
REP. RAY PECK, VICE-CHAIRMAN		✓	
REP. DOROTHY BRADLEY		✓	
REP. JOHN COBB		✓	
REP. DOROTHY CODY		✓	
REP. MARY ELLEN CONNELLY		✓	
REP. ED GRADY		✓	
REP. LARRY GRINDE	✓		
REP. JOHN JOHNSON		✓	
REP. MIKE KADAS		✓	
REP. BERV KIMBERLEY		✓	
REP. WM. "RED" MENAHAN		✓	
REP. JERRY NISBET		✓	
REP. MARY LOU PETERSON	✓		
REP. JOE QUILICI		✓	
REP. CHUCK SWYSGOOD	✓		
REP. BOB THOFT	✓		
REP. TOM ZOOK	✓		
REP. FRANCIS BARDANOUVE, CHAIRMAN		✓	
TOTAL	5	13	

HOUSE OF REPRESENTATIVES

APPROPRIATIONS

ROLL CALL VOTE

TIME

8:48

DATE 1-7-92 BILL NO. 2

NUMBER 42

MOTION:

Accept # 14

NAME	AYE	NO	ABSENT
REP. RAY PECK, VICE-CHAIRMAN		✓	
REP. DOROTHY BRADLEY	✓		
REP. JOHN COBB	✓		
REP. DOROTHY CODY	✓		
REP. MARY ELLEN CONNELLY	✓		
REP. ED GRADY	✓		
REP. LARRY GRINDE	✓		
REP. JOHN JOHNSON	✓		
REP. MIKE KADAS	✓		
REP. BERV KIMBERLEY	✓		
REP. WM. "RED" MENAHAN	✓		
REP. JERRY NISBET	✓		
REP. MARY LOU PETERSON	✓		
REP. JOE QUILICI	✓		
REP. CHUCK SWYSGOOD	✓		
REP. BOB THOFT	✓		
REP. TOM ZOOK	✓		
REP. FRANCIS BARDANOUVE, CHAIRMAN		✓	
	TOTAL	<u>16</u>	<u>2</u>

HOUSE OF REPRESENTATIVES

APPROPRIATIONS

ROLL CALL VOTE

TIME

8:52

DATE

1-7-92

BILL NO.

2

NUMBER

43

MOTION:

Swins vs ye # 15  
8:52

NAME	AYE	NO	ABSENT
REP. RAY PECK, VICE-CHAIRMAN	✓		
REP. DOROTHY BRADLEY		✓	
REP. JOHN COBB		✓	
REP. DOROTHY CODY		✓	
REP. MARY ELLEN CONNELLY		✓	
REP. ED GRADY		✓	
REP. LARRY GRINDE	✓		
REP. JOHN JOHNSON		✓	
REP. MIKE KADAS		✓	
REP. BERV KIMBERLEY		✓	
REP. WM. "RED" MENAHAN		✓	
REP. JERRY NISBET		✓	
REP. MARY LOU PETERSON	✓		
REP. JOE QUILICI		✓	
REP. CHUCK SWYSGOOD	✓		
REP. BOB THOFT	✓		
REP. TOM ZOOK	✓		
REP. FRANCIS BARDANOUVE, CHAIRMAN	✓		
TOTAL	7	11	

2

HOUSE OF REPRESENTATIVES

APPROPRIATIONS

ROLL CALL VOTE

TIME

9:58

DATE \_\_\_\_\_

BILL NO. \_\_\_\_\_

NUMBER 44

MOTION: \_\_\_\_\_

*Original*

*W. H. H. H.*

*# 16*

*Management Fee Computer*

NAME	AYE	NO	ABSENT
REP. RAY PECK, VICE-CHAIRMAN	✓		
REP. DOROTHY BRADLEY		✓	
REP. JOHN COBB		✓	
REP. DOROTHY CODY		✓	
REP. MARY ELLEN CONNELLY		✓	
REP. ED GRADY		✓	
REP. LARRY GRINDE	✓		
REP. JOHN JOHNSON		✓	
REP. MIKE KADAS		✓	
REP. BERV KIMBERLEY		✓	
REP. WM. "RED" MENAHAN		✓	
REP. JERRY NISBET		✓	
REP. MARY LOU PETERSON		✓	
REP. JOE QUILICI		✓	
REP. CHUCK SWYSGOOD	✓		
REP. BOB THOFT	✓		
REP. TOM ZOOK	✓		
REP. FRANCIS BARDANOUVE, CHAIRMAN	✓		
TOTAL	6	12	

HOUSE OF REPRESENTATIVES

APPROPRIATIONS

ROLL CALL VOTE

TIME

9:12  
45

DATE

BILL NO.

NUMBER

MOTION:

Sub of (Swysgood) re  
# 17, Fed Rec. plan

NAME	AYE	NO	ABSENT
REP. RAY PECK, VICE-CHAIRMAN	✓		
REP. DOROTHY BRADLEY		✓	
REP. JOHN COBB		✓	
REP. DOROTHY CODY		✓	
REP. MARY ELLEN CONNELLY		✓	
REP. ED GRADY	✓		
REP. LARRY GRINDE	✓		
REP. JOHN JOHNSON		✓	
REP. MIKE KADAS		✓	
REP. BERV KIMBERLEY		✓	
REP. WM. "RED" MENAHAN		✓	
REP. JERRY NISBET	✓		
REP. MARY LOU PETERSON	✓		
REP. JOE QUILICI	✓		
REP. CHUCK SWYSGOOD	✓		
REP. BOB THOFT	✓		
REP. TOM ZOOK	✓		
REP. FRANCIS BARDANOUVE, CHAIRMAN	✓		
TOTAL	10	8	

6

HOUSE OF REPRESENTATIVES

APPROPRIATIONS

ROLL CALL VOTE

TIME

9:18 E

DATE 1-7-92

BILL NO. 2

NUMBER 46

MOTION: \_\_\_\_\_

*Motion is 18 no count  
Brad L*

NAME	AYE	NO	ABSENT
REP. RAY PECK, VICE-CHAIRMAN	✓		
REP. DOROTHY BRADLEY	✓		
REP. JOHN COBE	✓		
REP. DOROTHY CODY	✓		
REP. MARY ELLEN CONNELLY	✓		
REP. ED GRADY	✓		
REP. LARRY GRINDE	✓		
REP. JOHN JOHNSON	✓		
REP. MIKE KADAS	✓		
REP. BERV KIMBERLEY	✓		
REP. WM. "RED" MENAHAN	✓		
REP. JERRY NISBET		✓	
REP. MARY LOU PETERSON	✓		
REP. JOE QUILICI	✓		
REP. CHUCK SWYSGOOD	✓		
REP. BOB THOFT	✓		
REP. TOM ZOOK	✓		
REP. FRANCIS BARDANOUVE, CHAIRMAN		✓	
TOTAL	16	2	

*[Handwritten mark]*

HOUSE OF REPRESENTATIVES

APPROPRIATIONS

ROLL CALL VOTE

TIME

9:50

DATE

1-7<sup>th</sup>

BILL NO.

2

NUMBER

47

MOTION:

EIS ✓ ✓ ✓ ✓ ✓  
 250,000 economic study  
 Dept of Land

NAME	AYE	NO	ABSENT
REP. RAY PECK, VICE-CHAIRMAN	✓		
REP. DOROTHY BRADLEY		✓	
REP. JOHN COBB		✓	
REP. DOROTHY CODY		✓	
REP. MARY ELLEN CONNELLY		✓	
REP. ED GRADY		✓	
REP. LARRY GRINDE		✓	
REP. JOHN JOHNSON		✓	
REP. MIKE KADAS	✓		
REP. BERV KIMBERLEY		✓	
REP. WM. "RED" MENAHAN		✓	
REP. JERRY NISBET		✓	
REP. MARY LOU PETERSON		✓	
REP. JOE QUILICI		✓	
REP. CHUCK SWYSGOOD		✓	
REP. BOB THOFT		✓	
REP. TOM ZOOK		✓	
REP. FRANCIS BARDANOUVE, CHAIRMAN	✓		
TOTAL	3	15	

*md*

HOUSE OF REPRESENTATIVES

APPROPRIATIONS

ROLL CALL VOTE

TIME

10:12 f

DATE 1-7-92

BILL NO. 2

NUMBER 48

MOTION:

Kadas / DARC  
Kadas 05:15, m

NAME	AYE	NO	ABSENT
REP. RAY PECK, VICE-CHAIRMAN	✓		
REP. DOROTHY BRADLEY		✓	
REP. JOHN COBB		✓	
REP. DOROTHY CODY		✓	
REP. MARY ELLEN CONNELLY	✓		
REP. ED GRADY		✓	
REP. LARRY GRINDE		✓	
REP. JOHN JOHNSON		✓	
REP. MIKE KADAS	✓		
REP. BERV KIMBERLEY		✓	
REP. WM. "RED" MENAHAN		✓	
REP. JERRY NISBET		✓	
REP. MARY LOU PETERSON		✓	
REP. JOE QUILICI		✓	
REP. CHUCK SWYSGOOD		✓	
REP. BOB THOFT		✓	
REP. TOM ZOOK		✓	
REP. FRANCIS BARDANOUVE, CHAIRMAN	✓		
TOTAL	4	14	

*2*

*Just*

HOUSE OF REPRESENTATIVES

APPROPRIATIONS

ROLL CALL VOTE

TIME

10:30 *E*

DATE

1-7-92

BILL NO.

2

NUMBER

49

MOTION:

Thopt Sub -> Calen Cur

NAME	AYE	NO	ABSENT
REP. RAY PECK, VICE-CHAIRMAN		✓	
REP. DOROTHY BRADLEY		✓	
REP. JOHN COBB	✓		
REP. DOROTHY CODY		✓	
REP. MARY ELLEN CONNELLY		✓	
REP. ED GRADY	✓		
REP. LARRY GRINDE	✓		
REP. JOHN JOHNSON		✓	
REP. MIKE KADAS		✓	
REP. BERV KIMBERLEY		✓	
REP. WM. "RED" MENAHAN		✓	
REP. JERRY NISBET		✓	
REP. MARY LOU PETERSON	✓		
REP. JOE QUILICI		✓	
REP. CHUCK SWYSGOOD		✓	
REP. BOB THOFT	✓		
REP. TOM ZOOK	✓		
REP. FRANCIS BARDANOUE, CHAIRMAN		✓	
TOTAL	<u>6</u>	<u>12</u>	

HOUSE OF REPRESENTATIVES

APPROPRIATIONS

ROLL CALL VOTE

TIME

11:02

DATE 1-7-92

BILL NO. 2

NUMBER 50

MOTION:

Bradley Sub  
to Sec. 1990 of

NAME	AYE	NO	ABSENT
REP. RAY PECK, VICE-CHAIRMAN		✓	
REP. DOROTHY BRADLEY	✓		
REP. JOHN COBB		✓	
REP. DOROTHY CODY		✓	
REP. MARY ELLEN CONNELLY	✓		
REP. ED GRADY		✓	
REP. LARRY GRINDE		✓	
REP. JOHN JOHNSON		✓	
REP. MIKE KADAS		✓	
REP. BERV KIMBERLEY	✓		
REP. WM. "RED" MENAHAN		✓	
REP. JERRY NISBET		✓	
REP. MARY LOU PETERSON		✓	
REP. JOE QUILICI	✓		
REP. CHUCK SWYSGOOD		✓	
REP. BOB THOFT		✓	
REP. TOM ZOOK		✓	
REP. FRANCIS BARDANOUVE, CHAIRMAN		✓	
TOTAL	4	14	

*rev. W*

HOUSE OF REPRESENTATIVES

1065

VISITOR'S REGISTER

Appropriations COMMITTEE BILL NO. 2  
 DATE 1/7/92 SPONSOR(S) \_\_\_\_\_

PLEASE PRINT PLEASE PRINT PLEASE PRINT

NAME AND ADDRESS	REPRESENTING	BILL	OPPOSE	SUPPORT
JOHN ORTWEIN	MT CATHOLIC CONF			
HARLEY WARNER	MT ASSOC. OF CHURCHES			
Eric Jensen	MEA			
Paulette Kohnman	MT Council Nat/Ch/H/H			
Richard Miller	MT State Library			
Melvin Eckholz	DOA.			
Mary Bryson	Leg. Auditor			
Laurie Lamson	MT Job Training Partnership			
Ken GRIEB	MILITARY AFFAIRS - DES			
Book	" "			
Gary Blaw	" "			
Bob Mackay	Dept / Admin			
Tony Herbert	" "			

PLEASE LEAVE PREPARED TESTIMONY WITH SECRETARY. WITNESS STATEMENT FORMS ARE AVAILABLE IF YOU CARE TO SUBMIT WRITTEN TESTIMONY.

HOUSE OF REPRESENTATIVES

285

VISITOR'S REGISTER

*Appropriations*

COMMITTEE

BILL NO. 2

DATE

4/7/92

SPONSOR(S)

PLEASE PRINT

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NAME AND ADDRESS	REPRESENTING	BILL	OPPOSE	SUPPORT
<i>Laurie Neils</i>	<i>University System</i>			
<i>Elizabeth Henrich</i>	<i>Mark O'Keefe</i>			
<i>Gordon Morris</i>	<i>MACO</i>			
<i>J. Dennis Sheehy</i>	<i>SAS</i>			
<i>Tom G. Foley</i>	<i>AFSCME</i>			
<i>Bill Brubaker</i>	<i>MSDM</i>			
<i>Gill Aker</i>	<i>MSDB</i>			
<i>Pat Melby</i>	<i>Reverendell</i>			
<i>Al SMITH</i>	<i>II</i>			
<i>Bob Olsen</i>	<i>MT. HOSPITAL Assoc.</i>			
<i>Jack Casey</i>	<i>Shodair</i>			
<i>Chafwick Smith</i>	<i>Shodair</i>			

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HOUSE OF REPRESENTATIVES

325

VISITOR'S REGISTER

Appropriations COMMITTEE BILL NO. 2  
 DATE 1/7/92 SPONSOR(S) \_\_\_\_\_

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NAME AND ADDRESS	REPRESENTING	BILL	OPPOSE	SUPPORT
Chuck Virag	Dept. of Admin.			
Mike Trevor	DOA/ISD			
JACK ELLERY	DOR			
Jeff Miller	DOR			
JOHN PATRICK	OBPP			
Doug Schmitt	OBPP			
ILOZ Jones-DeLo	OBPP			
John Hamman	OBPP			
MIKE LAVIN	A.G.			
MARC RACICOT	DOJ			
MICK ROBINSON	DOJ			
Jim Smith	MRCCA MAR			
William Bakarski	HD4			

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HOUSE OF REPRESENTATIVES

4 of 5

VISITOR'S REGISTER

*Appropriations*

COMMITTEE

BILL NO.

2

DATE Jan 7, 1992 SPONSOR(S) \_\_\_\_\_

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NAME AND ADDRESS	REPRESENTING	BILL	OPPOSE	SUPPORT
David L. Toppew	O CHE			
John Hutchinson	O CHE			
ROD SWANSTED	CHE			
HOWARD W GIPF	MACO			
Don Bailey	MACO			
Chuck Brooke	Dept of Commerce			
Bob Heffner	Dept of Commerce			
Elisabeth Heimlich	Mark O'Keefe			
Marilyn D. Wood	O CHE			
May I. Anders	O C H S			
Leroy H. Schramm	O CHE			
Bill Lannan	O C H S			

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