

MINUTES

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

COMMITTEE ON APPROPRIATIONS

Call to Order: By **CHAIRMAN ROSALIE (ROSIE) BUZZAS**, on January 17, 2005 at 2:30 P.M., in Room 102 Capitol.

ROLL CALL

Members Present:

Rep. Rosalie (Rosie) Buzzas, Chairman (D)
Rep. Carol C. Juneau, Vice Chairman (D)
Rep. John E. Witt, Vice Chairman (R)
Rep. Tim Callahan (D)
Rep. Eve Franklin (D)
Rep. Bill E. Glaser (R)
Rep. Ray Hawk (R)
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: None.

Members Absent: Rep. Christine Kaufmann (D)

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

Please Note. These are summary minutes. Testimony and discussion are paraphrased and condensed. Tape notations follow sections it refers to.

Committee Business Summary:

Hearing & Date Posted: HB 44, 1/6/2005; HB 28, 1/12/2005
Executive Action:

HEARING ON HB 44**Opening Statement by Sponsor:**

REP. SUE DICKENSON, HD 25, opened the hearing on HB 44 that would exempt Montana School for Deaf and Blind from non-general fund expenditure requirement. This bill was introduced in response to The Montana School for the Deaf and Blind's (MSDB) audit report. The MSDB serves students throughout the state and also from out-of-state. The number of non-resident students varies from year to year and the amount charged is the per capita cost of maintaining the education and program per student for the previous year. Therefore, the non-resident tuition is not a set amount that can be put into the school's regular budget. The MSDB needs to be able to set aside these funds for unexpected repairs, equipment failures, and unplanned opportunities which may develop. Being required to spend these monies first thwarts the school's ability to be the best stewards of their resources. The Montana Historical Society and the Montana State Library are exempt from this requirement and the MSDB should be also.

{Tape: 1; Side: A; Approx. Time Counter: 0 - 3.3; Comments: REP. KAUFMANN joined hearing}

Proponents' Testimony:

Bill Sykes, Business Manager, MSDB, explained that the school has a statutory appropriation for out-of-state tuition whereby they can spend the money for anything education-related. In previous years, MSDB has not spent all of this money and carried over a balance, resulting in an audit exception. These carryover funds were used for capital improvement and unexpected maintenance needs. Without these funds, they would be required to come back to the Legislature and ask for a supplemental request.

Opponents' Testimony: None

Informational Testimony: None

Questions from Committee Members and Responses:

REPS. FRANKLIN AND TAYLOR asked questions of Bill Sykes. Current out-of-state tuition is \$59,000. In the past two years, they had no out-of-state students; four years ago they had four out-of-state students, and over the last ten years they have collected \$700,000 in out-of-state tuition that they have spent primarily on repair maintenance of the campus.

Closing by Sponsor:

REP. DICKINSON stated "passing HB 44 will allow for the best stewardship of the MSDB's resources."

HEARING ON HB 28**Opening Statement by Sponsor:**

REP. DAVID WANZENRIED, HD 97, opened the hearing on HB 28, to reserve funds for large-scale information technology upgrades and equipment for Legislature. He explained that the Lay Committee of the Legislative Council requested this bill. This committee has been charged with coming up with a plan to routinely update the Legislature's equipment.

HB 28 would establish a reserve account which would be funded by a 30% carry forward from the biennium of monies not spent by the legislative branch and also from leftover money from the Feed Bill. Examples of systems that would need to be updated include the House voting system (\$500,000) and the WordPerfect LAWS system (\$500,000-\$900,000). The Legislative Council would make the decisions of how to spend this reserve fund.

Proponents' Testimony: None

Opponents' Testimony: None

Informational Testimony: None

Questions from Committee Members and Responses:

REPS. JAYNE, SINRUD, and MORGAN asked questions of **Lois Menzies, Legislative Services**. If this reserve fund is not established by statute, then there is no other way other than to appropriate the money through HB 2. Written information will be provided to committee members showing the potential future equipment upgrades and their projected costs. It would be difficult to say how much would go into this reserve fund each biennium. However, in previous years, approximately \$100,000-\$400,000 was available in the 30% carry forward and a portion of that could go into this reserve fund. Over the next five to six years this fund has the potential to have a sufficient balance to replace one or two systems. If the balance is not sufficient, an appropriation would be requested to fund the upgrade(s).

{Tape: 1; Side: A; Approx. Time Counter: 3.3 - 18.9}

REP. WITT asked how much money is being talked about in reversion and over two to three sessions how much would accumulate in this reserve fund. **Karen Berger, Legislative Services**, explained that in the current fiscal year, potential balances that may revert are \$650,000, which includes \$322,000 from the Feed Bill. The Feed Bill reverts money every session; in 1999 the amount was \$90,000 and in 2001 it was \$554,000 (includes 2002 Special Session).

REP. BUZZAS asked if these reserve funds could be used for a "computer at our desk voting system."

Hank Trenk, Legislative Information Technology, reviewed systems they project will need to be replaced in the near future: 1) House and Senate voting systems, 2) Montana Code Annotated system, and 3) WordPerfect LAWS system. **REP. JACKSON** asked if we are setting a precedent, stating, "We don't want this to look like a savings account, and are there other instances where this happens." **REP. WANZENRIED** answered that the university system has this authority and referred to Lines 12-13 of the bill where it specifically states this is a reserve account. **Jon Moe, Legislative Fiscal Services**, explained that the law that provides for the 30% carry forward applies to executive agencies and he is not aware there is not a similar situation within the various executive departments.

{Tape: 1; Side: A; Approx. Time Counter: 18.9 - 32.8}

Closing by Sponsor:

REP. WANZENRIED explained that creation of the reserve fund would establish some priorities and timing for replacing obsolete systems. As it comes closer to the time of replacing these systems, the Legislature could set aside more money to this fund. This bill will allow the Legislature to operate as a business by establishing a reserve fund to meet future needs.

{Tape: 1; Side: B; Approx. Time Counter: 0 - 1.7}

Announcements:

CHAIRMAN BUZZAS reminded committee members that no cell phone usage is allowed during committee meetings. Signed proxy forms need to be turned in to Marcy McLean. Next committee hearing will be Monday, January 24, 2005.

ADJOURNMENT

Adjournment: 3:07 P.M.

REP. ROSALIE (ROSIE) BUZZAS, Chairman

MARCY MCLEAN, Secretary

RB/MM

Additional Exhibits:

EXHIBIT ([aph12aad0.PDF](#))