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MINUTES

MONTANA HOUSE OF REPRESENTATIVES
59th LEGISLATURE - REGULAR SESSION

COMMITTEE ON APPROPRIATIONS

Call to Order: By **CHAIRMAN ROSALIE (ROSIE) BUZZAS**, on March 14, 2005 at 8:00 A.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. 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. Jon C. Sesso (D)
Rep. John Sinrud (R)
Rep. Jack Wells (R)

Members Excused: Rep. Rick Ripley (R)

Members Absent: Rep. Bill E. Glaser (R)
Rep. Janna Taylor (R)

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

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

Committee Business Summary:

Hearing & Date Posted: HB 395, 3/10/2005; HB 433, 3/10/2005; HB 577, 3/10/2005; HB484, 3/10/2005; HB 552, 3/10/2005; HB 721, 3/10/2005; HB 728, 3/10/2005; HB 698, 3/10/2005; HB 749, 3/10/2005; HB 151, 3/10/2005

Executive Action: HB 687, HB 721, HB 57, HB 475, HB 385, HB 241, HB 513, HB 552, HB 673, HB 327, HB 704, HB 236, HB 541, HB 628, HB 13, HB 268, HB 263, HB 548, HB 426, HB 700, HB 672

REP. JUNEAU called the meeting to order. She advised those who wished to testify before the Committee to limit their comments to the fiscal impact of the bill.

HEARING ON HB 395

Opening Statement by Sponsor:

REP. ARLENE BECKER, HD 52, Billings, opened the hearing on **HB 395,** a bill to revise responsibility for the cost of examination and detention of individuals with mental disorders. She said the bill pertains to pre-commitment costs that are incurred when an individual is involuntarily committed to a mental institution. Under current statute, the county is the payor of last resort. This bill proposes that the pay goes first to private insurance, Medicaid or other eligible public assistance, and then to the county if the individual is not committed. The State would pick up the cost of any individual who is committed to an institution, at a cost of approximately $1 million over the next biennium. This bill will provide relief to the many counties that are unable to afford these pre-commitment costs.

Proponents' Testimony:

Bill Kennedy, Yellowstone County Commissioner, Montana Association of Counties (MACo), stated that the bill streamlines the process of pre-commitment. A single pre-commitment cost could total $50,000 for a county. The counties are forced to accrue greater costs as it becomes more difficult to commit an individual to the State Hospital. Mr. Kennedy added that an amendment has been proposed for Page 2, Line 27 of the bill, which would indicate that State and counties do not pay for

voluntary commitments. Another proposed amendment would add that the respondent will pay for pre-commitment if they are able.

{Tape: 1; Side: A; Approx. Time Counter: 0 - 9.2}

Doug Kaercher, Hill County Commissioner, MACo, testified that Hill County has a $60,000 bill as a result of just one pre-commitment. HB 395 will ensure that counties are able to afford the process.

Leo Gallagher, Montana County Attorneys Association, said he will support the bill with its amendments. The bill enables the counties to essentially buy insurance on a per capita basis through a contract with the State of Montana. The bill allows the State to approach the issue on a uniform basis and create some economies of scale.

Carl Seilstad, Fergus County Commissioner, went on record in support of HB 395.

Jani McCall, Deaconess Billings Clinic (DBC), said that DBC has a psychiatric facility in Billings that serves all of Eastern Montana. The Clinic actually loses from $3 million to $4 million each year on charity work done from their psychiatric unit. They understand how difficult it is for the counties to afford pre-commitment and strongly support the bill.

Opponents' Testimony:

Anita Roessmann, Montana Advocacy Program (MAP), distributed written testimony to the Committee. She stated that the bill in its current form compensates the counties for pre-commitment costs accrued if a petition is filed which results in a commitment. MAP feels that this provides a disincentive for counties to dismiss the petition, as is currently done in a number of cases. This will increase the number of individuals committed to the State Hospital who are unable to pay for their treatment.
EXHIBIT(aph56a01)

{Tape: 1; Side: A; Approx. Time Counter: 9.2 - 18.9}

Informational Testimony:

Joyce DeCunzo, Addictive and Mental Disorders Division, Department of Health and Human Services (DPHHS), stated that the Department will support the bill if the suggested amendments are approved. The proposed amendments will continue to hold counties responsible for pre-commitment costs. If the amendments are

passed, the Department is willing to offer field staff to help the counties be more efficient in the development of billing and developing local crisis response plans.

Questions from Committee Members and Responses:

REP. JAYNE asked Ms. Roessmann if MAP had seen the proposed amendments. **Ms. Roessman** responded that they had not.

Closing by Sponsor:

REP. BECKER said that she would have the proposed amendments to the Committee within 24 hours. She stated that the intent of the bill is not to increase the number of people who are committed, but to free up money for crisis prevention at the county level.

{Tape: 1; Side: A; Approx. Time Counter: 18.9 - 24.1}

HEARING ON HB 433

Opening Statement by Sponsor:

REP. CAROL LAMBERT, HD 39, Broadus, opened the hearing on **HB 433,** a bill to create uniform interest assessment for violation of tax provisions. She said that the current method that the State uses to charge interest on delinquent taxes "cheats" Montana citizens out of approximately $400,000 per year. Currently, interest is charged for all or part of every month of delinquent payments. This will change statute to define one month as a time frame consisting of 30 days.

Proponents' Testimony: None.

Opponents' Testimony: None.

Informational Testimony:

Neil Peterson, Montana Department of Revenue (DOR), stated that he would be available for questions.

Questions from Committee Members and Responses:

REP. JACKSON asked Mr. Peterson to explain the fiscal note attached to the bill. **Mr. Peterson** explained that individual and corporate income taxes are due mid-month. If an individual files one month late, they will be assessed two months worth of interest under current law. This is because interest is charged for all or part of each month delinquent.

REP. MORGAN asked if this was a significant problem within the State. **REP. LAMBERT** responded that the issue was brought to her attention by the Montana Association of Accountants because it is an unfair means of interest assessment.

Closing by Sponsor:

REP. LAMBERT reiterated that this bill addresses a fairness issue. She stated that the interest assessment is a big deal to those responsible for payment.

{Tape: 1; Side: A; Approx. Time Counter: 24.1 - 31; Comments: End of Tape 1, Side A.}

HEARING ON HB 577

Opening Statement by Sponsor:

REP. DAVE MCALPIN, HD 94, Missoula, opened the hearing on **HB 577,** a bill to appropriate money to fund rape kits and examinations. This bill makes the cost of a medical examination of a victim of sexual assault the responsibility of the Department of Justice (DOJ)if the cost is not already the responsibility of law enforcement. In effect, the bill will give victims of sexual assault an additional 30 days in which to decide whether they would like to press charges.

Proponents' Testimony:

Kate Cholewa, Montana Coalition Against Domestic and Sexual Violence, distributed an outline of the bill and a list of proponents who had testified before the subcommittee. She discussed the statistics highlighted on the handout.
EXHIBIT(aph56a02)
EXHIBIT(aph56a03)

Pam Bucy, Assistant Attorney General, said the bill will assist in addressing a small, but significant void in the system. She urged the Committee to support the bill.

Jim Kemble Montana Association of Chiefs of Police and **Ethan Lerman, Montana Legal Services,** stated that the bill will help both victims and law enforcement.

Jim Ahrens, Montana Hospital Association and **Christina Powell, Bozeman Sexual Assault Center,** went on record in support of the bill.

{Tape: 1; Side: A; Approx. Time Counter: 0 - 10}

Opponents' Testimony: None.

Informational Testimony: None.

Questions from Committee Members and Responses:

REP. MORGAN commented that the testimony had indicated there would be a greater number of sexual assaults reported as a result of this legislation. She wanted to know why significant local government impact had not been indicated on the fiscal note attached to the bill. **REP. MCALPIN** replied that the fiscal note reflects the best available estimate of how this bill will impact local governments.

REP. JAYNE asked when local law enforcement would not be responsible for the costs of the medical examination. **Ms. Cholewa** replied that law enforcement is responsible for costs when a victim takes the examination, but decides not to move forward with criminal charges.

Closing by Sponsor:

REP. MCALPIN asked the Committee to support the bill. e added that he would be happy to report on the results of the legislation during the next legislative session.

{Tape: 1; Side: A; Approx. Time Counter: 10 - 14}

(REP. RIPLEY entered the hearing.)

HEARING ON HB 484

Opening Statement by Sponsor:

REP. LLEW JONES, HD 27, Conrad, opened the hearing on **HB 484,** a bill to require mobile meat processor licensing and inspection. Currently, there are very few facilities in the state that can carry out inspected slaughter. As a result, most Montana meat is sent to one of three major packing facilities. Utilizing mobile slaughter facilities will enable ranchers to label and sell their meat as a local product. This will also reduce the need to transport animals to slaughter facilities, thus improving the overall quality of the meat. Retailers will be able to sell greater numbers of "Made in Montana" labeled products. REP. JONES believes the fiscal note indicates a greater impact than will actually result. This is because he does not think the State will

be able to get four separate operations up and running within the next four years, as planned.

{Tape: 1; Side: A; Approx. Time Counter: 14 - 19.9}

Proponents' Testimony:

Linda Gryczan, Grow Montana, stated that this bill will increase the opportunities for small ranchers to sell their meat to local restaurants. Producers of buffalo meat cite the difficulty in transporting these animals to slaughter in their support for the bill. This law will not affect the way custom slaughter is done in the State.

Opponents' Testimony: None.

Informational Testimony:

Carol Olmstead, Department of Livestock, said there are 12 state and approximately 15 federal slaughter facilities in Montana. She continued that at least three groups are looking to start up a mobile slaughter facility in the State and that is reflected in the figures listed on the fiscal note.

Howard Reid, Food and Consumer Safety, DPHHS, commented that he was available for any questions.

{Tape: 1; Side: A; Approx. Time Counter: 19.9 - 26.3}

Questions from Committee Members and Responses:

REP. RIPLEY stated that a possible environmental impact was indicated on the fiscal note and asked what this referred to. **REP. JONES** replied that this referred to the necessity to have clean water available at the slaughter site. Since many ranches will not have treated water available on-site, the mobile facility will likely haul the water to the site.

REP. RIPLEY asked how inspections would be scheduled. **REP. JONES** answered that mobile facilities will be administered by a fixed plant. It is likely that an inspector from the fixed plant will travel with the mobile facility a few days every week.

{Tape: 1; Side: A; Approx. Time Counter: 26.3 - 31.2; Comments: End of Tape 1, Side B.}

REP. SESSO asked if the program could move forward if the bill passes with one-quarter of the requested appropriation (only enough to start one mobile facility). **REP. JONES** replied that he

does not think there will be more than one facility that moves ahead during the biennium anyway. **Ms. Olmstead** added that it was hard to estimate a fiscal note for the bill because there is no way of telling how many mobile operations will come on line. However, a lesser appropriation could harm the operation because the Department needs the funding to devote one Full Time Equivalent (FTE) to administration of the mobile slaughter facilities.

REP. KAUFMANN asked how the Committee could suggest a lower fiscal note for the bill. **Jon Moe** stated that the Legislature could appropriate whatever amount they feel is necessary. There is always the risk of creating an unfunded mandate by lowering the fiscal amount.

REP. KAUFMANN asked if the appropriation should be included in this bill. **Mr. Moe** replied that the appropriation was best included in HB 2.

REP. SINRUD asked how the already existing FTEs were paid through the Department of Livestock. **Ms. Olmstead** responded that the entire funding is paid half through Federal Funds and half through State General Funds.

REP. SINRUD asked if there was a fee assessed to slaughterhouses to pay for the FTE needed to administer the mobile units. s**Ms. Olmstead** replied that the State may not charge a user fee under the Federal Meat Inspection Act.

REP. SINRUD asked why the Federal Government must be involved with the inspection and sale of the meat when this will not be an act of interstate commerce. **Ms. Olmstead** responded that Montana adopted the Federal Meat Inspection Act when the program began and agreed to adhere to federal law.

REP. SINRUD asked how long it would take to get additional appropriations from the federal government. **Ms. Olmstead** answered that does not typically take a great deal of time to obtain federal funds once they are requested.

REP. JACKSON asked for the cost of one mobile unit inspector and if the Committee could only include funding for one position in the bill. **Ms. Olmstead** replied that one-quarter of the fiscal note would equal the cost of one inspector.

REP. RIPLEY asked if the Department has received notice of federal funding for the one additional meat inspector included in HB 2. **Ms. Olmstead** replied that they had been notified of federal intent to fund the position.

REP. KAUFMANN asked if this bill would benefit organic farmers or beef producers. **Ms. Olmstead** responded that organic labeling already takes place through existing facilities.

Closing by Sponsor:

REP. JONES explained that this bill will not subsidize an industry, rather it will enable one to start. He indicated that the Committee could amend the bill to only allow the start up of one station during the biennium to prevent the Department of Livestock from being potentially placed in an unfunded situation.

{Tape: 2; Side: A; Approx. Time Counter: 0 - 16.5}

HEARING ON HB 552

Opening Statement by Sponsor:

REP. MARY CAFERRO, HD 80, Helena, opened the hearing on **HB 552**, a bill to change the asset test requirements for children covered by Medicaid. REP. CAFERRO said the Alliance for Healthy Montana, which worked on the campaign for the tobacco tax increase, has identified the Children's Health Insurance Program (CHIP) as a program that should benefit from tobacco tax revenues. Rather than simply direct more funding to CHIP, the Alliance has proposed a change to eliminate or increase the asset test to Medicaid, thus opening up more slots in CHIP. HB 552 increases the asset test from $3,000 to $15,000 for Medicaid children. This enables the state to insure more children through CHIP without spending additional State dollars or going over the federal capped amount.

Proponents' Testimony:

Kim Abbott, Working for Equality and Economic Liberation, discussed several reasons why it is beneficial for Montana to invest in CHIP. She said that the only place the President has expanded the Federal Medicaid Budget is in children's health insurance programs. The President has encouraged states to expand their children's health care programs and has endorsed this program.
EXHIBIT(aph56a04)

Linda Gryczan, League of Women Voters, stated that HB 552 would offer health care for over 3,800 children. A $1.8 million dollar investment by the State will bring in a $5.2 million federal dollar match. She feels this is a good fiscal investment.

Steve Yeakel, Montana Council for Maternal and Child Health, added that insuring children at a young age prevents more costly health insurance claims in the future.

Jenifer Sheehy, Family Nurse Practitioner, testified in support of HB 552 because it promotes early and preventative health care. She has witnessed the results of lack of access to medical care in her patients and believes that clinical outcomes for children are better when medical access is available at an early age.

{Tape: 2; Side: A; Approx. Time Counter: 16.5 - 23.5}

Jake Donaldson, medical student, Bozeman, stated that research at the Institute of Medicine in Washington has indicated that the costs to the public of insuring low-income individuals are less than the costs of subsidizing their health care.

Bob Olsen, Montana Hospital Association, feels that the bill is well within the intended use of I-149 money and is a good way to stretch CHIP dollars.

Beth Sirr, Nurse Practitioner, stated that Montana has 22,000 uninsured children under 150 percent of poverty (the qualifying cap for Medicaid or CHIP in Montana). Every dollar allotted to CHIP or Medicaid by the State will receive three or four dollars in matching federal funds. Research has indicated that every dollar invested in children's health programs results in a nine dollar savings to schools, the criminal justice system and welfare.

Opponents' Testimony: None.

Informational Testimony:

John Chappuis, DPHHS, explained that nearly 50,000 children are currently on State Medicaid and 11,000 children are covered by CHIP. There are an estimated 22,000 uninsured children below 150 percent of the poverty level within the state. The current asset test excludes ownership of a home or car.

Questions from Committee Members and Responses:

REP. MORGAN asked if the changes proposed in HB 552 and other related bills would extend coverage to all of the children who need it. **Mr. Chappuis** replied that if HB 522 is passed, the State will be very close to covering all those children who need the health care.

{Tape: 2; Side: A; Approx. Time Counter: 23.5 - 33; Comments: End of Tape 2, Side A.}

REP. CALLAHAN asked how the program will be affected when I-149 revenues decrease. **Mr. Olsen** replied that I-149 revenues will be adequate until the year 2011. Possible funding mechanisms for the program should be reconsidered in the meantime.

{Tape: 2; Side: B; Approx. Time Counter: 0 - 7.3}

REP. CALLAHAN asked Mr. Olsen if he agreed with the cost estimates. **Mr. Olsen** answered that he felt they were reasonable.

REP. FRANKLIN asked for an explanation of the bill's effective date. **REP. CAFERRO** replied that the Department is going to be updating the Medicaid system, so it makes sense to wait to implement the changes until this update is completed. This also allows time for parents to be notified of the policy change.

REP. KAUFMANN asked how many states outside of Montana used asset tests for children. **Mr. Chappuis** responded that the number of states using asset tests for children's health programs is down to about seven. Most states are eliminating these tests in an effort to cover more children.

REP. KAUFMANN asked if a person who is "cash poor," but owns a number of assets, will be able to qualify for Medicaid. **Mr. Chappuis** replied that having greater assets does make it difficult to qualify for Medicaid. Homes and cars are exempt from inclusion as assets. **Hank Hudson, DPHHS,** added that income-producing assets, such as a farm or small business, are also exempt.

REP. JAYNE asked how the bill would fit in with the Governor's Budget. **REP. CAFERRO** replied that the Governor's Budget would have to be augmented to accommodate the changes proposed in HB 552.

{Tape: 2; Side: B; Approx. Time Counter: 7.3 - 15}

REP. JACKSON commented that the fiscal note indicated average costs for individuals at $168 per month. He asked if there were any figures available on the actual medical costs of eligible individuals. **REP. CAFERRO** stated that the figure referred to on the fiscal note indicates actual cost per child.

REP. JUNEAU asked why the program was just now being implemented. **Mr. Chappuis** answered that the main reason a program like this has failed to be included in past budgets is because the overall entitlement is affected and there was no data available on the results. There are now better estimates regarding the number of individuals who will actually be affected by this policy change, so the budget can be planned accordingly.

REP. JUNEAU asked if the Department ran outreach programs through public schools. **Chuck Hunter, DPHHS,** responded that DPHHS did some outreach into public schools, but it is not as aggressive as it could be. This is because budget constraints would make it impossible to accommodate the kind of increases that would result.

{Tape: 2; Side: B; Approx. Time Counter: 15 - 20.4}

Closing by Sponsor:

REP. CAFERRO said that supporters of the bill are not asking for a tax increase to fund the program. This program will be funded through a tax increase that was approved by the voters of Montana. A recent telephone poll showed nearly 88 percent support expanding CHIP among Montanans.

HEARING ON HB 721

Opening Statement by Sponsor:

REP. JOHN PARKER, HD 23, Great Falls, opened the hearing on **HB 721,** a bill to establish the Montana Drug Offender Accountability and Treatment Act. The bill will establish a statutory basis for the drug treatment courts that are emerging in local areas around the State. The drug courts that already exist resulted from locally driven initiatives. This bill will not produce an additional burden on local communities that do not have such courts. REP. PARKER went on to explain some of the funding aspects of the bill. Once the initial federal start-up money expires, the courts will be the funded locally. There is also an amendment proposed which will move the program funding source from the executive to judicial branch.

{Tape: 2; Side: B; Approx. Time Counter: 20.4 - 25.7}

Proponents' Testimony:

John Larson, District Judge, Missoula, said that he has been a drug court judge since 1996. He explained that these are locally initiated courts that are part of the regular criminal justice

system. He feels the Department of Corrections (DOC) must be on board in order for these courts to work effectively. Drug treatment courts work with the same people as DOC and handle cases efficiently in mass sittings. Data from other states shows that drug courts are three times more effective in recidivism prevention than traditional probation. He suggested that the Committee encourage the involvement of probation officers and that drug court offenders receive priority placement in community based intervention programs. He would also like to see language in the bill that will allow people committed to DOC to be eligible for drug courts if they are recommended by the Department.

Bill Slaughter, DOC, stated that the Department supports the bill. He added that drug courts are an innovative and successful way of dealing with drug offenders. These courts make up an integral part of the corrections team.

{Tape: 2; Side: B; Approx. Time Counter: 25.7 - 31.5; Comments: End of Tape 2, Side B}

Opponents' Testimony: None.

Informational Testimony: None.

Questions from Committee Members and Responses:

REP. SINRUD asked if the drug courts would be funded by the State since they are a function of the court system, which is paid by the State. **REP. PARKER** replied that the judge's salary is paid for by the State, but the public defender and prosecutor are funded through the county budget. The treatment services are funded through federal funds and self-pay of the client. He advised REP. SINRUD to reference Page 7, Line 9 of the bill for funding sources.

REP. JAYNE asked if the costs of support staff for the drug court functions are included in the current court system costs. **Mr. Larson** explained that the program takes place in a court setting, so the necessary staff is already there.

{Tape: 3; Side: A; Approx. Time Counter: 0 - 5.5}

REP. JAYNE asked for an explanation of the immunity from liability included in Page 7, Lines 12-16 of the bill. **REP. PARKER** responded that most of the individuals on the drug treatment team are protected from being sued as long as they operate within the parameters of their job. The main reason the section was included in the bill is to protect those members of

the drug court team who are not normally associated with the court system.

Closing by Sponsor:

REP. PARKER stated that it was important to look at the impact recidivism has on the State when examining the fiscal impact of this bill. He believes reducing recidivism rates, which data has indicated that drug courts do, will provide a long term fiscal savings to the State.

(REP. TAYLOR entered the hearing.)

{Tape: 3; Side: A; Approx. Time Counter: 5.5 - 10.1}

HEARING ON HB 728

Opening Statement by Sponsor:

REP. MICHAEL LANGE, HD 55, Billings, opened the hearing on **HB 728,** a bill to create a State Veterans Cemetery in Yellowstone County and revise the way the program is funded. The bill contains language to indicate that the next veterans cemetery constructed will be in Yellowstone County. It has been determined that no funding will be needed for cemetery maintenance until at least 2009. Because of this, REP. LANGE suggested that the Committee strike the funding in Lines 23 and 23 and pass the language of the bill.

Proponents' Testimony: None.

Opponents' Testimony: None.

Informational Testimony:

Joe Foster, Montana Veterans Affairs, explained that the prospective cemetery in Yellowstone County will cost approximately $3.25 million. Funding for the project will likely be obtained through a federal grant, however, subsequent operation and maintenance costs will then become the responsibility of the State. These costs are estimated to total $100,000 over the lifetime of the cemetery and will be paid by State Special Revenue.

Harold Blattie, MACo, stated that the bill has the support of Yellowstone County and the community.

Questions from Committee Members and Responses:

REP. JUNEAU asked the sponsor if he intended to have the Committee create an amendment to strike Lines 20 and 21 of the bill. **REP. LANGE** responded that this was correct; the intent is to remove the appropriation from the bill.

REP. JUNEAU asked if there would be General Fund requests to cover operation and maintenance costs in the future. **REP. LANGE** replied that any General Fund requests would be addressed in future biennia.

REP. CALLAHAN asked if the bill requires a veterans cemetery to be established in Yellowstone County. **REP. LANGE** answered that the bill essentially creates an order for the establishment of a cemetery after the completion of the cemetery in Missoula. The Legislature will be required to appropriate money for operational and maintenance costs associated with the cemetery in the future.

REP. CALLAHAN asked what would happen if the Legislature did not approve funding for the cemetery when it is finally requested. **Mr. Foster** replied that the project would not be able to move forward.

{Tape: 3; Side: A; Approx. Time Counter: 10.1 - 19.7}

REP. JAYNE asked if Lines 28 and 29 needed to be amended as well. **Jon Moe** replied that Section 2 references to statutory appropriations should be taken out as well.

REP. LENHART asked if the $20,000 could just be changed to "0". **Mr. Moe** stated that it would not be technically correct to include a zero appropriation in the bill.

{Tape: 3; Side: A; Approx. Time Counter: 19.7 - 28}

Closing by Sponsor:

REP. LANGE did not wish to comment further on the bill, in the interest of time.

HEARING ON HB 698

Opening Statement by Sponsor:

REP. LANGE opened the hearing on **HB 698**, a bill to establish a warm water fishery account for the warm water fishery enhancement program. He explained that funds from the existing Future

Fisheries Account are generally granted to cold water fishery projects. This bill will establish a separate account for warm water fisheries projects and the account will be sustained through voluntary donations. He believes this bill will prevent future arguments over how the Future Fisheries Funds should be used. There will be a fiscal impact resulting from costs associated with updating Fish, Wildlife and Parks (FWP) licensing fees to reflect this change in accounts. The department has not been able to estimate the amount of revenue this program will create.

(REP. GLASER entered the hearing.)

{Tape: 3; Side: A; Approx. Time Counter: 28 - 33; Comments: End of Tape 3, Side A.}

Proponents' Testimony: None.

Opponents' Testimony: None.

Informational Testimony: None.

Questions from Committee Members and Responses:

REP. MORGAN asked for examples of warm water fish. **REP. LANGE** answered that paddlefish, small mouth bass, walleye, northern pike, and crappie are all warm water fish.

CHAIRMAN BUZZAS asked if the licensing updates could be administered as part of the statewide computer updates in order to reduce costs. **REP. LANGE** replied that conversations with FWP have led him to believe that it will not cost as much to complete the updates as is listed in the estimate.

Closing by Sponsor:

REP. LANGE stated that this piece of legislation will help to resolve the conflict over the use of Future Fisheries Funds. This bill will allow more opportunities for those wishing to be involved with warm water fisheries projects.

{Tape: 3; Side: B; Approx. Time Counter: 0 - 6.4}

HEARING ON HB 749

Opening Statement by Sponsor:

REP. RICK RIPLEY, HD 17, Wolf Creek, opened the hearing on **HB 749**, a bill to revise the nursing home bed tax. He said that

this bill will increase the utilization fee for nursing home beds. Nursing homes have paid a fee on their days of care since 1991; this fee is used with matching Federal Medicaid Funds to heighten Medicaid payments to Montana nursing home facilities. The fee amount will be increased over the next two years in an effort to bring Medicaid payment rates in line with the provider's costs. Without available General Fund money, raising the utilization fees is one means of improving Medicaid payments. This ensures that the rate increase will not be passed onto the patients.

Proponents' Testimony:

Rose Hughes, Montana Health Care Association, stated that HB 749 is a step to provide adequate funding of nursing home services for Medicaid beneficiaries. Current Medicaid rates are not enough to supply the quality of services to be provided to nursing home patients. Ms. Hughes submitted her written testimony for the record.
EXHIBIT(aph56a05)

{Tape: 3; Side: B; Approx. Time Counter: 6.4 - 19}

Bob Olsen explained that Montana Medicaid is not currently paying nursing homes the full costs to provide care for serving Medicaid beneficiaries. This bill will use provider fees to match federal Medicaid funds and close the payment-to-cost gap.
EXHIBIT(aph56a06)

Kelly Williams, Senior and Long-Term Care Division, DPHHS, said the Division manages payments to Medicaid-funded nursing facilities in Montana. The nursing facility payment is the largest single line item in the Division's Budget, with Medicaid reimbursing for approximately 60% of the days of care offered in nursing home facilities in Montana. The department has assessed that there will be a fiscal impact as a result of increased tax on the Montana Mental Health Nursing Care Center and the Montana Veterans Home. The department believes the benefits of an increased reimbursement outweigh the increased costs needed to pay the tax on these facilities.

{Tape: 3; Side: B; Approx. Time Counter: 19 - 25.8}

Opponents' Testimony: None.

Informational Testimony:

Russell Trasky, Department of Revenue (DOR), told the Committee that he would be available for questions.

Questions from Committee Members and Responses:

REP. KAUFMANN asked if the $7 million appropriation in the bill would affect the budget cap. **REP. RIPLEY** replied that it would.

CHAIRMAN BUZZAS asked for an explanation of the approximately $89,000 listed on the fiscal note. **Ms. Williams** explained that this referred to the General Funds required for the Montana Mental Health Nursing Care Center to pay the tax for their share.

Closing by Sponsor:

REP. RIPLEY said that the bill is necessary to provide high quality care without passing the costs onto the patients.

{Tape: 3; Side: B; Approx. Time Counter: 25.8 - 32; Comments: End of Tape 3, Side B}

CHAIRMAN BUZZAS went over the Committee's hearing schedule and the House floor schedule for the coming week. The Committee then recessed until after the House floor session.

(CHAIRMAN BUZZAS was excused when the hearing reconvened at approximately 3:30 P.M.)

{Tape: 4; Side: A; Approx. Time Counter: 0 - 18}

HEARING ON HB 151

Opening Statement by Sponsor:

REP. KATHLEEN GALVIN-HALCRO, HD 26, GREAT FALLS opened the hearing on **HB 151,** a bill that would allow the Board of Regents to waive some university tuition for K-12 teachers' continuing education credits. The credits could accrue over a five year period or be used at the same time. She feels this is a necessary piece of legislation because many teachers enter the work force significantly in debt, yet are required to continue their education to maintain a teaching certificate. This bill could also allow teachers to obtain endorsements in subject areas where there is a shortage. There is one proposed amendment to the bill, which would require that the teacher agree to stay with their current school district for every three credits waived.

{Tape: 4; Side: A; Approx. Time Counter: 18 - 22.7}

Proponents' Testimony:

Erik Burke, Montana Education Association-Montana Federation of Teachers (MEA-MFT), testified that the need for highly qualified teachers is increasing along with the costs of education. This bill will help school districts to get qualified professionals into areas of high need.

Opponents' Testimony: None.

Informational Testimony:

Rod Sundsted, Montana University System, added that the University System would like to ensure that the Committee fund the bill. If the bill is not funded, the responsibility will fall to other university students.

Questions from Committee Members and Responses:

REP. KAUFMANN asked for further explanation of the funding for the bill. **Mr. Sundsted** stated that the fiscal note shows over 50 percent of the costs through tuition increases. He believes that if the State adopts this policy, they should fund it entirely rather than placing the burden on university students.

REP. JUNEAU asked why the sponsor did not sign the fiscal note. **REP. GALVIN-HALCRO** replied that she did not sign the fiscal note because she agrees the program should be funded entirely by the State.

REP. JUNEAU asked how the Committee could approve the bill if they did not agree with the fiscal note. **Mr. Moe** replied that passing the bill without appropriating any money would result in an unfunded mandate. The fiscal note does nothing more than provide information. The Committee can appropriate the funds as they see fit.

Closing by Sponsor:

REP. GALVIN-HALCRO asked the Committee to support the bill on the grounds that it is an avenue for teachers to improve their qualifications and address areas of need across the State. She added that the bill was never intended to increase tuition costs for existing students.

(CHAIRMAN BUZZAS entered the hearing.)

{Tape: 4; Side: A; Approx. Time Counter: 22.7 - 32; Comments: End of Tape 4, Side A}

(REP. MORGAN and REP. TAYLOR were absent from Executive Action.)

EXECUTIVE ACTION ON HB 687

Motion: REP. CALLAHAN moved that HB 687 DO PASS.

Discussion:

Mr. Moe explained the proposed amendment to clarify language in the bill.
EXHIBIT(aph56a07)

REP. KAUFMANN stated that this bill fills in the gaps in tobacco tax laws. The amendment will make the bill more workable.

REP. MCNUTT was concerned about the aspect of car seizure included in the bill. He stated that he will not support the bill without an amendment.

After lengthy discussion, the Committee decided to postpone Executive Action on HB 687 until the sponsor of the bill had prepared his amendments.

REP. CALLAHAN withdrew his motion, without objection.

EXECUTIVE ACTION ON HB 721

Motion: REP. FRANKLIN moved that HB 721 DO PASS.

Discussion:

REP. JAYNE said that she thought there was an amendment to the bill. **REP. KAUFMANN** responded that the sponsor has not indicated that he wished to have the bill amended.

Vote: Motion carried 13-7 by roll call vote with REP. HAWK, REP. JAYNE, REP. MORGAN, REP. RIPLEY, REP. SINRUD, REP. TAYLOR, and REP. WELLS voting no. REP. MORGAN and REP. TAYLOR voted by proxy.
{Tape: 4; Side: B; Approx. Time Counter: 0 - 17.5}

EXECUTIVE ACTION ON HB 57

Motion: REP. FRANKLIN moved that HB 57 DO PASS.

Discussion:

REP. WELLS asked why the fiscal note had been changed to zero. **REP. SESSO** stated that the fiscal note was changed because the total dollar impact was less than $5,000 and would be absorbed within current staff of the Department of Environmental Quality (DEQ).

REP. SINRUD asked if there were potential environmental ramifications with the bill. **REP. WITT** replied that he understood there could be environmental issues.

REP. RIPLEY commented that he did not see how the fiscal impact given on the original fiscal note could be addressed within the DEQ. **REP. WITT** advised him to reference Item 2 in the assumptions on the fiscal note.

REP. MUSGROVE said that the old fiscal note had referenced a solvent leak situation that had occurred in Bozeman. He asked REP. SINRUD to further discuss that situation. **REP. SINRUD** explained that there had been a solvent leak at a laundry facility in Bozeman, which resulted in the City being sued.

REP. MUSGROVE stated that this bill will help private citizens who are caught in the plume of such instances of contamination to receive an adequate response. He encouraged the Committee members to support the bill.

REP. KAUFMANN agreed that this bill will allow the Fund to reimburse citizens while they are in the process of collecting damages from the responsible parties.

{Tape: 4; Side: B; Approx. Time Counter: 17.5 - 27.6}

REP. SINRUD commented that the City of Bozeman has since provided water and sewer to at no cost to those individuals who were harmed as a result of the solvent contamination. He added that this bill will do nothing to help those who were affected in the Bozeman contamination situation and he will oppose the bill.

REP. SESSO stated that this bill will only give private citizens recourse if they are in an area that has been contaminated. If this bill does not pass, citizens who are in a polluted area will have no way to pay for the damages. He reiterated that the bill does not change any environmental law.

{Tape: 4; Side: B; Approx. Time Counter: 27.6 - 33; Comments: End of Tape 4, Side B}

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 yes. REP. MORGAN and REP. TAYLOR voted by proxy.

EXECUTIVE ACTION ON HB 475

Motion: REP. WITT moved that HB 475 DO PASS.

Discussion:

CHAIRMAN BUZZAS said that the bill has a zero fiscal note because it could be included in the costs of overall computer system upgrades.

Vote: Motion carried 17-3 by voice vote with REP. GLASER, REP. HAWK, and REP. JAYNE voting no.

EXECUTIVE ACTION ON HB 385

Motion: REP. WELLS moved that HB 385 DO PASS.

Discussion:

REP. WELLS explained that the fiscal note for this bill has been changed to zero for the same reasons as the previous bill discussed.

REP. GLASER commented that the new fiscal note should be paired with the bill before it reaches the Floor. **REP. WELLS** indicated that he would ensure the new fiscal note was paired with the bill.

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

{Tape: 5; Side: A; Approx. Time Counter: 0 - 6.8}

EXECUTIVE ACTION ON HB 241

Motion: REP. FRANKLIN moved that HB 241 DO PASS.

Discussion:

REP. JAYNE said that she did not feel the bill was necessary even though it only deals with a small amount of money. She said there should be a way to deal with the request within the Executive Branch.

REP. SINRUD agreed that the Governor should be able to take care of the request through power of Executive.

Vote: Motion failed 6-14 by roll call vote with REP. BUZZAS, REP. HINER, REP. JACKSON, REP. LENHART, REP. MUSGROVE, and REP. SESSO voting aye. REP. MORGAN and REP. TAYLOR voted by proxy.

Motion/Vote: REP. FRANKLIN moved that HB 241 BE TABLED. Motion carried 14-6 by voice vote with REP. BUZZAS, REP. HINER, REP. JACKSON, REP. LENHART, REP. MUSGROVE, and REP. SESSO voting no.

EXECUTIVE ACTION ON HB 513

Motion/Vote: REP. FRANKLIN moved that HB 513 DO PASS. Motion carried 14-6 by roll call vote with REP. GLASER, REP. HAWK, REP. MORGAN, REP. RIPLEY, REP. WELLS, and REP. WITT voting no. REP. MORGAN and REP. TAYLOR voted by proxy.

{Tape: 5; Side: A; Approx. Time Counter: 6.8 - 13.1}

EXECUTIVE ACTION ON HB 552

Motion: REP. FRANKLIN moved that HB 552 DO PASS.

Discussion:

CHAIRMAN BUZZAS stated that currently part of HB 2, Health and Human Services Budget, is contingent upon passage of this bill. She supports the bill because it will provide a means of insuring a greater number of children in the State. She feels this will be a cost savings to the State in the long run.

REP. KAUFMANN added that the bill has passed through the Health and Human Services Subcommittee and will prevent more costly Medicaid bills in the future. **REP. FRANKLIN** agreed.

REP. SINRUD asked how many children are uninsured as the result of choice, rather than not qualifying for Medicaid. **REP. KAUFMANN** replied that she was not able to pinpoint an exact number at this time.

REP. SINRUD stated that he opposes that bill because he thinks it adds more reliance upon federal dollars. Health care facilities will support the measure no matter what, because they are getting reimbursed. He added that this bill will put more of a tax burden on those individuals just above the cusp to qualify for Medicaid, who may not be able to afford it.

REP. WELLS asked if the total costs to Montana included in the bill would apply toward the budget cap. **Mr. Moe** replied that they would.

REP. WELLS stated that the Committee must look at using cuts at some point because they are still over appropriated in regard to the cap. For this reason, he cannot support the bill. **REP. KAUFMANN** replied that the funding from I-149 applies toward the cap no matter where it is spent.

REP. BUZZAS pointed out the Montana is one of only seven states that still use the asset test. This bill will insure 3,800 more children in the State, which will in turn bring everyone's costs down.

REP. SESSO said that the Committee must consider the bill as a means to address the problem of poor families who need health insurance for their children, not the cap issue.

{Tape: 5; Side: A; Approx. Time Counter: 13.1 - 24.7}

REP. GLASER pointed out that there were inconsistencies in the appropriation amounts referenced in the bill. **REP. KAUFMANN** stated that perhaps the appropriation had not been changed to reflect the amendments to the bill.

CHAIRMAN BUZZAS suggested that the Committee postpone action on the bill until the appropriation amounts had been clarified.

REP. FRANKLIN withdrew her motion, without objection.

{Tape: 5; Side: A; Approx. Time Counter: 24.7 - 28.4}

EXECUTIVE ACTION ON HB 673

Motion: **REP. WITT moved that HB 673 DO PASS.**

Discussion:

REP. WITT commented that the bill had only a $50 fiscal note and he had discussed with CHAIRMAN BUZZAS the possibility of sending the bill straight through to the floor.

{Tape: 5; Side: A; Approx. Time Counter: 28.4 - 31.1; Comments: End of Tape 5, Side }

REP. KAUFMANN asked if the bill had been referred to the Committee, would a motion on the House floor be needed to send it

back. **REP. GLASER** said there would need to be a motion on the House floor to take the bill back and put it on third reading.

REP. WITT withdrew his motion, without objection.
{Tape: 5; Side: B; Approx. Time Counter: 0 - 6}

EXECUTIVE ACTION ON HB 327

Motion/Vote: REP. SESSO moved that HB 327 DO PASS. Motion carried unanimously by voice vote. REP. MORGAN and REP. TAYLOR voted by proxy.

EXECUTIVE ACTION ON HB 704

Motion: REP. FRANKLIN moved that HB 704 DO PASS.

Discussion:

REP. SESSO stated that in testimony for the bill, the department had indicated that they would need additional funding to expedite the bill's intent. He also asked the Committee to consider the discussion of passing an unfunded mandate that took place during hearing of the bill. He asked what would happen if the bill was passed without adequate funding. **Mr. Moe** explained that there are certain risks associated with passing an unfunded mandate, the most serious being that the department could be sued for not implementing the program if they are unable to do so without funding.

REP. GLASER stated that he did not have any problem passing the bill at this point because the appropriation could still be addressed on the House floor. **REP. KAUFMANN** agreed.

REP. WITT commented that there would be several bills in with an appropriation situation similar to this one. He asked if there was a uniform way to address all such bills. **Mr. Moe** replied that there will still be opportunities along the legislative process to adjust the appropriations for these kinds of bills.

{Tape: 5; Side: B; Approx. Time Counter: 6 - 15.4}

REP. JACKSON said that he had a similar situation with one of his bills and was told to speak with the agency before taking the appropriation out of the bill.

REP. MCNUTT asked how the department could be expected to comply with the bill if it was not funded. He did not believe the Committee should pass a bill without its appropriation.

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. MORGAN and TAYLOR voted by proxy.

{Tape: 5; Side: B; Approx. Time Counter: 15.4 - 19.9}

EXECUTIVE ACTION ON HB 236

Motion: REP. JACKSON moved that HB 236 DO PASS.

Motion/Vote: REP. JUNEAU moved that HB023601.ajm BE ADOPTED. Motion carried unanimously by voice vote.
EXHIBIT(aph56a08)

Discussion:

REP. WELLS asked why the fiscal note had been adjusted to zero. **REP. JACKSON** responded that the department has agreed to find the money within their own budget for this project. They did not feel the bill would be passed if it included a General Fund appropriation at this point.

REP. RIPLEY asked how this was possible when the department had been listed as having no operative budget on the original fiscal note. **REP. JACKSON** replied that the department will attempt to accommodate a scaled-down version of the project within their budget. They are hoping some Resource Indemnity Trust (RIT) Funds will become available in the future.

CHAIRMAN BUZZAS explained that only a small amount of money had been eliminated from the fiscal note. The reason for doing this was to ensure that the task force will continue to have the authority to keep meeting in the future. The department is discussing the possibility of raising private funds to address costs.

REP. WITT asked if the Committee needed to prepare some guidelines on how to address similar bills that may need to be passed without their appropriations. **REP. FRANKLIN** replied that the concept of passing these sort of bills out of committee is not new. It is up to the Committee to decide whether or not these bills can be managed without the appropriation at this point.

REP. JACKSON further discussed the pros and cons of passing these kinds of bills out of committee.

{Tape: 5; Side: B; Approx. Time Counter: 19.9 - 33; Comments: End of Tape 5, Side B}

Vote: Motion carried 17-3 by roll call vote with REP. RIPLEY, REP. SINRUD, and REP. WITT voting no. REP. MORGAN and REP. TAYLOR voted by proxy.

EXECUTIVE ACTION ON HB 541

Motion/Vote: REP. GLASER moved that HB 541 DO PASS. Motion carried unanimously by voice vote. REPS. MORGAN and TAYLOR voted by proxy.

EXECUTIVE ACTION ON HB 628

Motion: REP. SINRUD moved that HB 628 DO PASS.

Motion: REP. CALLAHAN moved that HB062803.asb BE ADOPTED. EXHIBIT(aph56a09)

Discussion:

REP. CALLAHAN said that this amendment clarifies the definition of what is a youth care facility.

REP. JAYNE asked if this amendment will address DPHHS concerns. **REP. CALLAHAN** responded that it would. The amendment will address private facilities, which receive no public funds and do not accept referrals from public facilities.

Vote: Motion carried unanimously by voice vote.

{Tape: 6; Side: A; Approx. Time Counter: 0 - 9.8}

Motion: REP. RIPLEY moved that HB062802.asb BE ADOPTED. EXHIBIT(aph56a10)

Substitute Motion: REP. KAUFMANN moved TO SEGREGATE ITEM NUMBER 11.

Discussion:

REP. KAUFMANN said that she would like the department to also report to the Interim Committee on Children and Families Health and Human Services. She felt that it would be easier to handle this conceptual amendment if the item was segregated from the rest of the amendment.

REP. SINRUD asked why Item 11 was written to only include the Economic Affairs Interim Committee. **REP. KAUFMANN** replied that she thought this was because Economic Affairs is the committee that the Department of Labor (DOL) will typically report to during the interim.

Vote: Motion carried unanimously by voice vote.

Motion: REP. KAUFMANN moved that THE CONCEPTUAL AMENDMENT BE ADOPTED.

Discussion:

REP. WELLS asked if REP. KAUFMANN had consulted with the bill's sponsor before proposing the amendment. **REP. KAUFMANN** replied that she had not. **REP. WELLS** stated that he would oppose the amendment because he felt it was unnecessary and will place the department under the control of the committee.

{Tape: 6; Side: A; Approx. Time Counter: 9.8 - 17.4}

REP. JACKSON agreed that he would oppose the amendment because it had not been discussed with the sponsor of the bill.

REP. SINRUD said that asking the department to report to an additional committee would increase costs.

Vote: Motion failed 7-13 by roll call vote with REP. BUZZAS, REP. CALLAHAN, REP. FRANKLIN, REP. JUNEAU, REP. KAUFMANN, REP. LENHART, and REP. MUSGROVE voting aye. REP. MORGAN and REP. TAYLOR voted by proxy.

Motion/Vote: REP. KAUFMANN moved TO REPLACE SECTION 11 BACK INTO THE ORIGINAL AMENDMENT. Motion carried by voice vote with REP. MUSGROVE and REP. RIPLEY voting no.

{Tape: 6; Side: A; Approx. Time Counter: 17.4 - 22.3}

REP. BUZZAS said that she would oppose the bill because she believes all programs in the State should be required to meet at least minimal standards.

REP. FRANKLIN stated that she would vote for the bill because of testimony in subcommittee that had indicated to her that this bill will ultimately raise standards for all youth facilities operating within the State.

REP. JACKSON stated that he believes this bill is necessary to provide the flexibility necessary for these facilities to adequately address the treatment of youth.

Motion/Vote: REP. SINRUD moved HB 628 DO PASS AS AMENDED. Motion carried 15-5 by roll call vote with REP. BUZZAS, REP. JUNEAU, REP. KAUFMANN, REP. MUSGROVE, and REP. WITT voting no. REP. MORGAN and REP. TAYLOR voted by proxy.

{Tape: 6; Side: A; Approx. Time Counter: 22.3 - 31; Comments: End of Tape 6, Side A}

EXECUTIVE ACTION ON HB 13

Motion/Vote: REP. RIPLEY moved that HB 13 BE TABLED. Motion carried unanimously by voice vote.

EXECUTIVE ACTION ON HB 268

Motion/Vote: REP. RIPLEY moved that HB 268 BE TABLED. Motion carried unanimously by voice vote.

EXECUTIVE ACTION ON HB 263

Motion: REP. JAYNE moved that HB 263 BE TABLED.

(Note: Consent of Committee members to discuss non-debatable motion to table is implied.)

Discussion:

REP. SINRUD said that consistency in government complaint forms is important and he felt the Committee should have a discussion on the bill.

REP. KAUFMANN asked if the sponsor had prepared any of his amendments. **Mr. Moe** stated that he had not received any request for amendments from the sponsor.

REP. KAUFMANN stated that DPHHS had indicated in their testimony that they would have difficulty fitting a universal form to the various programs they offer. The department had requested that they be amended out of the bill.

REP. FRANKLIN commented that adding exceptions to the rule defeated the purpose of having a universal form.

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. MORGAN and REP. TAYLOR voted by proxy.

{Tape: 6; Side: B; Approx. Time Counter: 0 - 8}

EXECUTIVE ACTION ON HB 548

Motion/Vote: REP. SINRUD moved that HB 548 BE TABLED. Motion carried unanimously by voice vote.

EXECUTIVE ACTION ON HB 426

Motion: REP. KAUFMANN moved that HB 426 DO PASS.

Discussion:

REP. KAUFMANN explained that this bill's purpose was to make the retirement for city police officers the same as for county and State officers. She asked the Committee to support the bill.

REP. SINRUD stated that there was no indication of the long-term fiscal impacts of passing this bill. He said he is not willing to pass a bill that has unknown long term ramifications.

Substitute Motion: REP. SINRUD made a substitute motion that HB 548 BE TABLED.

Vote: Motion carried 16-4 by roll call vote with REP. FRANKLIN, REP. HINER, REP. KAUFMANN, and REP. SESSO voting no. REP. MORGAN and REP. TAYLOR voted by proxy.

{Tape: 6; Side: B; Approx. Time Counter: 8 - 13.3}

EXECUTIVE ACTION ON HB 700

Motion: REP. RIPLEY moved that HB 700 DO PASS.

Discussion:

REP. KAUFMANN asked for an explanation of the fiscal note and its impacts on the State. She wanted to know if the bill essentially moved money from the State coffers to county coffers. **REP. SINRUD** replied that the sponsor of the bill had indicated that this was correct. **Mr. Moe** added that the bill changes the distributions of the funding. This results in a decrease in General Fund Revenue and an increase in State Special Revenue.

This will affect the cap, but it could be argued that there is no change because the General Fund will not be spent anywhere.

REP. SINRUD said he would support the bill because it gives money to the counties so they can handle local issues.

REP. BUZZAS stated that she would vote against the bill because of the General Fund cap issue.

Vote: Motion carried 13-7 by roll call vote with REP. BUZZAS, REP. CALLAHAN, REP. FRANKLIN, REP. HINER, REP. JUNEAU, REP. KAUFMANN, and REP. MUSGROVE voting no. REP. MORGAN and REP. TAYLOR voted by proxy.

EXECUTIVE ACTION ON HB 672

Motion: REP. CALLAHAN moved that HB 672 DO PASS.

Discussion:

REP. JACKSON commented that the bill would allow school districts to save some of their money at the end of the year, rather than come up with a quick plan to spend it. He believes this is good policy, but the bill will also affect the cap. **Mr. Moe** replied that the bill will affect the cap.

REP. GLASER stated that he believed the fiscal note was incorrect. **REP. MCNUTT** agreed that the fiscal note was incorrect because he does not think there will be an impact or change because the schools will have already been appropriated the money in question. **REP. RIPLEY** also felt there would be no impact to the spending cap.

Vote: Motion carried 17-3 by voice vote with REP. CALLAHAN, REP. JUNEAU, and REP. SESSO voting no. REPS. MORGAN and TAYLOR voted by proxy.

CHAIRMAN BUZZAS concluded the order of business for the day and adjourned the meeting.

{Tape: 6; Side: B; Approx. Time Counter: 13.3 - 27.9}

ADJOURNMENT

Adjournment: 6:00 P.M.

_____
REP. ROSALIE (ROSIE) BUZZAS, Chairman

_____
LAURA DILLON, Secretary

RB/ld

Additional Exhibits:

EXHIBIT(aph56aad0.PDF)