









# FREE CONFERENCE COMMITTEE

on Senate Bill 154

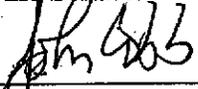
Report No. 1, April 19, 2005

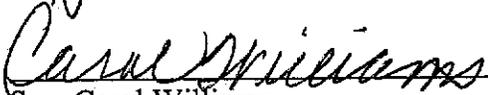
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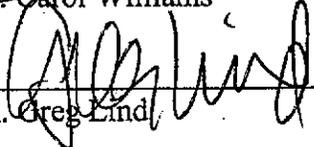
Mr. President and Mr. Speaker:

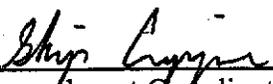
We, your Free Conference Committee met and considered **Senate Bill 154** (reference copy -- salmon) and recommend this Free Conference Committee report be adopted.

For the Senate:

  
\_\_\_\_\_  
Sen. John Cobb Chair

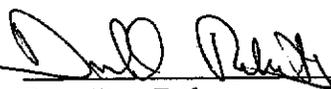
  
\_\_\_\_\_  
Sen. Carol Williams

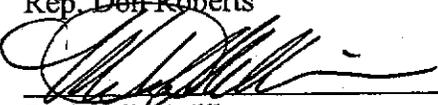
  
\_\_\_\_\_  
Sen. Greg Lind

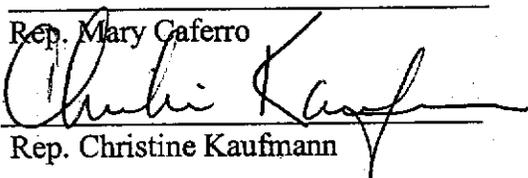
  
\_\_\_\_\_  
Amendment Coordinator

\_\_\_\_\_  
Secretary of the Senate

For the House:

  
\_\_\_\_\_  
Rep. Don Roberts

  
\_\_\_\_\_  
Rep. Mike Milburn

\_\_\_\_\_  
Rep. Mary Caferro  
  
\_\_\_\_\_  
Rep. Christine Kaufmann

And, recommend that **Senate Bill 154** (reference copy -- salmon) be amended as follows:

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;"

**ADOPT**

**Amendment # SB 154-1**

**REJECT**

*KA*

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 state money 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."

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 5.

Following: "THAN"

Strike: "10%"

Insert: "12%"

6. 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) (a) An insurance company or other entity that contracts with the department for a fully insured contract as provided in subsection (2)(b) shall calculate the surplus account balance at the end of each contract year and may retain an amount equal to 50% of the risk charge allowed under the contract. The remainder of the surplus balance must be deposited in the state special revenue account provided for in [section 3].

(b) For the purposes of this subsection (5):

(i) "risk charge" means the percentage of the administrative expense allowed in the contract for assuming the risk;

(ii) "surplus account balance" means funds that remain after all claims and all administrative expenses have been paid for a claim period."

7. 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. 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

8. Page 2, line 25.

**Strike:** "[Section 1] terminates"

**Insert:** "[Sections 1 through 3] terminate"

- END -

# CONFERENCE COMMITTEE REPORT REQUEST

Conference Committee  Free Conference Committee  Date: 4.14.05

Bill Considered:

Amendments Considered:

- Reference (salmon)
- Reference (ivory)

- Committee amendments (other House)
- Floor amendments (other House)
- Governor's amendments
- In its entirety

The following committee action occurred on the above date:

Bill/Resolution Number: SB 154

Amendment File Name: 700927SC.hrh

Senate: Accept  Tie  Reject  Amend Further   
 House: Accept  Tie  Reject  Amend Further

## ROLL CALL VOTE

Senate Members	(Y/N)	House Members	(Y/N)
<u>Senator Cobb</u> Chair	( )	<u>Rep Caforno</u> Vice Chair	( )
<u>Senator Lind</u>	( )	<u>Rep Kaufman</u>	( )
<u>Senator Williams</u>	( )	<u>Rep Milburn</u>	( )
_____	( )	<u>Rep Roberts</u>	( )
Number of Senators voting for _____		Number of Representatives voting for _____	

Committee Secretary Kyenne Kelly Phone 1512 Room # 401  
 Legislative Staff Researcher Susan Fox Phone \_\_\_\_\_  
 Amendment Coordinator \_\_\_\_\_ Date \_\_\_\_\_ Time \_\_\_\_\_



# Montana Legislative Services Division

## Legal Services Office

PO BOX 201706  
Helena, MT 59620-1706  
(406) 444-3064  
FAX (406) 444-3036

March 11, 2005

Senator Robert Story  
133 Valley Creek Road  
Park City, Montana 59063

Dear Senator Story:

I am writing in response to your request for an analysis of the procedure to be used during this session for conference committees. Joint Rule 30-30 provides for conference committees. It provides that if either house requests a conference and appoints a committee for the purpose of discussing an amendment on which the two houses cannot agree, the other house shall appoint a committee for the same purpose. The time and place of all conference committee meetings must be agreed upon by their chairs and announced from the rostrum. This announcement is in order at any time. Failure to make this announcement does not affect the validity of the legislation being considered. A conference committee meeting must be conducted as an open meeting, and minutes of the meeting must be kept. A conference committee, having conferred, shall report to the respective houses the result of its conference. A conference committee shall confine itself to consideration of the disputed amendment. The committee may recommend the acceptance or rejection of each disputed amendment in its entirety or further amendment of the disputed amendment. If either house requests a free conference committee and the other house concurs, appointments must be made in the same manner as for a conference committee. A free conference committee may discuss a bill in its entirety and is not confined to a particular amendment. This rule does not specifically require that a conference committee meet and attempt to resolve the differences concerning the disputed amendments prior to appointing a free conference committee. However, section 773 of Mason's Manual of Legislative Procedure (2000) provides that this is the normal procedure.

Senate Rule S30-10(3) provides that the President of the Senate appoints conference committees with the advice of the floor leaders. House Rule H40-220(4) provides that conference committees must be composed of an equal number of members from each political party. The members of conference committees must be appointed by the House Democratic Leader and the House Republican Leader after good faith consultation. Each leader shall appoint the members of the leader's respective party.

Senate Rule S50-210(3) provides that if the Senate rejects the House amendments to Senate legislation, the Senate may request the House to recede from its amendments or may direct appointment of a conference committee and request the House to appoint a like committee. Senate Rule S50-110 provides that when a conference committee report is filed with the Secretary of the Senate, the report must be read under Order of Business No. 3, select committees, and placed on the calendar the succeeding legislative day for consideration on second reading. If recommended favorably by the Committee of the Whole, it may be considered on third reading the same legislative day. If both the Senate and the House of Representatives

SEQ NO. 310  
REVISION 0

FEB 11 2005  
12:42 PM

MONTANA SENATE  
59th LEGISLATURE  
2005 REGULAR SESSION

SB 154

COBB

THIRD READING

3RD RDG - DO PASS

PRESIDING: TESTER

38 YEAS 11 NAYS 0 NOT VOTING 1 EXCUSED 0 PAIRED

N	BALES	Y	LASLOVICH
N	BALYEAT	N	LEWIS
Y	BARKUS	Y	LIND
Y	BLACK	Y	MANGAN
N	BRUEGGEMAN	N	MCGEE
Y	COBB	Y	MOSS
Y	COCCHIARELLA	Y	ONEIL
Y	COONEY	E	PEASE
Y	CROMLEY	Y	PERRY
N	CURTISS	Y	ROUSH
Y	ELLINGSON	Y	RYAN
Y	ELLIOTT	Y	SCHMIDT
Y	ESP	Y	SHOCKLEY
Y	ESSMANN	Y	SMITH
Y	GALLUS	Y	SQUIRES
Y	GEBHARDT	Y	STAPLETON
Y	GILLAN	N	STEINBEISSER
N	GRIMES	N	STORY
Y	HANSEN	N	TASH
Y	HARRINGTON	Y	TOOLE
Y	HAWKS	Y	TROPILA
N	KEENAN	Y	WEINBERG
Y	KITZENBERG	Y	WHEAT
Y	LAIBLE	Y	WILLIAMS
Y	LARSON	Y	TESTER

Y=YEA N=NAY E=EXCUSED -=ABENT OR NOT VOTING  
YP=PAIRED YEA NP=PAIRED NAY Y\*=CENTRAL YEA N\*=CENTRAL NAY

Unofficial vote tally as initially recorded. For official copy, see the journal.

Bill: SB 154            Date: 4/6/2005            Time: 2:49:44 PM  
Vote Sequence Number: 036  
Motion:            3RD READING D/CONCUR

Ayes: Andersen, Arntzen, Balyeat, Barrett, Becker, Bergren, Bixby, Branae, D. Brown, Brown, Butcher, Buzzas, Caferro, Callahan, Campbell, Clark, Cohenour, Dickenson, Dow Driscoll, Eaton, Everett, Facey, Franklin, Furey, Gallik, Galvin-Halcro, Glaser, Gol Groesbeck, Gutsche, Hamilton, Harris, Heinert, Hendrick, Henry, Himmelberger, Hiner, Jacobson, Jayne, Jent, L. Jones, Jopek, Juneau, Kaufmann, Keane, Klock, Koopman, Lak Lambert, Lange, Lenhart, Lindeen, MacLaren, Maedje, Malcolm, McAlpin, McGillvray, McKenney, McNutt, Mendenhall, Milburn, Morgan, Musgrove, Noennig, Noonan, A. Olson, B. Olson, Parker, Peterson, Raser, Rice, Ripley, Roberts, Ross, Sesso, Sinrud, Small Sonju, Stahl, Taylor, Villa, Wagman, Waitschies, Wanzenried, Ward, Warden, Wells, Wi Windham, Windy Boy, Wiseman, Witt, Mr. Speaker.

Total 95

Noes: Hawk, Jackson, W. Jones, Sales, Stoker.

Total 5

Excused: None.

Total 0

Absent or not voting: None.

Total 0

TO: SENATOR Cobb

FROM: KATHY FABIANO  
ASSISTANT SECRETARY TO THE SENATE

RE: CONFERENCE COMMITTEE

Your secretary for the conference committee on SB 154 will be  
Cindy Peterson (x1863) Your staffer for the conference committee  
is Susan Fox.

Once you have decided when the committee will meet, please contact the secretary and she will find a room for you. Please try to talk to the secretary before you announce the meeting under order of business #12. I will provide the secretary with a packet containing everything you will need for the committee meeting, including copies of the reference bill and amendments and a copy of the third reading votes in both houses. Meetings must be posted with the Secretary of the Senate's office as usual. Your secretary will notice all committee members and the staffer.

Each house votes separately and a majority of each house is needed to report the bill out of conference committee. If the committee can't reach agreement you may meet again and reconsider your action, dissolve and appoint new members, or dissolve and become a free conference committee.

Please call me at 4840 or stop by my office in room 302 if you have any questions.

Cc: Conference Committee Secretary

**10- SB - Accede to Senate request to appoint a conference committee:**

**Date:** April 11, 2005  
**To:** Bill Lombardi, Secretary of the Senate  
**From:** Marilyn Miller, Chief Clerk of the House

I am directed by the House of Representatives to inform the Senate that the House of Representatives this day, acceded to the request of the Senate and has authorized the Speaker to appoint a conference committee to meet with a like committee from the Senate on House amendments to Senate bill 154. The Speaker appointed the following members:

**Reps. Roberts, Milburn, Cafarro, and Kaufmann appointed.**

**SB 154** Cobb, John      11-APR-05      (H) Conference Committee Appointed  
Limit CHIP administrative and reserve costs  
*Senate members: The President Appoints Senators Cobb, Williams, and Lind*

*"Bills to the House" Report*

Date Range: 04/09/2005 12:00:00 AM - 04/09/2005 11:19:12 AM

**04- SB/SJR Conference Committee appointed for Senate Bill:**

**Date:** April 09, 2005  
**To:** Marilyn Miller, Chief Clerk of the House  
**From:** Bill Lombardi, Secretary of the Senate

I am directed by the Senate to inform the House of Representatives that the Senate, on April 08, 2005, failed to concur in the House amendments to Senate bill 154, and by motion, the President was authorized to appoint a conference committee and requests the House to appoint a like committee to confer on House amendments to Senate bill 154. The President appointed the following members:

***The President Appoints Senators Cobb,  
Williams, and Lind***

SB 154 Cobb, John Williams, and Lind  
09-APR-05 (S) Conference Committee Appointed

Limit CHIP administrative and reserve costs

(S) 2nd Reading House Amendments Not Concurred on Voice Vote; Vote: 50 - 0

3:30 order  
All here

385

Cobb explained amendments

exhibit 1

exhibit 2

exhibit 3

4

Susan FOX - go through amendments

1st 3 - st special revenue account

4 - self-funded program

5 - no lang on admin expenses (delete b)

new 5 - segregated out

Cobb - any disagreement? none

Cobb moved amend (exhibit 1) segregate #5

unan aye

Cobb: explain

Chuck

Mr. Hunter

Lind → Hunter - stat or in contract → contract

Wilburn - hunter

Tanya Ask Blue Cross Blue Shield of MI

1st year, ups,  
then after,

Lind → Ask -- what components look at?  
foresee change in risk charge?

Cobb moved amend #4e (in place of 5 on previous set)

Milburn no, all rest yes

exhibit 3

Kaufmann discussed amendment  
Kaufmann moved SB015407.95b

Mr Hunter - can live w/ this

Ms. Ask - 1st 2 yrs - can live w/ 12% -- concerns  
w/ 11% & ↓ rate over 2 yrs

Milburn - tying hands of insurance company  
- resist amendment

Milburn made sub motion for straight 12%

Roberts - expand to new areas, will cost  
favor 12%

Williams - introduced to cover more children

Kaufmann - appreciates opp -- a lot will happen  
in 2 years

amend @ 12%			original
Cobb	Y	) fails	Y
Williams	N		Y
Lind	N		Y
Roberts	Y		Y
Milburn	Y		Y
Cafferro	N		Y
Kaufmann	N		Y

Lind → Susan Witte - favorable at beginning or increased risk

Milburn closed - wants most kids -- there is a cost

cobb move adopt free conf committee report

4/18

## FCC on SB154

The Free Conf Comm reconvened at 4:30  
Rep. Cafarro was excused.

Rep Kaufmann moved to reconsider  
the FCC actions and to substitute  
the Milbourn am to strike 10% and  
Imser 12% on administrative costs.  
Motion passed Cobb Lind & Williams  
~~and~~ Kaufmann Milbourn & Roberts  
whip aye. Cafarro voting no by  
proxy. Meeting was adjourned.

Susan Fox x3597

SB015408.asb

## CONFERENCE COMMITTEE PROCEDURE

1. Contact chairman and set time for the meeting. Senators always chair these conference committees; Representatives are the vice-chairs.
2. Schedule a room with House or Senate Sergeant-of-Arms office.
3. Post meeting with Secretary of Senate's office--sometimes a phone call is best.
4. Send notice to all committee members and staffer.
5. Set up meeting room as you would any committee meeting:
  - A. Sign-in sheet
  - B. Bill, Fiscal Note (if applicable)
  - C. Note pad and pencil for each member
  - D. Additional proposed amendments if available
6. Submit Conference Committee Report Request (purple) to the House (if a HB) or Senate (if a SB) Amendments Coordinator. Sign clipboard as with any other meeting and place request form in "IN" basket. Vote tally is on this sheet; record the vote after each name (Y or N). You will need Y votes from at least two Senators and at least two Representatives to report the bill out of committee. If one house votes against the motion, the committee can do one of the following:
  1. Meet again
  2. Dissolve and request appointment of new members
  3. Dissolve and request a free conference committee
  4. Reconsider action by those against
7. Acquire signatures on the Conference Committee Report from each committee member that voted YES, House and Senate. The Report will come in triplicate (white, pink, and green).
8. Get report initialed in Secretary of Senate's office, keep copy of the Conference Committee Report for your minutes. This office will get the originals to correct offices.
9. Do minutes as usual. Include any amendments, exhibits, and copy of the Conference Committee Report.
10. If they cannot come to an agreement and choose to indefinitely postpone, see the Secretary's office.