

EXHIBIT 1
DATE 4/18/05
SB 154

Amendments to Senate Bill No. 154
Reference Copy

For the Senate Free Conference Committee

Prepared by Susan Byorth Fox
April 18, 2005 (1:45pm)

1. Title, line 9.

Following: "ENTITY;"

Insert: "PROVIDING FOR THE RETURN OF EXCESS PREMIUM HELD IN RESERVE; PROVIDING FOR AN ACCOUNT IN THE STATE SPECIAL REVENUE FUND TO DEPOSIT EXCESS PREMIUM AND UNEXPENDED APPROPRIATIONS FOR THE PURPOSES OF THE PROGRAM;"

2. Title, line 10.

Strike: "SECTION"

Insert: "SECTIONS 17-7-304 AND"

3. Page 1, line 14.

Insert: "Section 1. Section 17-7-304, MCA, is amended to read:

"17-7-304. Disposal of unexpended appropriations. (1) All money appropriated for any specific purpose except that appropriated for the university system units listed in subsection (2) or that appropriated for the state children's health insurance program provided for in Title 53, chapter 4, part 10, and except as provided in subsection (4) must, after the expiration of the time for which appropriated, revert to the several funds and accounts from which originally appropriated. However, any unexpended balance in any specific appropriation may be used for the years for which the appropriation was made or may be used to fund the provisions of 2-18-1203 through 2-18-1205 and 19-2-706 in the succeeding year.

(2) Except as provided in 17-2-108 and subsection (3) of this section, all money appropriated for the university of Montana campuses at Missoula, Butte, Dillon, and Helena and the Montana state university campuses at Bozeman, Billings, Havre, and Great Falls, the agricultural experiment station with central offices at Bozeman, the forest and conservation experiment station with central offices at Missoula, the cooperative extension service with central offices at Bozeman, and the bureau of mines and geology with central offices in Butte must, after the expiration of the time for which appropriated, revert to an account held by the board of regents. The board of regents is authorized to maintain a fund balance. There is a statutory appropriation, as provided in 17-7-502, to use the funds held in this account in accordance with a long-term plan for major and

deferred maintenance expenditures and equipment or fixed assets purchases prepared by the affected university system units and approved by the board of regents. The affected university system units may, with the approval of the board of regents, modify the long-term plan at any time to address changing needs and priorities. The board of regents shall communicate the plan to each legislature, to the finance committee when requested by the committee, and to the office of budget and program planning.

(3) Subsection (2) does not apply to reversions that are the result of a reduction in spending directed by the governor pursuant to 17-7-140. Any amount that is a result of a reduction in spending directed by the governor must revert to the fund or account from which it was originally appropriated.

(4) After the end of a fiscal year, 30% of the money appropriated to an agency for that year by the general appropriations act for personal services, operating expenses, and equipment, by fund type, and remaining unexpended and unencumbered at the end of the year may be reappropriated to be spent during the following 2 years for any purpose that is consistent with the goals and objectives of the agency. The dollar amount of the 30% amount that may be carried forward and spent must be determined by the office of budget and program planning."

{ Internal References to 17-7-304:
17-7-502x }

Renumber: subsequent sections

4. Page 2, line 3.

Following: "BASIS"

Insert: "; or

(d) pay providers on a fee-for-service basis and directly provide administrative services in a self-funded program"

5. Page 2, line 17 through line 18.

Strike: "(B)" on line 17 through "PROGRAM." on line 18

Insert: "(4) If the department operates the program by providing administrative services under subsection (2)(a), (2)(b), or (2)(d), the department's administrative expense may not exceed the lesser of 10% or the applicable federal limitation.

(5) If the department contracts with an insurance company or other entity as provided in subsection (2)(b) or (2)(c), any premium in excess of the incurred or estimated claims expenses and the operating and administrative expenses of a contract with an insurance company or other entity must be returned to the department and deposited in the state special revenue account for the purposes provided for in [section 3]."

6. Page 2, line 19.

Insert: "NEW SECTION. **Section 3. State special revenue account.** (1) There is an account in the state special revenue fund to the credit of the state children's health insurance program administered by the department of public health and human services. Any interest or income derived from the account must be deposited in the account.

(2) Money deposited in this account must be used by the department to cover additional children, to expand eligibility within the limits provided in 53-4-1004, to reduce or maintain premiums, or to establish and maintain a reserve.

(3) The department shall transfer the unexpended balance of an appropriation into the account provided for in subsection (1) at the expiration of the appropriation to be used for the purposes stated in subsection (2)."

Insert: "NEW SECTION. **Section 4. {standard} Codification instruction.** [Section 3] is intended to be codified as an integral part of Title 53, chapter 4, part 10, and the provisions of Title 53, chapter 4, part 10, apply to [section 3]."

Renumber: subsequent sections

7. Page 2, line 25.

Strike: "[Section 1] terminates"

Insert: "[Sections 1 through 3] terminate"

- END -