

**MINUTES**

**MONTANA HOUSE OF REPRESENTATIVES  
59th LEGISLATURE - REGULAR SESSION**

**COMMITTEE ON APPROPRIATIONS**

**Call to Order:** By **VICE CHAIRMAN CAROL C. JUNEAU**, on March 23,  
2005 at 8:00 A.M., in Room 102 Capitol.

**ROLL CALL**

**Members Present:**

Rep. Carol C. Juneau, Vice Chairman (D)  
Rep. Tim Callahan (D)  
Rep. Eve Franklin (D)  
Rep. Ray Hawk (R)  
Rep. Cynthia Hiner (D)  
Rep. Verdell Jackson (R)  
Rep. Joey Jayne (D)  
Rep. Christine Kaufmann (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)  
Rep. John E. Witt, Vice Chairman (R)

**Members Absent:** Rep. Bill E. Glaser (R)

**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 & Date Posted: HB 791, 3/21/2005  
Executive Action: HB 695; HB 423; HB 140; HB 417; HB 521; JB 807; JB 439; HB 440; HB 375; HB 757; HB 99; HB 336; HB 740; HB 395; HB 687; HB 435; HB 640; HB 393; HB 482; HB 521; HB 667; HB 669; HB 336; HB 707; HB 614; HB 124; HB 535; HB 76; HB 757

**HEARING ON HB 791****Opening Statement by Sponsor:**

**REP. CAROL JUNEAU, HD 16, Browning**, opened the hearing on **HB 791**, a bill to fund Indian Education for All. She explained that the bill includes an appropriation of \$7.5 million to fund Indian Education. REP. JUNEAU explained the funding sources for the proposed bill and how this would affect local schools. The bill has taken into account recommendations from the Supreme Court ruling on education, the School Renewal Commission and the Appropriations Subcommittee on Education.

*{Tape: 1; Side: A; Approx. Time Counter: 0 - 15.3. Comments: REP. WITT and REP. BUZZAS entered the hearing.}*

[EXHIBIT \(aph64a01\)](#)

[EXHIBIT \(aph64a02\)](#)

[EXHIBIT \(aph64a03\)](#)

**Proponents' Testimony:**

**Bud Williams, Office of Public Instruction (OPI)**, stated that HB 791 has the support of OPI. State Superintendent McCulloch feels that all students should leave the Montana education system with an understanding of our Native American heritage and culture. It is her belief that to fully implement Indian Education for All, some very critical groundwork must be met. Mr. Williams continued that additional funding in this bill will go a long way towards allowing schools the money they must have to successfully move Indian Education for All forward in Montana.

**Jack Copps, Montana Quality Education Coalition**, said that his experience as principal of Poplar High School has helped him to recognize the potential of Native American Students. He feels this bill will ensure that the State will hold the kind of expectations to that will lead children to reach their full potential.

*{Tape: 1; Side: A; Approx. Time Counter: 15.3 - 22}*

**REP. NORMA BIXBY, HD 41, LAME DEER** went over the background of the HB 741. It was originally determined that implementing an entirely new program for to insure Indian education would cost approximately \$84 million. The budget of the bill has been drastically reduced to make the program a possibility in this biennium. She added that recent court decisions have made it clear that this disparity in education needs to be addressed. Indian Education for All funding is not included in any of the other school funding bills. She asked that the Committee exceed spending cap limitations if necessary to fund this bill.

**{Tape: 1; Side: A; Approx. Time Counter: 22 - 33}**

**Diane Sands, Montana American Association of University Women**, commented that \$3 million was not a lot to ask for implementation of this program. She believes that the program should cost much more, based on what it will entail to implement in the classroom. She agreed that the State should look at funding the program outside the cap.

**{Tape: 1; Side: B; Approx. Time Counter: 0 - 8.5}**

**Erik Burke, Montana Education Association-Montana Federation of Teachers (MEA-MFT)**, stated that the bill will place language in statute to bring about the necessary reform in Native American education. He said that Montana teachers simply do not have the resources available to them to properly implement a Native American curriculum. He feels that various agencies have failed to do their part to address funding for Native American education over the years and this bill provides an opportunity to change this.

**Linda Gryczan, Montana Women's Lobby; REP. VERONICA SMALL-EASTMAN, HD 42, LODGE GRASS; Robert Murray, Poplar School Board; REP. JOEY JAYNE, HD 15, ARLEE; and Sheila Stearns, Commissioner of Higher Education**, asked the Committee to support the bill.

**{Tape: 1; Side: B; Approx. Time Counter: 8.5 - 26.3}**

**Denise Juneau, Attorney**, said that Indian education efforts have been ongoing despite zero monetary contribution from the State. She said that after 33 years of neglect, most high school students do not possess even minimal knowledge of Montana's Indian heritage.

**EXHIBIT(aph64a04)**

**{Tape: 1; Side: B; Approx. Time Counter: 26.3 - 32.5; Comments: End of Tape 1, Side B.}**

**Shawn White Wolf** shared a personal account of his experience as a Native American student in Montana Schools. He said he is disappointed that he was unable to receive an adequate cultural education in the Public School System.

**REP. FRANKLIN** stated that this bill is the result of extensive work by the Subcommittee working group and offered to answer any questions the Committee may have.

**David Jersey, Educator**, said that this bill will help all children, particularly those living off reservations to have a better understanding of the American Indian background.

*{Tape: 2; Side: A; Approx. Time Counter: 0 - 18.5}*

**Opponents' Testimony:** None.

**Informational Testimony:** None.

**Questions from Committee Members and Responses:**

**REP. RIPLEY** asked if there were any successful Indian education programs in the State currently. **REP. JUNEAU** replied that there are pockets of schools that have implemented some sort of Indian education program including, Great Falls, Browning and Havre Public Schools.

**REP. RIPLEY** asked if the Subcommittee had reviewed any successful programs being implemented by other states. **REP. JUNEAU** stated that the State of Minnesota provides funding for Native American History to be taught in schools, but no other states have a plan similar to Indian Education for All.

**REP. RIPLEY** asked where the Montana Constitution requires funding for Indian education. He was worried this may create a practice of funding school curriculum as a line-item. **REP. JUNEAU** replied that the precedent set by recent court cases recognizes the need for funding for Indian education. She added that Indian Education for All is the only case where the funding for a curriculum is included in the Constitution.

**REP. RIPLEY** asked if \$7.5 million would be enough to implement the program. **Mr. Copps** replied that this would be enough money to properly launch the program. He feels that the State will need to make a priority of ensuring that sufficient resources are allocated for the program in the future.

**REP. MORGAN** asked why more funding was not included in the Executive Budget. **REP. JUNEAU** explained that the Montana Education Association numbers were submitted to the Executive. She said that she could not comment on the Executive's actions because she was not included in the meetings.

*{Tape: 2; Side: A; Approx. Time Counter: 18.5 - 32.8; Comments: End of Tape 2, Side A.}*

**REP. MORGAN** commented that she was concerned too much of the budget is going to OPI, rather than local schools. **Mr. Williams** responded that he believed the funding going to OPI covers the State rate for administrative costs.

**REP. TAYLOR** asked why establishing relevant curriculum had not been the job of OPI all along. **Mr. Williams** replied that the funding requested is for implementation of curriculum relevant to Native American students. He feels this is an opportunity for the State to address the curriculum funding issue.

**REP. WELLS** asked **REP. JUNEAU** how she envisioned the program taking place in schools. **REP. JUNEAU** replied that for instance, students could learn about tribal governments during civics class, or include Native American art and culture in regular art and history lessons.

*{Tape: 2; Side: B; Approx. Time Counter: 0 - 13.7}*

**REP. WELLS** asked if Native American languages would be taught also. **REP. JUNEAU** responded that she did not think schools would be required to offer classes in Native American languages.

**REP. WELLS** asked **REP. JUNEAU** if she felt that implementing Indian Education for all would increase the level of achievement among Native American students in the State. **REP. JUNEAU** said that she feels that giving the Native American students' culture the respect and recognition it deserves will increase achievement.

**REP. WITT** asked if the money appropriated for Indian Education for All would be kept separate from other education appropriations, so that progress could better be tracked. **Mr. Williams** replied that the money would be accounted for.

**Closing by Sponsor:**

**REP. JUNEAU** thanked those who had testified on behalf of the bill and asked the Committee for a "do pass" motion.  
(**REP. GLASER** entered the hearing.)

**EXECUTIVE ACTION ON HB 695**

**Motion:** **REP. JAYNE** moved that HB 695 DO PASS.

**Motion/Vote:** **REP. JAYNE** moved that HB 695 BE AMENDED TO CHANGE THE APPROPRIATION AMOUNT TO READ \$75,000 PER YEAR. Motion carried 19-1 by voice vote with **REP. RIPLEY** voting no.

**Motion/Vote:** REP. JAYNE moved that HB 695 DO PASS AS AMENDED. Motion carried 16-4 by roll call vote with REP. HAWK, REP. JACKSON, REP. MORGAN, and REP. WELLS voting no. {Tape: 2; Side: B; Approx. Time Counter: 13.7 - 33; Comments: End of Tape 2, Side B.}  
(REP. WITT exited the meeting.)

EXECUTIVE ACTION ON HB 423

**Motion/Vote:** REP. TAYLOR moved to RECONSIDER THE MOTION on HB 423. Motion failed 10-10 by roll call vote with REP. GLASER, REP. HAWK, REP. JACKSON, REP. MCNUTT, REP. RIPLEY, REP. SESSO, REP. TAYLOR, REP. WELLS, and REP. WITT voting aye. REP. WITT voted by proxy. {Tape: 3; Side: A; Approx. Time Counter: 0 - 4.3}

EXECUTIVE ACTION ON HB 140

**Motion:** REP. FRANKLIN moved that HB 140 DO PASS.

**Motion:** REP. FRANKLIN moved that HB 140 BE AMENDED.  
[EXHIBIT](#) (aph64a05)

Discussion:

Mr. Moe explained that the amendment adds changes language to indicate that the credit counseling service has a responsibility to provide the consumer with a debt management plan and not promote the interests of any third party that is in conflict with the interests of the consumer.  
(REP. BUZZAS exited the meeting.)

REP. FRANKLIN added that the bill will address inappropriate alliances between lenders and credit counseling services.  
(REP. WITT entered the meeting.)

**Vote:** Motion carried unanimously by voice vote.

**Motion/Vote:** REP. FRANKLIN moved that HB 140 DO PASS AS AMENDED. Motion carried 18-2 by voice vote with REP. HAWK and REP. WELLS voting no.

EXECUTIVE ACTION ON HB 417

**Motion/Vote:** REP. SINRUD moved that HB 417 BE TABLED. Motion failed 10-10 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. REP. BUZZAS voted by proxy.

*{Tape: 3; Side: A; Approx. Time Counter: 4.3 - 12.3}*

**EXECUTIVE ACTION ON HB 521**

**Motion:** REP. KAUFMANN moved that HB 521 DO PASS.

**Motion:** REP. KAUFMANN moved that HB 521 BE AMENDED.  
**EXHIBIT** (aph64a06)

**Discussion:**

After lengthy discussion, REP. KAUFMANN agreed to withdraw her motion until there was someone available to accurately explain the amendment. REP. KAUFMANN withdrew her motion on HB 521 and the amendment, without objection.

**EXECUTIVE ACTION ON HB 796**

**Motion:** REP. CALLAHAN moved that HB 796 DO PASS.

**Discussion:**

REP. CALLAHAN reminded the Committee that this was the appropriation bill for the corrections study.  
(REP. WITT exited the meeting.)

REP. BUZZAS asked if the study could possibly be carried out for less than \$200,000. REP. CALLAHAN replied that this may be possible and alternate funding sources can be reviewed if the bill moves forward.

**Motion:** REP. KAUFMANN moved that HB 796 BE AMENDED.  
**EXHIBIT** (aph64a07)

**Discussion:**

REP. HAWK said that he would resist the amendment and REP. CALLAHAN added that he felt the bill would be best left as is.

REP. KAUFMANN withdrew her motion, without objection.

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

EXECUTIVE ACTION ON HB 438

**Motion/Vote:** REP. BUZZAS moved that HB 438 DO PASS. Motion carried unanimously by voice vote.

EXECUTIVE ACTION ON HB 440

**Motion:** REP. SINRUD moved that HB 440 DO PASS.

**Motion:** REP. FRANKLIN moved that HB 440 BE AMENDED.  
[EXHIBIT](#) (aph64a08)

Discussion:

REP. BUZZAS explained that the amendment creates a mechanism for a fund to receive donations to cover the costs of the Ammonia Lock Program.

**Vote:** Motion carried unanimously by voice vote.

**Motion/Vote:** REP. SINRUD moved that HB 440 DO PASS AS AMENDED. Motion carried 15-5 by voice vote with REP. GLASER, REP. HAWK, REP. JACKSON, REP. JAYNE, and REP. TAYLOR voting no.

EXECUTIVE ACTION ON HB 375

**Motion/Vote:** REP. MORGAN moved that HB 375 BE TABLED. Motion carried unanimously by voice vote.

EXECUTIVE ACTION ON HB 76

**Motion:** REP. SINRUD moved that HB 76 DO PASS.

REP. SINRUD withdrew his motion, without objection, after he was told that additional work needed to be done on a proposed amendment to the bill.

EXECUTIVE ACTION ON HB 757

**Motion:** REP. WITT moved that HB 757 DO PASS.

**Motion:** REP. WITT moved that HB 757 BE AMENDED.  
[EXHIBIT](#) (aph64a09)

Discussion:

**REP. RIPLEY** asked if the bill requires a two-thirds vote on the floor. **CHAIRMAN BUZZAS** answered that it would.

**REP. MCNUTT** said that this was a good amendment because the bonds will not be issued unless sufficient pay back revenue is demonstrated.

*{Tape: 3; Side: A; Approx. Time Counter: 12.3 - 33; Comments: End of Tape 3, Side A.}*

**REP. JUNEAU** asked why it was not notated in the bill that it required a two-thirds vote. **Mr. Moe** replied that the notation would be there if a two-thirds vote is necessary. **REP. MCNUTT** added that he did not believe revenue bonds require a two-thirds vote on the Floor.

After lengthy discussion, the Committee agreed to postpone action on the bill until the two-thirds vote issue was resolved.

#### EXECUTIVE ACTION ON HB 396

**Motion:** **REP. MORGAN** moved that HB 395 DO PASS.

**REP. MORGAN** withdrew her motion, without objection, to allow legislative staff to clarify conflicting amendments that had been offered.

*{Tape: 3; Side: B; Approx. Time Counter: 0 - 9.2}*

#### EXECUTIVE ACTION ON HB 99

**Motion:** **REP. FRANKLIN** moved to RECONSIDER THE MOTION on HB 99.

#### Discussion:

**REP. WELLS** asked for the fiscal impact of the bill. **REP. BUZZAS** said that there was a potential appropriation of \$1.3 million and a revenue impact of \$1.6 million. The bill increases the penalties for drunk driving violations.  
(**REP. SINRUD** exited the meeting.)

**REP. KAUFMANN** explained that she had misread the fiscal note the first time the bill was acted upon and she will now support the motion to reconsider.

**Vote:** Motion carried 18-2 by voice vote with **REP. JAYNE** and **REP. JUNEAU** voting no.

**Motion/Vote:** **REP. FRANKLIN** moved that HB 99 DO PASS. Motion carried 16-4 by roll call vote with **REP. JAYNE**, **REP. JUNEAU**, **REP.**

KAUFMANN, and REP. MUSGROVE voting no. REP. WITT and REP. SINRUD voted by proxy.

*{Tape: 3; Side: B; Approx. Time Counter: 9.2 - 15.1 Comments: REP. KAUFMANN exited the meeting and REP. WITT entered the meeting.}*

#### EXECUTIVE ACTION ON HB 336

Motion/Vote: REP. MORGAN moved that HB 336 DO PASS AS AMENDED. 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. KAUFMANN and REP. SINRUD voted by proxy.

#### EXECUTIVE ACTION ON HB 740

Motion/Vote: REP. RIPLEY moved that HB 740 DO PASS. Motion failed 8-12 by roll call vote with REP. GLASER, REP. JACKSON, REP. MCNUTT, REP. MORGAN, REP. RIPLEY, REP. SINRUD, REP. TAYLOR, and REP. WITT voting aye. REP. SINRUD voted by proxy.  
*{Tape: 3; Side: B; Approx. Time Counter: 15.1 - 27.3}*

#### EXECUTIVE ACTION ON HB 395

Motion: REP. MORGAN moved that HB 395 DO PASS.

Motion: REP. MORGAN moved that HB 395 BE AMENDED.  
[EXHIBIT](#) (aph64a10)

#### Discussion:

REP. ARLENE BECKER, HD 52, BILLINGS, reminded the Committee that this bill was concerned with who is responsible to pay the precommitment costs of mental health commitments. The amendment was proposed by the counties and is attached to a letter, which outlines what the Department will agree to. This amendment cuts out the fiscal note because it transfers responsibility back to the counties. Although the counties are not completely satisfied with this aspect of the amendment, they are willing to offer it at this time. The amendment does leave the county as the payor of last resort.

REP. JUNEAU asked if the amendment would address concerns that were brought to light during opponent testimony on the bill. REP. BECKER responded that in the original bill proposal, the State was responsible to pay precommitment costs. By taking the Department amendments, the county will be the payor of last

resort, as it is under current law. However, the counties will not be charged more than the going Medicaid rate.

*{Tape: 3; Side: B; Approx. Time Counter: 27.3 - 32; Comments: End of Tape 3, Side B.}*

**Vote:** Motion carried unanimously by voice vote.

**Motion:** REP. MORGAN moved that HB 395 DO PASS AS AMENDED.

**Discussion:**

REP. FRANKLIN asked what the resulting change in law would be, now that the bill has been amended to have no fiscal impact. REP. BECKER replied that the bill in its current form expands on the order of responsible financial parties and limits the costs that will be paid to psychiatric costs.  
(REP. WITT exited the meeting.)

REP. KAUFMANN commented that although the counties are not completely satisfied with the amendment, the letter attached indicates that they will continue to work with the Department on the issue. For this reason, she supports the bill and amendments.

**Vote:** Motion carried 16-4 by roll call vote with REP. FRANKLIN, REP. HINER, REP. JAYNE, and REP. SESSO voting no. REP. WITT and REP. SINRUD voted by proxy.

*{Tape: 4; Side: A; Approx. Time Counter: 0 - 6.4}*

**EXECUTIVE ACTION ON HB 687**

**Motion/Vote:** REP. MUSGROVE moved to RECONSIDER THE MOTION on HB 687. Motion carried unanimously by voice vote.

**Motion:** REP. MUSGROVE moved that HB 687 DO PASS.

**Motion:** REP. MORGAN moved that HB 687 BE AMENDED.

[EXHIBIT](#)(aph64a11)

**Discussion:**

REP. MCNUTT asked if the amendment addressed the car seizure issue. Neil Peterson, Department of Revenue (DOR), replied that the amendments should address concerns about car seizure. The car may only be seized if more than \$1,000 worth of contraband are found.

(REP. WITT and REP. SINRUD entered the meeting.)

**REP. JAYNE** asked for further clarification of the language in the amendment. **Mr. Peterson** explained that under current law, a car may be seized for transporting any amount of contraband. The amendment increases this to at least \$1,000 worth of contraband.

**REP. FRANKLIN** commented that she felt limiting the contraband amount to more than \$1,000 was still too little. **REP. MCNUTT** explained that under current law, a car can be impounded for containing a single carton of contraband cigarettes and he is comfortable with the amendment. **REP. MUSGROVE** agreed with the comments of **REP. MCNUTT**.

**Vote:** Motion carried unanimously by voice vote.

**Motion:** **REP. MUSGROVE** moved that HB 687 DO PASS AS AMENDED.

**Discussion:**

**REP. MORGAN** asked why there was no fiscal note attached to the bill, when the offense is punishable by jail time. **REP. CALLAHAN** explained that this was because jail costs are addressed at a county level, so there will not be fiscal impact to the State.

**Vote:** Motion carried 15-5 by roll call vote with **REP. GLASER**, **REP. HAWK**, **REP. SINRUD**, **REP. TAYLOR**, and **REP. WITT** voting no. {Tape: 4; Side: A; Approx. Time Counter: 6.4 - 17.6}

**EXECUTIVE ACTION ON HB 435**

**Motion:** **REP. WITT** moved that HB 435 DO PASS.

**Discussion:**

**REP. BUZZAS** reminded the Committee that this was the bill for the Governor's Scholarship Program.  
(**REP. RIPLEY** exited the meeting.)

**REP. MORGAN** said that she would oppose the bill because there is another bill, which encourages parents to pay for their students to attend college. She feels that this is hypocritical.

**Vote:** Motion carried 12-8 by roll call vote with **REP. GLASER**, **REP. HAWK**, **REP. JACKSON**, **REP. MCNUTT**, **REP. MORGAN**, **REP. RIPLEY**, **REP. SINRUD**, and **REP. TAYLOR** voting no. **REP. RIPLEY** voted by proxy.

**REP. BUZZAS** advised the members that the Committee would recess until after the House Floor Session.

NOTE: 3:40 p.m. meeting was reconvened.

**EXECUTIVE ACTION ON HB 640**

**Motion/Vote:** **REP. SINRUD** moved that HB 640 BE TABLED. Motion carried unanimously by voice vote. REPS. MUSGROVE, SESSO, JUNEAU, and WITT voted by proxy.

**EXECUTIVE ACTION ON HB 393**

**Motion/Vote:** **REP. RIPLEY** moved that HB 393 DO PASS. Motion carried 15-5 by roll call vote with **REP. BUZZAS**, **REP. CALLAHAN**, **REP. FRANKLIN**, **REP. JAYNE**, and **REP. JUNEAU** voting no. REPS. JUNEAU, WITT, MUSGROVE, and SESSO voted by proxy.

**EXECUTIVE ACTION ON HB 482**

**Motion:** **REP. HINER** moved HB 482 .

**Discussion:**

**CHAIRMAN BUZZAS** asked if this bill coordinated with another bill.

**REP. MCNUTT** said that it coordinates with HB 758, that if HB 482 passes, then the percentage changes in HB 758.

**REP. KAUFMANN** said the purpose of HB 482 is to reinstate the funding rate back to its original percentage.

**Vote:** Motion carried unanimously by voice vote. REPS. JUNEAU, WITT, MUSGROVE, and SESSO voted by proxy.

NOTE: Committee previously decided that an unamended bill that passes unanimously will be placed on the Consent Calendar.

**EXECUTIVE ACTION ON HB 521**

**Motion:** **REP. FRANKLIN** moved that HB 521 DO PASS.

**Discussion:**

**REP. KAUFMANN** passed out additional information from the University system and from the sponsor, regarding giving Montana growers a 10% bid preference. Originally, the University system had opposed this bill, but now they have come to understand that it is a voluntary process and they will not incur expenses. Therefore, the sponsor has redone the Fiscal Note.

[EXHIBIT \(aph64a12\)](#)

[EXHIBIT \(aph64a13\)](#)

She presented an amendment that the University system had requested, to make it clear that this is an optional bid process for them. It clarifies that the bid preference only applies to a specific line item, not the entire bid.

[EXHIBIT \(aph64a14\)](#)

**Motion:** **REP. KAUFMANN moved that HB 521 BE AMENDED.**

**Discussion:**

**REP. JACKSON** asked if the sponsor's Fiscal Note showing \$22,650 is the most recent one and why it didn't include the \$50,000 the University system said it would cost them. **REP. KAUFMANN** said that is correct, and the sponsor recognizes that there will be a cost to the Department of Corrections (DOC). She said that since the \$22,650 in the sponsor's Fiscal Note applies to the DOC, he should have also included the \$50,000 for the University system.  
*{Tape: 5; Side: A; Approx. Time Counter: 0 - 17}*

**REP. SINRUD** asked what the fiscal impact would be to the Department of Public Health and Human Services. **REP. KAUFMANN** said that there would be no fiscal impact to any other state agencies or institutions.

**Vote:** Motion carried 19-1 by voice vote with **REP. SINRUD** voting no. **REPS. JUNEAU, WITT, MUSGROVE, and SESSO** voted by proxy.

**Motion:** **REP. KAUFMANN moved that HB 521 DO PASS AS AMENDED.**

**Discussion:**

**REP. KAUFMANN** said that a lot of people have written to Committee members asking them to support this bill.

**REP. GLASER** said that even though he is a farmer, he would not support this bill.

**REP. SINRUD** said the State's previous attempt at offering bid preferences was a bad policy. Montana producers would be penalized by this bill if they try to do business outside of Montana.

**REP. MCNUTT** said that bid assistance always fails and agreed with **REP. SINRUD** that reciprocity will hurt these businesses.

**REP. KAUFMANN** said that the State's previous bid preference system was too broad to be successful. The sponsor did not find any business that felt it would be harmed by this bill. She asked the Committee to support the bill to see if it can work.

**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. **REPS. JUNEAU, WITT, MUSGROVE, SESSO, and RIPLEY** voted by proxy.

#### EXECUTIVE ACTION ON HB 667

**Motion:** **REP. MCNUTT** moved that HB 667 DO PASS.

**Motion:** **REP. MCNUTT** moved that HB 667 BE AMENDED.  
[EXHIBIT](#) (aph64a15)

#### Discussion:

**Jon Moe, Legislative Fiscal Division,** explained that the intent of the amendment is to put restrictions on the programs' expenditures. Specifically, it states that no money can be spent until the Office of Budget and Program Planning has certified that \$25 million has been deposited into the account provided for in this bill. If they do not reach the \$25 million level, then the appropriations would be proportionately less.

**REP. MORGAN** said that this is a good amendment when you consider all of the other programs that are being funded by the I-149 tobacco tax. Of all the programs, she said funding the children that are on CHIPS is the best use of this money.

**REP. SINRUD** said that this is a bipartisan amendment that assures that the money will be available before the program can be funded.

*{Tape: 5; Side: A; Approx. Time Counter: 17 - 32.6; Comments: End of Side A, Tape 5.}*

**REP. KAUFMANN** said the Health and Human Services Subcommittee should have dealt with this issue of a contingency plan if the I-149 funds are not adequate. She said she agreed with **REP. MORGAN** that the CHIP program should have funding priority and she supports the amendment.

**REP. MCNUTT** said the amendment assures that there will be consistency and dependability in this program.

**Vote:** Motion carried 19-1 by voice vote with **REP. JAYNE** voting no. **REPS. JUNEAU, WITT, MUSGROVE, and SESSO** voted by proxy.

**Motion/Vote:** **REP. MCNUTT** moved that HB 667 DO PASS AS AMENDED. Motion carried 18-2 by roll call vote with **REP. WELLS** and **REP. WITT** voting no. **REPS. JUNEAU, WITT, MUSGROVE, RIPLEY, and SESSO** voted by proxy.

#### EXECUTIVE ACTION ON HB 669

**Motion:** **REP. KAUFMANN** moved that HB 669 DO PASS.

#### **Discussion:**

**REP. KAUFMANN** explained that HB 669 would establish a pilot program for supervised visits and exchanges for children of domestic violence offenders.

**REP. HINER** said the intent is to establish a safe place for supervised visits and exchanges, so that the parents who are involved in domestic violence do not have to face each other.

**CHAIRMAN BUZZAS** said that two handouts are being distributed from the DPHHS in response to questions raised by Committee members during the hearing of HB 669.

[\*\*EXHIBIT \(aph64a16\)\*\*](#)

[\*\*EXHIBIT \(aph64a17\)\*\*](#)

**REP. MORGAN** said that she would be opposing HB 669 because the Committee did not support the existing drop-in centers for people with mental illness.

**REP. JAYNE** said that the \$450,000 appropriation is for only two visitation centers in Montana, whereas, there is a need across the entire state. Her experience is with a third party being assigned to oversee child visitation, and she believes that systems works.

**CHAIRMAN BUZZAS** said that often times a program begins as a pilot. If the Committee were to approve the bill with a reduced appropriation, the program would be able to use it as seed money to try and secure additional grants.

**Motion/Vote:** REP. KAUFMANN moved a **CONCEPTUAL MOTION TO REDUCE THE AMOUNT OF FUNDING IN HB 669 TO \$100,000.** Motion passes unanimously by voice vote.

**Motion:** REP. KAUFMANN moved that HB 669 DO PASS AS AMENDED.

**Discussion:**

REP. JACKSON said that schools have procedures for dealing with these situations and churches have systems in place to help. He said starting a new pilot program would be a mistake.

**Substitute Motion/Vote:** REP. SINRUD made a substitute motion that HB 669 BE TABLED. Substitute motion carried 14-6 by roll call vote with REP. BUZZAS, REP. HINER, REP. JUNEAU, REP. KAUFMANN, REP. MUSGROVE, and REP. SESSO voting no. REPS. JUNEAU, WITT, MCNUTT, MUSGROVE, and SESSO voted by proxy.

**EXECUTIVE ACTION ON HB 336**

**Motion:** REP. KAUFMANN moved to RECONSIDER THE MOTION on HB 336.

**Substitute Motion/Vote:** REP. SINRUD made a substitute motion that HB 336 BE TABLED. Substitute motion failed 11-9 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. REPS. JUNEAU, WITT, MCNUTT, MUSGROVE, and SESSO voted by proxy.

*{Tape: 5; Side: B; Approx. Time Counter: 0 - 15; Comments: Rep. Sesso entered hearing.}*

**Vote:** Motion carried 11-9 by roll call vote with REP. BUZZAS, REP. CALLAHAN, REP. FRANKLIN, REP. HINER, REP. JAYNE, REP. JUNEAU, REP. KAUFMANN, REP. LENHART, REP. MORGAN, REP. MUSGROVE, and REP. SESSO voting no. REPS. JUNEAU, WITT, MCNUTT, and MUSGROVE voted by proxy.

**Motion:** REP. KAUFMANN moved that HB 336 DO PASS AS AMENDED.

**Discussion:**

**CHAIRMAN BUZZAS** reminded the Committee that HB 336 has been amended previously.

**REP. JACKSON** said since there is no longer a fiscal note with HB 336, the Office of Public Instruction (OPI) would be able to include these developmentally disabled students as part of the student body and absorb the cost. **REP. KAUFMANN** said that is not her understanding; the appropriation is in the body of the bill. **Jon Moe** said the bill includes a General Fund appropriation of \$143,560 in each of FY06 and FY07.

**REP. MORGAN** said the sponsor told her that OPI and DPHHS are not opposed to striking the appropriation from the bill.

**Motion:** **REP. MORGAN** moved the **CONCEPTUAL AMENDMENT TO STRIKE THE APPROPRIATION IN HB 336 BE ADOPTED.**

**Discussion:**

**REP. JAYNE** said deleting the appropriation would affect Section 4 of the bill, because it says that the money will provide payments to school districts, etc.

**REP. MORGAN** answered the intent of the conceptual amendment is to strike the money, but not the purpose of the bill. It would still allow the DPHHS to make payments to a school district that admits the developmentally disabled student.

**Jon Moe** said they would need to get legal advice to determine how the appropriation can be removed, while still leaving the language of the bill intact.

**REP. JAYNE** said the conceptual amendment is too vague and she cannot support it.

**CHAIRMAN BUZZAS** explained to **REP. JAYNE** that when there is a conceptual amendment, they are instructing staff to write it so that it makes sense for the bill. The intent of this amendment is to make the legislation permissive, rather than required, while removing the appropriation.

**REP. MORGAN** withdrew her conceptual amendment, with no objection.

***{Tape: 5; Side: B; Approx. Time Counter: 15 - 26.7; Comments: Rep. Musgrove entered hearing.}***

**Bob Runkel, OPI,** said the purpose of HB 336 is to allow 18-year-old developmentally disabled students, who have graduated, to remain in school for one more year. Once the student has

graduated, the school district is no longer eligible to receive State Average Number Belonging (ANB) funding for that student. If there is no appropriation in the bill, then he said he didn't know how the school district would be paid to provide services to this student.

**Vote:** Motion carried 18-2 by roll call vote with REP. HAWK and REP. RIPLEY voting no. REPS. JUNEAU, WITT and MCNUTT voted by proxy.

*{Tape: 5; Side: B; Approx. Time Counter: 26.7 - 32.6; Comments: Reps. Juneau and Witt entered hearing. End of Tape 5}*

#### EXECUTIVE ACTION ON HB 707

**Motion:** REP. SESSO moved that HB 707 DO PASS.

#### **Discussion:**

REP. SESSO explained the purpose of the bill was to increase the compensation Fish, Wildlife and Parks (FWP) would pay to agents selling licenses via credit cards. The compensation would help these agents pay for the direct line that they are required to use.

REP. WELLS said the FWP Director said these are new lines that were not included when FWP implemented the new Automated Licensing System. Many of these agents are small businesses.

**Vote:** Motion carried 17-3 by voice vote with REP. JAYNE, REP. MORGAN, and REP. TAYLOR voting no. REP. MCNUTT voted by proxy.

#### EXECUTIVE ACTION ON HB 614

**Motion/Vote:** REP. SINRUD moved that HB 614 BE TABLED. Motion carried 14-6 by roll call vote with REP. BUZZAS, REP. HINER, REP. MORGAN, REP. MUSGROVE, REP. SESSO, and REP. TAYLOR voting no. REP. MCNUTT voted by proxy.

#### EXECUTIVE ACTION ON HB 124

**Motion:** REP. RIPLEY moved that HB 124 DO PASS.

**Motion:** REP. MUSGROVE moved that HB 124 BE AMENDED.  
**EXHIBIT** (aph64a18)

**Discussion:**

**REP. MUSGROVE** explained that the amendment would delay the start up from 2006 to 2008.

**CHAIRMAN BUZZAS** said she always has been a strong supporter of schools and teachers, but opposes the amendment and the bill because of concern that it will put the State in debt. She said the legislature needs time to address these school funding issues. The schools need some type of teacher health insurance legislation, and a committee is working on it as a part of the total school funding package. She said it would be fiscally irresponsible to move forward with this bill at this time.

**REP. RIPLEY** said that he agrees with CHAIRMAN BUZZAS, but doesn't think it is necessary to kill HB 124. It may not be the final answer, but it is too early to rule it out.

*{Tape: 6; Side: A; Approx. Time Counter: 0 - 9.9; Comments: Rep. McNutt entered hearing}*

**REP. MUSGROVE** said he wants the assurance that if HB 124 is not the bill, then there would be some other bill that would deal with health insurance for teachers.

**Vote:** Motion failed 15-5 by roll call vote with **REP. HINER, REP. JUNEAU, REP. MUSGROVE, REP. SESSO, and REP. SINRUD** voting aye.

**Motion:** **REP. MUSGROVE** moved that HB 124 BE AMENDED.

[EXHIBIT](#) (aph64a19)

**Discussion:**

**REP. MUSGROVE** explained that the amendment would not allow for "opting out." Section 2 of the amendment states that it is an enterprise system and no State debt would be incurred through the process of moving this bill forward.

**CHAIRMAN BUZZAS** said that testimony during the hearing was that this already is not an enterprise fund, therefore, she was not sure that the amendment would have any affect.

**REP. MUSGROVE** asked **REP. GLASER** for input on this amendment.

**REP. GLASER** said he researched this concept of teachers opting out and found that there would be very few who would do so.

**Vote:** Motion failed 13-7 by roll call vote with REP. JAYNE, REP. JUNEAU, REP. MUSGROVE, REP. RIPLEY, REP. SESSO, REP. SINRUD, and REP. TAYLOR voting aye.

**Discussion:**

**REP. GLASER** said in the second half of this biennium there is an expense to the State of \$47 million, in the next biennium an expense of \$110 million and in the biennium after that it would be \$130 million. The Governor has said that he will veto this bill and REP. GLASER said he, too, cannot support this bill because it hangs over everything they are trying to do with education funding.

**REP. FRANKLIN** said the Board of Investments has said that this bill is structurally unsound and future legislators will have to deal with it. She said there are other vehicles available for accomplishing this teacher health insurance plan.

**REP. JACKSON** said in the last session larger school districts could not agree on this plan because their health plans were better. He said he is optimistic that the legislature can solve this problem through other means. The \$200 per month being offered to teachers to help pay for their health insurance is being used as a bribe to get their support.

**REP. CALLAHAN** said that he has always supported schools, but feels that HB 124 is moving ahead of the total school funding package. Therefore, now is not the appropriate time for this bill.

**Motion/Vote:** REP. CALLAHAN moved that HB 124 BE TABLED. Motion carried 13-7 by roll call vote with REP. HINER, REP. JAYNE, REP. JUNEAU, REP. MUSGROVE, REP. RIPLEY, REP. SESSO, and REP. TAYLOR voting no.

**EXECUTIVE ACTION ON HB 535**

**Motion:** REP. RIPLEY moved that HB 535 DO PASS.

**Discussion:**

**REP. RIPLEY** said this is an important bill for north central Montana because it will keep small business alive.

**REP. JACKSON** said that taxes paid by low-producing stripper wells is forcing them to cap the wells. Once the well is capped, it

cannot be reopened. It is of benefit to the economy of Montana to keep the wells in production.

**Vote:** Motion carried 15-5 by roll call vote with REP. BUZZAS, REP. CALLAHAN, REP. FRANKLIN, REP. JAYNE, and REP. KAUFMANN voting no.

**EXECUTIVE ACTION ON HB 76**

**Motion:** REP. BUZZAS moved that HB 76 DO PASS.

**Discussion:**

REP. BUZZAS said this bill would take 1% of the unrestricted revenues to be set aside in a budget stabilization account.

**Motion:** REP. BUZZAS moved that HB 76 BE AMENDED.  
**EXHIBIT** (aph64a20)

**Discussion:**

REP. BUZZAS said based upon current revenues, the bill would set aside about \$14 million per year, with a cap on the fund of \$100 million. It would take a two-thirds vote of the legislature to expend these funds. The amendment delays the effective date until July 1, 2007.

***{Tape: 6; Side: A; Approx. Time Counter: 9.9 - 32.6; Comments: End of Side A, Tape 6}***

**Terry Johnson, Legislative Fiscal Division,** said the bill also states that if revenues are above the legislature's estimates, then 100% of the excess would go into the budget stabilization account. With the delayed effective date, the Committee has to assume that the estimates are accurate and therefore, no excess would be going into this fund.

REP. MORGAN asked why REP. BUZZAS wanted to delay the effective date. REP. BUZZAS said the purpose of the delay is to give the legislature an extra year to see where the State is financially.

REP. MORGAN said she opposes the amendment because the bill is a good idea and the State should begin saving immediately.

REP. JACKSON asked if there is a requirement that the ending fund balance be a certain amount. **Terry Johnson** said statutory requirement is that the Governor has to reduce General Fund expenditures if the ending fund balance falls below 1% of biennial appropriations, which is approximately \$30 million.

**REP. JACKSON** asked if there is currently a contingency fund for emergencies. **Terry Johnson** said there is a statutory appropriation that authorizes the Governor to spend up to \$16.5 million from the General Fund when an emergency is declared.

**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.

**Discussion:**

**REP. BUZZAS** said she would still like to see the bill move forward even though the amendment was defeated. She said she thought this legislature was going to the last opportunity for awhile for them to set-up a stabilization account. This bill was created by a bi-partisan group. This type of account would keep the State out of years when revenues are short.

**Vote:** Motion carried 17-3 by roll call vote with **REP. HAWK, REP. TAYLOR, and REP. WELLS** voting no.

**EXECUTIVE ACTION ON HB 757**

**Motion:** **REP. WITT** moved that HB 757 DO PASS.

**Motion:** **REP. WITT** moved that amendment HB075701.agp BE ADOPTED.

**Discussion:**

**CHAIRMAN BUZZAS** reminded the Committee that when they discussed HB 757 in this morning's meeting there was concern that there might be a double appropriation. She said her concern was that in another bill \$1 million was appropriated, and this bill seems to be appropriating another \$1 million.

**REP. WITT** said that the Legal Department explained that HB 757 would combine the \$1 million appropriation with the possibility of selling revenue bonds to support short line railroad projects.

**CHAIRMAN BUZZAS** asked if the total amount that could be allocated for these projects would be \$3 million, including the revenue bonds. **Jon Moe** said Section 2 Lines 9-13 of the bill says that the funding is separate from the revenue bond amendment.

**REP. WITT** said he wants to strike the \$3 million from the bill. The sponsor's intent is to have the \$3 million moved to a

revolving loan fund from which they would then sell revenue bonds. The bonds would be repaid by revenue generated from the freight hauled on these short lines rails.

**Motion:** REP. WITT moved the CONCEPTUAL AMENDMENT TO STRIKE LINES 12-13 OF PAGE 2 OF THE BILL, AND #3 ON THE AMENDMENT BE ADOPTED.

**Vote:** Motion carried unanimously by voice vote.

**Motion/Vote:** REP. WELLS moved that amendment HB075701.agp BE ADOPTED AS AMENDED. Motion passed unanimously by voice vote.

**Motion/Vote:** REP. WITT moved that HB 757 DO PASS AS AMENDED. Motion carried unanimously by voice vote.

**ADJOURNMENT**

Adjournment: 5:50 P.M.

REP. ROSALIE (ROSIE) BUZZAS, Chairman

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MARCY MCLEAN, Secretary

RB/mm

Additional Exhibits:

**EXHIBIT ([aph64aad0.PDF](#))**