

MINUTES

MONTANA HOUSE OF REPRESENTATIVES 59th LEGISLATURE - REGULAR SESSION

COMMITTEE ON APPROPRIATIONS

Call to Order: By **VICE CHAIRMAN CAROL C. JUNEAU**, on March 8, 2005 at 8:00 A.M., in Room 102 Capitol.

ROLL CALL

Members Present:

Rep. Carol C. Juneau, Vice Chairman (D)
Rep. John E. Witt, Vice Chairman (R)
Rep. Tim Callahan (D)
Rep. Eve Franklin (D)
Rep. Cynthia Hiner (D)
Rep. Verdell Jackson (R)
Rep. Joey Jayne (D)
Rep. Ralph L. Lenhart (D)
Rep. Walter McNutt (R)
Rep. Penny Morgan (R)
Rep. John L. Musgrove (D)
Rep. Rick Ripley (R)
Rep. Jon C. Sesso (D)
Rep. John Sinrud (R)
Rep. Janna Taylor (R)
Rep. Jack Wells (R)

Members Excused: Rep. Rosalie (Rosie) Buzzas, Chairman (D)

Members Absent: Rep. Bill E. Glaser (R)
Rep. Ray Hawk (R)
Rep. Christine Kaufmann (D)

Staff Present: Marcy McLean, Committee Secretary
Laura Dillon, Committee Secretary
Jon Moe, Legislative Branch

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

Committee Business Summary:

Hearing: HB 2, Day 4

HB 2, SECTION E continued

REP. FRANKLIN continued her presentation of the budget for Section E, Board of **Public Education**, Pages E-17 to 21.

{Tape: 1; Side: A; Approx. Time Counter: 0 - 3.5; Comments: Reps. Hawk and Glaser entered hearing.}

Department's Response:

Steve Molloy, Board of Public Education, said they have been actively fulfilling their constitutional responsibility to schools, along with the legislature and the local school districts. He explained that they work closely with the Office of Public Instruction.

{Tape: 1; Side: A; Approx. Time Counter: 3.5 - 9; Comments: Reps. Buzzas and Kaufmann entered hearing.}

REP. FRANKLIN continued with presentation of the budget for the **Montana School for the Deaf and Blind**, Pages E-22 to 28.

{Tape: 1; Side: A; Approx. Time Counter: 9 - 14.4}

Department's Response:

Steve Gettel, Superintendent of the Montana School for the Deaf and Blind, said this is the best and most hopeful budget they have had in 20 years.

[EXHIBIT\(aph51a01\)](#)

[EXHIBIT\(aph51a02\)](#)

A big concern for the school is their teacher pay disparity, which makes it difficult for them to compete with other schools and other states. Most of their teachers have a Masters degree in teaching the deaf and blind, yet are earning less than teachers with only a Bachelors degree.

REP. FRANKLIN presented the budget for the **Montana Arts Council**, found on Pages E-29 to 31 of the HB 2 narrative.

Department's Response:

Arnie Fishbaugh, Montana Arts Council, said that the economic impact of artists on the Montana economy is \$233 million, with 75% of the money coming from out of state.

[EXHIBIT\(aph51a03\)](#)

[EXHIBIT\(aph51a04\)](#)

{Tape: 1; Side: A; Approx. Time Counter: 14.4 - 32.6}

REP. FRANKLIN continued her presentation of Section E with the **State Library Commission**, Pages E-33 to 35.

{Tape: 1; Side: B; Approx. Time Counter: 0 - 7.2}

Department's Response:

Darlene Stafffield, State Librarian, explained that most of the work of the Montana State Library is done out in the field, meeting the information needs of Montanans.

{Tape: 1; Side: B; Approx. Time Counter: 7.2 - 8.4}

REP. FRANKLIN presented the budget for the **Montana Historical Society (MHS)**, found on Pages E-37 to 46.

{Tape: 1; Side: B; Approx. Time Counter: 8.4 - 10.6}

Department's Response:

Arnie Olsen, Director of the Montana Historical Society, said they served 18,000 Montana students in 2004.

REP. MORGAN, in referring to Page E-39, asked about the \$20,000 budgeted for two computer servers. **Arnie Olsen** said one of the servers will cost about \$13,000. If they don't use all of the money for servers, then they will use the balance of the money for computers.

REP. RIPLEY asked how much MHS spends to rent storage space. **Arnie Olsen** said they pay approximately \$100,000 per year. They have signed a 20-year lease, which calls for a 3% increase per year.

CHAIRMAN BUZZAS said she was aware that MHS has received some great art collections, then has to rent storage facilities to store them. She asked what will happen if MHS purchases the Capital Hill Mall. **Arnie Olsen** said one of their goals with the new facility is to consolidate from 31,000 square feet of rented space.

Public Comment: None

{Tape: 1; Side: B; Approx. Time Counter: 10.6 - 16.9}

EXECUTIVE ACTION ON HB 2, SECTION E AMENDMENTS

Motion: REP. JAYNE moved that HB 2 BE AMENDED.

EXHIBIT(aph51a05)

Discussion:

REP. JAYNE explained that this amendment would add \$225,000 for the biennium for adult education in OPI. She said there are 120,000 Montana's over the age of 16 who do not have a high school diploma.

REP. JUNEAU said the current budget is for \$300 per student and needs to be increased to meet the needs of more people.

CHAIRMAN BUZZAS said she supported this amendment because adult education prepares people to earn their General Education Degree, and it also helps with adult literacy.

REP. FRANKLIN said she opposes the amendment because the Education Subcommittee did not support the increase.

Vote: Motion failed 5-15 by roll call vote with REP. BUZZAS, REP. JAYNE, REP. JUNEAU, REP. KAUFMANN, and REP. TAYLOR voting aye.

Motion: REP. GLASER moved that HB 2 BE AMENDED.

EXHIBIT(aph51a06)

Discussion:

REP. GLASER explained that this amendment would increase the base aid to school districts due to: 1) higher Average Numbers Belonging (ANB), 2) higher interest and income revenue in the guarantee account, and 3) the impact of SB 333, which increases state retirement.

Jim Standaert, LFD, explained that last session the legislature stipulated the State retirement for impact aid salaries be paid with Federal money. Since then, a court decision has ruled that they cannot use Federal funds to pay for county retirement accounts.

{Tape: 1; Side: B; Approx. Time Counter: 16.9 - 32.6}

Madeline Quinlan, OPI, said this is a standard amendment for appropriations because ANB numbers have been updated as of March 1st.

REP. JACKSON said he thought this amendment was premature. **Jim Standaert** said it does not need to be done immediately; the amendment could be segregated and not do #3 of the amendment at this time.

Motion: **REP. JACKSON** moved TO SEGREGATE THE MOTION.

Discussion:

REP. JACKSON explained that his motion was to segregate #3 (SB 333) from **REP. GLASER**'s amendment, removing \$1.325 million from the increase of \$3.189 million, leaving \$1.9 million.

Amy Sassano, Governor's Budget Office, said they support this technical amendment.

REP. JACKSON explained that it was important to segregate SB 333 from **REP. GLASER**'s amendment because he is optimistic that the courts will uphold SB 333.

Vote: Motion carried 17-3 by roll call vote with **REP. CALLAHAN**, **REP. JAYNE**, and **REP. SESSO** voting no.

REP. CALLAHAN said **REP. JACKSON**'s 'move to segregate' split **REP. GLASER**'s amendment into two parts, and each part needs to be voted on.

Motion/Vote: **REP. JACKSON** moved that HB000216.172 #3 ONLY DO PASS. Motion failed 9-11 by roll call vote with **REP. BUZZAS**, **REP. CALLAHAN**, **REP. GLASER**, **REP. JUNEAU**, **REP. KAUFMANN**, **REP. LENHART**, **REP. MORGAN**, **REP. SESSO**, and **REP. TAYLOR** voting aye. **REP. SINRUD** voted by proxy.

{Tape: 2; Side: A; Approx. Time Counter: 0 - 22.9}

REP. GLASER said his original amendment would now only include #1 and #2.

Vote: Motion carried 18-2 by roll call vote with **REP. JAYNE** and **REP. JUNEAU** voting no. **REP. SINRUD** voted by proxy.

Motion: **REP. GLASER** moved that HB 2 BE AMENDED.
[**EXHIBIT**](#)(aph51a07)

Discussion:

REP. GLASER said this is a very substantive amendment because it retains the amount appropriated in HB 2 and in the absence of

passage of SB 177, HB 125 or SB 309, deposits the money into the state flexibility account for distribution to schools.

Linda McCullough, OPI, said they appreciate this amendment because it will ensure that the money is going out to the schools.

{Tape: 2; Side: A; Approx. Time Counter: 22.9 - 32.6}

CHAIRMAN BUZZAS asked if this amendment is not passed, then wouldn't the funding revert to the existing formula, which is in the Governor's Budget.

Jim Standaert said that is correct. If none of these bills pass and the money stays in HB 2, then the State would be at the current FY05 school funding schedules and the money would revert back to the General Fund. The only way base aid to schools can be increased above current law is by a legislative bill that raises the schedules. If the bill does not pass, then the Governor's proposed \$56 million increased funding to schools would not happen.

REP. JUNEAU said she thought the amendment should include all school funding bills, not just SB 177, HB 125 and SB 309.

Motion: **REP. JACKSON** moved a **SUBSTITUTE MOTION** to **STRIKE "SB 177, HB 125 AND SB 309" AND REPLACE WITH "ALL SCHOOL FUNDING BILLS."**

Discussion:

REP. JACKSON said he thought this amendment would address the concerns of **REP. JUNEAU**, and directed **Jim Standaert** to work out the details of the amendment.

Jim Standaert said he would like to confer with **Greg Petesch**, Legislative Legal Division.

REPS. JACKSON and GLASER withdrew their motions, without objection.

{Tape: 2; Side: B; Approx. Time Counter: 0 - 17}

Motion: **REP. TAYLOR** moved that **HB 2 BE AMENDED.**
EXHIBIT(aph51a08)

Discussion:

REP. TAYLOR explained that this amendment would fund water monitoring conducted by the University of Montana at Yellow Bay. Their work brings in millions of dollars in grants.

REP. FRANKLIN said she agreed that this is valuable work, but since the proposal did not come before the Education Subcommittee, she would be voting against the amendment.

Vote: Motion failed 8-12 by roll call vote with **REP. GLASER, REP. JACKSON, REP. JAYNE, REP. MCNUTT, REP. MORGAN, REP. RIPLEY, REP. SINRUD,** and **REP. TAYLOR** voting aye.

{Tape: 2; Side: B; Approx. Time Counter: 17 - 23.6}

Motion: **REP. FRANKLIN** moved that HB 2 BE AMENDED.
[EXHIBIT](#)(aph51a09)

Discussion:

REP. FRANKLIN explained the amendment would decrease funding from the coal severance tax shared fund for conservation districts, in order to keep the State Library's appropriation whole.

Vote: Motion carried 11-9 by roll call vote with **REP. GLASER, REP. HAWK, REP. JACKSON, REP. JAYNE, REP. MORGAN, REP. SINRUD, REP. TAYLOR, REP. WELLS,** and **REP. WITT** voting no.

Motion: **REP. MCNUTT** moved that HB 2 BE ADOPTED AS AMENDED.
[EXHIBIT](#)(aph51a10)

Discussion:

REP. MCNUTT explained this amendment would fund the pay plan for the groundwater program at the Bureau of Mines and Geology at Montana Tech.

Vote: Motion carried unanimously by voice vote.

{Tape: 2; Side: B; Approx. Time Counter: 23.6 - 32.6}

Motion: **REP. JUNEAU** moved that HB 2 BE AMENDED.
[EXHIBIT](#)(aph51a11)

Discussion:

REP. JUNEAU explained the amendment would increase General Fund money to the University System by \$250,000 for the biennium for Indian Education for All. This money would be restricted for the University System to develop a plan for implementing Indian Education for All.

Vote: Motion failed 9-11 by roll call vote with **REP. BUZZAS**, **REP. HINER**, **REP. JACKSON**, **REP. JAYNE**, **REP. JUNEAU**, **REP. KAUFMANN**, **REP. LENHART**, **REP. MUSGROVE**, and **REP. SESSO** voting aye.

{Tape: 3; Side: A; Approx. Time Counter: 0 - 6.1}

Motion: **REP. JUNEAU** moved that HB 2 BE AMENDED.
EXHIBIT(aph51a12)

Discussion:

REP. JUNEAU said this amendment, without appropriating any money, would direct the University System to prepare a plan for implementing Indian Education for All and present to the an interim committee by July 31, 2006.

Sheila Stearns said the University System welcomes this amendment as their responsibility to do this as best as they can.

Vote: Motion carried 13-7 by roll call vote with **REP. GLASER**, **REP. HAWK**, **REP. MCNUTT**, **REP. RIPLEY**, **REP. SINRUD**, **REP. WELLS**, and **REP. WITT** voting no.

{Tape: 3; Side: A; Approx. Time Counter: 6.1 - 16.6}

Motion: **REP. FRANKLIN** moved that HB 2 BE AMENDED.
EXHIBIT(aph51a13)
EXHIBIT(aph51a14)

Discussion:

REP. FRANKLIN explained that the amendment would increase the funding for Indian Education for All by \$3.045 million per year in FY06 and FY07.

CHAIRMAN BUZZAS said she supports this amendment because it provides the funding necessary for all Montana students at all grade levels and programs. Indian Education for All is constitutionally mandated and it needs to be seriously addressed by the legislature.

REP. SINRUD said that since the budget is currently \$122 million over the budget cap, this amendment is irresponsible.

Vote: Motion failed 10-10 by roll call vote with **REP. BUZZAS**, **REP. CALLAHAN**, **REP. FRANKLIN**, **REP. HINER**, **REP. JAYNE**, **REP. JUNEAU**, **REP. KAUFMANN**, **REP. LENHART**, **REP. MUSGROVE**, and **REP. SESSO** voting aye.

Motion: **REP. SINRUD** moved that HB 2 BE AMENDED.
EXHIBIT(aph51a15)

{Tape: 3; Side: A; Approx. Time Counter: 16.6 - 32.6}

Discussion:

REP. SINRUD said this amendment would re-instate vacancy savings at the Montana School for the Deaf and Blind (MSDB).

REP. FRANKLIN said it is nearly impossible for the MSDB, because of the nature of their services, to work with vacancy savings. She asked the Committee to vote against the amendment.

Vote: Motion failed 0-20 by roll call vote.

{Tape: 3; Side: B; Approx. Time Counter: 0 - 7.3}

Motion: **REP. SINRUD** moved that HB 2 BE AMENDED.
EXHIBIT(aph51a16)

Discussion:

REP. SINRUD said this amendment is at the request of the Governor's Office and eliminates the \$1.1 million funding for the Indian Education for All.

REP. FRANKLIN said the Education Subcommittee's working group proposed this funding for grants to schools.

Amy Sassano said they requested this amendment because the funding was not in the Governor's Budget.

CHAIRMAN BUZZAS said this is an opportunity for the legislature to state their priorities compared to the Governor's budget priorities. She said they should honor the compromise arrived at by the Education Subcommittee.

Vote: Motion failed 9-11 by roll call vote with REP. GLASER, REP. HAWK, REP. MCNUTT, REP. MORGAN, REP. RIPLEY, REP. SINRUD, REP. TAYLOR, REP. WELLS, and REP. WITT voting aye.

{Tape: 3; Side: B; Approx. Time Counter: 7.3 - 18.7}

NOTE: Committee recessed at 11:45 a.m.; will reconvene at 3:30 p.m.

EXECUTIVE ACTION ON SECTION E, EDUCATION

Motion: REP. JUNEAU moved that AMENDMENT HB000207.ajs BE ADOPTED.

EXHIBIT (aph51a17)

Discussion:

REP. JUNEAU explained that the amendment will include language in HB 2 to direct the Office of Public Instruction (OPI) to develop strategies to address student drop-out rates. OPI then must report on these efforts to the Education and Local Government Interim Committee before September 1, 2006. She feels this amendment will emphasize the importance of reducing high school drop-out rates in Montana.

REP. RIPLEY commented that he thinks the amendment will create an unfunded mandate.

REP. WELLS asked if OPI was already concerned with the issue of drop-out rates. Linda McCulloch, Superintendent of Public Schools, OPI, replied that the OPI is currently using a three-year Federal grant aimed at reducing drop-out rates in Indian communities. The data system included in the budget will be for review of graduation and drop-out rates. Indian Education for All will also address drop-out rates.

REP. WELLS asked if amending the bill to include this language will require OPI to ask for additional funds. Ms. McCulloch responded that OPI will request additional funding if necessary, whether or not the language is included in the bill.

REP. JACKSON asked if current research had identified any reasons for the high drop-out rates on Indian Reservations. Ms. McCulloch answered that various circumstances contribute to dropping out. High poverty and low levels of reading have been identified as contributing factors.

{Tape: 4; Side: A; Approx. Time Counter: 0 - 8.5}

REP. JAYNE asked for the drop-out rate on Indian Reservations in Montana. **Ms. McCulloch** replied that there was no data for the drop-out rates on Reservations, but the drop-out rate among Indian students in general is 50%.

REP. JAYNE asked if OPI approved of the amendment. **Ms. McCulloch** responded that OPI would be happy to report on the information at any time, regardless of whether bill contains the amendment.

REP. BUZZAS asked if the Federal grant could be used to develop strategies to address dropouts. **Ms. McCulloch** replied that the Federal grant is in its final year, but OPI could still report on the progress that had been made during the time the grant was used.

{Tape: 4; Side: A; Approx. Time Counter: 8.5 - 14}

REP. BUZZAS commented that current policy can sometimes contribute to the dropout problem in schools. She used the example of Missoula County to illustrate how a community can develop strategies to reduce dropouts. She feels the amendment will emphasize the importance of finding a solution to this problem.

Substitute Motion: **REP. JACKSON** made a substitute motion **TO STRIKE "THE DEVELOPMENT OF STRATEGIES" FROM THE AMENDMENT.**

Discussion:

REP. JACKSON felt this would clarify that the Committee does not expect OPI to take any action beyond reporting what they are already doing.

Jim Standaert, LFD, suggested that striking "to prevent dropouts and reduce dropout rates" and inserting "for the prevention and reduction of dropout rates" would better demonstrate the intent of **REP. JACKSON'S** amendment.

REP. JACKSON indicated that this would reflect the intentions of his motion. **REP. JUNEAU** stated that she would support the changes to the amendment.

Vote: Motion carried 17-3 by voice vote with **REP. HAWK, REP. SINRUD,** and **REP. WELLS** voting no.

{Tape: 4; Side: A; Approx. Time Counter: 14 - 22.4}

Motion: REP. GLASER moved that AMENDMENT HB000221.ajs BE ADOPTED.

EXHIBIT (aph51a18)

Discussion:

REP. GLASER explained that this amendment was the updated draft of the school flexibility account amendment previously discussed in Committee this morning. He said this amendment will ensure that schools receive the funding they need.

REP. FRANKLIN felt that offering the amendment at this point in time provides the legislature an incentive to fail in their mission to come to a compromise on the budget. **REP. GLASER** responded that the amendment ensures money that could be contributed to education is not reverted back to the General Fund "melting pot."

{Tape: 4; Side: A; Approx. Time Counter: 22.4 - 27.3}

REP. KAUFMANN commented that the Committee is deciding whether the flex funding mechanism is better than the ANB funding mechanism. She asked how using one over another would affect the results. **Madalyn Quinlan, Chief of Staff, OPI**, explained that there were two ways money might go from an appropriation in HB 2 into the flex fund:

- 1) If a school-funding bill passes that allocates a lesser amount than is currently included in HB 2, or
- 2) If the cost of a school-funding bill is actually less than the appropriation.

Ms. Quinlan continued that most likely the legislature will reach an agreement and try to spend the full \$70 to \$80 million for education. If this does not happen, the money is still set aside for schools and will go into the flex account. However, the flex fund is a state special revenue account, so an additional appropriation piece may be needed.

REP. KAUFMANN asked if the amendment actually ensures that at least \$58 million will go to education. **REP. GLASER** explained that this amendment guarantees that every bit of money that goes into HB 2 for education makes it to the schools. Without the amendment, there can be no such guarantee.

{Tape: 4; Side: A; Approx. Time Counter: 27.3 - 33; Comments: End of Tape 4, Side A.}

REP. RIPLEY commended **REP. GLASER** on his foresight and stated that he will support the amendment.

REP. BUZZAS stated that the work of the Select Committee on Education and work on HB 2 has yet to be completed. She does not feel the amendment is necessary at this point in time.

Vote: Motion failed 9-11 by roll call vote with **REP. GLASER**, **REP. HAWK**, **REP. JACKSON**, **REP. MCNUTT**, **REP. RIPLEY**, **REP. SINRUD**, **REP. TAYLOR**, **REP. WELLS**, and **REP. WITT** voting aye.

{Tape: 4; Side: B; Approx. Time Counter: 0 - 6.9}

Motion: **REP. SINRUD** moved that **AMENDMENT HB000204.aag BE ADOPTED.**

[EXHIBIT](#)(aph51a19)

Discussion:

REP. SINRUD stated that this amendment was a new proposal. The amendment removes the Coalbed Geologist position associated with the Bureau of Mines and Technology at Montana Tech.

REP. FRANKLIN asked the Committee members to reference Page E-48 of the budget. The position was removed from the Governor's Budget, but added again in Subcommittee. The Subcommittee members felt that the position was necessary to supply accurate data to ensure responsible development of the coalbed methane industry.

REP. SESSO asked a representative of the Bureau of Mines and Geology to describe the problems associated with the Coal Geologist on staff and the dependence on contracts that are becoming more limited. **Edmond Deal, Director, Bureau of Mines and Geology**, explained that the Bureau has had a coal program since the late 1960's. This program has been entirely funded with Federal dollars, which are drying up right now and the only Bureau employee working directly on coal geology retires at the end of March. This position is supported entirely by grants and contracts; the Bureau has no money to replace the position.

Mr. Deal continued that Montana has the largest coal resource base in the lower 48 states, but is far from being the largest coal producer. Accurate data, in a user-friendly form, is necessary in order to attract coal producers to Montana.

REP. SESSO added that Montana has a tremendous resource of coal and good information is needed before development of coalbed methane technology can take place in the State.

REP. FRANKLIN said that the Bureau also administers a groundwater assessment program, so it makes sense to have the coalbed position located with the Bureau.

REP. WITT stated that he will oppose the amendment because he believes the development of coal technology to be very important to Montana.

Vote: Motion failed 2-18 by roll call vote with **REP. SINRUD** and **REP. WELLS** voting aye.

{Tape: 4; Side: B; Approx. Time Counter: 6.9 - 16}

Motion: **REP. SINRUD** moved that AMENDMENT HB000210.ajs BE ADOPTED.

[EXHIBIT](#)(aph51a20)

Discussion:

REP. SINRUD explained that the amendment eliminates two reading and math curriculum specialists from OPI for a total of \$347,765 General Fund savings.

REP. FRANKLIN asked a representative of OPI to explain why the specialist positions were included by the Subcommittee. **Linda McCulloch** said that currently there are no curriculum specialists at OPI. This leaves no one available to assist local teachers with curricula. Specialists used to be available for teachers through OPI before being eliminated by budget cuts. It is not economically efficient for curriculum specialists to be hired through the local school district. Having these specialists at OPI provides a centralized location for teachers needing assistance.

Vote: Motion failed 9-11 by roll call vote with **REP. GLASER**, **REP. HAWK**, **REP. MCNUTT**, **REP. MORGAN**, **REP. RIPLEY**, **REP. SINRUD**, **REP. TAYLOR**, **REP. WELLS**, and **REP. WITT** voting aye. **REP. MORGAN** voted by proxy.

{Tape: 4; Side: B; Approx. Time Counter: 16 - 20.7}

Motion: **REP. TAYLOR** moved that AMENDMENT HB000217.aag BE ADOPTED.

[EXHIBIT](#)(aph51a21)

Discussion:

REP. TAYLOR explained that this amendment adds a line item General Fund appropriation for the Yellow Bay Biological Station

in the amount of \$187,000 for the 2007 Biennium. The appropriation in this amendment is less than in the original Yellow Bay amendment proposed. She stated that the University does not pay for the monitoring at Yellow Bay because it benefits all the people in Montana. The residents of the area have begun a trust fund in an effort to ensure that this monitoring can continue, so the project may not require state funding in the future.

REP. FRANKLIN stated that she opposed the amendment.

CHAIRMAN BUZZAS said that she too would oppose the amendment. She does not agree with the principle of funding projects as line items in HB 2. **REP. TAYLOR** replied that the project has been included as a line item in HB 2 for the past several biennia.

Vote: Motion failed 8-12 by roll call vote with **REP. GLASER, REP. HAWK, REP. JACKSON, REP. JAYNE, REP. MORGAN, REP. RIPLEY, REP. TAYLOR, and REP. WELLS** voting aye.

Motion/Vote: **REP. MUSGROVE** moved TO CLOSE SECTION E. Motion failed 10-10 by roll call vote with **REP. BUZZAS, REP. CALLAHAN, REP. FRANKLIN, REP. HINER, REP. JAYNE, REP. JUNEAU, REP. KAUFMANN, REP. LENHART, REP. MUSGROVE, and REP. SESSO** voting aye.

{Tape: 4; Side: B; Approx. Time Counter: 20.7 - 27.8; Comments: End of Tape 4, Side B.}

NOTE: 5:05 p.m. Appropriations Committee re-convened.

Clayton Schenck, LFD, gave the Committee an update on the status of HB in relation to the budget cap. He explained that this is the first session where the cap has come under such scrutiny. The current calculation is that the budget is \$121 million over the cap, which is right in the target. Because the formula for calculating the expenditure cap is based on estimates, it will be a moving target throughout the biennium.

The Committee's actions to date have decreased General Fund spending by \$35,000 and increased State special by \$2,400. Total funds have been increased by \$2.9 million, which is mostly Federal funds.

{Tape: 5; Side: A; Approx. Time Counter: 0 - 10.9}

Motion: **REP. BUZZAS** moved that HB 2 BE ADOPTED AS AMENDED.
EXHIBIT(aph51a22)

Discussion:

CHAIRMAN BUZZAS explained that this is a technical amendment to change headings in the Department of Administration in order to accurately reflect Subcommittee actions.

Vote: Motion carried unanimously by voice vote.

Motion: REP. JUNEAU moved that HB 2 BE AMENDED.
[EXHIBIT](#)(aph51a23)

Discussion:

Jon Moe explained that this technical amendment corrects some budget items that were double counted.

Vote: Motion carried 19-1 by voice vote with REP. RIPLEY voting no.

{Tape: 5; Side: A; Approx. Time Counter: 10.9 - 16.8}

Motion: REP. SINRUD moved that AMENDMENT HB000208.amd BE ADOPTED.

Discussion:

REP. SINRUD explained the amendment would eliminate the \$600,000 new budget item to the Governor's Office for marketing Montana outside of the state.

REP. SESSO said the Subcommittee has already made the prudent decision to decrease this budget item from \$1 million down to \$600,000. Therefore, he said he would oppose the amendment.

Vote: Motion failed 10-10 by roll call vote with REP. GLASER, REP. HAWK, REP. JACKSON, REP. MCNUTT, REP. MORGAN, REP. RIPLEY, REP. SINRUD, REP. TAYLOR, REP. WELLS, and REP. WITT voting aye.

{Tape: 5; Side: A; Approx. Time Counter: 16.8 - 24.2}

Motion: REP. SINRUD moved that HB 2 BE AMENDED.
[EXHIBIT](#)(aph51a24)

Discussion:

REP. SINRUD explained the amendment would eliminate the General Fund money used to backfill the Department of Labor's budget due to reductions in Federal special revenue.

Vote: Motion failed 10-10 by roll call vote with REP. GLASER, REP. HAWK, REP. JACKSON, REP. MCNUTT, REP. MORGAN, REP. RIPLEY, REP. SINRUD, REP. TAYLOR, REP. WELLS, and REP. WITT voting aye.

Motion: REP. SINRUD moved that HB 2 BE ADOPTED AS AMENDED.
[EXHIBIT](#) (aph51a25)

Discussion:

REP. SINRUD said the amendment would decrease the Governor's air transportation budget by \$75,000 for the biennium.

Vote: Motion failed 10-10 by roll call vote with REP. GLASER, REP. HAWK, REP. JACKSON, REP. MCNUTT, REP. MORGAN, REP. RIPLEY, REP. SINRUD, REP. TAYLOR, REP. WELLS, and REP. WITT voting aye.

Motion: REP. SINRUD moved that HB 2 BE AMENDED.
[EXHIBIT](#) (aph51a26)

Discussion:

REP. SINRUD said this amendment reduces DEQ's budget by \$250,000 to eliminate an environmental study on the Gallatin River. He said he thought the intention of the study was to shut down Big Sky, Yellowstone Club and Moonlight Basin ski areas.

{Tape: 5; Side: A; Approx. Time Counter: 24.2 - 32.6}

Vote: Motion failed 10-10 by roll call vote with REP. GLASER, REP. HAWK, REP. JACKSON, REP. MCNUTT, REP. MORGAN, REP. RIPLEY, REP. SINRUD, REP. TAYLOR, REP. WELLS, and REP. WITT voting aye.

Motion/Vote: REP. WITT moved TO ADJOURN. Motion failed 10-10 by roll call vote with REP. GLASER, REP. HAWK, REP. JACKSON, REP. MCNUTT, REP. MORGAN, REP. RIPLEY, REP. SINRUD, REP. TAYLOR, REP. WELLS, and REP. WITT voting aye.

Motion: REP. CALLAHAN moved that HB 2 DO PASS AS AMENDED.

Motion: REP. JUNEAU CALLED THE QUESTION ON HB 2.

Discussion:

REP. SINRUD said previously Representatives have been allowed to speak after the question was called.

CHAIRMAN BUZZAS said previous requests to speak after the question was called were only allowed if the Representative

making the motion agreed. She asked REP. JUNEAU, since she called the question, if she would allow further discussion. **REP. JUNEAU** said, "No."

REP. RIPLEY asked for a ruling from the Rules Committee whether they can adopt HB 2 without the sections having been closed.

CHAIRMAN BUZZAS explained that the Rules Committee is only used on the House floor, not in committees. In committee, rulings are made by the Chairman. The procedure on REP. CALLAHAN's motion to Do Pass HB 2 is ruled to be the same as the Committee's past actions.

Vote: Motion failed 10-10 by roll call vote with REP. BUZZAS, REP. CALLAHAN, REP. FRANKLIN, REP. HINER, REP. JAYNE, REP. JUNEAU, REP. KAUFMANN, REP. LENHART, REP. MUSGROVE, and REP. SESSO voting aye.

Motion/Vote: REP. JUNEAU moved TO ADJOURN. Motion failed 10-10 by roll call vote with REP. BUZZAS, REP. CALLAHAN, REP. FRANKLIN, REP. HINER, REP. JAYNE, REP. JUNEAU, REP. KAUFMANN, REP. LENHART, REP. MUSGROVE, and REP. SESSO voting aye.

{Tape: 5; Side: B; Approx. Time Counter: 0 - 8.1}

Motion: REP. SINRUD moved that HB 2 BE AMENDED.
[EXHIBIT](#)(aph51a27)

Discussion:

REP. SINRUD said this amendment would eliminate one FTE from the Office of Substance Abuse if HB 31 is passed and decrease the funding by \$68,940 per year.

REP. SESSO asked how this amendment was different from REP. JUNEAU's failed amendment offered last Thursday. **REP. SINRUD** said he didn't want to answer since he was not the sponsor of the previous amendment. **REP. SESSO** said he had a copy of REP. JUNEAU's amendment, which states that it would remove one FTE and decrease the funding by \$50,000 per year.

Vote: Motion failed 10-10 by roll call vote with REP. GLASER, REP. HAWK, REP. JACKSON, REP. MCNUTT, REP. MORGAN, REP. RIPLEY, REP. SINRUD, REP. TAYLOR, REP. WELLS, and REP. WITT voting aye.

Motion: REP. SINRUD moved that HB 2 BE AMENDED.
[EXHIBIT](#)(aph51a28)

Discussion:

REP. SINRUD explained this amendment would eliminate the \$25,000 per year for operating expenses in the Governor's mansion maintenance program.

REP. RIPLEY asked what the \$25,000 was going to be used for.

REP. SINRUD said he thought with the Governor moving his family into the mansion it was to help with food, entertainment, etc.

REP. RIPLEY asked where this item appeared in the HB 2 document.

REP. SINRUD answered, "A-28."

REP. RIPLEY asked for more specific information on how this money would be used for entertainment. **REP. SINRUD** said there was nothing specific discussed in Subcommittee.

REP. RIPLEY asked if any of it would be used for maintenance.

REP. SINRUD said it would not. The mansion's maintenance budget is in a separate line item.

REP. RIPLEY said there appears to be an overlapping expense for maintenance that he would like to have clarified. He asked if this \$25,000 was for one-time expense only. **REP. SINRUD** explained that the budget includes the \$18,500 per year requested by Governor Martz, and the additional \$25,000 per year, one-time money, requested by Governor Schweitzer.

REP. RIPLEY said he was still unclear about the difference between operating expenses and maintenance. **REP. SINRUD** said Governor Schweitzer's budget recommends an increase of \$25,000 per year because they anticipate hosting many functions and public activities.

REP. RIPLEY asked **REP. SINRUD** asked if he was a member of this Subcommittee in the 2003 session. **REP. SINRUD** answered that he had. **REP. RIPLEY** asked if it was customary to see this kind of increase. **REP. SINRUD** said it was quite an increase because it resulted in \$34,500, which he said he had not seen that type of increase during Governor Martz's administration.

REP. MUSGROVE rose to a question of "order and privilege." He said the current process was being very dilatory and they were wasting the State's money because of the state employees waiting in the audience.

Vote: Motion failed 10-10 by roll call vote with REP. GLASER, REP. HAWK, REP. JACKSON, REP. MCNUTT, REP. MORGAN, REP. RIPLEY, REP. SINRUD, REP. TAYLOR, REP. WELLS, and REP. WITT voting aye. REP. SESSO voted by proxy.

{Tape: 5; Side: B; Approx. Time Counter: 8.1 - 24.2}

NOTE: 6:00 P.M. Committee took a 30-minute recess.

At 6:25 P.M. REPS. WITT, GLASER, HAWK, JACKSON, MCNUTT, MORGAN, RIPLEY, SINRUD, TAYLOR, and WELLS re-convened. With House leadership present, REPS. BROWN and LANGE, they declared a quorum and moved to adjourn the March 8, 2005 meeting of the House Appropriations Committee.

At 6:30 P.M. CHAIRMAN BUZZAS learned of the above action. At 6:40 P.M. she stated the Appropriations Committee would wait five minutes for a quorum and continue the meeting. At 6:45 P.M. there were only 10 members of the Committee present, not enough to reach a quorum.

ADJOURNMENT

Adjournment: 7:45 P.M.

REP. ROSALIE (ROSIE) BUZZAS, Chairman

MARCY MCLEAN, Secretary

RB/mm

Additional Exhibits:

EXHIBIT ([aph51aad0.PDF](#))