

MINUTES

**MONTANA HOUSE OF REPRESENTATIVES
53rd LEGISLATURE - REGULAR SESSION**

COMMITTEE ON APPROPRIATIONS

Call to Order: By REP. TOM ZOOK, on March 4, 1993, at 8:10 A.M.

ROLL CALL

Members Present:

Rep. Tom Zook, Chairman (R)
Rep. Ed Grady, Vice Chairman (R)
Rep. Francis Bardanouve (D)
Rep. Ernest Bergsagel (R)
Rep. John Cobb (R)
Rep. Roger DeBruycker (R)
Rep. Marj Fisher (R)
Rep. John Johnson (D)
Rep. Royal Johnson (R)
Rep. Mike Kadas (D)
Rep. Betty Lou Kasten (R)
Rep. Red Menahan (D)
Rep. Linda Nelson (D)
Rep. Ray Peck (D)
Rep. Mary Lou Peterson (R)
Rep. Joe Quilici (D)
Rep. Dave Wanzenried (D)
Rep. Bill Wiseman (R)

Members Excused: None

Members Absent: None

Staff Present: Terry Cohea, Legislative Fiscal Analyst
Mary Lou Schmitz, Committee Secretary

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

Committee Business Summary:

Hearing: HB 4, HB 579, HB 608, HB 618, HB 632
Executive Action: None

VICE-CHAIRMAN GRADY conducted the hearing on HB 4.

HEARING ON HB 4

An Act appropriating money that would usually be made by budget amendment to various state agencies for the fiscal year ending June 30, 1993

Opening Statement by Sponsor: REP. TOM ZOOK said most of the budget amendments are for fiscal 1993 but some federal grants and projects carry over into fiscal 1994. He referred to **EXHIBIT 1**, Summary Explanation of HB 4 which describes the budget amendments in the introduced bill plus all the amendments that were received in the budget office. He went through the bill, referring to Pages 2-3 of the bill; the Summary, **EXHIBIT 1**; and Amendments, **EXHIBIT 2**.

Informational Testimony: REP. NELSON offered an amendment, **EXHIBIT 3**, at the request of the Department of Transportation. Pat Saindon, Administrator, Rail and Transit Division said on the first amendment the Department of Transportation receives federal funds from three different transit categories. The money is available to the state to purchase vehicles and related equipment for the use of transporting elderly, persons with disabilities and the general public. They are asking that the match moneys the local governments or local private non-profit organizations send into the state, give the department spending authority to match those federal grants.

On the second amendment the department is anticipating, with the Clinton's Economic Stimulus Package, to receive federal funds and asks spending authority for those federal funds and authority to spend the local matching dollars. Those moneys, once available to the department, have to be spent within 60 days.

REP. KADAS asked, in both of these cases, the state match comes from local governments? Ms. Saindon said yes, local moneys that are non-federal moneys.

Sharon McCabe, Centralized Services Manager, Montana Historical Society offered an amendment, **EXHIBIT 4** and said this amendment for the federal special revenue funds is for the National preservation grants. The request is for \$175,220 for restoration on properties listed on the National Register of Historic Places. These properties are either listed individually or as contributing properties to a National Register Historic district. This is part of the Clinton's Economic Stimulus Package and are in a plan constraint. As soon as they have the final receipt of the award will have no later than September 30 to expend the moneys. Time is crucial to them at this point.

REP. ROYAL JOHNSON said time is of the essence so has Ms. McCabe done some pre-planning? Ms. McCabe said the only planning they can do is get the budget amendment in action and have the authority to do a certain amount of advertising according to federal law. REP. JOHNSON asked if she was saying they haven't identified projects that might use up this money? Ms. McCabe said that is correct. The authority has to be received before they can proceed.

REP. BERGSAGEL said this is President Clinton's proposal, the legislature is going to authorize it and the Historical Society

is going to spend it and it's not determined whether or not the bill is passed yet. Ms. McCabe said that is correct, however, at this point, in order to get it into the state budget process, it is not totally authorized until the bill is passed.

Informational Testimony: Rod Sundstad, Acting Associate Commissioner, Fiscal Affairs, University System referred to EXHIBIT 2, amendment #15, line 3, University Millage \$100,000, can be struck. The \$100,000 is already included in the amounts that are listed for each unit.

Proponents' Testimony: Mr. Sundstad said the budget amendment is very critical to the University System. It is made up of a number of components. A small portion is the agriculture experiment station where a federal revenue is available for plant repair. There was an error in the pay plan bill last session which resulted in no funding. Two of the items will correct that. The rest of the amendment is basically tuition available that is a result of additional students and as a result of a change in mix of students on campuses.

Questions From Committee Members and Responses: REP. KASTEN referred to EXHIBIT 2, page 4, and asked what "support" covers. Mr. Sundstad said "support" includes items such as libraries, other support to students as not directly tied to instruction or physical plant.

REP. ROYAL JOHNSON asked have these moneys been expended by the individual units already? Mr. Sundstad said they had to put faculty in front of those students in classes so some of the money has been committed to pay back salaries. REP. JOHNSON said because part of the money has been spent in each of the units, where did the money come from that will now be replaced? Mr. Sundstad said their authority level is sufficient to cover expenditures to this point so the money did not come from any particular place because they haven't finished the fiscal year, have not expended their full authority. What they are asking, is this authority be added on so they don't run out of money in a month or two. REP. JOHNSON said the University of Montana alluded to the fact they have an institutional reserve fund from which they borrow and then need to replace money in that fund. He asked the size of the institutional reserve fund for each of the units. Mr. Sundstad said he believes U of M is the only one that set it up that way. That is one of the things that makes the support number look higher than it really is. Their institutional reserve is about \$1.4 million and that was set up in the support program that has to be replenished. REP. JOHNSON asked if Mr. Sundstad was saying, through the computer system that shows the amount of money in each unit, the commissioner's office is unable to come up with each unit's reserve at the end of the year? Mr. Sundstad said no. At the end of the year there are reversion account moneys that are expended. U of M is the only unit that actually set up an institutional reserve from which to fund those extra sections. The other units did that out

of their existing authority.

REP. BARDANOUE said in view of the shortfall and the cutbacks proposed in the University system for the coming biennium, this budget amendment should be rejected and this money carried over and added to the budget in the coming biennium. **Mr. Sundstad** said they will need the majority of this money in 1993. If they were given the authority in some of the budget amendments to carry that, anything that is unspent in the 1994 biennium to try to help with those 1994 reductions, would give them an opportunity to mitigate in 1994.

Informational Testimony: **Lindsay Norman, President, Montana Tech, Butte** said since last August, at the beginning of the school year, they had 15% more students arrive than what they were budgeted for. This current year has the highest enrollment in almost 10 years. At that time they were faced with two options in dealing with this. Either they enroll and register those numbers of students up to their budgeted level or provide quality education to everyone who comes through the door, which is what they tried to do. He underscored the criticality of this dilemma.

Questions from Committee Members and Responses: **REP. ROYAL JOHNSON** asked for the breakdown of out-of-state/in-state students this year as opposed to last year, including the 200 more. **Dr. Norman** said typically they are looking at 8 to 9% of the total resident is non-resident, out-of-state students and that includes the Western Undergraduate Exchange (WUE) people as well. The 200 additional students were in-state students and the reason for that is some of the Montana students who have attended Montana Tech for two years and then gone off somewhere else are now staying enrolled for the entire four years.

REP. BARDANOUE referred to **Dr. Norman's** statement "this money is needed for quality education" so in the 1995 biennium will you not give quality education because the budget will be cut by several million? If you need this amendment for quality education and have several million less in the 1995 biennium, how will you provide quality education then? **Dr. Norman** said he thinks they do provide quality education at Montana Tech and does not think the issue of quality, having or not having, rests in the balance. They have gotten many additional students this year and have taken every available cent and put into instruction. The budget amendment for Montana Tech shows that 85 to 90% of the dollars went into the instruction program which is the heart of their quality endeavor. He is not asking for an increase in next year's budget or the next biennium's budget as a result here, just asking for help to pay the bills that have already been presented to them. They have taken from other accounts, such as maintenance of buildings, non-instructional support programs, libraries, counseling etc. to keep the excellence and quality in the classroom going and will continue to do that. If they continue into the next biennium to "rob"

these accounts the Board of Regents will either have to put a cap on the number of students or begin the process of backing down.

REP. KADAS asked **Dr. Norman** if there isn't already an enrollment cap on the University system, 2% of the budgeted amount? **Dr. Norman** said that is correct. **REP. KADAS** asked what was Montana Tech's growth in relation to budgeted numbers? **Dr. Norman** said their budgeted number was 1523 FTE for the current biennium. The cap was 1728 for this year and as a result, over 100 were turned away or limited their credit load to reach the cap of 1728 because through a very rigorous enrollment management program they literally came in at 1727, so are one under. **REP. KADAS** said then, their growth was right at 2%. What did they do to limit enrollment? **Dr. Norman** said they had an extensive management program, raised admission standards, (academic entrance standards) made the transfer grade point average, normally required of 2.0, raised to 2.5 and in some cases for some programs to 3.0. In addition, they eliminated some 20 courses from their schedule for spring and cut back on a lot of the elective courses that were normally offered. Hopefully, they have not hurt anyone in their degree progression.

Informational Testimony: **Jim Todd, Vice President, Administration and Finance, University of Montana** presented testimony from **EXHIBIT 5**.

Questions from Committee Members and Responses: **REP. QUILICI** said in the amendment, **EXHIBIT 2**, page 3 there is \$696,836 for instruction and nearly double for support, \$1.7 million. **Mr. Todd** said when they set up the budget last fall, knowing the additional students were going to be there, they had to provide those additional dollars in the instructional program in the fall. In order to provide that authority, they had to create a negative reserve in the Institutional Reserve which was in Institutional Support. The additional revenue from tuition is removing that negative reserve in Institutional Support. When you look at how those dollars are allocated by program, that it is going into Institutional Support, it really isn't. 93% of the dollars in the budget amendment are going into Instruction. **REP. QUILICI** asked how much is in the "small reserve fund"? **Mr. Todd** said \$138,000.

REP. DeBRUYCKER said the University system is set up as a four-year school. How many of the 1319 additional students have had to come back for the fifth or sixth year because they could not get the credits they would ordinarily get in a four year course? **Mr. Todd** said of the 1300 there is no way for him to know because they are just comparing what the budget is to what the enrollment is. They are concerned about the number of students who cannot get classes and cannot complete in their five years. That is part of what the moneys are being used for.

REP. WISEMAN asked of the 9601 FTE students, how many are WUIs? **Mr. Todd** said about 600.

REP. DeBRUYCKER said to follow up, the University is in a Catch-22 situation because when the students can't graduate in 4 or 5 years there is a bigger enrollment, the bigger the enrollment, the more the budget. **Mr. Todd** said it does not transfer into an additional requirement for money. Certainly there are some students who do elect to take courses that aren't credited toward their degree. The majority do take credits that are applicable toward their degree. What is happening, students are carrying fewer hours. When you look at it in terms of how it effects the FTE, a student carrying 12 hours, when calculating the FTE on 15, the head count is less than full-time students. In the fall the enrollment was 10,614 students. The FTE is significantly lower than that. When students can't get the courses because they can't get access to the sections they need, carry fewer hours. So the time they are at the University is extended. **REP. DeBRUYCKER** said he has talked to several students who have gone out of state because they cannot graduate from the Montana University system in four or five years because they can't get the credits. **Mr. Todd** said, even when the additional enrollment is included (tuition dollars) it does not permit the University to provide the adequate number of sections that would allow students to get through in a timely manner.

REP. KADAS said the question of students getting their credits in four years is two issues. One is the availability of classes which the budget amendment tries to address. The other one is the makeup of the student body which has changed considerably over the last 10 years. There are people who are making a living and going to school at the same time so they don't do a 15 or 18 credit-hour load. They will do a 10 or 12 so it does take them longer. It is hard to sort out those students from the students who can't get the classes they want at a particular time. **Mr. Todd** said that is compounded because the number of students they are identifying above the budgeted level are being educated on 25 cents on the dollar and haven't received the additional support from the general fund or millage that would be so essential to addressing the questions **REP. DeBRUYCKER** is raising.

Informational Testimony: Wayne Wetzel, Deputy Director, Department of Natural Resources asked to give testimony at this time because he will be testifying in another meeting shortly. He said one of the two items under budget amendment #8, Water Resources, is \$580,000 of state special revenue, money in a retainage account from a contractor that worked on the Broadwater power project. The contractor is in the arbitration proceeding now where **Mr. Wetzel** will be testifying and there are expenses in the department that were paid out of bond proceeds because they did not have authority to spend the money in the retainage account to repair defective work by the contractor. They are asking for authority to spend the money in that account.

The second item is the \$2 million in state special revenue that is the additional amount of claims the department has against this particular contractor in terms of delayed performance,

additional repairs, cost of procuring engineering services and experts to uncover defective work. Should the Department win the entire amount that is in arbitration, they would like to have authority to transfer that money back into the bond account so they can rebate those bonds and lower the bond payments.

The energy division item is moneys collected from registration fees and donations to put on an energy conference for architects and engineers to update them on the latest technologies and techniques for energy conservation practices in Montana sponsored by the Department and a number of other energy agencies.

Informational Testimony: Mike Malone, President, Montana State University said in the budget amendment there are tuition revenues of 475 new students who enrolled the previous fall. They are now a campus of 10,000 FTE and 10,500 head count. Over ten years that is about what their capacity is. Their share of the budget amendment is \$2.1 million, and as they allocate that money, they have about \$1 million in the category of Instruction, about \$640,000 in support and about \$500,000 in physical plant. In that large instructional component they have budgeted a sizable part of that for sections, and taking summer, then fall and then spring, these moneys of necessity have already been committed. He referred to REP. KASTEN's question of "support". The \$640,000 they have allocated to Support, of that amount \$500,000 is being earmarked for a library. In the area of physical plant, the issue was raised about deferred maintenance. Inventory of the MSU campus shows as much as \$50 million in deferred maintenance needs and they are trying to handle some of the problems.

Questions from the Committee and Responses: REP. KADAS said in terms of what you have to utilize this year is a fluid half. What if the committee said to use half this year and half next year. What kind of position does that put you in? Dr. Malone said what they would be doing is meeting the sections, the student counseling and other needs, some of the basic operations moneys they have had to expend on those students in regard to instruction, would basically be pushing off some problems into next year that they ought to be dealing with this year. It would be good to have the latitude that REP. BARDANOUVE mentioned about using some of that money for a buffer. They should be spending a good deal more than half this year, even in a conservative context. REP. KADAS said then Dr. Malone's preference would be to have the spending authority this year with the flexibility to carry some of it over. Dr. Malone said yes, that summarizes his position.

Proponents: Jody Farmer, President, Associated Student, MSU and Montana Associated Students said she was putting a face with the money they are talking about and bring in some reality with the situation. The budget amendments are crucial to the quality they have now and in the future will also need the money to fund the things they need.

Questions from Committee Members and Responses: REP. BARDANOUVE asked for an explanation of page 4 of the bill. Jane Hamman, Budget Office, said the first two amendments proposed strike the forward estimates in the title and then Section 4 in its entirety, page 3 through page 5. Most of the appropriation subcommittees have included forward estimates in detail as they have looked at and talked with agencies about legislative contract authority and some specific federal grants or other projects that people are able to anticipate at this point but she doesn't have any specific or detailed information so in HB 2 there will be a number of lines for a number of agencies that will have this legislative contract authority for consideration.

REP. WISEMAN said he is concerned about limiting the number of in-state students who can go to college because of lack of room when the state is spending about \$3 million to educate WUI students throughout the University system. He asked Mr. Sundstad what is being done to balance that figure? Mr. Sundstad said what the Regents have done, as part of their commitment to quality programs, is recognize an imbalance in WUI and have given direction to the campuses that over the next four years they have to bring that balance back to 2.5%. Approximately 500 or 600 WUI students would remain in the system, recognizing those already in the system would not be taken out. A limit will have to be put on each class that comes in to control it so at the end of four years, we'll be back in balance.

REP. GRADY referred to Jody Farmer and asked for her opinion concerning tuition and why students attend five years. Ms. Farmer said there are some programs scheduled to take five years because of the amount of class load, such as architecture. Students definitely don't want to stay in school longer than they have to. They will not stay to pay more tuition because people want them to. Some students have to work so can't take full loads all the way through so it takes them longer. The registration is difficult as far as sequence of classes and the faculty-student ratio is getting up to a height where advising and help with schedules is more difficult. However, it can be done in four years.

REP. KADAS said because of the way the formula works, the formula is driven by FTE and FTE are not necessarily students but total credit hours so there isn't an advantage to the school for a student to stay four, five or six years. That does not increase the number of dollars going to the school because what is driving the enrollment for the school is the FTE or number of credit hours. More students give them more money. If the same student takes longer to go through the system, that does not give them anymore money at all. This will change because they are not going to use the formula anymore. There is not an incentive for the system to delay students.

REP. ROYAL JOHNSON asked Ms. Farmer for the students' thoughts toward tuition increases. Ms. Farmer said tuition increases are

something no one likes to see and especially if there is not a guarantee along with them that they will be used to increase the quality of their education. The students are in a position where they feel they have to bargain somewhat. They understand cuts have to be made, changes in the structure need to be made, and the system needs to be re-evaluated. Part of that may be tuition. The students do not want to concede any tuition until there are guarantees. **REP. JOHNSON** said on that basis the students say they are willing to pay more tuition, does she think the action the subcommittee took, which allowed lump-sum funding in units, is the answer to the problem she alluded to? **Ms. Farmer** said it is definitely helpful and part of the solution but if raising tuition coincides with getting less money, the lump-sum funding might help in the end result.

REP. BARDANOUVE said the Department of Administration shows \$220,000 proprietary for increased postage due to an increased number of agencies using the central mail services as a cost savings measure. Why haven't the agencies been using the postal services? **Susan Campbell, Department of Administration**, said the agencies are using their services as a cost-saving measure. The request in the budget amendment is to increase volume that the agencies are sending to them. This is a pass-through cost and we are asking for spending authority to process the increased mail coming from the user agencies. They added four agencies the past year and the department is processing more mail than anticipated in their original budget figures.

Closing by Sponsor: **REP. ZOOK** said there is a lot of paper in this bill with all the amendments, etc. The state is very fortunate the federal government is in such good fiscal condition so we can get all these federal special revenue dollars and additional grant funds to help with our problems.

VICE-CHAIRMAN GRADY closed the hearing on HB 4.

CHAIRMAN ZOOK conducted the meeting at this point.

HEARING ON HB 618

An Act appropriating for fiscal years 1994 and 1995 money from the general fund to the Montana School for the Deaf and Blind to equalize the salaries of its teachers with the salaries paid to teachers in local school districts.

Opening Statement by Sponsor: **REP. ED DOLEZAL, HD 34** said in the Great Falls area there are two separate types of schools; two different situations and two different types of teachers. One set of those teachers works for the public schools and deals with those students who are directly in the community. Another school serves the special needs of a certain group of individuals throughout the state. These are the teachers that work for the School for Deaf and Blind. Even though both of these groups of teachers perform a vital service to the community and to the

state there is a considerable disparity in the amount of pay these teachers receive. Great Falls public school teachers receive a considerable amount of money more for providing their service than the teachers for Deaf and Blind. He explained the charts, **EXHIBIT 1**, which show the disparity of pay for different levels of experience. The bill addresses that issue of disparity and is a straight appropriations bill from the general fund for a little over \$100,000. There is a conception that the School for Deaf and Blind is a Great Falls school. This is not true and explained **EXHIBIT 2**, showing where the on-campus students come from.

Proponents' Testimony: Terry Minow, Montana Federation of Teachers and represents teachers and other employees at the Montana School for the Deaf and Blind. They rise in support of HB 618 to provide the appropriation necessary to fund pay equity for teachers and other professional employees at MSDB. The teachers at the school are paid considerably less than their counterparts in the public school system. While teachers at MSDB earn less they are required to receive specialized training which is not available in Montana.

Jim Kelly, Counselor, Montana School for the Deaf and Blind said he is in his ninth year, has a Master's Degree and his salary is approximately \$22,000. When he started working at MSDB nine years his salary was very close to his counterparts in the local school district. As time went on the wage disparity spread. He now has a second job to support his family.

Steve Gettel, Teacher, Montana School for the Deaf and Blind read from testimony, **EXHIBIT 3**.

CHAIRMAN ZOOK asked Mr. Gettel what the average salary was and he replied \$27,590 across the state. At MSDB the average was \$22,609 for a difference of \$4981.

Opponents' Testimony: None

Questions From Committee Members and Responses: **REP. MENAHAN** asked if the salary figure includes administrators. Mr. Gettel said no.

REP. FISHER asked how many students attend MSDB. Mr. Gettel said they have 105, both day and resident students.

REP. ROYAL JOHNSON said he studied the MSDB budget in subcommittee and there were no strong suggestions from the administration to change this. He asked Mr. Gettel if he had visited with the school administration about this? Mr. Gettel said yes. There was a Northwest Region Accreditation team, which has provisionally accredited MSDB, that came in for a review and one of the issues they talked to the administration and staff about was the disparity in pay. **REP. JOHNSON** asked if Mr. Gettel or any of the teachers are part of the Outreach Program. Mr.

Gettel said he isn't but this bill deals with four people who are considered Outreach. REP. JOHNSON asked if the teachers from the Outreach program get an additional salary? Mr. Gettel said they get the same salary and are on the same pay matrix as the teachers who work at the school.

REP. NELSON asked what is the student/teacher ratio? Mr. Gettel said between 1 to 5 or 1 to 6. The standard says when they get up to 1 to 8 it is really difficult for teaching impaired children.

REP. BARDANOUVE said they have this situation every session. It is apparent there is a disparity in salaries, however, there will be a problem if they pass this for teachers at one school and not the teachers at Pine Hills and Mountain View.

Closing by Sponsor: REP. DOLEZAL said the two proponents who are teachers at the School for the Deaf and Blind did a good job of explaining the necessity for doing this. In response to REP. BARDANOUVE the 1991 legislative session gave the Pine Hills and Mountain View teachers 3-step increases in their salary matrix whereas the School for the Deaf and Blind did not get any. In response to REP. MENAHAN this increase is strictly for the teachers and has nothing to do with the administration. The money is going to get to those people who provide the services. This has been an ongoing issue with the School for the Deaf and Blind. His feeling is, if both the School for the Deaf and Blind and the public schools provide important services, the field should be leveled.

CHAIRMAN ZOOK closed the hearing on HB 618.

HEARING ON HB 608

An Act allocating a portion of the resource indemnity tax proceeds; establishing minimum funding levels for grant programs; changing the distribution of interest earnings from the resource indemnity trust fund; combining the water development and renewable resource development programs to create the renewable resource grant and loan program;

Opening Statement by Sponsor: REP. BERGSAGEL, HD 17 said there are some amendments to put on this bill; Section 1, page 4, line 8 - line 17; Section 2, page 6, line 18 through page 9, line 13; Section 3, page 9, line 14 through page 12, line 12; Section 4 through 31, page 12, line 13, through page 52, line 7. These sections combine the water development and renewable resource development programs. These programs have been administered as one for the past three bienniums. These sections combine the programs statutorily. The types of applications and types of projects that were eligible for these grants under existing statutes are not changed when these programs are combined.

Proponents' Testimony: Ray Beck, Administrator, Conservation

Resource Development Division, Department of Natural Resources and Conservation said this is a bill put together by the agency and also under the direction of the legislature last session which directed the department to amend some of these programs. He explained EXHIBITS 1 and 2.

John Tubbs, Bureau Chief, Resource Development Program discussed the bill and the amendments to that bill. The bill diverts proceeds from the RIT tax. There are two purposes for that diversion; 1) by funding these grants at \$4 million above all the other accounts, immediately creates a deficit in the state appropriations that are funded out of this. If HB 608 does not pass, grants will only receive a total of \$2.7 million. The rest is budgeted out in state appropriations among the various agencies. If HB 608 passes there will be \$4 million in grants and that leaves \$1.3 million coming out of the dollars available for agencies. 10% of the diversion of funds is necessary just to offset that impact of moving the grants to the top of the interest flow. 2) the additional 30% of the diversion is an opportunity to reduce general fund spending in the natural resources agencies by about \$2.5 million as well as funding \$240,000 to the Northern Montana College.

There are two basic purposes for the amendments and some critical issues in this bill; 1) base funding to guarantee some grants and a combination of the water development RIT program. The modification of the reclamation development is a cleanup portion. They can wait a biennium but wanted this committee to focus on what the important issues are so they are removing that part of the bill. 2) The other thing is an unintentional impact on the Department of Health and Environmental Sciences' accounts, the accounts for hazardous waste and environmental quality protection. Moving the grant accounts above the allocation to those accounts, actually reduces the amount of money available for those purposes. A few of the amendments mitigate that by allocating a greater portion of the interest to those accounts. They come out just slightly above where they would have been if HB 608 does not pass.

REP. MENAHAN asked for a list of the grants. Mr. Tubbs said he would provide him with a list. The grants are the subjects of HB 6 and HB 7 and will be passed out of Long Range Planning subcommittee.

Jerry Nypen, Vice Chairman, Water Resources Association said he supports HB 608 and is in favor of minimum grant funding for water development. The state is badly in need of an incentive to do a good job of distributing the water in the irrigation systems.

Ken Minnie, President, RC&D State Association, Roundup said the association is in full support of HB 608. They feel it is a bill they need. The grants' program and the benefits of the grants' program have been effective on a local level to do projects.

They think it is necessary to have a level of funding available so they can compete for those moneys.

Max Maddox, First Vice President, Montana Resources Association and spokesman for the five irrigation districts in the Chinook Division Irrigation Association which encompasses about 180 irrigators said the RIT program grants have been a direct benefit to them on the Milk River. The irrigation districts have been able to do things they wouldn't ordinarily be able to do.

Dean Hall, Director, Montana Water Resources, Billings said they have participated in one of those grants and feel they are very necessary for the operation of a lot of canals. It makes a difference whether these projects can be done or not.

John Sesso, Planning Director, Butte-Silver Bow testified in support of the bill. The RIT program is one of the most innovative and one of the last remaining opportunities for local governments to mitigate the impact of natural resource extraction industries. In southwest Montana, particularly Butte-Silver Bow, there is a serious problem in respect to mitigating those impacts. These programs, particularly the reclamation and development program, as well as the RIT program and the water program, are very crucial to their ability to deal with those impacts. These programs create a real opportunity for communities such as Butte-Silver Bow to deal with the problem on their own with the support of the state.

Jay Chamberlain, President, Montana Water Resource Association said through the years, this has been very productive and beneficial on the local level. His concern is he feels the funds have been eroded through the years and wants to make sure they maintain where they are. It is important to realize, through the benefit of improving the natural resources, many of the recreationists benefit as well.

Fay Stokes, Manager, Pondera County Reservoir Company, Valier spoke in support of the bill.

Bob Church, Municipal Consulting Engineer, Damschen & Associates said a large percentage of the water systems in the state are small water systems. They are facing two very tough challenges. One of them is that many of the systems are reaching the end of their useful lives and will require replacement or rehabilitation to continue to service the people and provide water.

The other large challenge facing these systems is the new federal regulation being promulgated under the Safe Drinking Water Act. It is going to cost a substantial amount of money to make the improvements and the water development program has always been a useful source of funding for grants and loans, especially those systems that are not eligible for farm loans and RDA funds or do not qualify for C.D.B.G. block grant moneys. This bill will provide a minimum funding level and a source of moneys for the

local water systems to apply for, and be able to count on, that money to be there. The other benefit of the minimum funding level is that money given will not be taken away at a later date.

They also support combining the water development program and renewable resource development program which will limit a lot of confusion for the applicants and make it easier to understand the whole program.

Nick Clos, Montana Rural Water Systems, submitted testimony **EXHIBIT 4**, in support of HB 608 which will allow small systems the opportunity to apply for loans that are affordable for them.

Bill Daehling, President, Northern Montana College spoke in favor of the appropriation in this bill for Northern Montana College to support the water training programs. The program is limited because of the size of the laboratory facilities they have available. In conjunction with the Montana Department of Health and Environmental Sciences Water Quality Bureau, they operate the Montana Center for Environmental Training which is a cooperative effort with partially flow-through money from the EPA.

Mike Volesky, Montana Association of Conservation Districts would like to go on record as supporting improvements to grant funding in Montana. This is money well spent and these grants are good for the state, in fact, they are imperative.

Clint Peck, Editor, Montana Farmer-Stockman magazine, Billings spoke in favor of HB 608 because wherever he goes in the state of Montana, he runs into the impacts of these kinds of grant programs and how they work for people in the rural communities and for the farmers and ranchers, helping them preserve the natural resources.

REP. BILL TASH, HD 73 testified for East Bench and Clark County Water Supply Co. for their appropriations for Gravity 3. This is a good program and one that stimulates production.

Jane Holzer, Program Director, Montana Salinity Control Association said through the grant programs they have been able to have technology transferred directly to those who will benefit from it the most, provide a better understanding and allow the individuals to improve their management levels, either on an individual basis or an entire watershed. The salinity problem is not limited to Montana and through these grants have been able to work and set up a strong link with provincial governments and individual landowners. The grant funds have enabled the MSCA to become partially self-supporting and also work match funds for federal funds, not only for their program but to many others. It is expensive and time consuming to develop the grant proposals and walk through the whole process from the Department of Natural Resources through the legislative process.

Karl Ohs, Rancher, Harrison and Chairman, Group of Ranchers called **MAGPI** spoke in support of the bill and his group have used the funds in this grant for further exploration of new crops and cropping methods to lower input costs.

Jo Brunner, Executive Director, Montana Water Resources Association said there are several members of this Association who have been recipients of this program who are not able to be here and she expressed their thanks to this program because of the benefits that have been derived at the local level.

Karen Fagg, Representing Governor Racicot said she wanted to make it very clear they are supporting this bill. When they originally considered the concept, and started to develop the proposal, they felt the Governor and the legislature has to make a fundamental decision and that is, "are we going to maintain a grant program"? If there is going to be a grant program then the legislature has to deal with what HB 608 is proposing and that is to stabilize the funding level for those grants. What has happened over the last few years is the grant programs have sacrificed while general government has received the benefits.

The RIT tax is a tax on coal, oil and gas, (extracted minerals). The original intent of that was two-fold; 1) to provide reclamation dollars to remedy some of the problems that were created by the extractive industries; and 2) to enhance the general natural resources of the state of Montana. These programs were established to do just that, Reclamation Grant program and a Water Development Renewable Resource program. What HB 608 does is emphasize those two areas. It separates "reclamation" so that program will do nothing other than provide moneys for reclamation activities in the mineral area and in the oil and gas area primarily. The other one is the general natural resources. Everyone applying will know which area to apply to.

It does set a minimum amount to provide to these applicants because that is critical. What has happened in the evolution of the grant programs is there has been a growing requirement for cost share or matching dollars. In the last biennium it was a 4 to 1 match so for every dollar of grant money that was put in there was a return of 4 to 1. It was through local government investments, from local investments from private citizens and from federal dollars. That is a growing requirement of the program.

The downside of the bill is the RIT trust fund will not be capped until 1999 or the year 2000, about a four year delay. It will be capped when it reaches \$100 million. At that time the legislature can use the proceeds and all of the interest as they see fit. Once it is capped, we would think the legislature would revert to its original intent which is reclamation and general natural resources. What they are suggesting is, rather than waiting until it's capped, to solve some of these critical problems, solve some of them now.

There will be some general fund benefits between \$2 to \$3 million which will help solve the \$99/\$99 million problem as well.

Questions From Committee Members and Responses: **REP. BARDANOUVE** asked where the money is coming from? The bill robs the trust which was working fine and why the 50% decline as shown on **EXHIBIT 2**. **Mr. Tubbs** said the drop is appropriations made in House Natural Resources subcommittee. The appropriations are going in two general areas. About 50% of the increase is due to just general government and the fact there are FTE built into those accounts and there are operational expenses. The other half is coming out for some worthy projects. There was an increase of state water projects, which typically had only gotten about \$750,000, and they doubled their allocation which is going for one purpose, the Tongue River Dam. This bill allows for interest money to be spent on Grants programs and the state agencies to be funded as well. **REP. BARDANOUVE** said they are passing this bill to balance the general fund budget. **CHAIRMAN ZOOK** said this is not intended, in any way, to balance the general fund budget. If the general fund benefits from this action it does not count in the \$99/\$99 million they are looking for. **REP. BERGSAGEL** said the reason he agreed to carry this bill is he felt they should be taking more time and spending that money on the grants process that he and **REP. BARDANOUVE** have been working on through this biennium. Here is an opportunity to extend the life of the grants' program, to take care of those environmental "wrecks" they have out there. **REP. BARDANOUVE** said he does not know where the 50% of the money goes to outside of the general fund. **REP. BERGSAGEL** said a lot of it went into the Tongue River Dam, a lot for increased costs for labor or administration and the decline in interest rates to the RIT fund.

REP. BARDANOUVE asked what the Tongue River Dam has to do with this? **Ms. Fagg** said how that ties in to this is, last session, there was a bill passed called the Water Storage Omnibus bill. What that bill did was allocate 25% of the water development and renewable resource development grant moneys to water storage. So 25% of whatever moneys that are available for grants in those programs are set aside for water storage projects. They brought in the Northern Cheyenne Compact which had a component in it to rehabilitate the Tongue River Dam and, as they discussed in that compact and also the appropriations hearings, the Department would pay Montana's portion of the Tongue River Dam's rehabilitation effort, utilizing the water storage account and the other water development moneys the Engineering Bureau within the Department of Natural Resources receives every biennium for state water projects. The Department has said the water storage account, in this biennium, is estimated to be between \$300,000 and \$400,000. The federal match is going to be about \$35 million so the moneys in the water storage account, plus the moneys in the engineering bureau will go to match the federal dollars to repair and rehabilitate the Tongue River Dam. Without that repair the state has no compact with the Northern Cheyenne Tribe.

REP. KADAS asked **Mr. Tubbs** what the total level of grants will be without this bill and the total level with the bill. **Mr. Tubbs** said if HB 608 passes the level of grants will be \$1.6 million for renewable resource development grants, if it doesn't pass, about \$1 million. In reclamation and development there will be \$2.4 million if the bill does pass, about \$1.5 if it doesn't pass. The water storage account is about \$400,000 under HB 608 and \$400,000 with subcommittee action. Total grant dollars are \$2.7 million and \$400,000 for the water storage account. If HB 608 passes total grant dollars will be \$4 million. **REP. KADAS** asked for numbers of the three grant programs for the last biennium. **Mr. Tubbs** said the last biennium they were able to get out about \$2 million in water development RRD grants and about \$3 million in reclamation and development. Part of the reason they were able to get that was some fund balances that pre-existed, not income. **REP. KADAS** said he would like essentially the same numbers for the programs that administer these grants that are receiving the proceeds money to run the program instead of general fund. **Mr. Tubbs** said he would check for the current biennium. In the upcoming biennium the Conservation and Resource Development Division, which houses two bureaus and is almost 100% RIT funded, will receive approximately \$2 million regardless whether the bill passes. It is under current House Natural Resource appropriation action. **REP. KADAS** asked how it is funded if the bill does not pass. **Mr. Tubbs** said if the bill passes there is a \$55,000 general fund replacement. **REP. KADAS** asked is the program funded under RIT proceeds in either case whether the bill passes or not? **Mr. Tubbs** said not proceeds so much as interest. If the bill does not pass there will be no proceeds diverted to these accounts. They will rely 100% on interest funds. It comes from the grant funds.

REP. KADAS asked where are the general fund savings? **Mr. Tubbs** said what this bill allows is some income. By moving the grant accounts to the top they have increased the grant funds by \$1.3 million or \$2.7 million total. Without HB 608 they have \$2.7 million in total grants. With HB 608 they have \$4.4 million. The general fund savings comes from the House appropriation for Natural Resources. They have made \$2.5 million contingent upon passage of HB 608 that would take dollars in the Department of Natural Resources and the Department of State Lands and \$240,000 for Northern Montana College. Those funds, \$2.5 million in general fund replacement, are contingent upon passage of this bill. If this bill passes, the House Natural Resources subcommittee on appropriations has already put in place amendments that would automatically kick up funds in DNRC and DSL of \$2.7 million. **REP. KADAS** said those funds don't go to administer this program, they just go to back out general fund within DNRC and DSL.

REP. KADAS asked, on the issue of the contingency of this bill passing and backing out general fund dollars in these other agency budgets (DNRC and State Land), is that general fund supposed to count against the \$99 million? **REP. DeBRUYCKER** said

he does not believe it does. **REP. KADAS** asked, looking at the budgets, what level did the subcommittee set the budgets in relation to LFA current level? Were the budgets reduced from current level or closer to the target? **REP. DeBRUYCKER** said the Department of Natural Resources did not take much of a hit on trying to get close to the budget. Their budget was reduced but not down as far as the target. Their funds are not general fund budget anyway. **REP. KADAS** said they wouldn't be under this. **Clayton Schenck, Legislative Fiscal Analyst**, said the way they are tracking the \$99 million, this contingency is built in there to be part of the target reduction. **REP. KADAS** said the expenditure target.

Jane Hamman, Budget Office said the information they have is both agencies of DNRC did meet the target and she will coordinate with the LFA and review that further. **REP. DeBRUYCKER** said that depends on what is used as a target. If you are trying to cut the complete spending they did not meet it. If you take it out of general fund, yes. **REP. KADAS** said it is a lot easier to meet the target if you back out the general fund and find the revenue someplace else. **CHAIRMAN ZOOK** said if some of those aren't accountable, according to the resolution, they have other sources to go after, moneys to meet the target. 77% of the budget now is in Human Services and Education. **REP. DeBRUYCKER** said he agreed with **REP. KADAS**. His goal was to cut government down regardless where the sources come from. As the subcommittee looked at Natural Resources, there is very little general fund money. If it is not funded federal dollars can be turned back and that is going against the state. **CHAIRMAN ZOOK** said a lot of it was replacement fees and to him, those are taxes.

REP. KADAS referred to **Mr. Tubbs** saying, in the last biennium they had \$5 million in grants. Without this change they will have \$2.9 million in grants this biennium. There is a \$2.1 million difference and **Mr. Tubbs** said \$700,000 of that difference is due to the Tongue River Dam. The rest is due to inflationary costs within the Department? **Mr. Tubbs** said not just his department but other state agencies, as well as some projects. **REP. KADAS** asked what other agencies receive these dollars before the money goes to grants and how much agency-type general government budgets supported with RIT funds? **Mr. Tubbs** said \$18.4 million. That includes the Department of Health and Environmental Science, DNRC, State Lands, Water Courts, State Library Natural Resource Information Center, Environmental Quality Council and the Montana Civilian Patrol Association. **REP. KADAS** said, assuming the revenue is about the same, that \$18.4 million is growing by \$1.4 million plus \$0.7 million from Tongue River, this equals the \$2.1 million difference between last biennium and this biennium. **Mr. Tubbs** said there are some other small projects but that is approximately correct.

REP. ROYAL JOHNSON said, in trying to track the amendments, does he detect that the Department has cut out the World Economic Development in its entirety? **Mr. Tubbs** said that was correct.

It doesn't cut them out entirely from a funding source but what the Department decided to do is focus this committee's attention on the key elements of this bill which is to provide minimum grant funding and combine water development and RRD. Currently they fund economic development projects in the Reclamation Development program. **REP. JOHNSON** said they took out \$800,000. Was there more than \$800,000 in the rural economic revitalization? **Mr. Tubbs** said there is approximately that amount.

Mr. Beck said if HB 608 does not pass, the Department is in the same place they are now. These funding switches were not used to offset the target in any way.

Mr. Schenck referred to a status sheet showing HR 2 target comparison and in the column showing legislative action and the difference, it shows \$22 million over the target for all of HB 2. For Natural Resources they are at \$890,000 over target. The savings from HB 608 are not shown in that. There is an additional column that shows action contingent upon bills and for the Natural Resources, that would provide an additional savings of \$4.6 million and that includes the savings in HB 608. It shows the Natural Resources committee would be \$3.7 million under target when that is added in. For Natural Resources, yes, they are within \$10,000 of target but when you take out the additional \$1.7 million savings it brings them to well under target and contributes to the overall subcommittee goal of being under target.

Closing by Sponsor: **REP. BERGSAGEL** said the purpose of this proposal is so they can switch their emphasis, putting moneys into the actual reclamation of projects that are faced state-wide, environmental hazards, water development loans etc.

CHAIRMAN ZOOK closed the hearing on HB 608.

HEARING ON HB 579

An Act creating a Montana student volunteer program; establishing a special revenue fund in which to deposit funds from private and corporate donors and foundations and from federal grant programs; using the fund to provide living allowances and to provide tuition vouchers or partial student loan repayments for individuals performing full-time volunteer work for private nonprofit human and social service organizations.

Opening Statement by Sponsor: **REP. ANGELA RUSSELL, HD 99** said this is her own idea and she came up with it because last December she was in Missoula where she has had the privilege of being Chair of Montana Rhodes Scholarship selection committee for the past few years and visited with a professor who serves on that Board and his son had just left for one of the countries in Africa to do Peace Corps work. She thought of the people leaving Montana and felt something should be done within the state so the

young people can give back some of their services. The idea is to have volunteers within the Montana communities by students who might be in college and want to take a break and need to know more about their Montana communities. The idea is to be able to give these young people some tuition vouchers after a certain period of service or if they have completed most of their education, would repay them with a partial pay on tuition for those loans. Her idea is to try to bring a group of people together from the private sector that would fund most of this project and these individuals that would be funded would get a living stipend and get the tuition voucher. They would be assigned to non-profit, non-sectarian private organizations in which to work.

Proponents' Testimony: Deanna Smith, Student Lobbyist, Associated Students, MSU said this is a good bill. By paying living expenses it is promoting jobs as well as providing a community service. The purpose of this bill is encouraging Montana students to stay in Montana schools. Earlier today they talked about students who can't finish school in four years and need five or six years. A lot of the problem is tuition as students can't afford to pay tuition and room and board. This helps and makes students work, not only at jobs, but specifically for tuition vouchers. The Montana Associated Students requested that the student appointed by the Commissioner's office could be appointed by the Montana Associated Students. They have drafted a bill this session to allow the student Regent to be nominated by the Montana Associated Students so they know of a lot of students willing and interested in becoming involved.

Opponents' Testimony: None

Questions From Committee Members and Responses: None

Closing by Sponsor: REP. RUSSELL said it is a positive piece of legislation and good for our young people. She has no problem re-considering a full tuition repayment instead of the half tuition in the bill. She would be agreeable to doing something else about the student representative. Everyone will benefit in the long run from the bill because there are a lot of young people in Montana who don't know each other and yet are growing up as neighbors. A lot of Native Americans do not know very much about some of the other communities so this exchange would be beneficial to help everyone understand each other better.

CHAIRMAN ZOOK closed the Hearing on HB 579.

ADJOURNMENT

Adjournment: 10:15 A.M.

HOUSE APPROPRIATIONS COMMITTEE

March 4, 1993

Page 21 of 21



REP. TOM ZOOK, Chairman



MARY LOU SCHMITZ, Secretary

TZ/mls

HOUSE OF REPRESENTATIVES

APPROPRIATIONS

COMMITTEE

ROLL CALL

DATE

3/4/93

NAME	PRESENT	ABSENT	EXCUSED
REP. ED GRADY, V. CHAIR	✓		
REP. FRANCIS BARDANOUVE	✓		
REP. ERNEST BERGSAGEL	✓		
REP. JOHN COBB	✓		
REP. ROGER DEBRUYKER	✓		
REP. MARJ. FISHER	✓		
REP. JOHN JOHNSON	✓		
REP. ROYAL JOHNSON	✓		
REP. MIKE KADAS	✓		
REP. BETTY LOU KASTEN	✓		
REP. WM. "RED" MENEHAN	✓		
REP. LINDA NELSON	✓		
REP. RAY PECK	✓		
REP. MARY LOU PETERSON	✓		
REP. JOE QUILICI	✓		
REP. DAVE WANZENREID	✓		
REP. BILL WISEMAN	✓		
REP. TOM ZOOK, CHAIR	✓		

SUMMARY EXPLANATION OF HOUSE BILL 4

BUDGET AMENDMENTS

Prepared for the House Appropriations Committee
By the Office of Budget and Program Planning

EXHIBIT 1
DATE 3/4/93
HB HBY

Department of Justice (beginning p. 2, line 2)

Highway Patrol - \$175,000 federal special revenue in FY93 for the Motor Carrier Safety Assistance Program (MCSAP). The fiscal 1992 grant was carried forward to fiscal 1993 and the fiscal 1993 grant amount was increased over the appropriated level.

Highway Patrol - \$5,000 federal special revenue in FY93 for a grant from the Highway Traffic Safety Division to replace approximately seven worn and defective radar units.

Law Enforcement Services - \$19,682 federal special revenue in FY93 for augmenting the Board of Crime Control grant for the special drug investigation team in Missoula. The actual grant award is higher than the estimated amount used to determine the authorized appropriation.

Department of Revenue (beginning p. 2, line 6)

Director's Office - \$9,108 federal special revenue in FY94 to complete a "sting" operation project to reduce the incidence of under-age purchases of alcohol under a \$34,000 grant from the National Highway Traffic Safety Administration. The department is currently appropriated for \$24,892 in FY93.

Crime Control Division (beginning p. 2, line 8)

D.A.R.E. - (amendment No. 3) \$3,800 state special revenue in FY93 to provide sufficient appropriation authority for approximately \$20,000 in estimated Drug Abuse Resistance and Education tax check off revenue. The amount authorized for FY93 is \$16,200 but contributions to date exceed that amount.

Victim assistance, drug enforcement, drug education and missing children is authorized to continue from FY93 into FY94 because these federal grant funds span three state fiscal years.

State Library (beginning p. 2, line 12)

Literacy Resource Center - \$14,915 federal special revenue in FY94 to spend the balance of funds available for expansion of the Literacy Resource Center.

LSCA VI Literacy Program - \$17,360 federal special revenue in FY94 to expend the estimated balance in federal Library Services and Construction Act (LSCA) Title VI Library Literacy funds.

Department of Administration (beginning p. 2, line 15)

General Services - Central Mail - \$220,000 proprietary authority in FY93 for postage costs due to an increased number of agencies using central mail services as a cost saving measure.

Video Telecomm Upgrade - (amendment No. 7) \$235,109 proprietary authority in FY93 for equipment to upgrade the state telecommunications system in order to improve the capacity of the system for video transmission. Supported video sites include Helena, Bozeman, Missoula, Billings, Kalispell, and Miles City for METNET and other purposes.

Department of Fish, Wildlife and Parks (beginning on p. 2, line 17)

Law Enforcement Division - \$62,989 state special revenue in FY93 for upgrading handguns through trade-in provisions.

Wildlife Division - \$37,390 state special revenue in FY93 for the 25% state match of Pittman-Robertson federal grant funds for wildlife environmental impact statements.

Wildlife Division - \$112,170 federal special revenue in FY93 for Montana's wildlife management environmental impact statements.

Department of Livestock (beginning on p. 2, line 21)

Diagnostic Laboratory - \$50,000 state special revenue in FY93 for maintaining operations of the laboratory to fiscal year end due to increased workload.

Department of Natural Resources and Conservation (amendment No. 8)

Water Resources - \$580,000 state special revenue in FY93 from the escrow account for work related to construction completion of the Broadwater Power Project with authority continued into FY94.

Water Resources - \$2,000,000 state special revenue in FY93 from settlement recovery/arbitration award for experts in design and analysis, repairs and related construction activities pertinent to management of the Broadwater Power Project with authority continued into FY94.

Energy Division - \$9,000 state special revenue in FY93 for the Architects and Engineers Conference including \$7,500 for registration fees, \$700 from the Montana Dakota Utilities and \$800 from Pacific Power and Light for the conference.

D. NR

EXHIBIT 1
DATE 3/4/93
HB 4

HB4 Summary for HAC

Department of Commerce (beginning on p. 2, line 23)

Local Government Services - \$15,200 federal special revenue in FY93 for a portion of the \$116,474 HUD Section 107 technical assistance grant which will be used to assist Montana communities in the areas of housing and land use regulations. The FY94 and FY95 balance of the grant is in HB2.

Financial Institutions - \$79,933 state special revenue in FY93 for four additional examiners plus associated operating expenses for increased workload.

Building Codes - \$127,138 state special revenue in FY93 for 3.50 FTE building inspectors and associated operating expenses due to increased workload.

Department of Corrections and Human Services (beginning on p. 3, line 1)

Corrections - Prison Industries - \$350,000 proprietary in FY93 due to sales revenue exceeding the appropriated budget.

MSP - Adult Basic Ed - (amendment No. 9) \$3,396 federal special revenue in FY93 to allow the education unit of the Montana State Prison to utilize and participate in the Adult Basic Education Section 353 project administered by the Office of Public Instruction.

MSP - Chapter I - (amendment No. 9) \$4,365 federal special revenue in FY93 to allow the education unit of the Montana State Prison to utilize and participate in the Educational Improvement and Consolidation Act Chapter I Education Project administered by the Office of Public Instruction.

Montana Arts Council (amendment No. 10)

NEA Local/Tech Assistance to RAI - \$45,449 federal special revenue in FY93 from the National Endowment for the Arts to enhance Montana's Local Arts Agency Initiative and develop the rural and local arts agency network under the Rural Arts Initiative..

NEA/Tribal College AIE - \$9,710 federal special revenue in FY93 from the National Endowment for the Arts for Montana's tribal colleges to serve as catalysts for development of more substantive arts education programs in schools in Indian communities.

Montana Historical Society (amendment No. 11)

Spanish Creek Project - \$75,000 state special revenue in FY93 to support an archaeological survey on 9,000 acres in Gallatin and Madison counties with privately donated funds.

Photo Archives - \$4,000 proprietary funds in FY93 to purchase photographic supplies required due to a higher than average number of print requests and, as a result, additional revenue.

HB4 Summary for HAC

IMS Conservation - \$25,000 federal special revenue in FY93 to rehouse 3,500 Native American artifacts in more appropriate storage conditions and to complete detailed condition surveys for approximately 2,500 Native American artifacts.

Department of Labor and Industry (amendment No. 12)

Native American Vets Outreach - The balance of the FY93 federal grant is continued into FY94 because the notice of award was signed January 7, 1993 and the grant agreement period was extended to January 5, 1994.

Fair Housing HUD - \$138,150 federal special revenue in FY93 for the Human Rights Commission to study, identify and begin legal proceedings on illegal discrimination in housing through investigative activities which seek to identify systemic discrimination in real estate practices which affect American Indians in rural communities.

Mine Safety - \$50,538 federal special revenue in FY93 to provide federally-required mine training and specific training for Montana's mining industry designed to help reduce fatalities, accidents, and injuries in the mining industry.

Department of Health and Environmental Sciences (amendment No. 13)

Stormwater - \$32,673 federal special revenue in FY93 to provide authority in the Water Quality Bureau for aiding in state implementation of the federal stormwater runoff permit regulations.

Department of Social and Rehabilitation Services (amendment No. 14)

DDPAC Grant - \$116,892 (\$63,620 additional grant award in FY93 plus \$53,272 carryover from FY92) federal special revenue in FY93 for a contract to provide a public service announcement and community integration project, along with associated administrative costs, for the developmentally disabled.

Montana University System (amendment No. 15)

Agricultural Experiment Station - \$127,000 federal special revenue will be used to pay for physical plant repair and renovation. The \$11,873 from livestock sales will be used to fund the payplan expense for the Livestock and Range Research Laboratory (LARL).

University Millage - The university system has \$100,000 in additional millage collections that HB002 requires be added by budget amendment to offset reductions made during special session.

EXHIBIT 1
 DATE 3/4/93
 HB 4

HB4 Summary for HAC

University and Vo-Tech Tuition - The tuition budget amendment reflects additional tuition revenue available as a result of a 2% increase over FY92 enrollments along with an increase in nonresident students. The increase is actually a 7.6% increase in actual full-time students (1,913) over the budgeted number of 25,136.

MUS SUMMARY:

Millage

Instruction (01)	\$ 100,000	State Special
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Budget Amended Tuition

Instruction (01)	1,962,926	State Special
Research (02)	5,530	State Special
Support (44)	2,487,878	State Special
Operation and Maintenance of Plant (07)	596,336	State Special
Scholarships and Fellowships (08)	<u>3,640</u>	State Special
TOTAL	\$5,056,310	State Special

Amend House Bill 4, as introduced

The unexpended fiscal year 1993 budget amendment authority for Broadwater Power Project escrow funds are reappropriated for fiscal year 1994 in order to complete work related to construction defects.

Water Resources Division	1993	2,000,000	State Special
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The unexpended fiscal year 1993 budget amendment authority for arbitration or settlement funds are reappropriated for fiscal year 1994 to support activities pertinent to remedying construction defects of the Broadwater Power Project.

Energy Division	1993	9,000	State Special"
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- 9. Page 3, line 3.
Following: line 2.

Insert: "MSP - Adult Basic Ed	1993	3,396	Federal Special
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MSP - Chapter I	1993	4,365	Federal Special"
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- 10. Page 3, line 3.
Following: line 2
Insert: "MONTANA ARTS COUNCIL

NEA Local/Tech Assist to RAI	1993	45,449	Federal Special
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All remaining fiscal year 1993 federal special budget amendment authority for NEA local technical assistance is authorized to continue to fiscal year 1994.

NEA/Tribal College AIE	1993	9,710	Federal Special"
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- 11. Page 3, line 3.
Following: line 2
Insert: "MONTANA HISTORICAL SOCIETY

Spanish Creek Project	1993	75,000	State Special
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All remaining fiscal year 1993 state special budget amendment authority for spanish creek project is authorized to continue to fiscal year 1994.

Photo Archives	1993	4,000	Proprietary
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IMS Conservation	1993	25,000	Federal Special
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Amend House Bill 4, as introduced

All remaining fiscal year 1993 federal special budget amendment authority for IMS conservation is authorized to continue to fiscal year 1994."

12. Page 3, line 5.

Following: line 4

Insert: "DEPARTMENT OF LABOR AND INDUSTRY

All remaining fiscal year 1993 federal special budget amendment authority for the Native American Vets Outreach Program is authorized to continue to fiscal year 1994.

Fair Housing - HUD	1993	138,150	Federal Special
Mine Safety	1993	50,538	Federal Special

All remaining fiscal year 1993 federal special budget amendment authority for mine safety is authorized to continue to fiscal year 1994."

13. Page 3, line 5.

Following: line 4

Insert: "DEPARTMENT OF HEALTH AND ENVIRONMENTAL SCIENCES

Stormwater	1993	32,673	Federal Special"
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14. Page 3, line 5.

Following: line 4

Insert: "DEPARTMENT OF SOCIAL AND REHABILITATION SERVICES

DDPAC Grant	1993	116,892	Federal Special"
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15. Page 3, line 5.

Following: line 4

Insert: "MONTANA UNIVERSITY SYSTEM

Agricultural Experiment Station	1993	127,000	Federal Special
Agricultural Experiment Station	1993	11,873	State Special
University Millage	1993	100,000	State Special
University of Montana: Instruction (01)	1993	696,836	State Special

EXHIBIT 2
 DATE 3/4/93
 HB 4

Amend House Bill 4, as introduced

Research	(02)	1993	5,530	State Special
Support	(44)	1993	1,736,888	State Special
O & M of Plant	(07)	1993	71,336	State Special
Scholarships & Fellowships	(08)	1993	3,640	State Special
Montana State University:				
Instruction	(01)	1993	996,510	State Special
Support	(44)	1993	641,000	State Special
O & M of Plant	(07)	1993	500,000	State Special
Montana College of Mineral Science & Technology:				
Instruction	(01)	1993	151,893	State Special
Support	(44)	1993	39,000	State Special
O & M of Plant	(07)	1993	15,000	State Special
Eastern Montana College:				
Instruction	(01)	1993	68,903	State Special
Western Montana College:				
Instruction	(01)	1993	22,748	State Special
Northern Montana College:				
Instruction	(01)	1993	6,214	State Special
Support	(44)	1993	14,490	State Special
Billing Vocational Technical Center:				
Instruction	(01)	1993	53,000	State Special
Support	(44)	1993	47,000	State Special
Great Falls Vocational Technical Center:				
Instruction	(01)	1993	33,700	State Special

EXHIBIT 2
DATE 3/4/93
HB 4

Amend House Bill 4, as introduced

Missoula Vocational Technical Center:

Instruction	(01)	1993	33,122	State Special
Support	(44)	1993	9,500	State Special
O & M of Plant	(07)	1993	10,000	State Special"

AMEND HOUSE BILL 4, AS INTRODUCED

House Appropriations Committee

March 4, 1993

By Request of the Department of Transportation

EXHIBIT 3
DATE 3/4/93
HB 4

Page 2, line 6.

Following: line 5

Insert:

"DEPARTMENT OF TRANSPORTATION

Federal Transit Administration (pass-through) 184,323 State Special

Federal Transit Administration Discretionary Grant 138,189 State Special

322,442 Federal Special"

EXHIBIT 3
DATE 3/4/93
HB 4

House Bill #4 Amendment # 1, Department of Transportation

Department of Transportation
Rail and Transit Division

	FY93
6200 Grants:	
Section 3	\$ 65,100
Section 16	108,513
Section 18	10,710
	<hr/>
Total 6200	\$184,323
Funding:	
State Special Revenue Fund	\$184,323
	<hr/>
Total Funding	\$184,323

This proposed budget amendment allows the department the necessary authority to expend \$184,323 in the State Special Revenue Fund (pass through authority only) to account for the local match required for Federal Transit Administration (FTA) Section 3, 16, and 18 grant recipients. These grants provide for the purchase of capital equipment to provide transportation services for the elderly and disabled and also for assisting in the provision of public transportation services in Montana's non-urbanized areas.

Program requirements stipulate that recipients of Section 16 and 18 grant funds provide a 30% local match prior to disbursement of federal funds for the purchase of capital equipment. Recipients of Section 3 grant funds must provide a 20% local match.

Authority for the local match was previously accounted for in an agency fund. Although these grants have already been awarded, a change in how the funds are accounted for requires this request for additional authority in the State Special Revenue Fund.

EXHIBIT 3
DATE 3/4/97
HB 4

House Bill #4, Amendment #2, Department of Transportation

Department of Transportation
Rail and Transit Division

	FY93
6200 Grants	
Section 16	\$227,481
Section 18	233,150
Total 6200	<u>\$460,631</u>
Funding:	
State Special Revenue Fund	\$138,189
Federal Special Revenue Fund	322,442
Total Funding	<u>\$460,631</u>

This proposed budget amendment allows the Rail and Transit Division the authority to expend \$322,442 in the Federal Special Revenue Fund and \$138,189 in the State Special Revenue Fund (**pass through authority only**) for additional grant funds which are anticipated to be made available through President Clinton's Economic Stimulus Package (see attached documentation).

This funding will enable the department to award grants for the purchase of capital equipment (buses and vans) for elderly and disabled and for assisting in the provision of public transportation services in Montana's non-urbanized areas.

It is anticipated that the federal legislation will be enacted by the end of March. Once the program is enacted, the states have sixty (60) days to obligate the funds through contract or bid. Any funds not obligated within that time frame will be redistributed to other states.

AMEND HOUSE BILL 4, AS INTRODUCED

House Appropriations Committee

March 4, 1993

Prepared by the Office of Budget and Program Planning

EXHIBIT 4
DATE 3/4/93
HB 4

1. Page 3, line 3.
Following: line 2
Insert: "MONTANA HISTORICAL SOCIETY

National Preservation Grants 1993 \$175,220 Federal Special

All remaining fiscal year 1993 federal special budget amendment authority for National preservation grants is authorized to continue to fiscal year 1994.

MONTANA HISTORICAL SOCIETY (amendment No. 1)

National Preservation Grants - \$175,220 federal special revenue in FY93 to grant funds to subgrantees for restoration on properties listed on the National Register of Historic Places, either individually listed properties or those contributing to a National Register Historic District.

The University of Montana FY93 Budget Amendment

EXHIBIT 5
 DATE 3/4/93
 HB 4

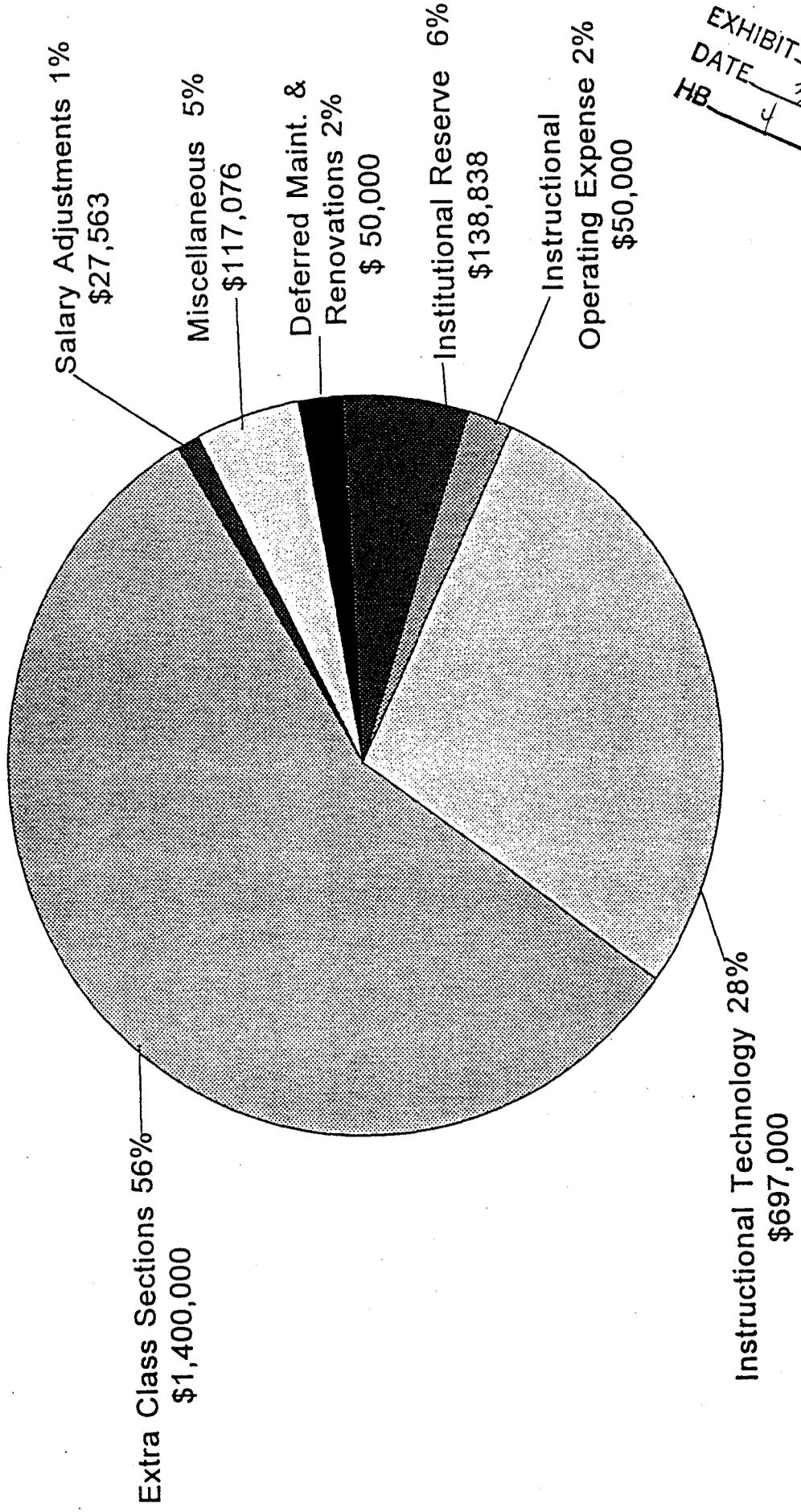


EXHIBIT 5
 DATE 3/4/93
 HB 4

March 3, 1993

FY1993 BUDGET AMENDMENT
The University of Montana

DATE 3/4/93
HB 4

Student enrollment for FY1993 at The University of Montana is projected to be 9,601 full-time-equivalent students, or 119 FTE higher than FY1992 or 1,319 FTE above the original FY1993 appropriation. The enrollment increase creates a demand for additional class sections and expanded instructional capacity to serve the additional students.

The FY1993 budget amendment of \$2,480,477 for The University of Montana addresses the need for extra class sections and instructional capacity and includes the following expenditure adjustments:

		Percent of Total
Extra Class Sections	\$1,400,000	56%
Instructional Technology	697,000	28%
Instructional Operating Expenses	50,000	2%
Institutional Reserve	138,838	6%
Deferred Maintenance and Renovations	50,000	2%
Salary Adjustments	27,563	1%
Miscellaneous	117,076	5%
Total	\$2,480,477	100%

The additional funds will be used to 1) provide funding for the additional sections and operating expenses required to serve students; 2) provide funding for computing related activities in support of instruction and service to students, i.e. computing equipment, electronic classrooms, Information Technology Resource Center, and computer networks; 3) provide funding to support disabled students as required by ADA (Americans with Disabilities Act); 4) provide funding for the associated fee waiver increases related to increased enrollments; and 5) provide funding for a minimal reserve to meet unanticipated demands during Spring Semester.

The budget amendment will result in the following revisions to the University's program authorizations, as follows:

EXHIBIT 5
 DATE 3/4/93
 HB 4

	CHE Approved Budget	Budget Amendment	Proposed Budget
Instruction	\$27,326,117	\$ 663,083	\$27,787,290
Research	781,174	5,530	786,704
Public Service	442,856	0	442,856
Academic Support	6,405,512	65,652	6,421,164
Student Support	4,139,473	16,079	4,155,552
Institutional Support	2,845,998	1,655,157	4,559,065
Operation & Maintenance	5,900,253	71,336	6,165,589
Scholarships	1,732,996	3,640	1,736,636
Total	\$49,574,379	\$2,480,477	\$52,054,856

The \$2,480,477 increase in expenditures will be funded by increased FY1993 revenues from student tuition and fees. The projected additional revenues from student tuition and fees for FY1993 are:

	CHE Projected Revenues	Budget Amendment	Projected Revenues
Registration Fees	\$ 610,544	\$ 94,956	\$ 705,500
Incidental Fees	12,137,377	< 834,429 >	11,302,948
Non-Resident Tuition	4,672,644	2,876,920	7,549,564
Admissions	177,985	0	177,985
Other	392,398	343,030	735,428
Total	\$17,990,948	\$2,480,477	\$20,471,425

Within the SBAS accounting structure, The University of Montana maintains an account titled "Institutional Reserve", which is in the Institutional Support program. Within this account, all unallocated balances are maintained until such time as the President of The University of Montana determines the allocation of those balances. Those allocations may be made to Instruction, Research, Public Services, Operation and Maintenance of Plant, or other support areas.

Additional one-time-only allocations of anticipated revenues from enrollment increases may be made prior to approval of budget amendments, resulting in a negative in the Institutional Reserve account. This is necessary to provide the additional course sections to accommodate the demand when enrollments exceed budgeted projections.

EXHIBIT 5
DATE 2/4/93
HB 4

As budget amendments are approved, usually mid-year, the additional authority is recorded in the Institutional Reserve account, eliminating negative balances resulting from earlier allocations.

Prior to the beginning of Fall 1992 Semester, an additional one-time-only allocation of \$1,400,000 was made to the Instruction program to accommodate the increased Fall Semester student enrollments, which actually were 9,141 FTE or 859 FTE over the budgeted enrollment. This allocation from the Institution Reserve created a negative balance in the Institutional Reserve account of a similar amount. When the budget amendment was prepared for \$2,480,477, \$1,454,520 was allocated to the Institutional Reserve account to eliminate the negative.

The purpose of creating the reserve account in the Institutional Support program allows the necessary Presidential control over allocations. Creating reserve accounts in other programs would diminish the ability of the President to control unallocated balance or maintain accountability over one-time-only allocations.

EXHIBIT 1
 DATE 3/4/93
 HB 618

EXHIBIT 1
 DATE 3/4/93
 HB 618

0 YEARS EXPERIENCE
 MSDB-GFPS 87-90-92

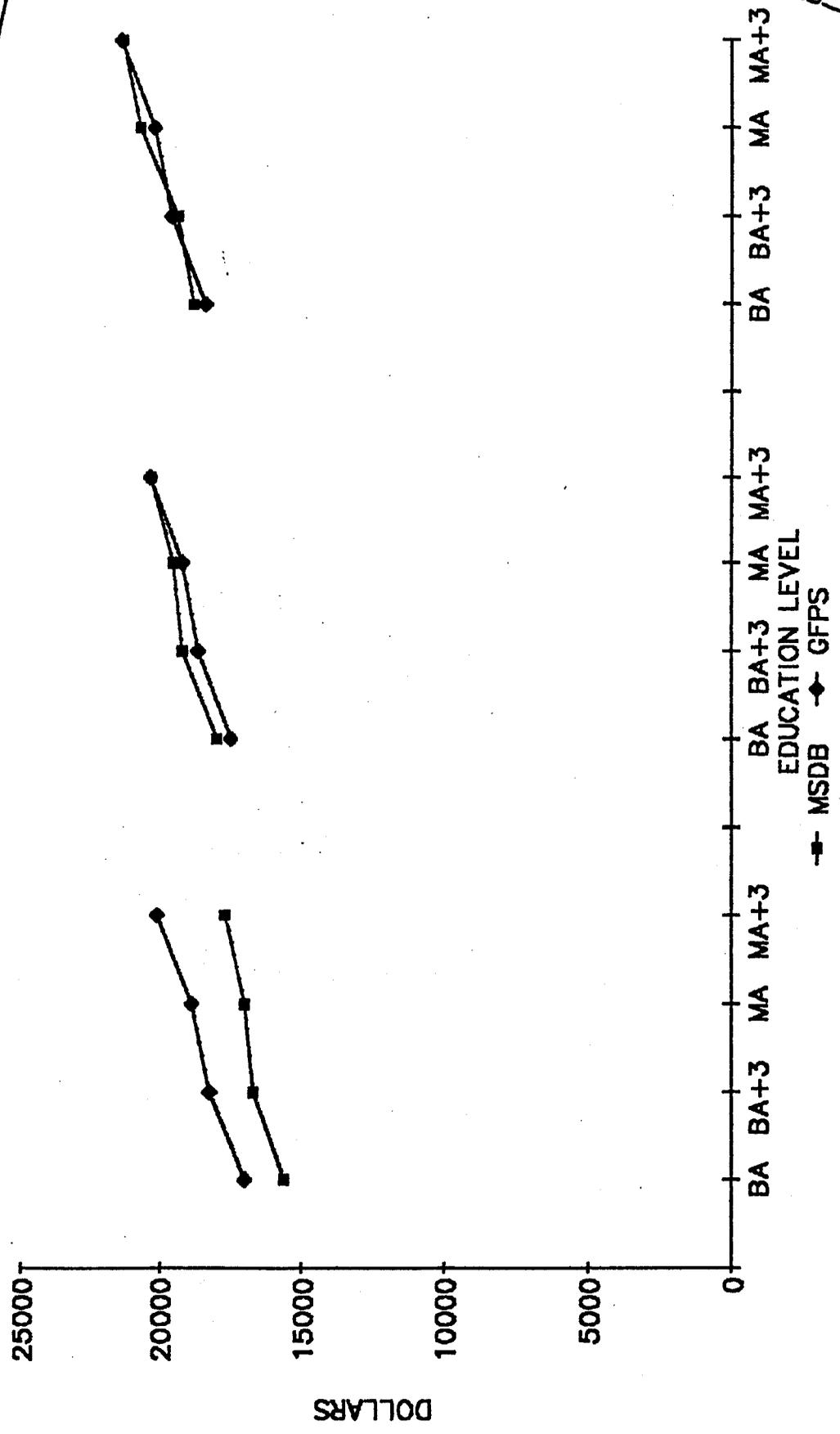


EXHIBIT 1
 DATE 3/4/93
 HB 618

11 YEARS EXPERIENCE
 MSDB-GFPS 87-90-92

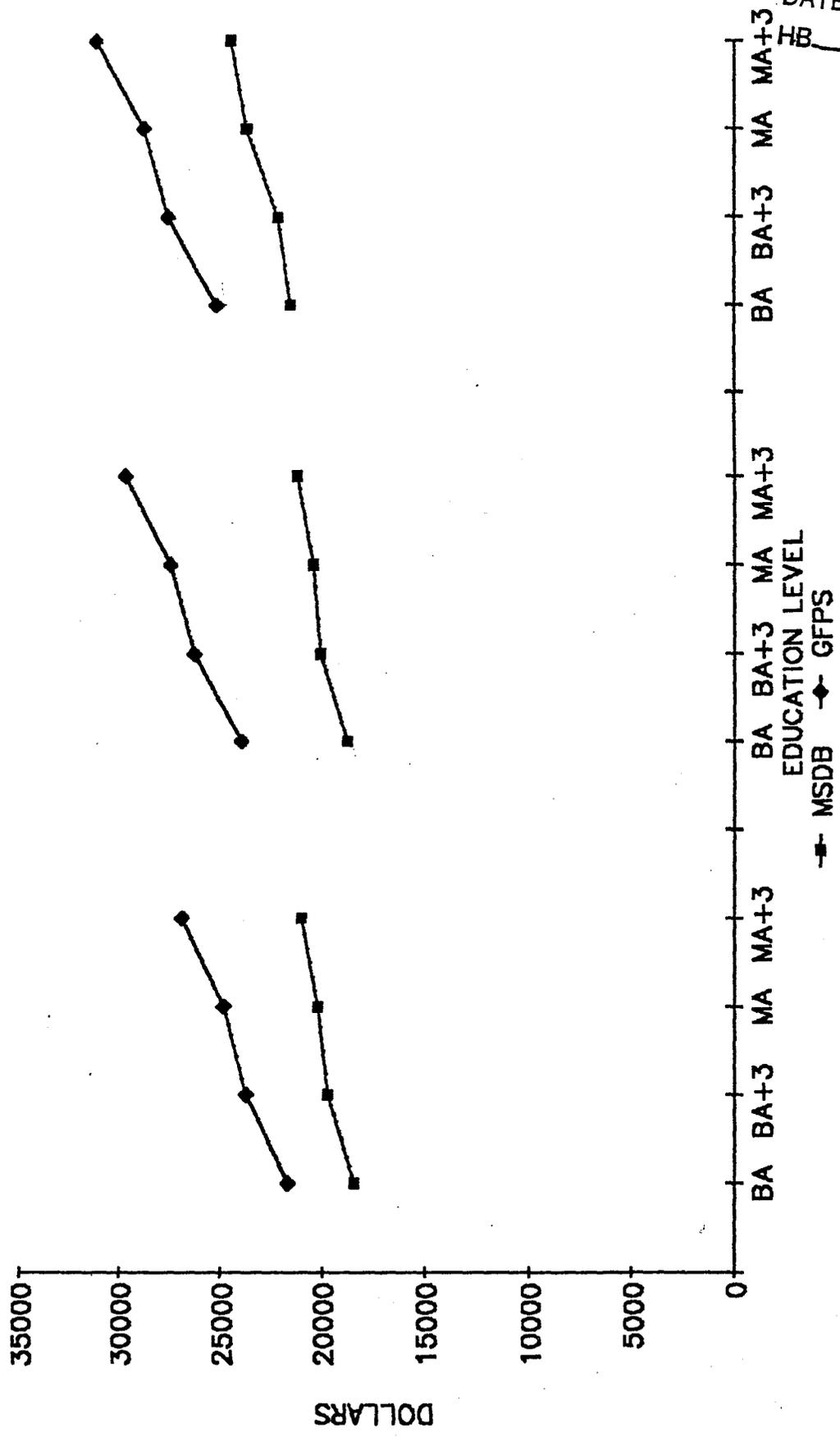


EXHIBIT 1
 DATE 3/4/93
 HB 618

EXHIBIT 1
 DATE 3/4/93
 HB 618

EXHIBIT 1
 DATE 3/4/93
 HB 618

21 YEARS EXPERIENCE
 MSDB 87-90-92

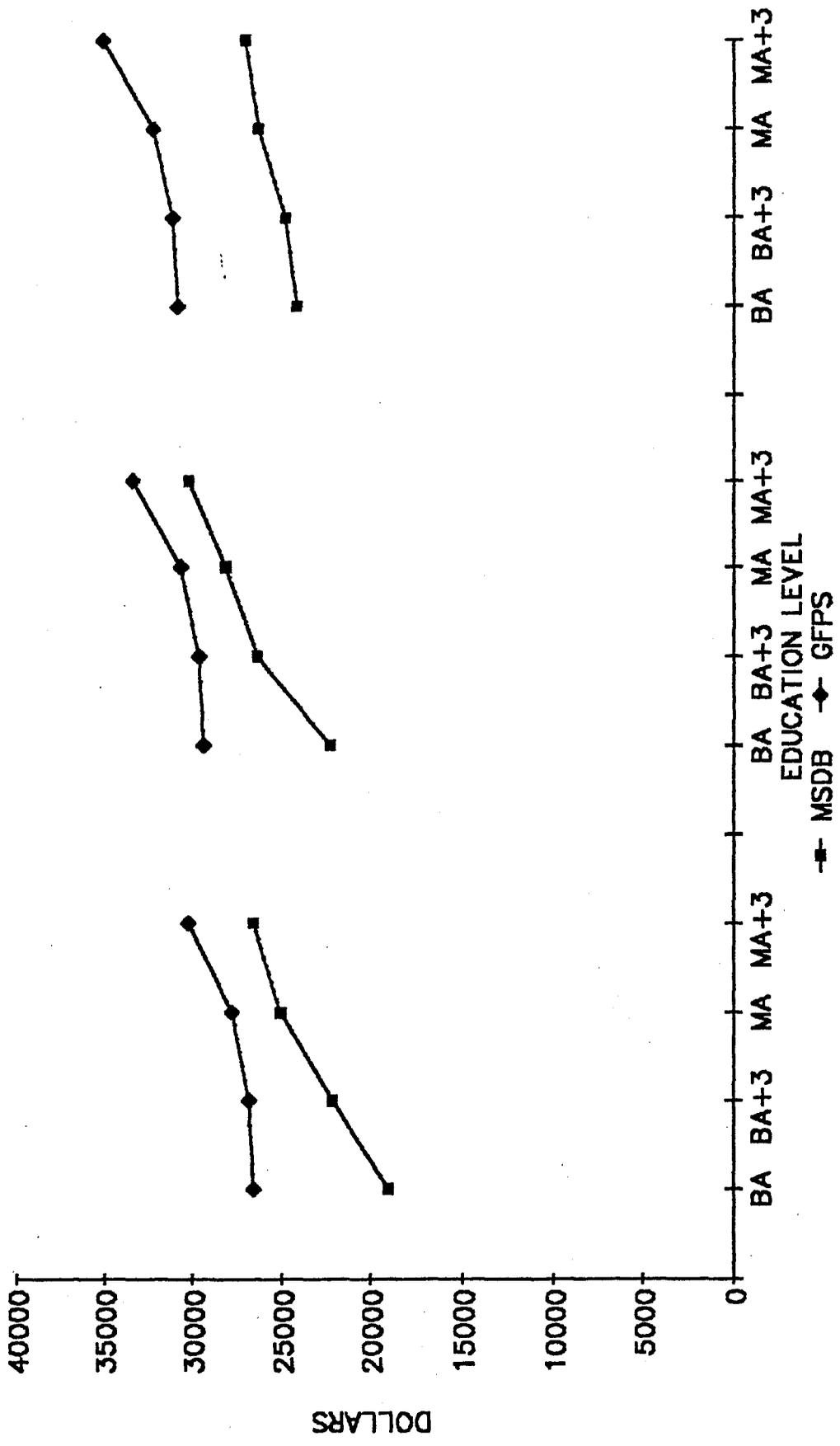
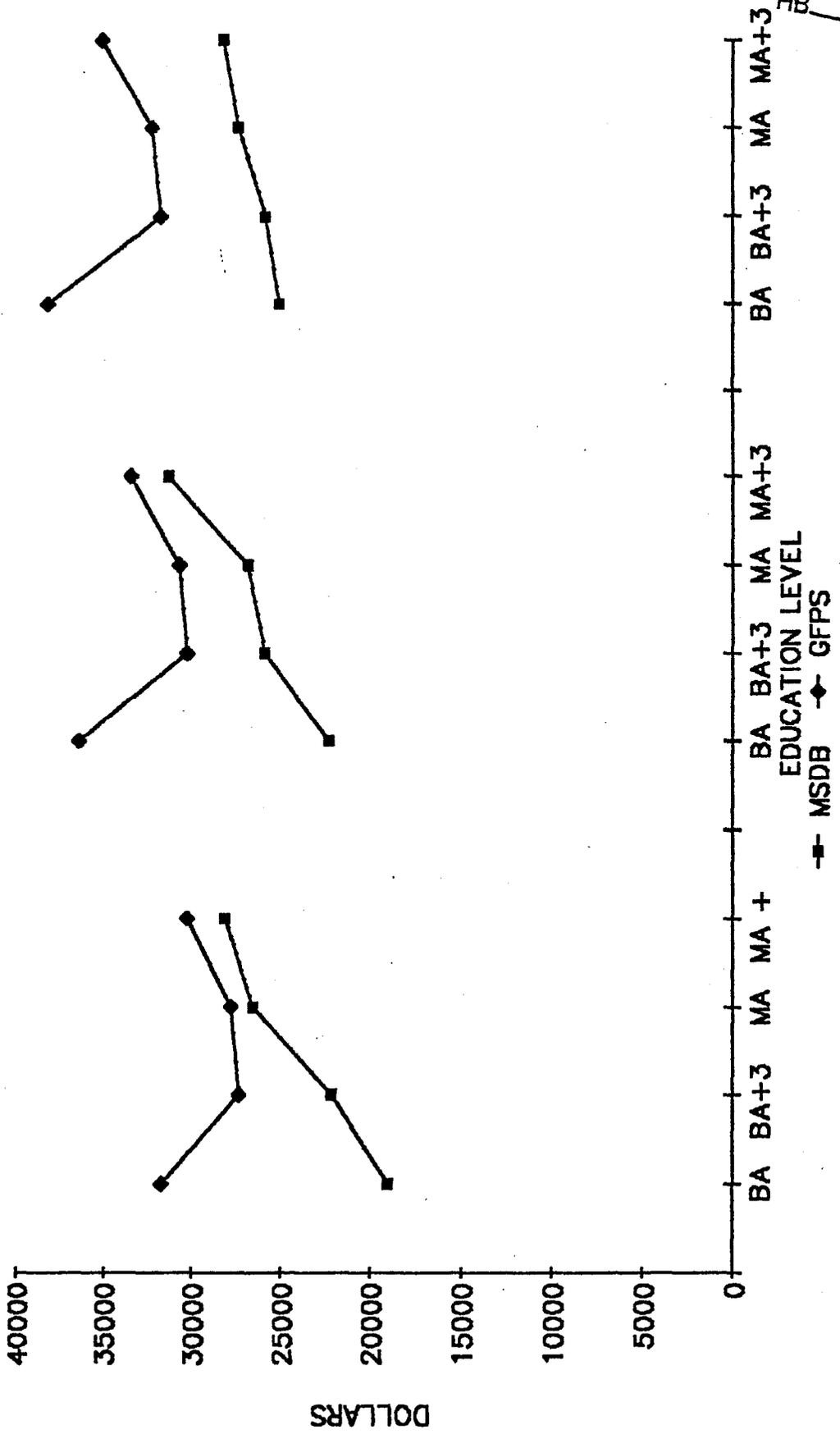


EXHIBIT 1
 DATE 3/4/92
 HB 618

EXHIBIT 1
 DATE 3/4/92
 HB 618

25 YEARS EXPERIENCE
 MSDB-GFPS 87-90-92



EDUCATION LEVEL
 ■ MSDB ◆ GFPS

HOUSE MEMBER	SENATE MEMBER	# OF STUDENTS ON CAMPUS	# OF OUTREACH STUDENTS	TOTAL STUDENTS
BEAVERHEAD COUNTY				
BILL TASH	CHUCK SWYSGOOD	1	3	4
BIG HORN COUNTY				
ANGELA RUSSEL	BILL YELLOWTAIL	1	5	6
BLAINE COUNTY				
FRANCIS BARDANOUE	GREG JERGESON	4	1	5
BROADWATER COUNTY				
MIKE FOSTER	FRANCIS KOEHNKE	1	1	2
CARBON COUNTY				
ALVIN ELLIS		0	1	1
CASCADE COUNTY				
ROGER DEBRUYCKER	CHRIS CHRISTIAENS			
EDWARD DOLEZAL	STEVE DOHERTY			
PATRICK GALVIN	EVE FRANKLIN			
SHEILA RICE	KENNETH MESAROS			
BILL RYAN	BILL WILSON			
DICK SIMPKINS				
BILL STRIZICH				
CARLEY TUSS				
WILLIAM WISEMAN				
DIANA WYATT		47	32	79
CHOUTEAU COUNTY				
		2	0	2
CUSTER COUNTY				
ELLEN BERGMAN				
TOM ZOOK		1	1	2
DAWSON COUNTY				
JOHN JOHNSON		0	6	6
DEER LODGE COUNTY				
BEA MCCARTHY				
RED MENAHAN		1	0	1
FALLON COUNTY				
ROLF TUNBY		0	1	1
FERGUS COUNTY				
LARRY GRINDE	JOHN HERTEL			
DICK KNOX		1	7	8
FLATHEAD COUNTY				
WILLIAM BOHARSKI	BOB BROWN			
TIM DOWELL	JOHN HARP			
RAY BRANDEWIE	JOHN KENNEDY			
MARJORIE FISHER				
JACK HERRON				
DOUGLAS WAGNER				
DAVID WANZENRIED		2	13	15

HOUSE MEMBER	SENATE MEMBER	# OF STUDENTS ON CAMPUS	# OF OUTREACH STUDENTS	TOTAL STUDENTS
GALLATIN COUNTY				
JOE BARNETT BEVERLY BARNHART WILBUR SRPING EMILY SWANSON NORM WALLIN	DON BIANCHI DORTHY ECK JACK REA	3	9	12
GLACIER COUNTY				
BOB GERVAIS	DELWYN GAGE	3	3	6
GRANITE COUNTY				
		1	1	2
HILL COUNTY				
BOB BACHINI RAY PECK	BOB HOCKETT	1	4	5
JEFFERSON COUNTY				
WILLIAM ENDY DUANE GRIMES		0	2	2
LAKE COUNTY				
ERVIN DAVIS JOHN MERCER	ETHEL HARDING JEFF WELDON	0	4	4
LEWIS AND CLARK COUNTY				
JOHN COBB DAVID EWER EDWARD GRADY HAL HARPER CHASE HIBBARD JIM RICE	SUE BARTLETT MIGNON WATERMAN	5	9	14
LINCOLN COUNTY				
SCOTT ORR MARY LOU PETTERSON	ELEANOR VAUGHN	2	1	3
MADISON COUNTY				
		0	1	1
MCCONE COUNTY				
BETTY LOU KASTEN		0	1	1
MINERAL COUNTY				
JOANN T. BIRD	BARRY STANG	0	1	1
MISSOULA COUNTY				
VIVIAN BROOKE VICKI COCCHIARELLA STELLA HANSEN MIKE KADAS DON LARSON BOB REAM TIM SAYLES CAROLYN SQUIRES HOWARD TOOLE	HARRY FRITZ MIKE HALLIGAN BOB PIPINICH FRED VAN VALKENBURG	2	19	21

HOUSE MEMBER	SENATE MEMBER	# OF STUDENTS ON CAMPUS	# OF OUTREACH STUDENTS	TOTAL STUDENTS
MUSSELSHELL COUNTY				
		1	1	2
PARK COUNTY				
SHIELL ANDERSON				
BOB RANEY		0	3	3
PETROLEUM COUNTY				
		0	2	2
PHILLIPS COUNTY				
ERNEST BERGSAGEL		0	2	2
PONDERA COUNTY				
HARRIET HAYNE		2	2	4
POWELL COUNTY				
LIZ SMITH	TOM BECK	1	1	2
RAVALLI COUNTY				
STEVE BENEDICT	TERRY KLAMPE			
GARY MASON	BERNIE SWIFT			
WAYNE STANFORD		0	6	6
RICHLAND COUNTY				
BOB GILBERT	LARRY TVEIT			
WILLIAM REHBEIN		1	7	8
ROOSEVELT COUNTY				
DORE SCHWINDEN		2	3	5
ROSEBUD COUNTY				
MARIAN HANSON				
ED MCCAFFREE		0	6	6
SANDERS COUNTY				
JIM ELLIOTT		1	5	6
SHERIDAN COUNTY				
LINDA NELSON	DENNIS NATHE	0	1	1
SILVER BOW COUNTY				
DAVE BROWN	JUDY JACOBSON			
FRED DAILY	JOHN LYNCH			
DAN HARRINGTON	HENRY MCCLENNAN			
ROBERT PAVLOVICH				
JOE QUILICI		3	3	6
STILLWATER COUNTY				
VERNON KELLER		1	1	2
TETON COUNTY				
JOHN ROSE		0	1	1
TOOLE COUNTY				
GARY FELAND	GARY AKLESTAD	0	2	2
VALLEY COUNTY				
TED SCHYE		2	1	3

EXHIBIT 2
DATE 3/4/93
HB 618

HOUSE MEMBER	SENATE MEMBER	# OF STUDENTS ON CAMPUS	# OF OUTREACH STUDENTS	TOTAL STUDENTS
YELLOWSTONE COUNTY				
JOHN BOHLINGER	CHET BLAYLOCK			
JERRY DRISCOLL	BRUCE CRIPPEN			
RUSSEL FAGG	GARY FORRESTER			
H. S. SONNY HANSON	THOMAS HAGER			
ROYAL JOHNSON	THOMAS KEATING			
SCOTT MCCULLOCH	DAVID RYE			
NORM MILLS	THOMAS TOWE			
BRAD MOLNAR				
THOMAS NELSON				
JAY STOVALL				
RANDY VOGEL				
TIMOTHY WHALEN				
KARYL WINSLOW		9	31	40
OUT-OF-STATE		2	0	2
		TOTAL COUNTIES		
		27	41	
		TOTAL STUDENTS		
		103	204	307

EXHIBIT 3
DATE 3/4/93
HB 618

TO: House Appropriations Committee
Mr. Tom Zook, Chairman

DATE: March 4, 1993

FROM: Steve Gettel

RE: House Bill #618

Mr. Chairman, members of the Committee, for the record my name is Steve Gettel. I'm from Great Falls and have been a teacher at the Montana School for the Deaf and the Blind (MSDB) for 10 years. I am also the Vice-President of the Montana Federation of Teachers, Local #4027, which represents the 31 certified professional staff at MSDB who would benefit from the passage of this legislation being presented before you today.

First I would like to say that we at MSDB appreciate the dedication and effort that you folks are putting forth in dealing with the many difficult problems which face our state. Along with the legislature, MSDB has struggled with fewer dollars than expected from our title program and from the general fund. We do not take lightly, the matter of coming before this committee to request an increase in monies for the salaries of our staff. However, an inequitable situation regarding pay for academic professionals at MSDB, exists. Beginning when Montana's financial picture became so troubled in the early 1980's, it continues today. We have, in fact, been before this body to present similar legislation at every session since 1985. We are compelled to ask you to consider the issue of equity and fairness regarding our salaries.

As academic professionals we live and compete in the Great Falls economic community and so have based our request for equalization on the current annual salaries of certified or licensed staff of the Great Falls Public School (GFPS) system. In making comparisons of the salary schedules between the two schools, for the years 1987, 1990 and 1992, it became evident that a significant discrepancy exists and that, with the exception of the levels Bachelor of Arts (BA) with 0 years of experience and BA with 25 years of experience, no progress has been made in closing the gap. The following figures point out the seriousness of the problem.

At the BA or entry level with 0 years of experience credit we are at our closest point of parity with the Great Falls Public Schools with a difference, in our favor, of +\$411. This is also the only pay level in the schedule where we have significantly closed the gap decreasing the difference by \$963 since 1987. Only 2 of 31 staff members are affected at this level.

At 11 years of experience we trail GFPS by \$5030 at the Master (MA) level and -\$5842 at the BA +30 (credit) level. In terms of parity MSDB trails GFPS by more dollars at every level in 1992 than in 1987. At the BA +30 level the disparity has increased by -\$594 and at the MA level -\$411 since 1987.

EXHIBIT 3
DATE 3/4/93
HB 618

At 21 years of experience MSDB lags behind GFPS by -\$6,329 at the BA +30 level, -\$5,888 at the MA level, and -\$8,033 at the MA +30 level. At the BA +30 level the difference has increased by \$3,295 and at the MA +30 level by -\$4,389 since 1987.

A teacher with 25 years of experience and a BA +30, at MSDB, receives -\$5,842 less and with a MA +30 receives -\$6,855 less than a teacher with the GFPS. At the MA +30 level this difference has increased by \$4,731 and at the BA +30 level by -\$594 since 1987. Three staff members are affected at this level.

An additional figure to consider is the average salary of the teacher in the state of Montana. In 1992 the average was \$27,590. At MSDB the average was \$22,609 for a difference of -\$4,981.

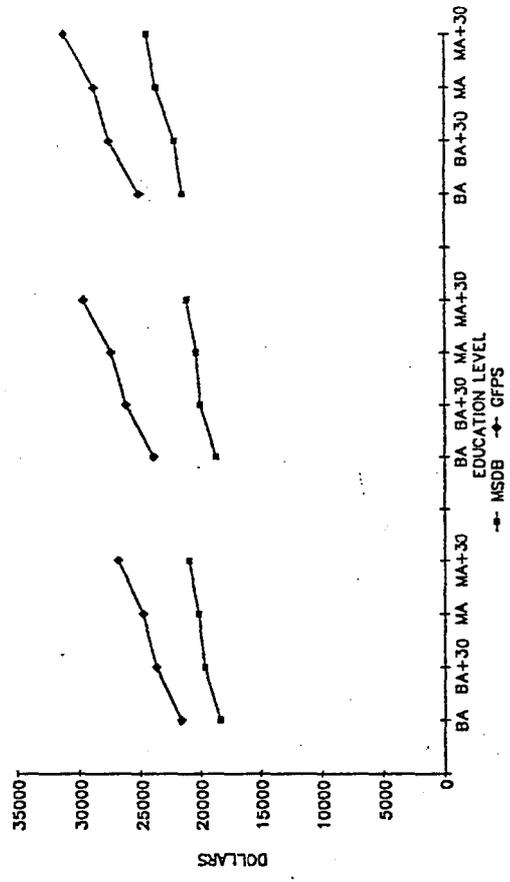
During the past 5 years we obviously haven't made any progress in equalizing the pay disparity. In fact, between the 11th and 25th years of experience, where 17 of our 31 staff are placed, the difference has actually grown significantly.

The dollar discrepancies are easy to consider. This year they amount to \$101,483. However, I'd like to leave you with some other considerations which might not be so obvious. Presently on our staff we have many native Montanans who were educated out-of-state so that they could receive training specific to the needs of deaf and blind children. We also have four hearing-impaired teachers. Several staff members attended MSDB as students or are married to former students. We have many native Montanans, like myself, who have made 10 or 15 year commitments to the education of the state's deaf and blind children. We have on staff six people with more than 20 years of experience at MSDB. It is the children who benefit from our experience. Having strong role models for our deaf and blind students is essential to their development of self worth and identity.

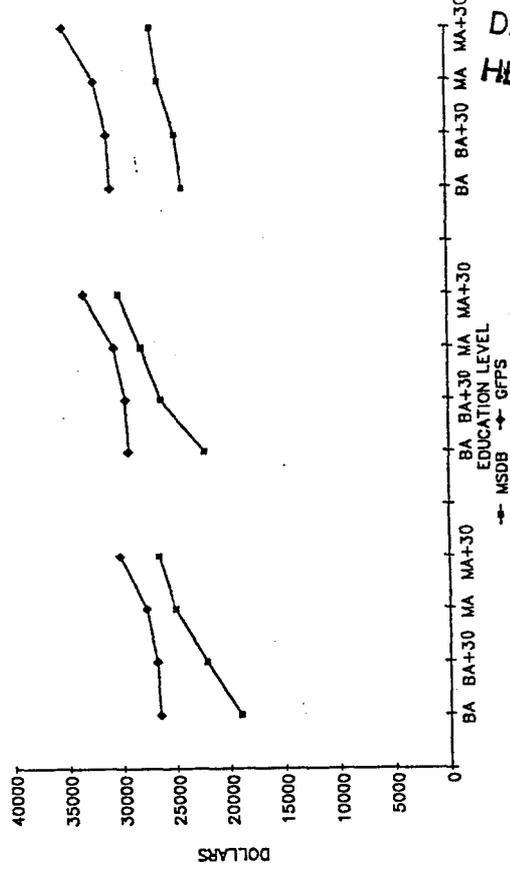
Within the next 10 years two-thirds of our academic staff will be eligible for retirement. Montana has no teacher training which specifically trains and certifies teachers of the deaf or visually impaired. How will we attract new teachers, especially those who are deaf themselves, to come to Montana from other states. If we do attract them will we pay them an equitable wage so that they will stay. It is the students who stand to lose the most, if over time, our dedicated and experienced teachers, who have close ties to MSDB, leave and we are not able to replace them.

I ask for your thoughtful consideration of this bill and ask that you make a "Do Pass" recommendation to the full House. Thank you.

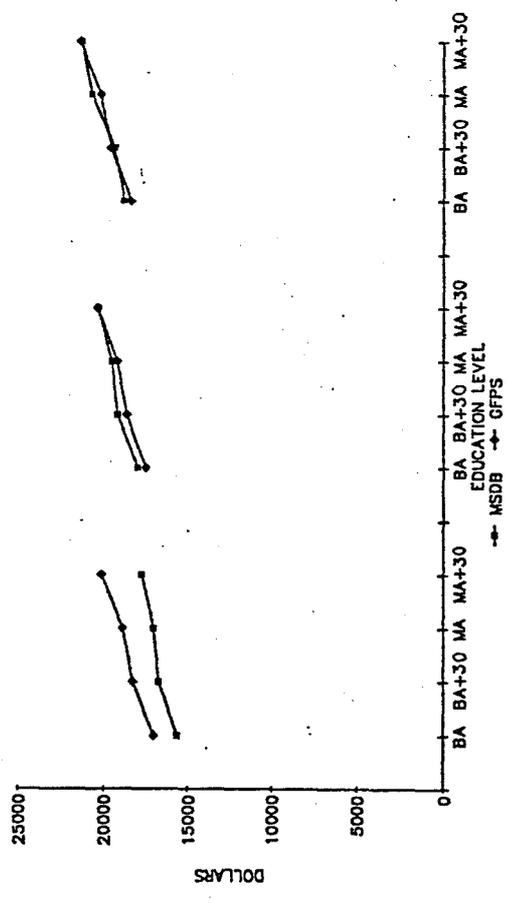
11 YEARS EXPERIENCE
 MSDB-GFPS 87-90-92



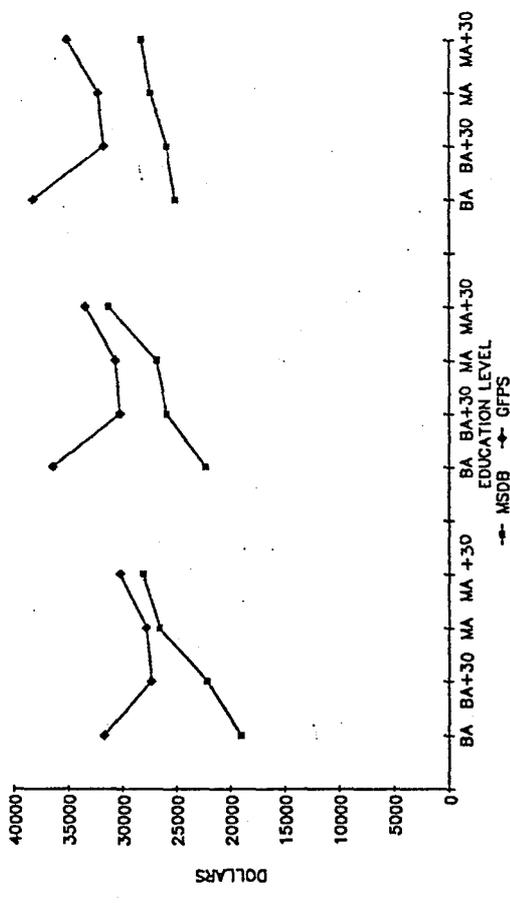
21 YEARS EXPERIENCE
 MSDB 87-90-92



0 YEARS EXPERIENCE
 MSDB-GFPS 87-90-92

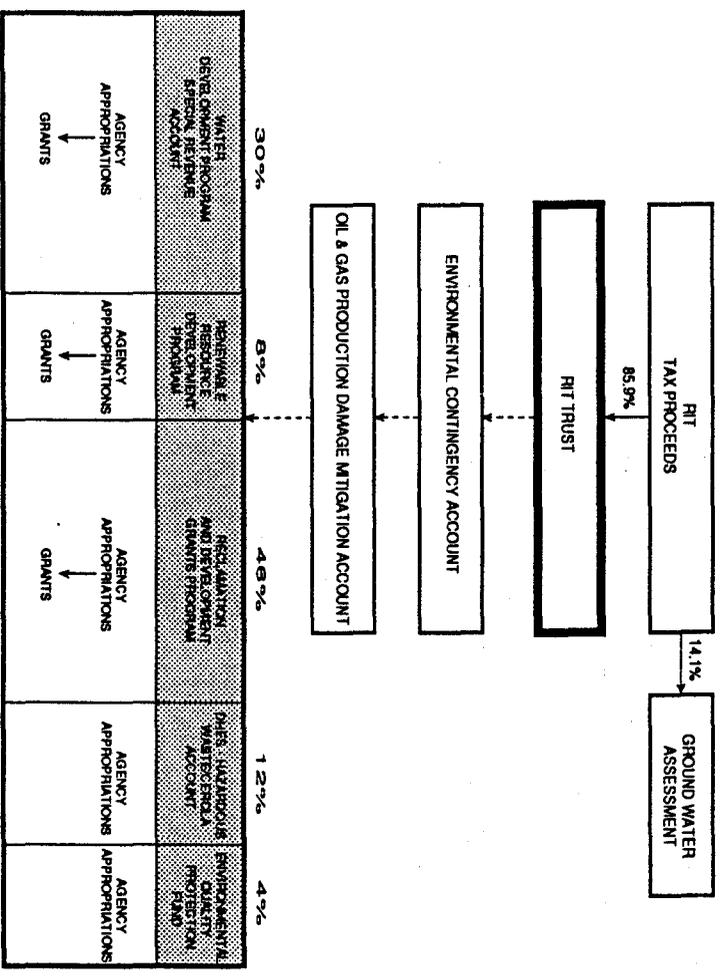


25 YEARS EXPERIENCE
 MSDB-GFPS 87-90-92

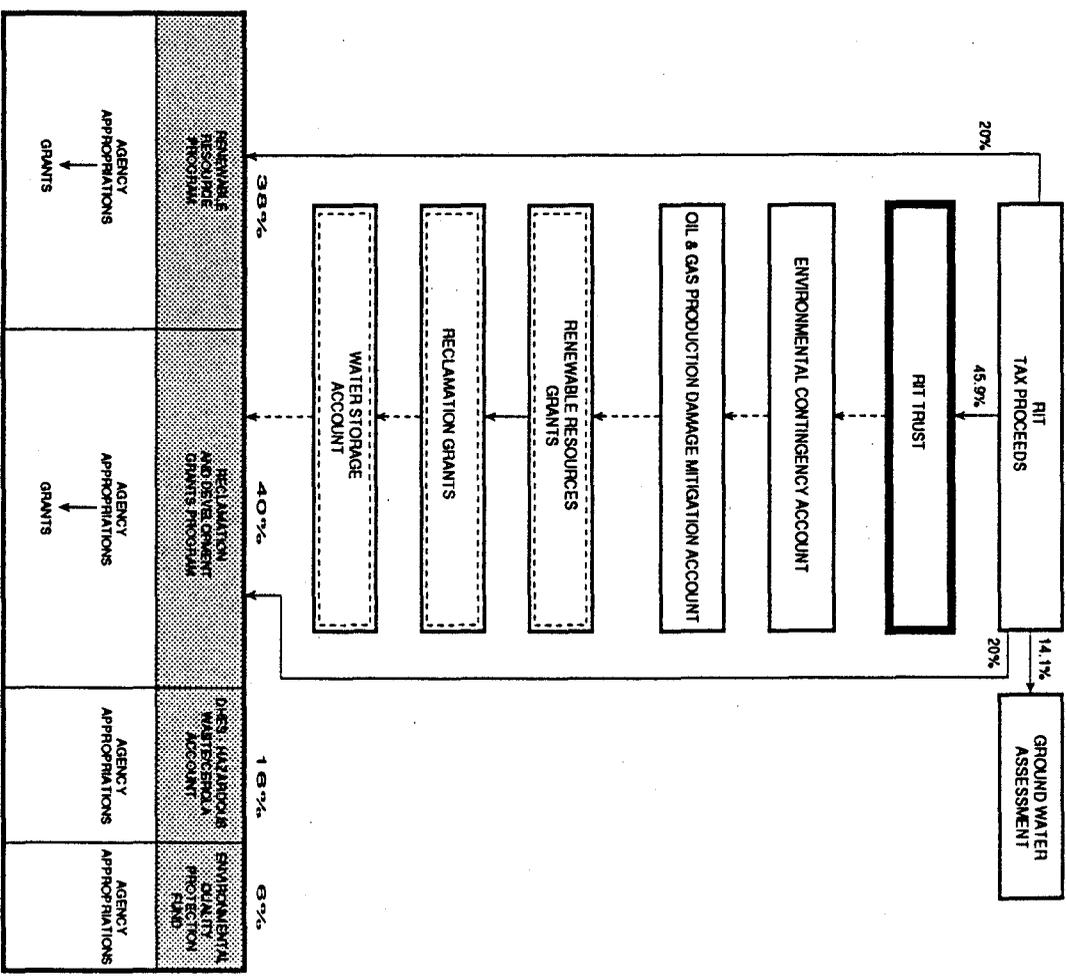


CURRENT LAW

15-38-106, 15-38-202

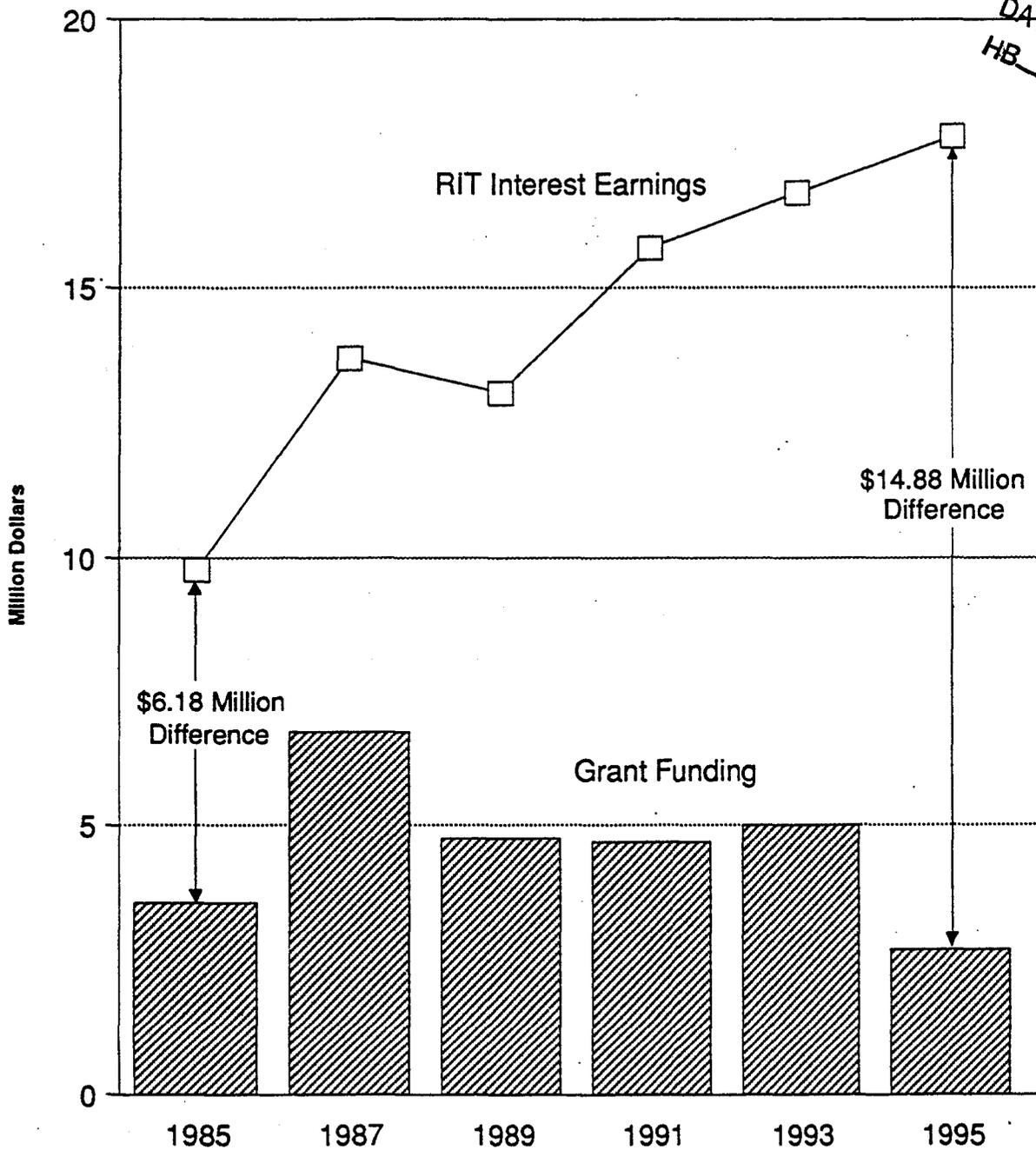


HB 608 AS AMENDED



Funding for RIT Grants DNRC

EXHIBIT 2
 DATE 3/4/93
 HB 608



Based on June 30, 1992 Cash Flow Sheets and March 1993 Income Estimates

Department of Natural Resources and Conservation

AMENDMENTS TO HOUSE BILL NO. 608
INTRODUCED BILL (WHITE COPY)

EXHIBIT 3
DATE 3/4/93
HB 608

1. Page 1, line 13 through line 18
FOLLOWING: ";"
STRIKE: "REMOVING THE CRUCIAL STATE NEED FUNDING CATEGORY FROM THE RECLAMATION AND DEVELOPMENT GRANTS PROGRAM AND LIMITING FUNDING TO MINERAL RECLAMATION PROJECTS; CREATING THE RURAL ECONOMIC REVITALIZATION PROGRAM THAT WILL FUND PROJECTS THAT PROMOTE AND IMPROVE MONTANA'S ECONOMY;"
2. Page 1, line 23
FOLLOWING: "85-2-105,"
STRIKE: "90-2-1102,"
3. Page 1, line 24
FOLLOWING: "90-2-1104,"
INSERT: "AND"
4. Page 1, line 24
FOLLOWING: "90-2-1105,"
STRIKE: "90-2-1112, AND 90-2-1121"
5. Page 2, line 16 through line 24
FOLLOWING: line 15
STRIKE: line 16 through line 24 in their entirety
6. Page 7, line 20
FOLLOWING: "(iv)"
STRIKE: "\$1,600,000"
INSERT: "\$2,400,000"
7. Page 7, line 22.
FOLLOWING: ";"
INSERT: "and"
8. Page 7, following line 22.
STRIKE: Lines 23, 24, and 25 in their entirety.
9. Page 8, line 12.
FOLLOWING: "(ii)"
STRIKE: "Twelve"
INSERT: "Sixteen"
10. Page 8, line 20.
FOLLOWING "Forty"
STRIKE: "-six"
11. Page 8, line 24.
FOLLOWING: "(iv)"
STRIKE: "Four"

EXHIBIT 3
DATE 3/4/93
HB 608

INSERT: "Six"

12. Page 10, line 17
FOLLOWING: "\$"
STRIKE: "2"
INSERT: "3"

13. Page 10, line 20
FOLLOWING: ";"
INSERT: "and"

14. Page 10, line 21 through line 24
FOLLOWING: line 20
STRIKE: Strike lines 21 through 24 in their entirety

15. Page 11, line 7.
FOLLOWING: "Thirty-"
STRIKE: "eight"
INSERT: "Six"

16. Page 11, line 11.
FOLLOWING: "(ii)"
STRIKE: "Twelve"
INSERT: "Eighteen"

17. Page 11, line 19.
FOLLOWING "Forty"
STRIKE: "-six"

18. Page 11, line 23.
FOLLOWING: "(iv)"
STRIKE: "Four"
INSERT: "Six"

19. Page 51, line 17
FOLLOWING: line 16
STRIKE: Section 31 in its entirety
RENUMBER: subsequent sections

20. Page 55, line 9 through Page 64, line 15
FOLLOWING: line 8
STRIKE: Sections 35 through 45 in their entirety
RENUMBER: subsequent sections

21. Page 64, line 21 through line 25
FOLLOWING: line 20
STRIKE: Section 47 in its entirety
RENUMBER: subsequent sections

MONTANA RURAL WATER SYSTEMS, INC.

CINDY DITMAR
Program Manager
(406) 355-4350



M. HARRY WHALEN
Circuit Rider
(406) 745-3376

RORY SCHMIDT
Wastewater Tech.
(406) 654-1889

RAY WADSWORTH
Executive Director

EXHIBIT 4
DATE 3/4/93
HB 608

HB-608

MR. CHAIRMAN AND MEMBERS OF THE COMMITTEE:

SMALL COMMUNITY WATER SYSTEMS IN MONTANA ARE HAVING A HARD TIME MEETING EXPENSES THAT ARE BEING INCURRED BY THE EPA THROUGH THE AMENDED SAFE DRINKING WATER ACT OF 1986. MOST OF THESE SYSTEMS ARE NOT ELIGIBLE FOR FmHA, RDA AND OTHER LOAN AND/OR GRANT FUNDING. IN ADDITION TO THIS, THEY MUST COMPETE WITH EVERY OTHER PROJECT FOR C.D.B.G FUNDS.

THE WATER DEVELOPMENT LOAN AND GRANT PROGRAM OF 1983 PROVIDED A VERY NEEDED RESOURCE OF FUNDING FOR THESE VERY SMALL SYSTEMS. EVERY BIENNIUM, THERE HAS BEEN ABOUT 100 PROJECTS SUBMITTED FOR FINANCING BY THIS PROGRAM. UNFORTUNATELY, SUFFICIENT FUNDS HAVE NEVER BEEN AVAILABLE TO FULLY FINANCE THIS VERY WORTHWHILE PROGRAM. AS A RESULT, MANY FOLKS HAVE GIVEN UP TRYING TO GET THEIR PROJECT GOING BECAUSE THEY HAVE LOST OUT SO MANY TIMES. FOR MANY SYSTEMS, THIS PROGRAM IS THE ONLY HOPE OF GETTING FUNDING TO DO THE NECESSARY UPGRADING TO BRING THEIR SYSTEMS INTO COMPLIANCE OF THE STATE AND FEDERAL REGULATIONS. MOST BANKS ARE RELUCTANT TO LOAN MONEY TO AN ORGANIZATION WHOSE ASSETS ARE PRIMARILY "BURIED IN THE GROUND" AND IF THEY ARE WILLING TO DO SO, CHARGE INTEREST RATES HIGHER THAN MOST SYSTEMS CAN AFFORD.

MONTANA RURAL WATER SYSTEMS SUPPORTS THIS BILL BECAUSE IT WILL AFFORD MANY SMALL SYSTEMS THE OPPORTUNITY TO APPLY FOR LOANS THAT ARE AFFORDABLE FOR THEIR SYSTEMS - THUS ALLOWING THEM ALSO TO MEET THE COMPLIANCE SCHEDULES FOR THEIR SYSTEMS AND THEIR CUSTOMERS. THANK YOU.

RAY WADSWORTH
EXECUTIVE DIRECTOR
MONTANA RURAL WATER SYSTEMS, INC.

**HOUSE OF REPRESENTATIVES
VISITOR REGISTER**

Appropriation COMMITTEE BILL NO. _____

DATE 3/4/83 SPONSOR(S) _____

PLEASE PRINT

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NAME AND ADDRESS	REPRESENTING	SUPPORT	OPPOSE
W. James Kumbel	Public Safety Div DOC	HB4 Information	
Carleen Layne	Mt Arts Council	HB4	
Arlynn Fishbaugh	" " "	HB4	
Sharon McCabe	Historical Society	HB4	
Steve Bettel	MSDB	HB618	
Jim Kelly II	Mt School f/t Dept + Blind	HB618	
Dennis Cerum	Mistla 1/2 Tech Center		
Bob Church	Damscham	HB608	
Nancy Epps	Mt Board of livestock	04	
Cook Mortensen	" " "	04	
Brian McCullough	Lakes	HB4	
Nick U. Clos	MT. RURAL WATER	HB-608	
Glen Lovitt	WESTERN MT Col	HB4	
James E Todd	UM		

PLEASE LEAVE PREPARED TESTIMONY WITH SECRETARY. WITNESS STATEMENT FORMS ARE AVAILABLE IF YOU CARE TO SUBMIT WRITTEN TESTIMONY.

HOUSE OF REPRESENTATIVES
VISITOR REGISTER

608

Appropriations

COMMITTEE

BILL NO.

608

DATE 3/4/93 SPONSOR(S) _____

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NAME AND ADDRESS	REPRESENTING	SUPPORT	OPPOSE
Ray Beck	DNR	X	
John Tobbs	LI	X	
Bob Church	PAMSCHEW & ASSOC	X	
NICK V. CLAS	MT. RURAL WATER SYSTEMS	X	
Susan Cottingham	RWRCC	X	
Mike Volosky	MT. Assoc. of Cons. Dist.	X	
Jane Volz	MT Salinity Control	X	
Ken Minnie	MT RCD Association	X	
Ted Dodge	MT. RCD ASSOC	X	
KARL OHS	MAGPI		
CLINT PECK	MT FARMER-GROCCAN	X	
Max Maddox	Farmer MWRP	X	
Don Hall	B.B.W.A. MWRP	X	

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**HOUSE OF REPRESENTATIVES
VISITOR REGISTER**

Appropriations COMMITTEE BILL NO. _____
 DATE 3/4/93 SPONSOR(S) _____

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NAME AND ADDRESS	REPRESENTING	SUPPORT	OPPOSE
Robert Dunkel	OPI	HB632	
Paul Matt	FWP		
Paul Andrew	DCHS	HB632	
Pat Graham	AKWP		
ESV KENT	DFWP		
Mike Volosky	MT Assoc. Cons. Dist.	HB608	
Marl Ann	Commerce		
Terry Minow	MT Fed Teachers	HB618	
Newell Anderson	Doc	HB4	
Bill Salisbury	MDT	HB4	
Pat Saindon	MDT	HB4	
Jon Sesso	Butte-Silver Bow	HB608	
Staci Riley	MT Fed Teachers	HB618	

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