

MINUTES

**MONTANA SENATE
53rd LEGISLATURE - REGULAR SESSION**

COMMITTEE ON FINANCE & CLAIMS

Call to Order: By Senator Judy Jacobson, Chair, on April 13, 1993, at 4:30 p.m., Room 108.

ROLL CALL

Members Present:

Sen. Judy Jacobson, Chair (D)
Sen. Eve Franklin, Vice Chair (D)
Sen. Gary Aklestad (R)
Sen. Tom Beck (R)
Sen. Don Bianchi (D)
Sen. Chris Christiaens (D)
Sen. Gerry Devlin (R)
Sen. Gary Forrester (D)
Sen. Harry Fritz (D)
Sen. Ethel Harding (R)
Sen. Bob Hockett (D)
Sen. Greg Jergeson (D)
Sen. Tom Keating (R)
Sen. J.D. Lynch (D)
Sen. Chuck Swysgood (R)
Sen. Daryl Toews (R)
Sen. Larry Tveit (R)
Sen. Eleanor Vaughn (D)
Sen. Mignon Waterman (D)

Members Excused: Senator Weeding

Members Absent: None.

Staff Present: Terry Cohea, Legislative Fiscal Analyst
Lynn Staley, Committee Secretary

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

Committee Business Summary:

Hearing: None
Executive Action: HB 145, HB 666, HB 673, HB 690, HB 691,
HJR 18, HJR 25, HB 689

EXECUTIVE ACTION ON HOUSE BILL 666

Discussion: Terry Cohea said regarding an amendment from the Petroleum Tank Release Compensation Board (Exhibit 2), Ms. Riley

felt it may more appropriately be put in HB 2 at the advice of the budget office.

When asked regarding this, Jane Hamman, Office of Budget and Program Planning (OBPP) said the concern is that they are able to meet an emergency, and they may not be able to qualify assuming HB 23 is passed and approved; therefore, it may have to go in this bill rather than in HB 2.

Senator Jacobson said in her opinion the amendment language (Exhibit 2) was quite lengthy.

Senator Tveit questioned if this gives the Department of Health more authority.

Senator Jacobson said HB 666 eliminates the statutory appropriation and would require it to come before the subcommittee like most other appropriations do. They are saying they want to be able to add personnel through the interim if they feel they need them. They have money coming from gas tax which is growing and feel they should have the authority to add people at will, and HB 666 would not allow the tank board to do that.

Senator Devlin felt the tank board could look far enough ahead to come in like any other agency or department for the number of people they are going to need and get approval or disapproval in the legislature.

Motion: Senator Devlin moved that HB 666 BE CONCURRED IN.

Discussion: Senator Fritz said it is his understanding the bill as amended still statutorily appropriates the cleanup fund, but the administrative costs have to be reviewed.

Senator Keating questioned if the administrative costs would come from the Department of Health personnel whereas the board is still under the statutory appropriation.

Senator Jacobson said no, the entire administration including the people housed in the Health Department are statutorily appropriated. Therefore, the legislature does not review the request for personnel that are in the board's authority or in the Department of Health. If HB 666 passes, then they will be. It is the administrative part and not the grants.

Senator Keating questioned the administrative costs.

Ms. Cohea said currently in HB 2, the board's request for their current level operation administrative costs are a little over \$1 million a year. It is for 16.7 FTE and associated operating and equipments costs.

Vote: Senator Devlin's motion that HB 666 BE CONCURRED IN CARRIED with Senators Beck, Tveit, Bianchi, Forrester, Harding and Hockett opposed.

EXECUTIVE ACTION ON HOUSE BILL 673

Motion: Senator Lynch moved to amend HB 673 (Exhibit 3).

Discussion: Senator Hockett questioned the amount of money it would cost to collect the fees.

Senator Lynch said the amendment would reduce the supervisory fee to \$10 per month. If they did not meet monthly, they could collect quarterly, but it still would be equivalent to \$10 per month.

Senator Christiaens felt more work is being added to the probation and parole office by doing it that way. He felt it should be collected at one time.

When questioned regarding the collection, Rick Day said he is agreeable to leaving the amount of money to the committee's discretion. He felt if fees are going to be raised, it would be better to do it yearly. That would reduce the paperwork load. He concluded the burden of collecting is on the clerk of court rather than on probation/parole officers.

Motion: Senator Lynch moved to further amend HB 673 to strike \$25 a month and insert \$120 a year, prorated at \$10 a month for the number of months under supervision.

Vote: Senator Lynch's amendment motion (Exhibit 3) and the amendment to page 3, line 11, inserting \$120 a year, prorated at \$10 a month CARRIED with Senators Christiaens and Waterman opposed.

Motion/Vote: Senator Lynch moved that HOUSE BILL 673 AS AMENDED BE CONCURRED IN. Motion CARRIED with Senator Fritz opposed.

EXECUTIVE ACTION ON HOUSE BILL 690

Motion: Senator Lynch moved that HOUSE BILL 690 BE TABLED.

Discussion: Senator Lynch said he is a great supporter of the School for the Deaf and Blind, but felt if they did not get their appropriations in the normal process, they should not go this route.

Senator Bianchi said this was general fund money and was taken out in the education subcommittee. The subcommittee directed the School to start charging for their fees. It was funded with general fund money, and the School begged the subcommittee to put

it back in but the subcommittee did not do it. He concluded if HB 690 is not passed, it will wipe out their program.

Senator Jacobson said she would not mind passing HB 690 if she thought the school districts had the flexibility not to be able to turn down those services and provide them on their own. She questioned that being the case in HB 690. She is concerned they are coming in and taking those special education monies which are not adequately funded from the school districts to fund the program.

Senator Tveit said Jane Hamman from the Budget Office had information to offer on this bill.

Senator Lynch withdrew his motion that HB 690 BE TABLED so there could be more discussion on the bill.

Jane Hamman said the outreach program started with Chapter 1 federal funding. She distributed a policy initiative relative to the School (Exhibit 4).

Senator Jacobson asked if parents could demand services for the child and the school would be required to pay or could a team working with the child demand those services and the school district be required to pay.

Ms. Hamman said it is different for different ages. Parents can continue to ask. She said they are talking about \$800,000 of federal funds per year at one time going to the School. In HB 690, it is \$256,000. There is still some supporting services available with general fund for parents that are not yet involved in the school district. She noted it is her understanding that it is the school district's choice as to whether they contract locally if the services are available or whether they go to the School for the Deaf and Blind for some of the services.

Senator Christiaens said HB 690 allows the School for the Deaf and Blind to contract with a school district that has Chapter 1 money.

Senator Swysgood said testimony that was heard in subcommittee indicated this program was not working very well.

Motion/Vote: Senator Franklin moved that HOUSE BILL 690 BE CONCURRED IN. Motion CARRIED on a roll call vote.

EXECUTIVE ACTION ON HOUSE BILL 691

Motion/Vote: Senator Franklin moved that HOUSE BILL 691 BE CONCURRED IN. Motion CARRIED with Senators Hockett, Swysgood, Toews, Tveit opposed.

EXECUTIVE ACTION ON HOUSE JOINT RESOLUTION 18

Motion/Vote: Senator Franklin moved that HOUSE JOINT RESOLUTION 18 BE CONCURRED IN. Motion CARRIED on a roll call vote.

EXECUTIVE ACTION ON HOUSE JOINT RESOLUTION 25

Motion/Vote: Senator Lynch moved that HOUSE JOINT RESOLUTION 25 BE CONCURRED IN. Motion CARRIED on a roll call vote.

EXECUTIVE ACTION ON HOUSE BILL 689

Motion: Senator Waterman moved to amend HB 689 (Exhibit 5).

Discussion: Senator Lynch questioned if they failed in one year by a small amount to raise the money, what then would happen.

Senator Waterman said nothing would happen after one year. She noted there would be one year of warning to raise the money.

Senator Devlin questioned the \$20,000 figure.

Senator Waterman said that is the amount put in last year for the DARE check-off.

In a question from Senator Devlin about programs other than DARE involved in this, Senator Jacobson said according to the Department, it costs \$2800 to administer each of these. If they are not raising \$20,000, that is more than 20 percent administrative costs. The administrative costs gets so high that Senator Waterman is questioning is it worth it.

Vote: Senator Waterman's amendment (Exhibit 5) CARRIED on a roll call vote.

Motion/Vote: Senator Jacobson said there is another amendment that would delete the statutory appropriation. Senator Keating moved the amendment to delete the statutory appropriation. Motion CARRIED.

Motion/Vote: Senator Franklin moved that HOUSE BILL 689 AS AMENDED BE CONCURRED IN. Motion carried.

EXECUTIVE ACTION ON HOUSE BILL 145

Discussion: Senator Franklin discussed the fiscal note to SB 285 (Exhibit 6). She said number 15 on the fiscal note no longer applies because insurers agreed to self-assess in order to come up with a risk pool fund.

Senator Franklin said most of the expenses are for setting up the infrastructure and for contract services to staff and work for the plan. The board members are essentially volunteers but will be paid the sum volunteer board members are paid. The health care authority will be paid \$50 a day and travel expenses when they meet, but they are not salaried employees.

Senator Christiaens questioned item 9 on the fiscal note, regarding the federal match.

Peter Blouke, Department of Social and Rehabilitation Services (SRS), said to the extent that the activities of the health care authority impact medicaid funds, they can get a 50/50 match on administrative funds. Medicaid actually makes up a fairly small percentage of total health expenditures for the state. He said they have been appropriated almost \$500 million for Medicaid for the coming biennium. He said this may be a good investment in terms of getting a handle on and reducing the overall Medicaid costs and expenditures that the state made.

Senator Franklin said one of the big policy debates was whether the health care authority should be paid or not. They tried not to create another entity of well paid state health care professionals and went to a volunteer board. She said if the program is severely under-funded, it will be a disappointment from the beginning, and they would be unable to do what they are charged to do.

Senator Jacobson said the fiscal note (Exhibit 6) was fully discussed at the time SB 285 was passed in committee, and the fiscal note has not changed from the outset.

Motion/Vote: Senator Franklin moved the amendments to HB 145 (Exhibit 1). Motion CARRIED with Senators Aklestad and Swysgood opposed.

Motion/Vote: Senator Franklin moved that HB 145 AS AMENDED BE CONCURRED IN. Motion CARRIED with Senators Aklestad and Swysgood opposed.

HOUSE BILL 3 TESTIMONY

Informational Testimony: Senator Jacobson stated that William Salisbury, Department of Transportation, would like to address House Bill 3.

William Salisbury, Administration Division, Department of Transportation, presented general motor pool information (Exhibit 7), and motor pool fleet information (Exhibit 8).

Mr. Salisbury said the supplemental is needed because of the high mileage on the remaining vehicles; they have reached the point where they now need to be replaced. The income has been generated, and this supplemental is to spend the money that is

accumulated. He said the reason it is in a supplemental bill rather than in HB 2 is because fleet vehicles are bought at two different times during the year; once in the spring and once in the fall.

Mr. Salisbury said the Department of Transportation manages the motor pool because they have the equipment program, the facilities, they do the bulk purchases for gas and diesel for departments so they get better gasoline prices, they have the accounting system to generate equipment and rental rates and also generate motor pool rates.

In a question from Senator Jacobson regarding the audit referred to in Exhibit 7, Mr. Salisbury said it was completed last year, and the 28 vehicles were sold in the spring auction.

Senator Jacobson asked if it was correct that it was in June of last year that the vehicles were sold that the audit said they had too many of, and she also questioned the fact that in April, which is nine months later, they are buying 53 vehicles in the supplemental bill.

Mr. Salisbury said they would not have had to buy 53 vehicles if they still had 28 vehicles. They would have spread the miles over a larger number of vehicles, but they would still have had to come in for a supplemental.

Senator Jacobson said she had never seen vehicles being purchased in a supplemental bill, which is a concern to her and other committee members. She added that a supplemental bill is when people come in because they are over-running their budget because of unanticipated expenses and therefore need the appropriation in this biennium. She said the instance mentioned by Mr. Salisbury was anticipated by somebody.

Mr. Salisbury said it was not anticipated; it was unexpected demand. He said his department cannot control the usage of the agencies. The demand has been there, and they are reacting to that demand. He concluded that he did not feel it qualified for a budget amendment.

Senator Jacobson stated that it would more appropriately qualify for the budget amendment bill than the supplemental, but unfortunately that bill has passed.

Senator Swysgood questioned if the cars had been purchased yet, and Mr. Salisbury said they had not.

Senator Waterman stated her concern that cars to be returned would be leased vehicles from Department of Corrections probation workers and Department of Family Services, with most of them being high mileage vehicles.

Mr. Salisbury said it will be a combination of vehicles. Those

currently in the fleet that need to be replaced will be taken out of the fleet and the fleet will be reduced. He said the first priority of the motor pool is to service Helena based agencies. To do that, they will take the low mileage vehicles out of the vehicle fleets and put them into Helena. Not all leased out vehicles are high mileage vehicles, but a majority of them are. There are some agencies with low mileage vehicles that are in other cities. The first thing they will do is pull leased vehicles out.

Regarding concerns relative to leasing vehicles, Senator Jacobson said we could look at HB 2 and take the money from the proprietary account and put it in the budgets for leasing vehicles.

Senator Fritz said if the money is in HB 2, they cannot spend it until fiscal '95 biennium, and they need it now to order the cars.

Mr. Salisbury said regarding leased vehicles, priorities are set by statute, and it was legislative directive that was set up for Helena based agencies. If the legislature does not believe that is true, they will reduce the Helena fleet size. By this time next fiscal year, they will be able to meet about 70 percent of demand, and by the end of this biennium they will be down to less than 50 percent of demand of the Helena based agencies.

Senator Hockett questioned if there could be another method of communication and said he is appalled that the mileage has doubled in the last ten years for state employees.

Mr. Salisbury said he wished the miles could be reduced.

Senator Swysgood felt this should be put in a conference committee.

Senator Jacobson said the purpose of Mr. Salisbury discussing this to the committee is for informational purposes.

ADJOURNMENT

Adjournment: 5:45 p.m.



JUDY JACOBSON, Chair



LYNN STALEY, Secretary

ROLL CALL

SENATE COMMITTEE FINANCE AND CLAIMS

DATE 4/13/93
p.m.

NAME	PRESENT	ABSENT	EXCUSED
SENATOR JACOBSON	✓		
SENATOR FRANKLIN	✓		
SENATOR AKLESTAD	✓		
SENATOR BECK	✓		
SENATOR BIANCHI	✓		
SENATOR CHRISTIAENS	✓		
SENATOR DEVLIN	✓		
SENATOR FORRESTER	✓		
SENATOR FRITZ	✓		
SENATOR HARDING	✓		
SENATOR HOCKETT	✓		
SENATOR JERGESON	✓		
SENATOR KEATING	✓		
SENATOR LYNCH	✓		
SENATOR TOEWS	✓		
SENATOR SWYSGOOD	✓		
SENATOR TVEIT	✓		
SENATOR VAUGHN	✓		
SENATOR WATERMAN	✓		
SENATOR WEEDING			✓

FC8

Attach to each day's minutes

SENATE STANDING COMMITTEE REPORT

Page 1 of 1
April 14, 1993

MR. PRESIDENT:

We, your committee on Finance and Claims having had under consideration House Bill No. 666 (third reading copy -- blue), respectfully report that House Bill No. 666 be concurred in.

Signed: Judy H. Jacobson
Senator Judy H. Jacobson, Chair

SENATE STANDING COMMITTEE REPORT

Page 1 of 1
April 14, 1993

MR. PRESIDENT:

We, your committee on Finance and Claims having had under consideration House Bill No. 673 (third reading copy -- blue), respectfully report that House Bill No. 673 be amended as follows and as so amended be concurred in.

Signed: Judy H. Jacobson
Senator Judy H. Jacobson, Chair

That such amendments read:

1. Title, line 5.

Strike: "STATUTORILY"

2. Title, lines 8 and 9.

Strike: "AMENDING" on line 8 through "MCA;" on line 9

3. Page 1, line 12 through page 3, line 7.

Strike: line 12 on page 1 through line 7 on page 3 in their entirety

Renumber: subsequent sections

4. Page 3, line 11.

Strike: "\$25 a month"

Insert: "\$120 a year, prorated at \$10 a month for the number of months under supervision"

5. Page 4, line 3.

Strike: "Statutory appropriation"

Insert: "Appropriation"

6. Page 4, line 5.

Following: "[section 2]"

Insert: ", to a maximum of \$444,000 for each year of the 1994-95 biennium,"

Strike: "statutorily"

Strike: ", as" on line 5 through "17-7-502," on line 6

7. Page 4, lines 10 and 13.

Strike: "2 and 3"

Insert: "1 and 2"

-END-

AW Amd. Coord.
Sec. of Senate

Lynch
Senator Carrying Bill

821114SC.San

SENATE STANDING COMMITTEE REPORT

Page 1 of 1
April 14, 1993

MR. PRESIDENT:

We, your committee on Finance and Claims having had under consideration House Joint Resolution No. 25 (third reading copy - blue), respectfully report that House Joint Resolution No. 25 be concurred in.

Signed: Judy H. Jacobson
Senator Judy H. Jacobson, Chair

AK Amd. Coord.
Sec. of Senate

Lynch
Senator Carrying Bill

821119SC.Sna

SENATE STANDING COMMITTEE REPORT

Page 1 of 1
April 14, 1993

MR. PRESIDENT:

We, your committee on Finance and Claims having had under consideration House Joint Resolution No. 18 (third reading copy - blue), respectfully report that House Joint Resolution No. 18 be concurred in.

Signed: Judy H. Jacobson
Senator Judy H. Jacobson, Chair

AW
Amd. Coord.
Sec. of Senate

Fritz
Senator Carrying Bill

821118SC.San

SENATE STANDING COMMITTEE REPORT

Page 1 of 1
April 14, 1993

MR. PRESIDENT:

We, your committee on Finance and Claims having had under consideration House Bill No. 690 (third reading copy -- blue), respectfully report that House Bill No. 690 be concurred in.

Signed: Judy H. Jacobson
Senator Judy H. Jacobson, Chair

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ACW Amd. Coord.
IN Sec. of Senate

Christians
Senator Carrying Bill

821116SC.San

SENATE STANDING COMMITTEE REPORT

Page 1 of 1
April 14, 1993

MR. PRESIDENT:

We, your committee on Finance and Claims having had under consideration House Bill No. 691 (third reading copy -- blue), respectfully report that House Bill No. 691 be concurred in.

Signed: Judy N. Jacobson
Senator Judy H. Jacobson, Chair

SENATE STANDING COMMITTEE REPORT

Page 1 of 1
April 14, 1993

MR. PRESIDENT:

We, your committee on Finance and Claims having had under consideration House Bill No. 689 (third reading copy -- blue), respectfully report that House Bill No. 689 be amended as follows and as so amended be concurred in.

Signed: Judy H. Jacobson
Senator Judy H. Jacobson, Chair

That such amendments read:

1. Title, lines 6 and 7.
Following: "ACT" on line 6
Strike: remainder of line 6 through line 7
2. Title, lines 9 through 11.
Following: "PROGRAMS;" on line 9
Strike: remainder of line 9 through ";" on line 11
3. Title, line 18.
Following: "DATE"
Strike: "AND"
Insert: ", "
4. Page 1, line 19.
Following: "DATE"
Insert: ", AND A CONTINGENT TERMINATION PROVISION RELATING TO
CERTAIN VOLUNTARY INCOME TAX CHECKOFFS"
5. Page 2, line 14.
Following: "account"
Insert: ", subject to appropriation,"
6. Page 2, lines 17 through 20.
Strike: lines 17 through 20 in their entirety
7. Page 8, line 18.
Following: "15-25-123;"
Strike: "[section 2];"
8. Page 10, following line 12.
Insert: "NEW SECTION. Section 12. Contingent termination. A
voluntary income tax checkoff created in 15-30-150, 15-30-
152, or 15-30-155 terminates on January 1 of the first tax
year following the 2 immediately preceding tax years in
which the voluntary checkoff raises less than \$20,000 in
each of those 2 tax years."

-END-

ADH
Amd. Coord.
Sec. of Senate

Waterman
Senator Carrying Bill

821119SC.San

SENATE STANDING COMMITTEE REPORT

Page 1 of 2
April 14, 1993

MR. PRESIDENT:

We, your committee on Finance and Claims having had under consideration House Bill No. 145 (third reading copy as amended - blue), respectfully report that House Bill No. 145 be amended as follows and as so amended be concurred in.

Signed: Judy H. Jacobson
Senator Judy H. Jacobson, Chair

That such amendments read:

1. Title Page 1 line 20 through page 2 line 1.

Following: "~~DATE~~" on line 20

Strike: remainder of line 20 through WAIVER; on line 1 page 2.

2. Title Page 2, line 2 through line 6.

Following: "AUTHORITY" on line 2

Strike: the remainder of line 2 through MCA; on line 6.

Insert: "AND AN APPROPRIATION TO THE STATE AUDITOR'S OFFICE;"

3. Title Page 2, line 7.

Following: "PROVIDING"

Insert: "AN"

Strike: "DATES"

Insert: "DATE"

4. Page 4, line 17 through page 10, line 8.

Strike: line 17 on page 4 through page 10, line 8 in their entirety.

Renumber subsequent sections.

5. Page 10, line 11 through page 11, line 3.

Strike: line 11 on page 10 through page 11, line 3 in their entirety.

Insert: ", the department of health and environmental sciences is appropriated \$750,000 of general fund money in fiscal year 1994 and \$750,000 of general fund money in fiscal year 1995 for the health care authority."

6. Page 11, line 5 through page 12, line 16.

Following: "approved" on line 5

Strike: the remainder of line 5 on page 11 through page 12, line 16.

Insert: ", the state auditor's office is appropriated \$178,385 of general fund money in fiscal year 1994 and \$163,817 of general fund money in fiscal year 1995."

Franklin
Amd. Coord.
Sec. of Senate

Franklin
Senator Carrying Bill

820959SC.San

7. Page 12, line 17 through page 14, line 1.
Strike: sections 5 through 7 in their entirety.

Renumber subsequent section.

8. Page 14, lines 2 through 7.
Following: "Effective" on line 2
Strike: "dates"
Insert: "date"

Following: "(1)" on line 2
Strike: the remainder of lines 2 through 7 in their entirety.
Insert: "[This act] is effective July 1, 1993."

-END-

ROLL CALL VOTE

SENATE COMMITTEE FINANCE AND CLAIMS

BILL NO. HB 690

DATE April 13, 1993

TIME _____ A.M. P.M.

NAME	YES	NO
SENATOR JACOBSON		✓
SENATOR JERGESON		✓
SENATOR AKLESTAD		✓
SENATOR BECK		✓
SENATOR BIANCHI	✓	
SENATOR CHRISTIAENS	✓	
SENATOR DEVLIN	✓	
SENATOR FORRESTER		✓
SENATOR FRANKLIN	✓	
SENATOR FRITZ	✓	
SENATOR HARDING	✓	
SENATOR HOCKETT		✓
SENATOR KEATING	✓	
SENATOR LYNCH	✓	
SENATOR TOEWS		✓
SENATOR SWYSGOOD		✓
SENATOR TVEIT	✓	
SENATOR VAUGHN		✓
SENATOR WATERMAN	✓	
SENATOR WEEDING		

Lynn Stealey
SECRETARY

CHAIR

MOTION: Senator Franklin moved that HB 690
Be concurred in Motion Carried

ROLL CALL VOTE

SENATE COMMITTEE FINANCE AND CLAIMS

BILL NO. HJR 18

DATE April 13, 1993 TIME _____ A.M. P.M.

NAME	YES	NO
SENATOR JACOBSON	✓	
SENATOR JERGESON	✓	
SENATOR AKLESTAD		✓
SENATOR BECK		✓
SENATOR BIANCHI	✓	
SENATOR CHRISTIAENS	✓	
SENATOR DEVLIN		✓
SENATOR FORRESTER		✓
SENATOR FRANKLIN	✓	
SENATOR FRITZ	✓	
SENATOR HARDING		✓
SENATOR HOCKETT		✓
SENATOR KEATING	✓	
SENATOR LYNCH		✓
SENATOR TOEWS	✓	
SENATOR SWYSGOOD		✓
SENATOR TVEIT		✓
SENATOR VAUGHN	✓	
SENATOR WATERMAN	✓	
SENATOR WEEDING		

Lynn Stealey
SECRETARY

CHAIR

MOTION: Senator Franklin moved HJR 18

Be Concurred In.

HJR 18

Motion carried

ROLL CALL VOTE

SENATE COMMITTEE FINANCE AND CLAIMS

BILL NO. HR 25

DATE April 13, 1993 TIME _____ A.M. P.M.

NAME	YES	NO
SENATOR JACOBSON	✓	
SENATOR JERGESON		✓
SENATOR AKLESTAD		✓
SENATOR BECK	✓	
SENATOR BIANCHI	✓	
SENATOR CHRISTIAENS	✓	
SENATOR DEVLIN		✓
SENATOR FORRESTER	✓	
SENATOR FRANKLIN		✓
SENATOR FRITZ	✓	
SENATOR HARDING	✓	
SENATOR HOCKETT	✓	
SENATOR KEATING	✓	
SENATOR LYNCH	✓	
SENATOR TOEWS		✓
SENATOR SWYSGOOD		✓
SENATOR TVEIT		✓
SENATOR VAUGHN		✓
SENATOR WATERMAN		✓
SENATOR WEEDING		

Lynn Staley
SECRETARY

CHAIR

MOTION: Senator Lynch moved Be Concurred
In Motion carried.

HR 25

ROLL CALL VOTE

SENATE COMMITTEE FINANCE AND CLAIMS

BILL NO. HB 689

DATE April 13, 1993 TIME _____ A.M. P.M.

NAME	YES	NO
SENATOR JACOBSON	✓	
SENATOR JERGESON	✓	
SENATOR AKLESTAD		✓
SENATOR BECK		✓
SENATOR BIANCHI	✓	
SENATOR CHRISTIAENS	✓	
SENATOR DEVLIN		✓
SENATOR FORRESTER	✓	
SENATOR FRANKLIN	✓	
SENATOR FRITZ	✓	
SENATOR HARDING	✓	
SENATOR HOCKETT	✓	
SENATOR KEATING	✓	
SENATOR LYNCH		✓
SENATOR TOEWS	✓	
SENATOR SWYSGOOD		✓
SENATOR TVEIT		✓
SENATOR VAUGHN	✓	
SENATOR WATERMAN	✓	
SENATOR WEEDING		

Lynn Stealey
SECRETARY

CHAIR

MOTION: Senator Waterman amendment
(Exhibit 5) Carried

Amendments to House Bill No. 145
Third Reading Copy

Requested by Senator Jacobson
For the Committee on Senate Finance and Claims

Prepared by Lois Steinbeck
April 13, 1993

SENATE FINANCE AND CLAIMS

EXHIBIT NO. 1
DATE 4/13/93
BILL NO. HB 145

1. Title Page 1 line 20 through page 2 line 1.

Following: "~~DATE~~" on line 20

Strike: the remainder of line 20 through WAIVER; on line 1 page 2.

2. Title Page 2, line 2 through line 6.

Following: "AUTHORITY" on line 2

Strike: the remainder of line 2 through MCA; on line 6.

Insert: "AND AN APPROPRIATION TO THE STATE AUDITOR'S OFFICE;"

3. Title Page 2, line 7.

Following: "PROVIDING"

Insert: "AN"

Strike: "DATES"

Insert: "DATE"

4. Page 4, line 17 through page 10, line 8.

Strike: line 17 on page 4 through page 10, line 8 in their entirety.

Renumber subsequent sections.

5. Page 10, line 11 through page 11, line 3.

Strike: line 11 on page 10 through page 11, line 3 in their entirety.

Insert: ", the department of health and environmental sciences is appropriated \$750,000 of general fund money in fiscal year 1994 and \$750,000 of general fund money in fiscal year 1995 for the health care authority."

6. Page 11, line 5 through page 12, line 16.

Following: "approved" on line 5

Strike: the remainder of line 5 on page 11 through page 12, line 16.

Insert: ", the state auditor's office is appropriated \$178,385 of general fund money in fiscal year 1994 and \$163,817 of general fund money in fiscal year 1995."

7. Page 12, line 17 through page 14, line 1.

Strike: sections 5 through 7 in their entirety.

Renumber subsequent section.

8. Page 14, lines 2 through 7.

Following: "Effective" on line 2

Strike: "dates"

Insert: "date"

Following: "(1)" on line 2

Strike: the remainder of lines 2 through 7 in their entirety.

Insert: "[This act] is effective July 1, 1993."

Explanation: These amendments appropriate the amounts shown on the fiscal note for Senate Bill 285 for implementation of Senate Bill 285 and make the act effective July 1, 1993. The amendments strike all other language in House Bill 145 except the severability clause.

{Office of Legislative Fiscal Analyst

444-2986}

SENATE FINANCE AND CLAIMS

EXHIBIT NO. 2
DATE 4/13/93
BILL NO. HB666

Amendment to HB666

Page 3, line 17

Insert: "Whenever a legislative appropriation is insufficient to carry out the provisions of this part and additional money remains in the fund, the board may seek additional authority to spend money from the fund through the budget amendment process provided for in Title 17, chapter 7, part 4. The legislature further finds that the inability of the board to use funds, as necessary, would seriously impair the functions of the board in carrying out its responsibilities and constitutes a serious unforeseen and unanticipated circumstance for the purpose of meeting the definition of "emergency" in 17-7-102."

Amendments to House Bill No. 673
Third Reading Copy

For the Committee on Finance and Claims

Prepared by Sandy Whitney
April 13, 1993

SENATE FINANCE AND CLAIMS
EXHIBIT NO. 3
DATE 4/13/93
BILL NO. NB673

1. Title, line 5.

Strike: "STATUTORILY"

2. Title, lines 8 and 9.

Strike: "AMENDING" on line 8 through "MCA;" on line 9

3. Page 1, line 12 through page 3, line 7.

Strike: line 12 on page 1 through line 7 on page 3 in their entirety

Renumber: subsequent sections

4. Page 3, line 11.

Strike: "\$25"

Insert: "\$10"

5. Page 4, line 3.

Strike: "Statutory appropriation"

Insert: "Appropriation"

6. Page 4, line 5.

Following: "[section 2]"

Insert: ", to a maximum of \$444,000 for each year of the 1994-95 biennium,"

Strike: "statutorily"

Strike: ", as" on line 5 through "17-7-502," on line 6

7. Page 4, lines 10 and 13.

Strike: "2 and 3"

Insert: "1 and 2"

This amendment eliminates the statutory appropriation, reduces the supervisory fee from \$25 per month to \$10 per month, and appropriates up to \$444,000 per year to the department for training and equipment for probation/parole officers.

The resulting estimated revenue, based on a proportionate share of the fiscal note estimate, is \$431,760 in fiscal 1994 and \$457,800 in fiscal 1995.

{Office of Legislative Fiscal Analyst

444-2986},

EXHIBIT NO. 4

DATE 4/13/93

BILL NO. AB 690

POLICY INITIATIVE B

Federal Chapter I funds diverted by federal regulations from MSDB to OPI for local school districts should continue to be used to pay for sensory impaired services provided by the school.

\$800,00 federal funds go to local schools instead of MSDB each year

Over the last decade, the Montana School for the Deaf and the Blind (MSDB) has lost approximately \$800,000 of Chapter I federal revenue per year due to formula changes at the federal level. Chapter I funding to the state has not decreased. Rather, the federal funds now go to local school districts for the sensory impaired students who are living at home and attending or preparing to attend local schools.

Outreach services from MSDB more cost effective than each district purchasing equipment

MSDB has been notified by the Office of Public Instruction that federal funds allocated for the school's outreach services will be eliminated in the 1995 biennium. As the federal revenue decreased, the state backfilled the MSDB budget with general fund so the school could continue to provide services to these students in local districts across the state. Currently, MSDB employs four itinerant consultants and about 17 parent/infant advisors who serve 164 visually-impaired students and 36 hearing-impaired infants who reside in their home school districts. The parent advisors work with parents on early language stimulation of their hearing impaired infants.

MSDB should charge fee General fund savings: \$256,978 per year

Through outreach services, the school provides large print/braille materials, brailers, specialized adaptive equipment and education supplies, consultation with district personnel on developing a student's individualized education plan and consultation with the student's parents. It is not cost effective for many local school districts to employ the specialized staff or purchase the equipment required to provide such services. Yet, the federal funds which supported these services now must be allocated to the local districts. It is important that children receive such services in their home school districts, not only because there is support from family, friends and community, but also because local services are far less-costly than the MSDB residential program in Great Falls.

Therefore, this initiative recommends that MSDB charge the local school districts a fee commensurate-with-cost for its outreach services. Enabling legislation will be introduced to clarify the fees and deposit of them to a state special revenue account. It is estimated that approximately \$256,978 in general funds savings will be realized each year of the 1995 biennium.

Amendments to House Bill No. 689
Third Reading Copy

Requested by Sen. Waterman
For Senate Finance and Claims Committee

Prepared by Jon Moe
April 13, 1993

SENATE FINANCE AND CLAIMS

EXHIBIT NO. 5

DATE 4/13/93

BILL NO. HB 689

1. Page 1, line 18.
Following: "MCA;"
Strike: "AND"

2. Page 1, line 19.
Following: "DATE"

Insert: "; AND PROVIDING A CONTINGENT TERMINATION PROVISION RELATING TO CERTAIN VOLUNTARY INCOME TAX CHECKOFFS"

3. Page 10, following line 12.

Insert: "NEW SECTION. Section 12. Contingent termination. A voluntary income tax checkoff created in 15-30-150, 15-30-152, or 15-30-155 terminates on January 1 of the first taxable year following the 2 immediately preceding taxable years in which the voluntary checkoff raises less than \$20,000 in each of those 2 taxable years."

This amendment adds a "contingent termination" provision applicable to the voluntary income tax checkoffs for the Nongame Wildlife Program, the Agriculture in Montana Schools Program, and the Child Abuse and Neglect Prevention Program. It provides that if collections from the individual checkoff is less than \$20,000 for two consecutive taxable years, the checkoff would terminate on January 1 of the subsequent taxable year. A fourth checkoff, for the D.A.R.E. Program already has a "contingent termination" provision (Chapter 808 of the 1991 Montana Session Laws).

{Office of Legislative Fiscal Analyst

444-2986}

In compliance with a written request, there is hereby submitted a Fiscal Note for SB0285. Third Reading NFB 14

DESCRIPTION OF PROPOSED LEGISLATION: An act providing for universal health care access, health care planning and cost containment creating the Montana Health Care Authority, providing for the powers and duties of the authority; requiring a statewide universal health care access plan; requiring a health care resource management plan; providing for simplification of health care expenses billing; requiring the authority to conduct a study and report on long-term care; requiring the authority to establish health planning regions and boards; providing for the powers and duties of regional boards; requiring the establishment of a unified health care data base; providing for health insurance reform; and transferring to the authority certain functions of the department and board of health and environmental sciences relating to vital statistics.

ASSUMPTIONS

Montana Health Care Authority

1. During the 1995 biennium, the Montana Health Care Authority (MHCA) will focus predominately on development of a health care database, analysis of patterns of health care utilization and cost, policy development, and development of specific health plans for presentation to the 1995 legislative session.
2. Development of the organization structure necessary to fulfill the responsibilities of the MHCA will occur as soon as possible after passage of the bill. The executive director and board secretary will be hired as soon as possible upon passage.
3. Due to the complexity of health care issues, the MHCA will require significant technical assistance on a wide variety of issues impacting the different sectors of health care including the general field of medicine, health care reform, legal ramifications of medical malpractice issues, substantial actuarial data collection and analysis, medical technology, and complex health data system. In order to give the MHCA the flexibility to analyze the staffing needs of the Authority and identify those services that could most efficiently be provided through contracts, the majority of funds are allocated to operating expenses with the understanding that the MHCA would have the option to hire such staff as deemed necessary and appropriate.
4. The five appointed members of the Health Care Authority serve as volunteers and are not state employees.
5. There will be five regional boards. All regional board members are volunteers and are not state employees.
6. The MHCA and regional boards will conduct at least six meetings per year during the first two years.
7. Travel and per diem for regional boards is included in the operating expenses of the MHCA.
8. It is anticipated that grant funds from the Robert Wood Johnson Foundation will be available to assist the MHCA in the development of the statewide health care database.
9. To the extent that MHCA activities are directly related to the state's Medicaid program, such expenditures could be matched for federal funds at a ratio of 50% state and 50% federal funds.
10. The Vital Statistics Bureau will be transferred intact to the Health Care Authority. Existing bureau expenditures and revenues will remain, but are not included in this fiscal note. If the Vital Statistics Bureau were physically moved there would be costs related to that move we are unable to estimate.

(Continued)

Dave Lewis 3-10-93

DAVE LEWIS, BUDGET DIRECTOR,
Office of Budget and Program Planning

Eve Franklin 3/13/93

EVE FRANKLIN, PRIMARY SPONSOR
Fiscal Note for SB0285, third reading

State Auditor's Office

11. The insurance commissioner will appoint a nine member Health Benefit Plan Committee July 1, 1993. They will conduct meetings and recommend a basic and standard plan by Dec 31, 1993. The commissioner will adopt plans by March 1, 1994.
12. The insurance commissioner will receive the required premium information from insurance companies by Sept 1, 1993 and will appoint a nine member reinsurance board by Sept 15, 1993. This board will submit an operational plan for reinsurance by March 15, 1994. The commissioner will adopt the plan by May 15, 1994.
13. The commissioner will adopt rules for rating practices and actuarial certification during FY94.
14. The commissioner will work with the Authority to design a uniform claim form (Section 10) and will adopt rules in FY95 to implement the form. Implementation will not occur during the 95 biennium.
15. The reinsurance plan will take effect July 1, 1994. The board will use its authority to borrow funds for initial operations and to cover claims. Assessments will be made against premiums in an amount necessary to pay off the loan. Therefore no general fund appropriation will be necessary to cover a loss or loan payment.

FISCAL IMPACT:

	FY '94		
	Current Law	Proposed Law	Difference
<u>Montana Health Care Authority</u>			
FTE	0	2.00	2.00
Personal services	0	93,921	93,921
Operating expenses	0	656,072	656,072
Total	0	750,000	750,000
<u>Funding:</u>			
General Fund*	0	750,000	750,000

* Ignores potential use of federal and foundation funds per assumptions 8 and 9.

	FY '95		
	Current Law	Proposed Law	Difference
<u>State Auditor's Office</u>			
FTE	0	2.00	2.00
Personal Services	0	107,217	107,217
Operating Costs	0	68,600	68,600
Equipment	0	2,568	2,568
Total	0	178,385	178,385
<u>Funding:</u>			
General Fund	0	178,385	178,385

TECHNICAL NOTES:

The effective date of sections 22-36 should be July 1, 1993 in order to meet other deadlines in the bill.

The reinsurance board needs statutory appropriation authority as provided in Section 17-7-502, M.C.A. in order to pay claims anticipated by creation of the reinsurance pool.

General Motor Pool InformationEXHIBIT NO. 7DATE 4/13/93April 12, 1993BILL NO. HB 3

The 1992 legislative performance audit of the Motor Pool indicated that the number of vehicles in the Motor Pool fleet should be reduced. In response to the audit recommendation, the department reduced the fleet by 28 units. The fleet is now comprised of 127 daily rental units and 70 lease units for a total of 197 units. This is compared to the former fleet size of 225 units.

Based on the legislative audit recommendations, the June special session eliminated Motor Pool spending authority for vehicle purchases in FY93. They also transferred approximately \$200,000 from the Motor Pool account to the general fund. The \$200,000 was generated through rental rates and was budgeted for vehicle replacement. Without being able to buy vehicles in FY93, and due to increased fleet use in FY92, the department estimates that 53 units will expire this fiscal year. This means that between now and June 30, 1993, the total fleet will be further reduced by 53 units.

In FY92, the total miles traveled by Motor Pool units was 4,215,427. This represents the highest mileage ever traveled in one fiscal year. Based on the miles of travel experienced in the first six months of FY93, travel this fiscal year will be comparable to last year. This represents an annual increase of approximately 600,000 miles of travel over that experienced in FY91. Over a ten year period, annual miles of travel have doubled -- from approximately 2 million miles per year in FY82 to 4.2 million miles per year in FY92. In FY82, Motor Pool operated with approximately 220 vehicles. Motor Pool is operating today with 197. These changes have been accomplished with no change in staffing or major facility improvements. It would appear that Motor Pool is fulfilling the intent of its mission.

Studies conducted by MDP show that privatization of Motor Pool, commercial rental, or payment of mileage for use of a private vehicle, exceed Motor Pool rates. For example, a mid-size car at Motor Pool will cost 20.5 cents per mile in July. The present mileage rate for use of a private vehicle is 28 cents per mile. Additionally, employees cannot be forced to drive their personal vehicles.

There are presently 197 units in Motor Pool, comprised of 127 daily rental units and 70 lease units. The daily rental units are stationed in Helena and are rented to state agencies that travel from the Helena area. The lease units are leased primarily to Department of Health and Environmental Sciences, Corrections and Human Services and Family Services and are stationed outside of Helena. Cars are stationed at Libby, Polson, Shelby and Billings to name a few locations. If Motor Pool is unable to provide the leases, the agencies will be forced to lease from commercial sources at additional cost.

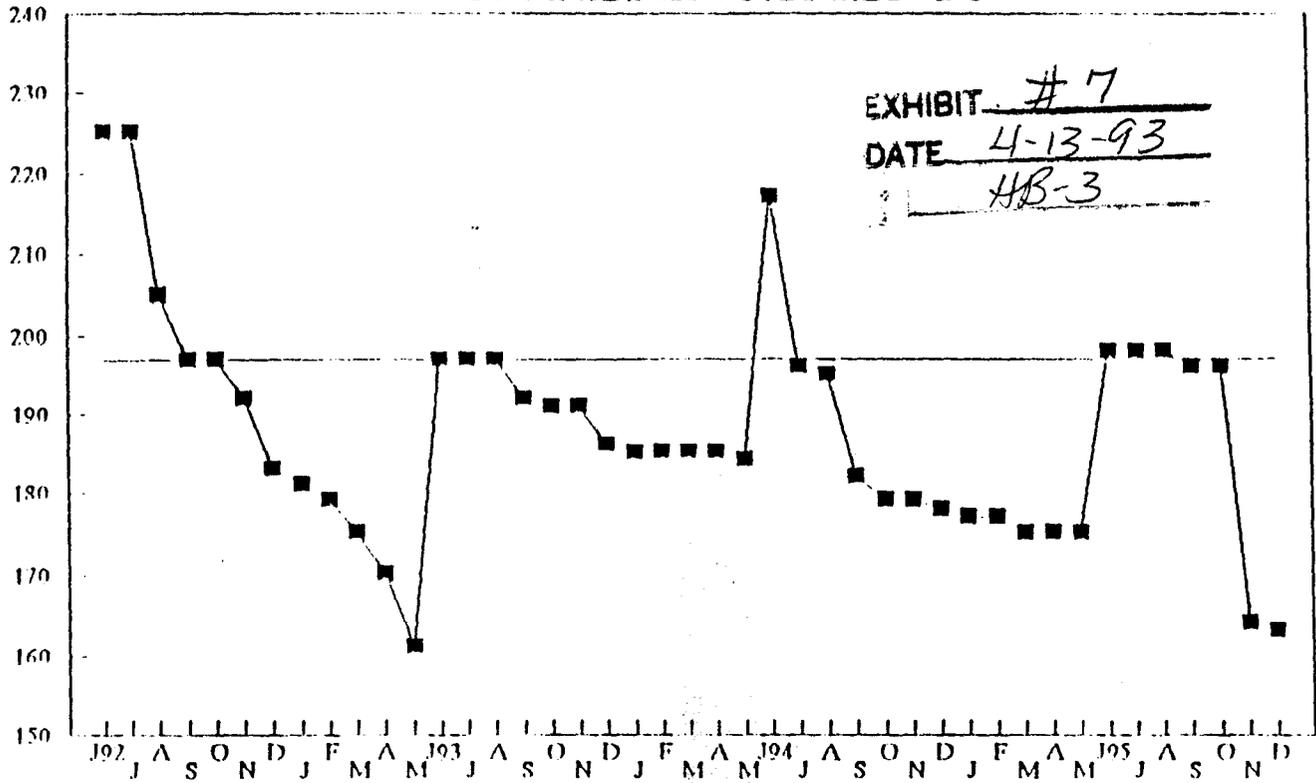
Since the primary purpose of Motor Pool is to provide transportation to Helena based agencies, and if the 53 vehicles are not approved, Motor Pool will have no choice but to cancel leases on the 70 units and reassign them to the daily rental fleet.

Of the 197 units in the fleet, 1 has been removed because of accident, 1 has been removed because of excessive repair cost, 16 are presently being considered for removal because of high mileage, and 35 more are anticipated to reach economic life by July 1, 1993. This accounts for the 53 units requested in the supplemental appropriation.

Two years ago, Motor Pool asked other agencies if they would be interested in leasing vehicles from Motor Pool. The response was overwhelming. Various agencies requested a total of 225 additional vehicles. In response to the survey, the department proposed 20 additional lease units in an EPP request for FY94. The House Appropriations Sub-Committee voted down the request and the issue has not been raised since.

The supplemental appropriation is to sustain the Motor Pool fleet at 197 units. If Motor Pool use decreases, or if the number of new units requested in the '95 biennium are not needed to sustain the fleet at 197 units, purchases of new units in either FY94 or FY95 will be deferred.

EST. MOTOR POOL FLEET WITH REPLACEMENTS



EST FLEET 197 AUTHORIZED

MPLESS2

MOTOR POOL FLEET SIZE WITH REPLACEMENTS

FY93	AUG	SEPT	OCT	NOV	DEC
225	205	197	197	192	183
JAN	FEB	MAR	APR	MAY	FYE93
181	179	175	170	161	197
FY94	AUG	SEPT	OCT	NOV	DEC
197	197	193	192	192	187
JAN	FEB	MAR	APR	MAY	FYE94
186	186	186	186	185	219
FY95	AUG	SEPT	OCT	NOV	DEC
197	196	182	179	179	178
JAN	FEB	MAR	APR	MAY	FYE95
177	177	177	175	175	198
FY96	AUG	SEP	OCT	NOV	DEC
199	199	197	197	166	165

MEMORANDUM

To: Sen. Mignon Waterman

From: Sally M. Johnson
Deputy Director

Re: Department of Transportation Supplemental Request

Date: April 2, 1993

This department leases, on an annual basis, approximately 11 higher mileage vehicles and Ford Escorts from the Motor pool. One of such vehicles is located at the Center for the Aged in Lewistown and is used almost exclusively for transporting patients for medical reasons. The Corrections Division has vehicles placed at the Women's Correctional Center, the Missoula Life Skills Center and several probation and parole offices. Several vehicles are also placed at Montana Developmental Center, which transport staff and patients to necessary appointments, scheduled recreational activities and other necessary transportation.

We are advised if the supplemental request by the Department of Transportation for purchase of additional vehicles is not approved, DOT will be forced to cancel the leases for these vehicles. This would be devastating to the Corrections Division, Montana Developmental Center and the Center for the Aged, as these vehicles replaced very high mileage, expensive maintenance vehicles and provide necessary safe transportation. We have no resources to replace these vehicles if the leases were cancelled or with which to otherwise provide these facilities transportation services.

Thank you for your support in this matter.

SMJ/jeb

cc: Rick Day, Director

DEPARTMENT OF FAMILY SERVICES



MARC RACICOT, GOVERNOR

(406) 444-5700
FAX (406) 444-8086

STATE OF MONTANA

HANK HUDSON, DIRECTOR
IRISSE MUNRO, DEPUTY DIRECTOR

PO BOX 8009
HELENA, MONTANA 59604 8009

April 2, 1993

EXHIBIT #7
DATE 4-13-93
 HB-3

TO: Senator Mignon Waterman
District 22

FR: Hank Hudson, ^{HM} Director

RE: DOT Supplemental - HB 3

The Department of Family Services (DFS) is requesting your support for the Department of Transportation's (DOT) supplemental request for replacement vehicles contained in HB 3. Approval of DOT's supplemental is critical to DFS as we currently lease seventeen (17) vehicles from DOT. Seven (7) of these vehicles are assigned to field offices for official use by social workers. Five (5) are being utilized by the Aftercare/Juvenile Parole Officers and the remaining five (5) are assigned to Pine Hills School and Mountain View School.

When DFS was created, the Department of Institutions (Department of Corrections and Human Services) transferred the vehicles used by the Aftercare/Juvenile Parole Officers, Pine Hills School, and Mountain View School to DFS. No vehicles were available for social workers. In 1991, DFS looked at options to provide newer vehicles to its employees since the vehicles being used were in the 150,000 to 200,000 mile range.

In 1991, the Department of Transportation rescued DFS by leasing us seventeen (17) vehicles. Ten (10) of these vehicles replaced the aging high mileage vehicles used by Aftercare and the two institutions to transport children. Seven (7) of the leased cars were placed in DFS offices around the state where high usage is required by social workers.

This constitutes background for our support for DOT's supplemental request for replacement vehicles. On October 20, 1992, DOT Director John Rothwell notified DFS by letter that if DOT's request for replacement vehicles was rejected by the legislative process, all leased vehicles would be recalled (Attachment B). The leases would be terminated.

If the supplemental is denied and the leases terminated, DFS would be impacted in the following ways:

1. DFS would have to rely on its already high mileage fleet to transport children. Attachment A reflects DFS vehicles (excluding DOT leased vehicles) currently used and the mileage on each vehicle. It is truly an aging fleet and is inappropriate for safely transporting children.
2. Aftercare/Juvenile Parole Officers and social workers who access DOT leased vehicles would have to begin using their personal cars for DFS work. This means DFS would have to pay twenty-eight (28) cents per mile. In some cases this would be approximately twenty-two and one-half (22 1/2) cents per mile more than our lease cost.
3. DFS would be forced to request additional funds to pay the higher mileage rate.
4. If DFS employees refuse to use their personal vehicles for business purposes, DFS would have to request funds for the purchase of vehicles. Additional funds would have to be added to this for annual operational expenses and maintenance.

In summary, the loss of the leased vehicles would negatively impact DFS. Children should be transported in safe and reliable vehicles. The DOT leased vehicles provide this safety and reliability. Your support of the DOT supplemental request is appreciated.

attachment A

EXHIBIT # 7
DATE 4-13-93
I HB-3

Institution Vehicles

PHS

1976 Plymouth sedan	164,000 miles	(unsafe for highway use)
1982 Ford Escort	60,000 miles	
1981 Oldsmobile wagon	108,000 miles	
1981 Oldsmobile wagon	148,000 miles	
1987 Plymouth sedan	115,000 miles	
1987 Plymouth sedan	125,000 miles	
1988 Suburban	130,000 miles	

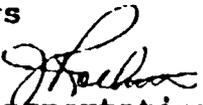
MVS

1981 Oldsmobile	99,000 miles	
1977 Dodge Van	114,000 miles	
1982 Plymouth	115,000 miles	
1976 Dodge Van	unknown mileage	(no speedometer)

Montana Department of Transportation
Helena, MT 59620

Memorandum

To: Agency Directors

From: John Rothwell 
Director of Transportation

Date: October 20, 1992

Subject: Motor Pool

RECEIVED

OCT 29 1992

DFS

Motor Pool is operated under the authority of Title 2, Section 17, Part 4 of the Montana Codes Annotated. 2-17-411 reads in part "The department of transportation is the custodian of all motor vehicles operated out of the Helena area used primarily to carry passengers or having a cargo rating of three-quarters of a ton or less...."

The department has interpreted this language to mean that Motor Pool is responsible for providing vehicles to state agencies that travel out of the Helena area, but that it is not responsible for providing vehicles to agencies when the vehicle would be primarily or continually operated out of another location in the state.

Over the last several years, as a result of diminishing budgets and the difficulty experienced by general fund agencies in obtaining replacement vehicles, Motor Pool has relaxed its position on leasing vehicles outside of the Helena area in an attempt to assist agencies in meeting their travel needs.

A recent legislative performance audit of the Motor Pool indicated that the number of vehicles in the Motor Pool fleet should be reduced. In response to the audit recommendation, the department reduced the fleet by 28 units. The fleet is now comprised of 127 daily rental units and 70 lease units for a total of 197 units. This is compared to the former fleet size of 225 units.

Based on the legislative audit recommendations, the June special session eliminated Motor Pool spending authority for vehicle purchases in FY93. They also transferred approximately \$200,000 from the Motor Pool account to the general fund. The \$200,000 was generated through rental rates and was budgeted for vehicle replacement. Without being able to buy vehicles in FY93, and due to increased fleet use in FY92, the department estimates that 54 units will expire this fiscal year. This means that between now and June 30, 1993, the total fleet will be further reduced by 54 units.

In an attempt to rectify this situation, the department plans to request a budget amendment during the January session that would allow purchase of 54 vehicles in FY93. Also, the department has submitted an EPP request for 20 additional vehicles for lease

EXHIBIT #7
 DATE 4-13-93
 HB-3

purposes. If the budget amendment and EPP request are approved, the Motor Pool fleet size will be increased to 217 units -- 127 daily rental units and 90 lease units.

If neither the budget amendment or EPP request is approved, the 70 units presently on lease will be eliminated, as our first priority will be to sustain approximately 130 daily rental units. If these circumstances were to occur, no vehicles would be leased nor would any be assigned outside of the Helena area.

In the interim, some reduction in the number of lease units may be necessary. The actual number of reductions will depend on how many units expire between now and when the legislature takes action on the budget amendment. Individuals affected by these reductions will be given as much advance notice as possible so that other transportation arrangements can be made.

Questions pertaining to the above may be addressed to:

Sue Anderson -- Motor Pool Manager

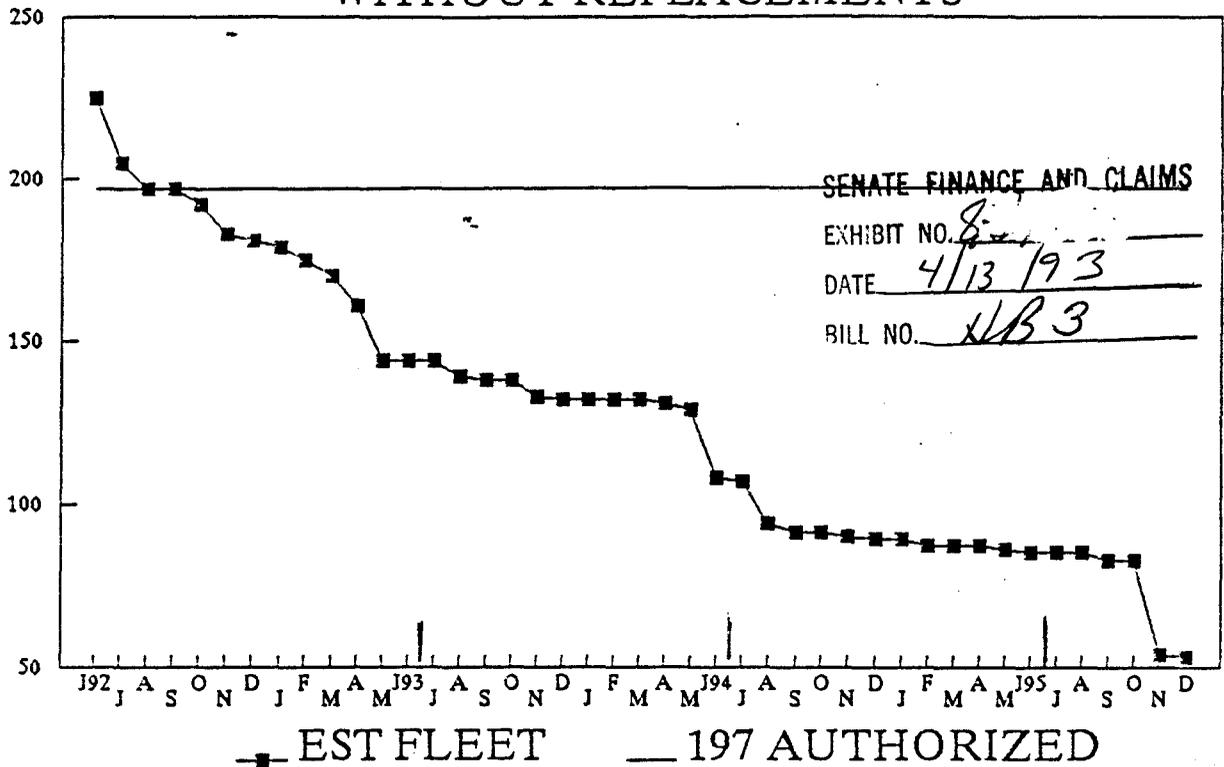
Jim Hyatt -- Supervisor, Information Systems and Budget Section

Bruce Barrett -- Assistant Maintenance Engineer

We will keep you apprised of the status of this issue. If you feel the service provided by Motor Pool has been beneficial, your support of our efforts would be appreciated.

cc: Administrator, Highways Division
 file

EST. MOTOR POOL FLEET WITHOUT REPLACEMENTS



MPLESS1

MOTOR POOL FLEET SIZE WITHOUT REPLACEMENTS					
FY93	AUG	SEPT	OCT	NOV	DEC
205	197	197	197	192	183
JAN	FEB	MAR	APR	MAY	FYE93
181	179	175	170	161	144
FY94	AUG	SEPT	OCT	NOV	DEC
144	139	138	138	133	132
JAN	FEB	MAR	APR	MAY	FYE94
132	132	132	131	129	108
FY95	AUG	SEPT	OCT	NOV	DEC
107	94	91	91	90	89
JAN	FEB	MAR	APR	MAY	FYE95
89	87	87	87	86	85
JUL	AUG	SEP	OCT	NOV	DEC
85	85	83	73	54	53