MINUTES OF THE MEETING
HOUSE APPROPRIATIONS COMMITTEE
50TH LEGISLATIVE SESSION

The meeting of the House Appropriations Committee was called to order by Chairman Rep. Gene Donaldson on March 17, 1987 at 8:00 a.m. in Room 104 of the State Capitol.

ROLL CALL: All members were present at the meeting. Also in attendance were Judy Rippingale of the LFA and Denise Thompson, Secretary.

HIGHWAY DEPARTMENT EXECUTIVE (81:A:2.50)

Rep. Rehberg moved to adopt the modified on Page A-158 for Construction in the Construction Program for 29.60 FTE with a personal service cost of $615,904 and 46.00 FTE with a personal service cost of $938,668, operating costs primarily in contractor payments of $20,536,311 and $31,723,070 for fiscal years 1988 and fiscal 1989 are recommended to continue the reconstruction of the primary road systems in Montana. The totals by fiscal year for this modified request are $21,152,215 and $32,661,738. The motion CARRIED unanimously.

(81:A:4.50) Rep. Rehberg moved the modified #1 on page A-161 of the narrative (ATTACHMENT 1) for the preconstruction. Rep. Peck called the question. The motion CARRIED unanimously.

(81:A:15.30) Rep. Rehberg moved to insert the language on A-154 para 5, with the change from $11,058 to $15,023,916 in fiscal 1988 and from $21,920,000 to $26,476,461 in fiscal 1989 for the Capital Outlay and to move from the earmarked to RITF and this be considered as a modified. Rep. Quilici called the question. The motion CARRIED unanimously.

Rep. Rehberg moved the subcommittee recommendations as amended and modified for the Department of Highways budget. Rep. Thoft called the question. The motion CARRIED unanimously.

DEPARTMENT OF REVENUE EXECUTIVE ACTION (81:A:18.25)

Assessor Training--Rep. Bob Hoffman spoke in regard to the county assessor training. He referred to the law that the Department of Revenue present training for the assessors and deputy assessors. He stated this training should be done only when necessary and not every year. The legislative years should be enough. He stated the courses are going over depreciation tables, is very repetitious and covers

(82:A:5.36) Rep. Bardanouve moved to draft legislation allowing the department to look at the deputy county appraiser salaries. The department will furnish the language and make the figures of correct (Exhibit 3). Rep. Peck called the question. Reps. Switzer, Menke, Swift, Nathe and Quilici voted NO. The motion CARRIED.

(82:A:10.25) Rep. Rehberg moved to accept the subcommittee recommendation for the Department of Revenue as amended and modified.

Rep. Peck made a substitute motion to remove any reference in the narrative to the 10 percent cuts. Rep. Quilici called the question. There was a roll call vote. Reps. Donaldson, Thoft, Bardanouve, Bradley, Connelly, Iverson, Menahan, Menke, Miller, Nathe, Peck, and Quilici voted YES. Reps. Devlin, Poulsen, Rehberg, Swift and Switzer voted NO. The motion CARRIED by a vote of 12 to 5.

(82:A:18.12) Rep. Rehberg moved to accept the subcommittee report as amended. Rep. Poulsen made a substitute motion to remove the 5 area managers in the Property Assessment Bureau. Rep. Bardanouve called the question. There was a roll call vote. Reps. Thoft, Devlin, Iverson, Menke, Nathe, Poulsen, Rehberg, Swift and Switzer voted YES. Reps. Donaldson, Bardanouve, Bradley, Connelly, Menahan, Miller, Peck, and Quilici voted NO. The motion CARRIED by a vote of 9 to 8.

Rep. Rehberg moved to accept the subcommittee report as amended. There was a roll call vote. Reps. Donaldson, Thoft, Devlin, Iverson, Menke, Miller, Nathe, Peck, Poulsen, Rehberg, Swift and Switzer voted YES. Reps. Bardanouve, Bradley, Connelly, Menahan, and Quilici voted NO. The motion CARRIED by a vote of 12 to 5.

SECRETARY OF STATE EXECUTIVE ACTION (82:A:22.27)

Rep. Rehberg moved to accept the bill draft request presented by the Secretary of State's Office (Exhibit 4). Mr. Larry Akey, Chief Deputy, Office of the Secretary of State, explained the request saying that it would delete the requirement for the general fund to pay for the administrative codes. This would remove about $30,600 from HB 2 for each year of the biennium contingent upon the passage of the committee bill. Rep. Peck called the question. The motion CARRIED unanimously.

DEPARTMENT OF JUSTICE (82:A:25.40)

Law Enforcement Academy--Discussion on the academy and the insertion of the proper amount of the lease payment was

items which should not even be discussed. He felt the training was of no real benefit to the assessors especially when everyone in the office was attending.

(81:A:44.10) Rep. Rehberg moved to allow the training of assessors and deputy assessors only and delete the training for the others.

(81:B:6.11) Mr. Gregg Groepper, Administrator of the Property Assessment Division stated he supported the school and felt everyone needs to attend because there were so many errors taking place before the department changed to require everyone to attend and that it was necessary for them to change. The assessor's and deputy assessor's can't teach their employees properly when more than 50 percent of them can not even pass the tests themselves. He presented a handout showing the costs of assessment schools (Exhibit 1 and 2). There was a roll call vote: Reps. Thoft, Devlin, Menke, Miller, Nathe, Poulsen, Rehberg, Spaeth, Swift and Switzer voted YES. Reps. Donaldson, Bardanouve, Bradley, Connelly, Menahan, Peck, and Quilici voted NO. The motion CARRIED by a vote of 10 to 7.

(81:B:28.00) Mr. Groepper also spoke in regard to the two supervisor positions. These are working positions and they are needed to oversee the area supervisors as Bureau Chief did not have the time to help all of these people. He preferred that noting be done regarding these positions as this area has already been cut 22 percent. If the $140,000 needed to be cut he preferred not to do it now but to put it in the House Bill when the bill reached the floor, and give them the option to come back after the bill goes through and tell the legislature where they preferred to cut.

(81:B:40.30) Rep. Poulsen moved to eliminate the two supervisor position in the Property Assessment Bureau.

Rep. Quilici made a substitute motion to leave them status quo. There was a roll call vote on the substitute motion. Reps. Donaldson, Bardanouve, Bradley, Connelly, Menahan, Menahan, Quilici, and Spaeth voted YES. Reps. Thoft, Devlin, Iverson, Menke, Nathe, Peck, Poulsen, Rehberg, Swift and Switzer voted NO. The motion FAILED by a vote of 8 to 10.

(82:A:0.01) It was reverted to the original motion to eliminate the two supervisor positions. The vote was reversed without objection to a vote of 10 to 8. The motion CARRIED.

DEPARTMENT OF ADMINISTRATION EXECUTIVE ACTION (82:B:12.00)

Rep. Rehberg moved to reopen the Department of Administration Budget for the purposes of the 10 percent cuts being removed, however, since 3.7 percent has been added, he moved to transfer $327,000 from the three proprietary accounts to the general fund.

Mr. Hunter spoke against the motion saying that the motion goes the wrong direction to transfer cash balance from the proprietary funds. If the conclusion is to much cash, then the committee should instruct the department to lower the rates. They should deal through the rates not transfer amounts.

Ellen Feaver stated there is an assumption that everybody will buy from the department in the proprietary accounts. Second, she would have to up everyone's data processing charges.

(82:B:19.40) They will have problems with the federal auditors if this transfer is done. Rep. Bardanouve called the question on the motion.

(82:B:29.30) Rep. Bardanouve made a substitute motion to leave the $327,000 where it is, or to do nothing. There was a roll call vote. Reps. Donaldson, Thoft, Bardanouve, Bradley, Connelly, Manuel, Menahan, Miller, Nathe, Peck, Poulsen, Quilici, and Spaeth voted YES. Reps. Winslow, Devlin, Iverson, Menke, Rehberg, Swift and Switzer voted NO. The motion CARRIED by a vote of 13 to 7.

Chairman Donaldson suggested that the department try to reflect lower fund balances by rate reduction in the next biennium.

Rep. Rehberg moved to reopen the Department of Administration's budget for the purposes of deleting the 10 percent reference. Rep. Menahan called the question. The motion CARRIED unanimously.

(82:B:35.17) Rep. Rehberg moved to delete any references to the 10 percent cuts in the budget. The motion CARRIED unanimously.

Rep. Rehberg moved to accept the subcommittee report as amended. The motion CARRIED unanimously.

NATURAL RESOURCES AND CONSERVATION (83:A:0.01)

Rep. Bernie Swift, chairman of the Natural Resources Subcommittee presented that portion of the budget (ATTACHMENTS 3 & 4).

debated. Rep. Thoft said he felt that buying out the lease would be the way to go as it would be cheaper than paying the lease amount and then the buildings would belong to the state and could be moved when the lease expires.

Susan Hansen of the Department also spoke in regard to the purchase of the buildings. She tried to address the provisions of the lease and also had Lon Kachlin speak in that regard.

(82:B:5.50) Rep. Thoft moved to reduce the appropriation to the law enforcement academy as determined by the subcommittee by $96,000 per year and to delete language in the narrative that refers to moving the academy to Great Falls. There was a roll call vote. Reps. Donaldson, Thoft, Winslow, Bardanouve, Bradley, Connelly, Menahan, Menke, Miller Nathe, Peck, Poulsen, Quilici, Rehberg, Spaeth, Swift and Switzer voted YES. Rep. Devlin voted NO. The motion CARRIED by a vote of 16 to 1.

Rep. Thoft requested that Susan Hansen put together all of this information and make sure all of the committee members get it. Ms. Hansen agreed.

Rep. Bardanouve asked Ms. Rippingale to explain what the bottom line is in this budget now. Ms. Rippingale stated that the committee had decreased the rent $151,000, increased the maintenance $55,000 for a net savings each year of $96,000 with the contemplation of buying the building for $295,032.

Rep. Bardanouve asked where the $295,000 would come from. Rep. Thoft replied that they had left $127,000 in the capital project bill and the other money would come from the Motor Fuels Division.

(82:B:7.09) Rep. Rehberg moved to accept the subcommittee report as amended for the Law Enforcement Academy. The motion CARRIED unanimously.

Rep. Rehberg moved to reopen the Department of Justice budget for the purpose of 10 percent cut references. The motion CARRIED unanimously.

Rep. Rehberg moved to delete all references to the 10 percent cuts. The motion CARRIED unanimously.

Rep. Rehberg moved to accept the subcommittee report for the Department of Justice as amended. Rep. Devlin called the question. The motion CARRIED unanimously.

committee is a 21 percent reduction. He submitted in regard to the deputy director and the 1/3 attorney that there was a study regarding those positions. He said they are necessary positions. It is difficult to obtain a 2/3 attorney and using other means would cost many times more than the payment of that 1/3 attorney position. In regard to the deputy director, this person services the agriculture industry through 19 different accounts. It would be impossible for these accounts to be overseen by others due to the workload.

(83:B:0.40) Rep. Swift moved to adopt the three modifieds on page C-25 of the narrative for apple inspector, heavy metal surveillance, and grain lab (Exhibit 5). Rep. Peck called the question. Reps. Bradley and Iverson voted NO. The motion CARRIED.

(83:B:5.23) Rep. Bardanouve moved to amend the bill to add back $9,057 per year for the 1/3 attorney back into the budget on page C-16. Rep. Swift spoke against the motion. Rep. Spaeth supported the motion because there is really no place they could pool these services at a reasonable price.

There was a roll call vote. Reps. Bardanouve, Bradley, Connelly, Manuel, Menahan, Peck, Poulsen, and Spaeth voted YES. Reps. Donaldson, Thoft, Winslow, Devlin, Menke, Miller, Nathe, Rehberg, Swift and Switzer voted NO. The motion FAILED 8 to 10.

Rep. Spaeth moved to reinstate the deputy director. Mr. Kelly presented Exhibit 6 regarding the issue. Rep. Bardanouve called the question. There was a roll call vote. Reps. Bardanouve, Bradley, Connelly, Iverson, Manuel, Menahan, Peck, Poulsen, and Spaeth voted YES. Reps. Donaldson, Thoft, Winslow, Devlin, Menke, Miller, Nathe, Rehberg, Swift and Switzer voted NO. The motion FAILED by a vote of 9 to 10.

(83:B:20.49) Rep. Swift moved to amend the budget regarding HB 91 for Agriculture in Montana Schools Program (Exhibit 7), be adopted. This is spending authority only. Rep. Switzer called the question. Reps. Iverson and Bardanouve voted NO. The motion CARRIED.

Rep. Swift moved to accept the subcommittee report as amended and modified. Rep. Menahan called the question. Reps. Bradley, Manuel, Menahan, Iverson and Bardanouve voted NO. The motion CARRIED.

The committee recessed at 12:30 to 1:00 p.m.

Public Service Commission--Page 1 of ATTACHMENT 4. Rep. Swift outlined the major subcommittee decisions.

Mr. Howard Ellis, Public Service Commissioner from District #5, spoke for the commission by saying that they concur with the proposals as submitted by the subcommittee and they feel they can operate in the next biennium within the budget.

(83:A:7.20) Rep. Swift moved to accept modified #1, page C-3, for Data Processing Consultant and an Uninterruptable Power Sources for $57,000 for fiscal 1988 for a data consultant ($50,000) to develop a data base for the PSC case management system and an Uninterruptable power supply ($7,000) for the PSC computer, and that this be line-itemed. Rep. Quilici called the question. The motion CARRIED unanimously.

Rep. Swift moved to accept the modified #2 on C-3 for Consultants at $11,967 additional appropriation. Rep. Bardanouve called the question. The motion CARRIED unanimously.

Rep. Swift moved to accept the subcommittee report on the PSC budget. Rep. Quilici called the question. The motion CARRIED unanimously.

DEPARTMENT OF LIVESTOCK (83:A:15.10)

Rep. Swift reviewed the major subcommittee decisions listed on page 2 of ATTACHMENT 4, stating the general fund was reduced by 10 percent from the executive estimate.

Mr. Les Graham stated that the department concurred with the subcommittee recommendations.

Rep. Bardanouve noted there was a $431,000 of federal dollars for 1986.

Rep. Swift moved the subcommittee report for the Department of Livestock be accepted. Rep. Switzer called the question. The motion CARRIED unanimously.

DEPARTMENT OF AGRICULTURE (83:A:23.46)

Rep. Swift reviewed the major subcommittee decisions listed on page 3 of ATTACHMENT 4 with the committee.

(83:A:32.10) Mr. Keith Kelly, Director of the Department of Agriculture stated with the current information the department is experiencing a 9 percent reduction in the overall department budget. The general fund portion of the budget as compared to the executive budget submitted to the

for Block Management Programs and Increased Operations and Maintenance; C-48 for the Missouri River Reservations, Expanded Fish Hatchery Operation, and Central Montana Fisheries Enhancement, Fish Diseases Prevention, and Co-op Fish Monitoring; Page 51 for Increased warden support and warden/biologist; Page C-53 for statewide enforcement survey, wildlife mitigation plans, statewide effects-archery hunting, minimize grizzly conflicts, Non-game Program, Landowner/Hunter Assistance, and Expanded Weed Control; Page C-56 for Increase snowmobile program, bear education, and boater safety. Rep. Thoft called the question. The motion CARRIED unanimously.

(84:B:0.00) Rep. Menahan moved to delete to legislative intent on C-59 that no funds will be used for lawsuits unless approved by written consent by the governor. Rep. Bardanouve called the question. The motion FAILED.

Rep. Swift moved the subcommittee report as amended and modified for Fish, Wildlife and Parks, be accepted. Rep. Menahan called the question. The motion CARRIED unanimously.

Rep. Bardanouve requested some information regarding State Lands on page C-36; regarding the reduction in operating expenses the one time assessment for $290,000. Rep. Swift stated those involved lands located in subdivision activity in the Billings area. Rep. Swift stated he would check with Mr. Hemmer. Rep. Rehberg said it was on the east side of the city. There is a junior high is there. It is currently being subdivided for the state. These are assessments for streets, sewers, etc. It is 480 acres, and a big subdivision.

DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION (DNRC) (84:B:4.22)

Rep. Swift reviewed the major subcommittee decisions for the Department of Natural Resources and Conservation, page 6 of ATTACHMENT 4 (Exhibit 9).

(84:B:7.51) Mr. Larry Fasbender, Director of DNRC, stated with the $500,000 that was taken from the budget on water adjudication, basically deals with examination of claims filed and verify the accuracy of forms filed. That has been taken out of the budget. The department would not make any effort to restore those funds. Someone should come in and look at this process in the next two years and delay any further action on it until a consultant has looked at it and give them some idea if and how to proceed. There was no discussion in regard to vacancy savings. If you take out the $500,000 out of contract services etc., most of those

DEPARTMENT OF STATE LANDS (83:B:24.30)

Rep. Swift reviewed the major subcommittee decisions on State Lands budget, page 4 of ATTACHMENT 4, with the committee.

(83:B:35.04) Mr. Dennis Hemmer, Director of State Lands stated they concurred with the subcommittee report.

Mr. Don Allen spoke in support of the timber sales program. He stated they support the continuation of the 50 million board foot level of timber harvest.

(84:A:0.01) Rep. Swift moved to accept the modified on Page C-31 for Twin Bridges adding $12,600 per year of general fund for the maintenance and utilities of the state facility, and to remove the last sentence of the modified which states: "The subcommittee was having a bill drafted which would transfer possession of the building to the county and the open land to the Department of Fish, Wildlife, and Parks to be administered as a fishing assess site. The motion CARRIED unanimously.

(84:A:7.29) Rep. Swift moved to accept the modified on page C-34 for the Hard Rock Mining for 3 new positions, with the language on C-33. Rep. Menke called the question. Rep. Menke voted no. The motion CARRIED.

Rep. Swift moved to accept the modified on Page C-41 for Nursery Production and Modified #2 for Conservation Reserve Program. Rep. Quilici called the question. The motion CARRIED unanimously.

Rep. Swift moved to accept #2 as a modified, the language on C-39 for the funding for expanded timber sales (Exhibit 8). Rep. Menke called the question. Rep. Bardanouve voted NO. The motion CARRIED.

(84:A:18.20) Rep. Swift moved to accept the subcommittee report for the Department of State Lands as amended and modified. The motion CARRIED unanimously.

FISH, WILDLIFE, AND PARKS (84:A:18.52)

Rep. Swift reviewed the major subcommittee decisions for the department, page 5 of ATTACHMENT 4.

Rep. Quilici referred to page C-50 and the increase of $50,300 per year for warden travel, and asked the reason why. Rep. Switzer replied this was the increase to cover the full period of travel for a position.

(84:A:18.52) Rep. Swift moved to accept th modifieds on C-44 for Vehicle Fund Transfer and Internal Service Fund; C-46

specific information and it does help. If funding is decreased in this department, the court will direct the department to perform whatever duties they feel are most important, they will have to prioritize what their duties are and take them in order of funding.

EXECUTIVE ACTION

Rep. Swift moved to accept Modified #1 on page C-64 for Loan and Grants Program. Mr. Fasbender explained that this was to monitor by computer, the loans and grants program. Rep. Quilici called the question. The motion CARRIED unanimously.

(84:B:40.10) Rep. Swift moved modified #1 on page C-71 for the Reserved Water Rights Compact Commission. Rep. Peck called the question. The motion CARRIED unanimously.

Rep. Swift moved to accept modifieds #2, 3, and 4 on Page C-71. Rep. Poulsen called the question. The motion CARRIED unanimously.

(85:A:7.05) Rep. Swift moved the modifieds on Pages C-74 and C-75. Rep. Nathe called the question. The motion CARRIED unanimously.

Rep. Swift moved an amendment to C-64 regarding the Centralized Services Division to reduce general fund in table 1 by $68,500 in 1988 and $83,700 in fiscal 89 and replace this with oil overcharge funds, contingent on the passage of HB 621. Rep. Bardanouve called the question. The motion CARRIED unanimously.

(85:A:17.50) Rep. Spaeth moved to line-item the water adjudication program in the budget, last paragraph on page C-69 and C-70. Rep. Thoft called the question. The motion CARRIED unanimously.

(85:A:23.55) Rep. Spaeth moved to add $16,788 for vacancy savings remain in the Water Adjudication Program.

Rep. Swift made a substitute motion to take the $500,000 out of operating expenses rather than out of personnel. Rep. Swift withdrew the substitute motion.

Rep. Quilici called the question on the original motion. The motion CARRIED.

(85:A:32.08) Rep. Swift moved that all divisions of DNRC except the Water Resources Division be accepted as the subcommittee recommended as amended and modified. Rep. Nathe called the question. The motion CARRIED unanimously.

cuts will be made in personnel for 19.22. He requested that the FTE level which is set at 116 be raised to 117 and vacancy savings be applied against the amount of money they would expend for personnel services. This would require about $17,000 per year being added back into the budget. In addition, he would like to have a little latitude in making those adjustments. Right now the way the language is written, it would require all of that come out of water adjudication. There would be some additional adjustments that should be made in centralized services. He would like to look at the whole operation of the department and decide where to make those cuts.

The meeting recessed until after session.

(84:B:26.00) Mr. Fasbender was concerned regarding the process is now going to be one that is going to require claimants to come in and object to what is on their claim if they have problems with it. The remaining money would be used for record keeping system which is required by law. He stated concern with whether the information that would be gathered if it would be accurate.

Mr. Ed Stimatz, Water Court, addressed the ability to continue the program and speed. There is no requirement under Montana State Law that there be a preliminary examination of claims. There is not that requirement under the federal law either. He referred to a previous case saying it stated that a preliminary decree be issued on the claim no discussion of preliminary examination, that the opening up of that preliminary decree for observation by all of the people, and the right to object and obtain a hearing. He stated that 11 of the preliminary examinations which have been conducted to date were conducted under discretionary statute to the water court. It says that DNRC shall provide information and assistance that the water court needs to do this adjudication. And that information takes several forms, only one of which is the preliminary examination of claims. After an objection is made and the water court is holding a hearing, if at that point the court needs additional information, they are authorized to order an examination of claims at that time. Not all of the examination that is going to be done by the department has to be done as a preliminary manner. The court has tried to balance the Montana law which says that the claim is prima fasha. With the availability of the services the department has provided, he stated he did not believe that the preliminary examination is necessary. He believes that the adjudication will proceed. They will use as much of the examination as is funded. They find the examination is not necessary in a legal sense, but it is helpful. It gives the court basic background information, and it gives claim

Rep. Swift moved to accept modifieds 1 through 4 on page C-84 with expanded language on 3 and 4. Sib Clack of the budget office stated there are workload increases. Rep. Bardanouve called the question. The motion CARRIED unanimously.

Rep. Swift moved to accept the modified for the State Air Plan on page C-86. Rep. Bardanouve called the question. The motion CARRIED unanimously.

(85:B:17.25) Rep. Swift moved to accept the modified on page C-88 for Railroad funds. Rep. Menke called the question. The motion CARRIED unanimously.

Rep. Swift moved to accept the modified on page C-90 for the Pacific Rim Office. Rep. Menahan called the question. Reps. Peck, Bradley, Thoft, Bardanouve and Connelly voted NO. The motion CARRIED.

Rep. Swift moved to accept the modified on C-100 for the Electrical Board Educational Testing Service. Rep. Bardanouve called the question. The motion CARRIED unanimously.

(85:B:30.45) Rep. Swift moved to accept modified 1 on page C-110 to add assistance for the increased workload. Rep. Rep. Devlin called the question. Rep. Menke voted NO. The motion CARRIED.

Rep. Swift moved modified 2 for the Seed Capital Fund on page C-110. He stated there was no action by the subcommittee on this modified. He added to his motion that this is pending the outcome of legislation.

Rep. Swift moved to accept the Accounting Position on C-117 in conjunction for the Directors/Management Service Division. Rep. Bradley called the question. The motion CARRIED unanimously.

Rep. Manuel presented an amendment to the Transportation Division, Department of Commerce budget. He moved to put back $10,000 each year that would match the $700,000 federal funds and federal administration funds of $116,000 and local government match of $140,000 for a total of $956,000.

(85:B:38.40) Rep. Spaeth made a substitute motion to allocate $10,000 per year of the present general fund funding for the Division of Transportation out of their present budget as opposed to increasing general fund funding in that particular division, without taking out of the McCarthy Farms Case.

Rep. Bardanouve called the question. There was a roll call vote. Reps. Donaldson, Thoft, Winslow, Devlin, Iverson, Menke, Miller Nathe, Rehberg, Spaeth, Swift and Switzer

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DEPARTMENT OF COMMERCE (85:A:33.00)

Rep. Swift reviewed the major subcommittee decisions with the committee, pages 7 & 8 for ATTACHMENT 4.

Mr. Keith Cobol spoke in regard to the budget. He had three concerns:

1. The coordinator of Indian Affairs has been reduced by 50 percent. The impact on that program will mean that function will have no travel and operating funds.

2. Transportation program where $10,000 was removed to match the UMPTA grant. This would be a significant impact with the $10,000.

3. The elimination of the Business Assistance Program, and the removal of all general fund support for that program.

(85:B:3.30) Jan Palmquist spoke for the Montana Senior Citizens regarding the UMPTA funds stating support for these funds.

Mr. Earl Reilly presented written testimony supporting funding for the transportation costs of $10,000 which is a match (Exhibit 10).

Mr. Tom Staples, President of the Montana International Trade Commission spoke about the Business Assistance Division. He stated that they totally support the program and have had fantastic results from that Division.

Ms. Chris Pulintie, representing the Developmentally Disabled in the state, spoke regarding the $10,000 match for the UMPTA funds. They use that money to purchase vans to transport their people. The money does go a long way in helping them. They do rely on this money quite heavily.

Mr. Bill Forgerty also spoke in support of the UMPTA funds.

(85:B:8.00) Rep. Roland Kennerly spoke in regard to the the Indian Affairs Office, stated that it is imperative that the office be funded adequately so that they can work with the tribe and settle a lot of the issues.

Rep. Swift moved to accept the modified on page C-78 for the Legal Pool. Rep. Menahan called the question. The motion CARRIED unanimously.

in fiscal 1988 and $81,208 in fiscal 1989. Rep. Menahan called the question. The motion CARRIED unanimously.

Rep. Swift moved to adopt the subcommittee report for the Department of Commerce as amended and modified. Rep. Quilici called the question. The motion CARRIED unanimously.

ADJOURNMENT:

There being no further business the meeting was adjourned.

Rep. Gene Donaldson, Chairman

GD:dt

voted YES. Reps. Bardanouve, Bradley, Connelly, Menahan, Peck, Poulsen, and Quilici voted NO. Rep. Manuel abstained from voting. The motion CARRIED by a vote of 12 to 7.

Rep. Swift moved to include language in the bill boiler plate language that would allow the board of horse racing to request a budget amendment for the cost of implementing harness racing in Montana which was approved by the subcommittee.

BUSINESS ASSISTANCE DIVISION

(86:A:6.48) Rep. Winslow moved that the Business Assistance Division be put back in to the budget, on C-89, which is accepting the executive budget for $686,692 for 1988 and $683,219 in 1989.

Rep. Swift made a substitute motion to finance the program at 50 percent or $343,346 for 1988 and $341,610 for 1989 with comparable number of FTE. Rep. Winslow opposed the substitute motion. Rep. Quilici called the question. There was a roll call vote. Reps. Donaldson, Thoft, Devlin, Menke, Nathe, Rehberg, Swift and Switzer voted YES. Reps. Winslow, Bardanouve, Bradley, Connelly, Iverson, Manuel, Menahan, Miller, Peck, Poulsen, Quilici, and Spaeth voted NO. The motion FAILED by a vote of 8 to 12.

The vote reverted to the Winslow motion to place the Business Assistance Division back in at full funding. Rep. Switzer asked Rep. Winslow to add boiler plate language that one stop licensing agency be created between now and the next session and report to the next session. Rep. Winslow accepted the addition. Rep. Menahan called the question. There was a roll call vote. Reps. Donaldson, Winslow, Bardanouve, Bradley, Connelly, Iverson, Manuel, Menahan, Menke, Miller, Nathe, Peck, Poulsen, Quilici, Rehberg, Spaeth, Swift, and Switzer voted YES. Reps. Thoft, Devlin and Swift voted NO. The motion CARRIED by a vote of 17 to 3.

(86:A:38.40) Rep. Spaeth moved to allow additional spending authority up to $1.7 million but they will only spend it if the additional federal funds become available for the Science and Technology Program. Rep. Bradley called the question. The motion CARRIED.

Rep. Spaeth moved for additional spending authority as stated in the executive budget regarding C-105, Indian Affairs Department. This would mean taking the executive and reduce that amount by 10 percent for a total of $84,529

ROLL CALL VOTE

HOUSE APPROPRIATIONS COMMITTEE

DATE 3/17/87 BILL NO. House Bill NUMBER 2 Revenue

NAME	AYE	NAY
Rep. Gene Donaldson, Chairman		✓
Rep. Bob Thoft, Vice Chairman	✓	
Rep. Cal Winslow, Vice Chairman		
Rep. Francis Bardanouve		✓
Rep. Dorothy Bradley		✓
Rep. Mary Ellen Connelly		✓
Rep. Gerry Devlin	✓	
Rep. Dennis Iverson		
Rep. Rex Manuel		
Rep. Red Menahan		✓
Rep. Larry Menke	✓	
Rep. Ron Miller	✓	
Rep. Dennis Nathe	✓	
Rep. Ray Peck		✓
Rep. Harold Poulsen	✓	
Rep. Joe Quilici		✓
Rep. Dennis Rehberg	✓	
Rep. Gary Spaeth	✓	
Rep. Bernie Swift	✓	
Rep. Dean Switzer	✓	
TALLY CARRIED	10	7

Denise Thompson
Secretary

Rep. Gene Donaldson
Chairman

MOTION: Rep. Rehberg moved to only allow training for the assessors and deputy assessors for the Property Assessment Division, Department of Revenue.

Form CS-31
Rev. 1985

DAILY ROLL CALL

APPROPRIATIONS COMMITTEE

50th LEGISLATIVE SESSION -- 1987

Date 3/17/87

NAME	PRESENT	ABSENT	EXCUSED
DONALDSON, GENE Chairman	✓		
THOFT, REP. BOB Vice Chair	✓		
WINSLOW, REP. CAL	✓		
BARDANOUVE, FRANCIS	✓		
BRADLEY, DOROTHY	✓		
CONNELLY, MARY ELLEN	✓		
DEVLIN, GERRY	✓		
IVERSON, DENNIS	✓		
MANUEL, REX	✓		
MENAHAN, RED	✓		
MENKE, LARRY	✓		
MILLER, RON	✓		
NATHE, DENNIS	✓		
PECK, RAY	✓		
POULSEN, HAROLD	✓		
QUILICI, JOE	✓		
REHBERG, DENNIS	✓		
SPAETH, GARY	✓		
SWIFT, BERNIE	✓		
SWITZER, DEAN	✓		

CS-30

ROLL CALL VOTE

HOUSE APPROPRIATIONS COMMITTEE

DATE 3/17/87 BILL NO. House Bill NUMBER 2

Revenue

NAME	AYE	NAY
Rep. Gene Donaldson, Chairman	✓	
Rep. Bob Thoft, Vice Chairman	✓	
Rep. Cal Winslow, Vice Chairman		
Rep. Francis Bardanouve	✓	
Rep. Dorothy Bradley	✓	
Rep. Mary Ellen Connelly	✓	
Rep. Gerry Devlin		✓
Rep. Dennis Iverson	✓	
Rep. Rex Manuel		
Rep. Red Menahan	✓	
Rep. Larry Menke	✓	
Rep. Ron Miller	✓	
Rep. Dennis Nathe	✓	
Rep. Ray Peck	✓	
Rep. Harold Poulsen		✓
Rep. Joe Quilici	✓	
Rep. Dennis Rehberg		✓
Rep. Gary Spaeth		
Rep. Bernie Swift		✓
Rep. Dean Switzer		✓
TALLY	17	5

Denise Thompson
Secretary

Rep. Gene Donaldson
Chairman

MOTION: Rep. Peck made a substitute motion to remove any reference in the narrative to the 10 percent cuts.

Form CS-31
Rev. 1985

ROLL CALL VOTE

HOUSE APPROPRIATIONS COMMITTEE

DATE 3/17/87 BILL NO. House Bill NUMBER 2

Revenue

NAME	AYE	NAY
Rep. Gene Donaldson, Chairman	✓	
Rep. Bob Thoft, Vice Chairman		✓
Rep. Cal Winslow, Vice Chairman		
Rep. Francis Bardanouve	✓	
Rep. Dorothy Bradley	✓	
Rep. Mary Ellen Connelly	✓	
Rep. Gerry Devlin		✓
Rep. Dennis Iverson		✓
Rep. Rex Manuel		
Rep. Red Menahan	✓	
Rep. Larry Menke		✓
Rep. Ron Miller	✓	
Rep. Dennis Nathe		✓
Rep. Ray Peck		✓
Rep. Harold Poulsen		✓
Rep. Joe Quilici	✓	
Rep. Dennis Rehberg		✓
Rep. Gary Spaeth	✓	
Rep. Bernie Swift		✓
Rep. Dean Switzer		✓

TALLY FAILED 8 10

Denise Thompson
Secretary

Rep. Gene Donaldson
Chairman

MOTION: Rep. Quilici made a substitute motion to leave the supervisor positions status quo in the Property Assessment Bureau.

The motion reverted to Rep. Poulsen motion to delete the supervisors. the vote was reversed and CARRIED 10-8.

Form CS-31
Rev. 1985

ROLL CALL VOTE

HOUSE APPROPRIATIONS COMMITTEE

DATE 3/17/87 BILL NO. House Bill NUMBER 2 Revenue

NAME	AYE	NAY
Rep. Gene Donaldson, Chairman	✓	
Rep. Bob Thoft, Vice Chairman	✓	
Rep. Cal Winslow, Vice Chairman		
Rep. Francis Bardanouve		✓
Rep. Dorothy Bradley		✓
Rep. Mary Ellen Connelly		✓
Rep. Gerry Devlin	✓	
Rep. Dennis Iverson	✓	
Rep. Rex Manuel		
Rep. Red Menahan		✓
Rep. Larry Menke	✓	
Rep. Ron Miller	✓	
Rep. Dennis Nathe	✓	
Rep. Ray Peck	✓	
Rep. Harold Poulsen	✓	
Rep. Joe Quilici		✓
Rep. Dennis Rehberg	✓	
Rep. Gary Spaeth		
Rep. Bernie Swift	✓	
Rep. Dean Switzer	✓	
TALLY CARRIED	12	5

Denise Thompson
Secretary

Rep. Gene Donaldson
Chairman

MOTION: Rep. Rehberg moved to accept the subcommittee report as amended and modified.

Form CS-31
Rev. 1985

ROLL CALL VOTE

HOUSE APPROPRIATIONS COMMITTEE

DATE 3/17/87 BILL NO. House Bill NUMBER 2 Revenue

NAME	AYE	NAY
Rep. Gene Donaldson, Chairman		✓
Rep. Bob Thoft, Vice Chairman	✓	
Rep. Cal Winslow, Vice Chairman		
Rep. Francis Bardanouve		✓
Rep. Dorothy Bradley		✓
Rep. Mary Ellen Connelly		✓
Rep. Gerry Devlin	✓	
Rep. Dennis Iverson	✓	
Rep. Rex Manuel		
Rep. Red Menahan		✓
Rep. Larry Menke	✓	
Rep. Ron Miller		✓
Rep. Dennis Nathe	✓	
Rep. Ray Peck		✓
Rep. Harold Poulsen	✓	
Rep. Joe Quilici		✓
Rep. Dennis Rehberg	✓	
Rep. Gary Spaeth		
Rep. Bernie Swift	✓	
Rep. Dean Switzer	✓	
TALLY	9	8

CARRIED

Denise Thompson
Secretary

Rep. Gene Donaldson
Chairman

MOTION: Rep. Poulsen made a substitute motion to delete five area managers from the Property Assessment Bureau.

Form CS-31
Rev. 1985

ROLL CALL VOTE

HOUSE APPROPRIATIONS COMMITTEE

DATE 3/17/87 BILL NO. House Bill NUMBER 2

Justice

NAME	AYE	NAY
Rep. Gene Donaldson, Chairman	✓	
Rep. Bob Thoft, Vice Chairman	✓	
Rep. Cal Winslow, Vice Chairman	✓	
Rep. Francis Bardanouve	✓	
Rep. Dorothy Bradley	✓	
Rep. Mary Ellen Connelly		
Rep. Gerry Devlin		✓
Rep. Dennis Iverson		
Rep. Rex Manuel		
Rep. Red Menahan	✓	
Rep. Larry Menke	✓	
Rep. Ron Miller	✓	
Rep. Dennis Nathe	✓	
Rep. Ray Peck	✓	
Rep. Harold Poulsen	✓	
Rep. Joe Quilici	✓	
Rep. Dennis Rehberg	✓	
Rep. Gary Spaeth	✓	
Rep. Bernie Swift	✓	
Rep. Dean Switzer	✓	

TALLY CARRIED 16 1

Denise Thompson
Secretary

Rep. Gene Donaldson
Chairman

MOTION: Rep. Thoft moved to reduce the appropriation to the Law Enforcement Academy as determined by the subcommittee by $96,000 per year and to delete language in the narrative that refers to moving the academy to Great Falls.

Form CS-31
Rev. 1985

ROLL CALL VOTE

HOUSE APPROPRIATIONS COMMITTEE

DATE 3/17/87 BILL NO. House Bill NUMBER 2 Admin.

NAME	AYE	NAY
Rep. Gene Donaldson, Chairman	✓	
Rep. Bob Thoft, Vice Chairman	✓	
Rep. Cal Winslow, Vice Chairman		✓
Rep. Francis Bardanouve	✓	
Rep. Dorothy Bradley	✓	
Rep. Mary Ellen Connelly	✓	
Rep. Gerry Devlin		✓
Rep. Dennis Iverson		✓
Rep. Rex Manuel	✓	
Rep. Red Menahan	✓	
Rep. Larry Menke		✓
Rep. Ron Miller	✓	
Rep. Dennis Nathe	✓	
Rep. Ray Peck	✓	
Rep. Harold Poulsen	✓	
Rep. Joe Quilici	✓	
Rep. Dennis Rehberg		✓
Rep. Gary Spaeth	✓	
Rep. Bernie Swift		✓
Rep. Dean Switzer		✓

TALLY CARRIED 13 7

Denise Thompson
Secretary

Rep. Gene Donaldson
Chairman

MOTION: Rep. Bardanouve made a substitute motion to leave the $327,000 where it is or to do nothing.

Form CS-31
Rev. 1985

ROLL CALL VOTE

HOUSE APPROPRIATIONS COMMITTEE

DATE 3/17/87 BILL NO. House Bill NUMBER 2

Agriculture

NAME	AYE	NAY
Rep. Gene Donaldson, Chairman		✓
Rep. Bob Thoft, Vice Chairman		✓
Rep. Cal Winslow, Vice Chairman		✓
Rep. Francis Bardanouve	✓	
Rep. Dorothy Bradley	✓	
Rep. Mary Ellen Connelly	✓	
Rep. Gerry Devlin		✓
Rep. Dennis Iverson		
Rep. Rex Manuel	✓	
Rep. Red Menahan	✓	
Rep. Larry Menke		✓
Rep. Ron Miller		✓
Rep. Dennis Nathe		✓
Rep. Ray Peck	✓	
Rep. Harold Poulsen	✓	
Rep. Joe Quilici		
Rep. Dennis Rehberg		✓
Rep. Gary Spaeth	✓	
Rep. Bernie Swift		✓
Rep. Dean Switzer		✓
TALLY FAILED	8	10

Denise Thompson
Secretary

Rep. Gene Donaldson
Chairman

MOTION: Rep. Bardanouve moved to re-instate the 1/3 of an attorney position in the Department of Agriculture for approximately $9,057 each year.

Form CS-31
Rev. 1985

ROLL CALL VOTE

HOUSE APPROPRIATIONS COMMITTEE

DATE 3/17/87 BILL NO. House Bill NUMBER 2

Agriculture

NAME	AYE	NAY
Rep. Gene Donaldson, Chairman		✓
Rep. Bob Thoft, Vice Chairman		✓
Rep. Cal Winslow, Vice Chairman		✓
Rep. Francis Bardanouve	✓	
Rep. Dorothy Bradley	✓	
Rep. Mary Ellen Connelly	✓	
Rep. Gerry Devlin		✓
Rep. Dennis Iverson	✓	
Rep. Rex Manuel	✓	
Rep. Red Menahan	✓	
Rep. Larry Menke		✓
Rep. Ron Miller		✓
Rep. Dennis Nathe		✓
Rep. Ray Peck	✓	
Rep. Harold Poulsen	✓	
Rep. Joe Quilici		
Rep. Dennis Rehberg		✓
Rep. Gary Spaeth	✓	
Rep. Bernie Swift		✓
Rep. Dean Switzer		✓
TALLY FAILED	9	10

Denise Thompson
Secretary

Rep. Gene Donaldson
Chairman

MOTION: Rep. Spaeth moved to re-instate the deputy director.

Form CS-31
Rev. 1985

ROLL CALL VOTE

HOUSE APPROPRIATIONS COMMITTEE

DATE 3/17/87 BILL NO. House Bill NUMBER 2

Commerce

NAME	AYE	NAY
Rep. Gene Donaldson, Chairman	✓	
Rep. Bob Thoft, Vice Chairman	✓	
Rep. Cal Winslow, Vice Chairman		✓
Rep. Francis Bardanouve		✓
Rep. Dorothy Bradley		✓
Rep. Mary Ellen Connelly		✓
Rep. Gerry Devlin	✓	
Rep. Dennis Iverson		✓
Rep. Rex Manuel		✓
Rep. Red Menahan		✓
Rep. Larry Menke	✓	
Rep. Ron Miller		✓
Rep. Dennis Nathe	✓	
Rep. Ray Peck		✓
Rep. Harold Poulsen		✓
Rep. Joe Quilici		✓
Rep. Dennis Rehberg	✓	
Rep. Gary Spaeth		✓
Rep. Bernie Swift	✓	
Rep. Dean Switzer	✓	

TALLY FAILED 8 12.

Denise Thompson
Secretary

Rep. Gene Donaldson
Chairman

MOTION: Rep. Swift made a substitute motion to finance the program at 50 percent or $343,346 in fiscal 1988 and $341,610 for fiscal 1989.

Form CS-31
Rev. 1985

ROLL CALL VOTE

HOUSE APPROPRIATIONS COMMITTEE

DATE 3/1787 BILL NO. House Bill NUMBER 2

Commerce

NAME	AYE	NAY
Rep. Gene Donaldson, Chairman	✓	
Rep. Bob Thoft, Vice Chairman		✓
Rep. Cal Winslow, Vice Chairman	✓	
Rep. Francis Bardanouve	✓	
Rep. Dorothy Bradley	✓	
Rep. Mary Ellen Connelly	✓	
Rep. Gerry Devlin		✓
Rep. Dennis Iverson	✓	
Rep. Rex Manuel	✓	
Rep. Red Menahan	✓	
Rep. Larry Menke	✓	
Rep. Ron Miller	✓	
Rep. Dennis Nathe	✓	
Rep. Ray Peck	✓	
Rep. Harold Poulsen	✓	
Rep. Joe Quilici	✓	
Rep. Dennis Rehberg	✓	
Rep. Gary Spaeth	✓	
Rep. Bernie Swift		✓
Rep. Dean Switzer	✓	

TALLY PASSED 17 3

Denise Thompson
Secretary

Rep. Gene Donaldson
Chairman

MOTION: Rep. Winslow moved to place the Business Assistance Divisio back in at the full funding level, executive. Also added to the motion was Rep. Switzer's request that one stopy licensing agency be set up in the next two years and a report to the next legislature be made.

Form CS-31
Rev. 1985

ROLL CALL VOTE

HOUSE APPROPRIATIONS COMMITTEE

DATE 3/17/87 BILL NO. House Bill NUMBER 2

NAME	AYE	NAY
Rep. Gene Donaldson, Chairman	✓	
Rep. Bob Thoft, Vice Chairman	✓	
Rep. Cal Winslow, Vice Chairman	✓	
Rep. Francis Bardanouve		✓
Rep. Dorothy Bradley		✓
Rep. Mary Ellen Connelly		✓
Rep. Gerry Devlin	✓	
Rep. Dennis Iverson	✓	
Rep. Rex Manuel	abstained	
Rep. Red Menahan		✓
Rep. Larry Menke	✓	
Rep. Ron Miller	✓	
Rep. Dennis Nathe	✓	
Rep. Ray Peck		✓
Rep. Harold Poulsen		✓
Rep. Joe Quilici		✓
Rep. Dennis Rehberg	✓	
Rep. Gary Spaeth	✓	
Rep. Bernie Swift	✓	
Rep. Dean Switzer	✓	

TALLY CARRIED 12 7

Denise Thompson
Secretary

Rep. Gene Donaldson
Chairman

MOTION: Rep. Spaeth made a substitute motion to allocate $10,000 per year of the present general funding for the Division of Transportation out of their present budget as opposed to increasing general fund funding in that Division.

Form CS-31
Rev. 1985

1/7/87

Costs of Assessment Schools

1. Total Assessment Training Expenses (1986)

- Instruction costs	$ 1,080
- Course materials	2,240
- Room rental	910
- Travel	6,265
- Per diem	26,960
Total:	$37,455

2. Training Expenses (Assessor and Deputy Only)

- Instruction costs	$1,080
- Course materials	1,200
- Room rental	910
- Travel	4,355
- Per diem	18,030
Total:	$25,575

Assessment School Pass/Fail Rate

1. 1985 Training Session

Participants	Attending	Pass	Fail
Assessors/Deputies	98	63	35
Other	94	50	44

2. 1986 Training Session

Participants	Attending	Pass	Fail
Assessors/Deputies	9	8	1
Other	147	128	19

3. Cascade County - 1986 Training Session

Participants	Attending	Pass	Fail
*Assessment Staff, including Assessor and Deputy	5	2	3

*Four staff members were unable to take training.

EXHIBIT
DATE
HB

Department of Revenue
Property Assessment Division

Quality of Assessment Training
(Compiled from 160 questionnaire responses of 1980 assessment school participants)

1. **Was the assessment material covered adequately?**
   Yes - 96%
   No - 4%

2. **Rate the instructor's knowledge and presentation.**
   Good - 88%
   Fair - 12%
   Poor - 0%

3. **Was the assessment course beneficial?**
   Yes - 74%
   No - 5%
   No comment - 21%

Course Comments:

.... Good school
.... Overall the course was very good
.... All in all, a good school
.... Yes, very good school
.... Covered a lot of ground in a short time
.... Very beneficial course
.... I feel that everyone was extremely great in going out of their way to help us after class and better understand the parts that were confusing.
.... Some classes could have been a little longer
.... Probably a little too much at one time for me
.... I understand the reason for the school but not the necessity of passing the test.
.... The classes were well prepared and organized.

Department of Revenue
Property Assessment Division
Deputy Assessor's Salary Option

	Present Salary	Optional	Net Change
Beaverhead	16,216	14,380	($1,836)
Big Horn	17,804	14,380	($3,424)
Blaine	15,981	7,190	($8,791)
Broadwater	14,933	7,190	($7,743)
Carbon	16,210	14,380	($1,830)
Carter	13,102	14,380	$1,278
Cascade	24,138	16,630	($7,508)
Chouteau	15,874	14,380	($1,494)
Custer	16,272	14,380	($1,892)
Daniels	13,627	14,380	$753
Dawson	16,251	7,190	($9,061)
Deer Lodge	0	0	$0
Fallon	15,244	14,380	($864)
Fergus	14,410	14,380	($30)
Flathead	0	0	$0
Gallatin	19,746	8,315	($11,431)
Garfield	13,411	14,380	$969
Glacier	16,619	14,380	($2,239)
Golden Valley	12,844	7,190	($5,654)
Granite	13,313	14,380	$1,067
Hill	17,218	7,190	($10,028)
Jefferson	15,663	14,380	($1,283)
Judith Basin	13,676	14,380	$704
Lake	16,929	14,380	($2,549)
Lewis and Clark	0	0	$0
Liberty	15,472	7,190	($8,282)
Lincoln	17,346	14,380	($2,966)
Madison	15,456	14,380	($1,076)
McCone	15,094	14,380	($714)
Meagher	13,206	7,190	($6,016)
Mineral	13,374	7,190	($6,184)
Missoula	0	0	$0
Musselshell	15,329	7,190	($8,139)
Park	16,350	14,380	($1,970)
Petroleum	0	0	$0
Phillips	15,828	14,380	($1,448)
Pondera	15,983	14,380	($1,603)
Powder River	17,319	14,380	($2,939)
Powell	15,961	14,380	($1,581)
Prairie	13,124	14,380	$1,256
Ravalli	17,463	16,630	($833)
Richland	16,751	14,380	($2,371)
Roosevelt	16,459	7,190	($9,269)
Rosebud	19,874	14,380	($5,494)
Sanders	15,823	14,380	($1,443)
Sheridan	15,849	14,380	($1,469)
Silver Bow	20,757	16,630	($4,127)
Stillwater	15,709	14,380	($1,329)
Sweet Grass	13,358	14,380	$1,022
Teton	15,530	14,380	($1,150)
Toole	17,180	14,380	($2,800)
Treasure	12,933	14,380	$1,447
Valley	15,901	14,380	($1,521)
Wheatland	13,189	14,380	$1,191
Wibaux	15,386	14,380	($1,006)
Yellowstone	27,947	14,380	($13,567)
TOTAL (excluding benefits)	819,432	656,100	($157,267)

DATE 3/17/87
HB 2
Sec. of St.

_____BILL NO._____

INTRODUCED BY_____

A BILL FOR AN ACT ENTITLED: "AN ACT DELETING THE REQUIREMENT OF A GENERAL FUND TRANSFER TO PAY FOR CERTAIN COPIES OF ADMINISTRATIVE RULES OF MONTANA AND MONTANA ADMINISTRATIVE REGISTER; AMENDING SECTIONS 2-4-312 AND 2-4-313, MCA."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Section 1. Section 2-4-312, MCA, is amended to read:

2-4-312. Publication and arrangement of register. (1) The secretary of state shall publish in the register all notices, rules, and interpretations filed with him at least once a month or as directed by the administrative code committee but not more often than twice a month.

(2) He shall send the register without charge to each person listed in 2-4-313(1) and to each member of the legislature requesting the same. ~~The cost, determined in accordance with 2-4-313(4), must be paid by appropriation from the general fund to the account within the state special revenue fund created in 2-4-313(5)~~. He shall send the register to any other person who pays a subscription fee which he shall fix in accordance with 2-4-313(4).

(3) The register must contain three sections, a rules section, a notice section, and an interpretation section:

(a) The rules section of the register must contain all rules filed since the compilation and publication of the preceding issue of the register, together with the concise statement of reasons required under 2-4-305(1).

(b) The notice section of the register must contain all rulemaking notices filed with the secretary of state pursuant to 2-4-302 since the compilation and publication of the preceding register.

(c) The interpretation section of the register must contain all opinions of the attorney general and all declaratory rulings of agencies issued since the publication of the preceding register.

(4) Each issue of the register must contain the issue number and date of the register and a table of contents. Each page of the register must contain the issue number and date of the register of which it is a part. The secretary of state may include with the register information to help the user in relating the register to ARM.

Section 2. Section 2-4-313, MCA, is amended to read:

2-4-313. Distribution, costs, and maintenance. (1) The secretary of state shall distribute copies of ARM and supplements or revisions thereto, ~~with costs paid as provided in 2-4-312(2)~~, to the following:

(a) attorney general, one copy;

(b) clerk of United States district court for the district of Montana, one copy;

(c) clerk of United States court of appeals for the ninth circuit, one copy;

(d) county commissioners or governing body of each county of this state, for use of county officials and the public, at least one but not more than two

copies, which may be maintained in a public library in the county seat or in the county offices as the county commissioners or governing body of the county may determine;

(e) state law library, one copy;

(f) state historical society, one copy;

(g) each unit of the Montana university system, one copy;

(h) law library of the university of Montana, one copy;

(i) legislative council, two copies;

(j) library of congress, one copy;

(k) state library, one copy.

(2) The secretary of state, each county in the state, and the librarians for the state law library and the university of Montana law library shall maintain a complete, current set of ARM, including supplements or revisions thereto. Such persons shall also maintain the register issues published during the preceding 2 years. The secretary of state shall also maintain a permanent set of the registers.

(3) The secretary of state shall make copies of and subscriptions to ARM and supplements or revisions thereto and the register available to any person at prices fixed in accordance with subsection (4).

(4) The secretary of state, in consultation with the administrative code committee, shall determine the cost of supplying copies of ARM and supplements or revisions thereto and the register. The cost shall be the approximate cost of publication, including indexing, printing or duplicating, and mailing, less fees charged agencies pursuant to subsection (6) ~~and money appropriated for 2-4-312(2) and 2-4-313(1)~~. However, a uniform price per page or group of pages may be established without regard to differences in cost of printing different parts of ARM and supplements or revisions thereto and the register.

(5) The secretary of state shall deposit all fees he collects in an account within the state special revenue fund created for paying the expenses of publication of ARM and the register.

(6) The secretary of state may charge agencies a filing fee for all material to be published in ARM or the register. He shall fix, in consultation with the administrative code committee, the fee to cover a portion of the costs of publication and mailing.

NEW SECTION. Section 3. Effective date. This act is effective on July 1, 1987.

-End-

EXHIBIT 3
DATE 3/17/87
HB 2

STATE OF MONTANA
Office of the Legislative Fiscal Analyst
STATE CAPITOL
HELENA, MONTANA 59620
406/444-2986

JUDY RIPPINGALE
LEGISLATIVE FISCAL ANALYST

March 4, 1987

Representative Bernie Swift
Seat #70
Montana House of Representatives

Dear Representative Swift:

The Natural Resources and Commerce subcommittee unanimously approved a motion to have certain plant industry division fees increased. The plant industry division is located in the Department of Agriculture. The fees which the subcommittee identified to be increased would increase the revenues to the general fund by approximately $80,000 per year. A listing of the fees that are proposed to be increased are listed on Table 1.

Table 1

Fee Name	Fee Set by Rule or Statute	Last Fee Increase	Current Revenue	Proposed Revenue	Percent Increase
Produce Inspection	Rule	1980	$101,362	$141,907	40
Potato Inspection	Rule	1980	37,176	45,343	33
Cherry Inspection	Rule	1980		7,591	40
Public Warehouse	Statute	1983	15,050	16,050	7
Commodity Dealer	Statute	1983	27,175	24,760	7
Agricultural Seed	Rule	1977	8,485	11,100	31
Class A Nursery	Statute	1979	9,010	15,000	67
Class B Nursery	Statute	1979	1,240	2,170	75
Class C Nursery	Statute	1979	2,700	5,400	100
Bee Registration	Statute	1979	7,613	12,210	58
Wholesaler License	Statute	1935	4,600	9,200	100
Itinerant Merchant	Statute	1935	2,401	4,800	100
Permit of Exemption	Statute	1935	28	560	
Totals			$216,840	$296,091	

As Table 1 indicates some of the fees are set in statute and some are set by administrative rule. The draft bill would raise those fees where the fee levy is set by statute. The Department of Agriculture will start the rule amending process to increase the fee where the levy is set by

rule. The proposed bill does not raise the bee registration nor the apiculture general fees because House Bill 461 was introduced to raise those specific fees.

Sincerely,

Carl Schweitzer
Senior Fiscal Analyst

CS2:kj:rs3-3.

EXHIBIT 6
DATE 3/17/87
HB 2
Agriculture

To reinstate Position #110 (Deputy Director - 1.0) FTE and .33 FTE of position #310 (Attorney) into Centralized Services Program, insert $53,605 into FY '88 and $53,659 into FY '89 personal services. Funding is as follows:

	FY 88	FY 89
General Fund	$29,536	$32,839
State Special	10,325	8,693
Other Special	9,435	8,424
Expendable Trust	4,309	3,703
	$53,605	$53,659

NOTE:

(4% vacancy savings applied)

DUTIES OF THE DEPUTY DIRECTOR

Policy and Administrative

Assist Director in performing duties of Department as outlined in Title 80 R.C.M.

Provide departmental direction in absence of Director.

Administer and coordinate departmental operations of division, units and sections.

Initiate, develop and execute policies and programs for Department.

Ensure orders and directives are adhered to and accomplished within policy and guidelines and the laws of the State.

Develop and review work plans and operations for divisions and units of the Department.

Coordinate inter-divisional authority and accountability in administrative functions of Departmental responsibility.

Assist and advise the Director in analyzing national and international agriculture impacts on the state of Montana.

Supervision

Supervise management operations and assign program functions of the agency under policy and guidelines established by Director.

Directly supervise Division, Unit and Program administrative staff.

Provide Director with supervisory support as outlined in organizational chart.

Personnel

Supervise Division Administrators and Unit Managers to assure program functions are being carried out in accordance with Director's policy.

Provide for Directors supervision and analysis of Position Audits and Performance Appraisal.

Represent Director in the employment and evaluation process.

Assure EEO/Affirmative Action employment.

Fiscal & Budgeting

Supervise development, analysis and execution of agency budget, fiscal control, and operational analysis.

Coordination

Assign priorities, evaluate program operations, coordinate program budget and personnel needs.

Coordinate legislative preparation, response, monitoring.

Chair the Governor's Ad Hoc Committee on Agriculture.

Agriculture staff support/representation on Governor's Economic Transition Task Force.

Coordinate and represent Department with the Federal Agriculture Committee.

Coordinate administrative rule formation/adoption.

Department representative on RCAC.

added Ag.

Modified to Agriculture

DATE 3/17/87
HB 2
Agriculture

To provide for House Bill #91 - Agriculture in Montana Schools Program, insert $20,000 for FY 88 and $20,000 for FY 89 into Centralized Services Program for contracted services for state special account appropriation authority.

EXHIBIT _____
DATE 3/17/87
HB 2
St Lands

TEN YEAR TABLE OF INCOME AND ANNUAL FOUNDATION PAYMENTS WITH THE TIMBER MOD

ASSUMPTIONS:

(1) MOD WILL RESULT IN AN INCREASE OF 18 MILLION BOARD FEET PER YEAR
(2) AVERAGE RATE FOR TIMBER $68.00 PER MBF
(3) TRUST INTEREST = 10% PER ANNUM

FY	SOLD	HARVESTED	VALUE	PRINCIPAL	FOUNDATION
1986	18000	0	$0	$0	$0
1987	18000	3000	$204,000	$204,000	$20,400
1988	18000	12000	$816,000	$1,020,000	$102,000
1989	18000	18000	$1,224,000	$2,244,000	$224,400
1990	18000	18000	$1,224,000	$3,468,000	$346,800
1991	18000	18000	$1,224,000	$4,692,000	$469,200
1992	18000	18000	$1,224,000	$5,916,000	$591,600
1993	18000	18000	$1,224,000	$7,140,000	$714,000
1994	18000	18000	$1,224,000	$8,364,000	$836,400
1995	18000	18000	$1,224,000	$9,588,000	$958,800
1996	18000	18000	$1,224,000	$10,812,000	$1,081,200
				TOTAL	$5,344,800

AVERAGE INCOME PER YEAR(10 YEAR AVERAGE) $534,480

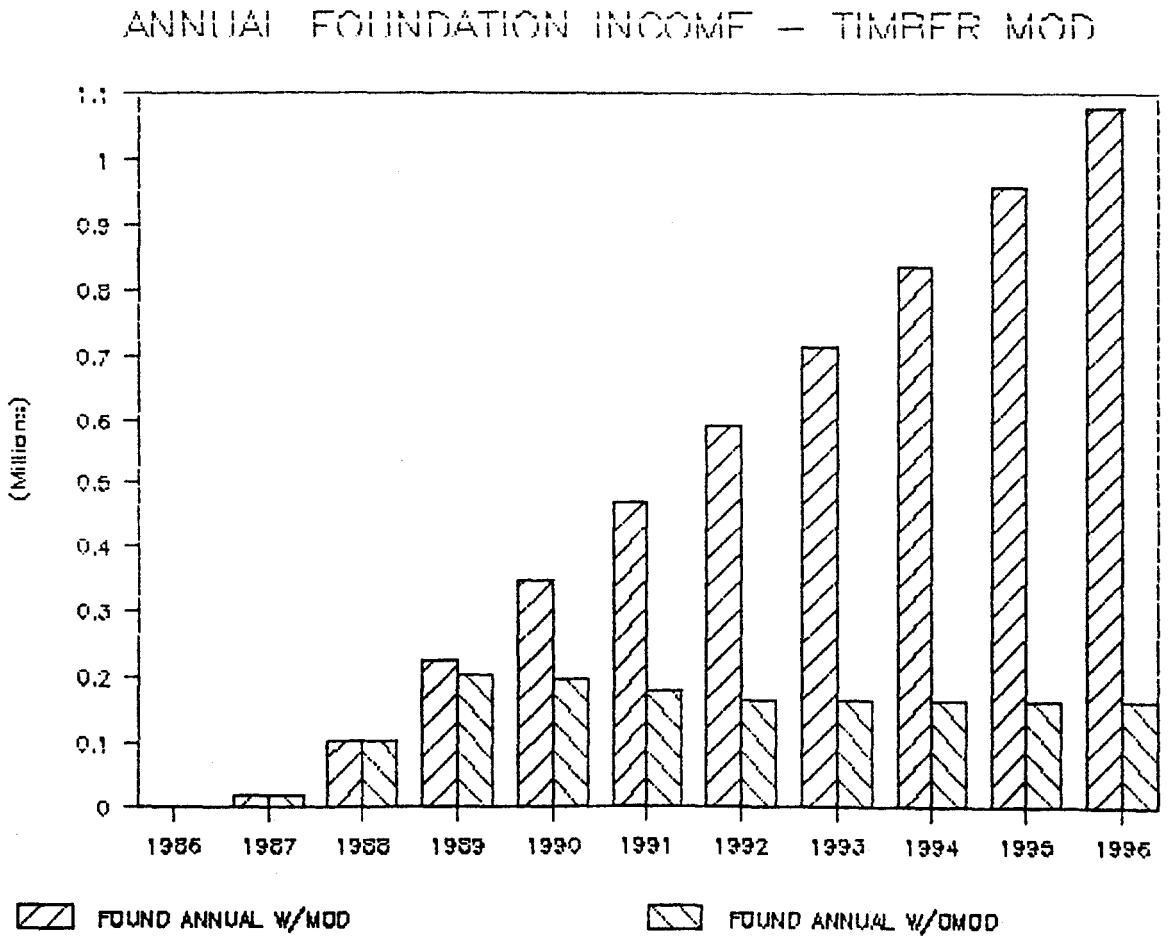

EXHIBIT 9
DATE 3/17/87
HB 2

LEGISLATIVE ACTION

AGENCY: DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION PROGRAM: WATER RESOURCES DIVISION

BUDGET ITEM	FY 1986 Actual	Fiscal 1988 Executive	Fiscal 1988 Current Level	Fiscal 1988 Subcommittee	Fiscal 1989 Executive	Fiscal 1989 Current Level	Fiscal 1989 Subcommittee
FTE	148.09	146.22	136.59	117.00[1]	147.22	136.59	117.00[1]
Personal Services	$3,545,540	$3,740,306	$3,466,692	$3,050,017[2]	$3,763,920	$3,466,171	$3,049,054
Operating Expenses	1,367,874	1,304,262	1,002,661	921,367	1,271,869	1,000,573	919,281
Equipment	103,616	73,160	65,492	65,492	46,315	47,492	47,492
Non-Operating	66,652	4,306,434	69,934	4,905,434	65,893	70,393	65,893
TOTAL EXPENSES	$5,083,682	$9,424,162	$4,604,779	$8,942,310	$5,147,997	$4,584,629	$4,081,720
FUNDING							
General Fund	$2,900,726	$3,031,231	$3,201,229	$2,234,629[3]	$3,044,180	$3,190,708	$2,251,263[3]
State Special Revenue	2,148,525	2,883,361	1,360,750	2,598,006	2,034,142	1,351,121	1,760,782
Federal Revenue	34,431	3,509,570	42,800	4,109,675	69,675	42,800	69,675
TOTAL FUNDING	$5,083,682	$9,424,162	$4,604,779	$8,942,310	$5,147,997	$4,584,629	$4,081,720

[1] FTE: The subcommittee recommendation of a $500,000 cut in budget each fiscal year would include a cut in Personal Services of $419,706 (see C-69, bottom paragraph). This would reduce FTE by 19.22 rather than 20.22 resulting in a final FTE amount of 117.00 each fiscal year, not 116.00.

[2] Personal Services: Vacancy savings should be recalculated as a result of the $500,000 cut, most of which will be incurred in Personal Services. $419,706 is the amount by which Personal Services will be reduced. Therefore, 4% of this amount, or $16,788 is shown added back into the Personal Services portion of the operating budget.

[3] General Fund: The vacancy savings adjustment of $16,788 should come from General Fund since the Water Rights program receives its funding from this source.

DATE 3/17/87
HB 2

Montana Senior Citizens Assn., Inc.

WITH AFFILIATED CHAPTERS THROUGHOUT THE STATE
P.O. BOX 423 - HELENA, MONTANA 59624

(406) 443-5341

16 March 1987

Mister Chairman and Members of the Committee:

My name is Earl Reilly, and I am speaking on behalf of the Montana Senior Citizznes Association. MSCA is opposed to the subcommittee recommendation to cut the $10,000 matching funds used for the purchase of specialized transportation vehicles for the elderly and handicapped.

For many in those two groups, these vehicles are their only way to leave their homes and be active, involved members of their communities. They are used to get to hospitals, doctors and the grocery store. Loss of these services could be devastating to many older and handicapped Montanans. We urge you to keep funds in the budget for specialized transportation, and ask that you oppose the subcommittee's recommendation.

Thank you.

LEGISLATIVE ACTION

AGENCY: DEPARTMENT OF HIGHWAYS PROGRAM: AGENCY SUMMARY

BUDGET ITEM	FY 1986 Actual	Fiscal 1988 Executive	Fiscal 1988 Current Level	Fiscal 1988 Subcommittee	Fiscal 1989 Executive	Fiscal 1989 Current Level	Fiscal 1989 Subcommittee	FY 86-88 % Change
FTE	2005.50	1869.64	1834.07	1871.14	1863.64	1828.07	1865.14	-140.36
Personal Services	$ 52,946,819	$ 52,945,994	$ 51,750,565	$ 52,989,401	$ 52,949,994	$ 51,760,164	$ 52,993,526	0.08
Operating Expenses	220,844,206	152,918,455	151,792,746	152,708,082	145,779,812	144,735,476	145,395,679	-30.85
Equipment	7,503,385	6,397,413	6,140,843	6,422,413	6,145,081	5,889,521	6,120,081	-14.41
Non-Operating	33,561,218	21,986,870	20,311,647	5,677,332	20,124,412	18,674,013	3,806,982	-83.08
TOTAL EXPENSES	$314,855,628	$234,248,732	$229,995,801	$217,797,228	$224,999,299	$221,059,174	$208,316,268	-30.83
FUNDING								
State Special Rev	$169,387,126	$123,539,273	$117,561,227	$107,179,534	$113,712,062	$108,794,525	$ 97,311,325	-36.73
Federal Revenue	129,073,261	94,258,614	96,453,754	94,119,668	94,799,079	96,207,883	94,539,376	-27.08
Proprietary Funds	16,395,241	16,450,845	15,980,820	16,498,027	16,488,158	16,056,766	16,465,568	0.63
TOTAL FUNDING	$314,855,628	$234,248,732	$229,995,801	$217,797,229	$224,999,299	$221,059,174	$208,316,269	-30.83

Program Description: The Montana Department of Highways is responsible for designing, constructing, maintaining, and regulating Montana's roads. To accomplish its task, the department is organized into a number of programs. These programs are: preconstruction, responsible for planning roads up to the time projects are let; construction, responsible for letting and inspecting projects; maintenance, responsible for maintaining roads; equipment, responsible for supplying equipment needs of the department; gross vehicle weight, responsible for protecting the highways; general operations, responsible for supporting other programs; service revolving, an internal group of bureaus such as printing which provides support to other programs; and the motor pool, responsible for providing vehicles to state agencies in Helena.

Legislative Intent: The subcommittee recommended the following language be included in the general appropriations bill:

> The Legislature anticipates that the Maintenance Division will receive, by budget amendment for each fiscal year of the 1989 biennium, spending authority for any funds in excess of $292,840 each fiscal year that it collects from damage situations.

The Legislature anticipates the Equipment Program will receive, by budget amendment, spending authority from the proprietary fund account if gasoline costs exceed $1,519,802 in fiscal year 1988 and $1,571,409 in fiscal 1989 due to increases in gasoline prices greater than a 1 percent increase per gallon from fiscal 1986 to fiscal 1988 and 4.4 percent increase per gallon from fiscal 1986 to fiscal 1989.

The Legislature anticipates the Motor Pool will receive, by budget amendment, spending authority from the proprietary fund account if gasoline costs exceed $131,684 in fiscal year 1988 and $136,169 in fiscal 1989 due to increases in gasoline prices greater than a 1 percent increase per gallon from fiscal 1986 to fiscal 1988 and 4.4 percent increase per gallon from fiscal 1986 to fiscal 1989.

In the event additional federal highway funds become available, additional spending authority and additional FTE may be requested through budget amendment.

Funding may be transferred among all program, including stores inventory, to reflect personal services expenditures.

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The department is appropriated $11,058,000 in fiscal 1988 and $21,920,000 in fiscal 1989 for a cash transfer from the highway special revenue accounts to the highway reconstruction trust account.

The Department of Highways is directed to submit to the 1989 Legislature a construction work plan for the 1991 biennium that is detailed by year and project. This work plan must specify, by road system or project area, proposed projects on which $1 million or more would be spent during the 1991 biennium and an aggregate cost for projects with anticipated expenditures of less than $1 million. Costs must be detailed by year and project.

The internal service program may request a budget amendment for $210,000 in fiscal 1988 or fiscal 1989 to overhaul the department's airplane.

The department may adjust appropriations in the construction and preconstruction programs between fiscal years and funding sources to reflect actual expenditures related to the projected work plan.

Budget: The department's budget decreases 30.8 percent from fiscal 1986 to fiscal 1988. The reduction in operating expenses is in contractor payments in the Construction Program which decreases $69,441,567 from fiscal 1986 to fiscal 1988 and decreases an additional $6,895,940 to fiscal 1989. Non-operating expenses show a decrease of $27,883,886 primarily in the Capital Outlay Program and due to debt service payments of $14,773,285 and transfers of $13,336,604 which were included in fiscal 1986 and are not continued in fiscal 1988. The debt service payments are statutorily appropriated and, therefore, are not included in the general appropriations act. The transfers are the movement of funds between the highway state special revenue account and the reconstruction trust account. The department's intent was to discontinue the reconstruction trust unless additional revenues became available; therefore, the current level did not include the fund transfers.

If the modifieds are approved, the budget decrease from fiscal 1986 to fiscal 1988 will be 14.55 percent which excludes the debt service expenditures.

Funding: State special funds include bond proceeds, highway state special revenue funds and reconstruction trust funds. The proprietary funds include the motor pool account, the equipment account and the service revolving account.

Table 1 shows a cash flow analyses of the combined highway state special revenue and reconstruction trust accounts. This table includes the additional fuel taxes which will be generated by HB 136, revenues from bond sales, and the recommended modified budgets for the Construction and Preconstruction Programs.

Table 1
Combined Highway Special Revenue and Reconstruction Trust Accounts
Fiscal Year 1987 through 1989

	Fiscal 1987	Fiscal 1988	Fiscal 1989
Beginning Balance	$ 44,640,643	$130,665,090	$111,073,849
Revenues:			
Gasoline Tax	65,146,091	77,000,871	75,516,353
Diesel Tax	17,964,241	20,724,956	20,297,857
GVW Tax	22,702,588	23,061,100	22,899,500
Stores	12,643,971	13,632,007	13,767,451
Coal Tax	5,883,700	7,751,637	8,133,812
Other	1,497,631	1,014,755	1,014,755
Bond Proceeds	100,000,000	-0-	-0-
Total Funds Available	$270,478,865	$273,850,416	$252,703,577
Disbursements:			
Department of Highways - Current Level	$106,219,009	$103,840,534	$ 98,072,325
Department of Highways - Modified	-0-	22,046,030	33,096,118
Bond Principal and Interest	9,088,505	12,221,525	12,227,881
Local Governments	14,000,000	14,000,000	14,000,000
Department of Justice	9,283,571	9,718,961	9,803,802
Department of Commerce	71,250	71,250	71,250
Highway Traffic Safety	68,194	72,000	72,000
Department of Revenue	753,879	806,267	788,714
Adjustments	329,367	-0-	-0-
Total Disbursement & Adjustments	$139,813,775	$162,776,567	$168,132,090
ENDING BALANCE	$130,665,090	$111,073,849	$ 84,571,487

LEGISLATIVE ACTION

AGENCY: DEPARTMENT OF HIGHWAYS

PROGRAM: GENERAL OPERATIONS

BUDGET ITEM	FY 1986 Actual	Fiscal 1988 Executive	Fiscal 1988 Current Level	Fiscal 1988 Subcommittee	Fiscal 1989 Executive	Fiscal 1989 Current Level	Fiscal 1989 Subcommittee	FY 86-88 % Change
FTE	142.53	142.18	138.81	142.18	142.18	138.81	142.18	-0.35
Personal Services	$3,562,577	$3,709,929	$3,645,768	$3,709,929	$3,711,571	$3,646,964	$3,711,571	4.14
Operating Expenses	2,439,248	2,675,092	2,553,328	2,675,092	2,624,451	2,500,053	2,624,451	9.67
Equipment	471,770	300,910	300,910	300,910	128,875	128,875	128,875	-36.22
Non-Operating	301,693	299,693	299,693	299,693	299,693	299,693	299,693	- 0.66
TOTAL EXPENSES	$6,775,288	$6,985,624	$6,799,699	$6,985,624	$6,764,590	$6,575,585	$6,764,590	3.10
FUNDING								
State Special Rev	$4,643,234	$5,378,930	$5,162,998	$5,378,930	$5,208,734	$4,990,747	$5,208,734	15.84
Federal Revenue	2,132,054	1,606,694	1,636,701	1,606,694	1,555,856	1,584,838	1,555,856	-24.64
TOTAL FUNDING	$6,775,288	$6,985,624	$6,799,699	$6,985,624	$6,764,590	$6,575,585	$6,764,590	3.10

Program Description: The General Operations Program provides support services for all other programs of the department. Services such as personnel, accounting, planning, research, and general administration are functions of this program.

Budget: Personal services increase $147,352 primarily due to the pay increase from fiscal 1986 to fiscal 1987. Fiscal 1987 pay matricies are the basis for the 1989 biennium personal services. Vacancy savings was set at 4 percent. Contract services increase $76,478 over fiscal 1986 primarily in the area of minority business enterprise training, local comprehensive transportation plan, and Rural Transportation Assistance Program. Insurance increases $164,634 for general liability. Audit fees increase $23,967 from fiscal 1986 to fiscal 1988 for a total cost to fiscal year 1988 of $57,600. Computer processing costs decrease $22,401 from fiscal 1986 to fiscal 1988.

Funding: The state special revenue of $5,378,930 and $5,208,734, comes from the highway state special revenue account.

LEGISLATIVE ACTION

AGENCY: DEPARTMENT OF HIGHWAYS

PROGRAM: CONSTRUCTION PROGRAM

BUDGET ITEM	FY 1986 Actual	Fiscal 1988 Executive	Fiscal 1988 Current Level	Fiscal 1988 Subcommittee	Fiscal 1989 Executive	Fiscal 1989 Current Level	Fiscal 1989 Subcommittee	FY 86-88 % Change
FTE	650.40	571.00	551.55	571.00	565.00	545.55	565.00	-79.40
Personal Services	$ 16,707,708	$ 16,097,010	$ 15,740,958	$ 16,097,010	$ 16,017,129	$ 15,662,778	$ 16,017,129	-3.66
Operating Expenses	174,969,208	106,742,338	106,459,976	106,560,238	99,367,474	99,073,578	99,031,511	-39.10
Equipment	249,638	174,866	174,856	174,866	174,931	174,931	174,931	-29.95
TOTAL EXPENSES	$191,926,554	$123,014,214	$122,375,790	$122,832,114	$115,559,534	$114,911,287	$115,223,571	-36.00
FUNDING								
State Special Rev	$ 71,731,986	$ 37,633,808	$ 35,000,867	$ 37,590,654	$ 28,508,537	$ 26,645,167	$ 28,432,277	-47.60
Federal Revenue	120,194,568	85,380,406	87,374,923	85,241,460	87,050,997	88,266,120	86,791,294	-29.08
TOTAL FUNDING	$191,926,554	$123,014,214	$122,375,790	$122,832,114	$115,559,534	$114,911,287	$115,223,571	-36.00

Program Description: The Construction Program is responsible for assuring that roads and bridges are constructed or reconstructed to meet the needs of Montana's citizens. The reconstruction and construction work is done by private contractors on a bid basis. Personnel in the program are responsible for monitoring the work of the private contractors. Personnel working in the Construction Program are located at 11 construction sections and at the department's headquarters in Helena.

Budget: There was a 84.40 FTE reduction made by the department due to completion of a number of large interstate projects and budget reductions resulting from the 5 percent cutback and reduction in fiscal 1987 pay plan. Five FTE were transferred to the Construction Program from the Service Revolving Program. Vacancy savings of 4 percent was applied. Contractor payments for interstate system work reflect the major reason for the reduction in major contracts which decrease $69,441,567 from fiscal 1986 to fiscal 1988 and a further decrease $6,895,940 from fiscal 1988 to fiscal 1989. Utilities relocation increases approximately $643,337 and laboratory testing expense increase $318,500 from fiscal 1986 to fiscal 1988. Equipment decreased approximately $74,772 from fiscal years 1986 to 1988.

Funding: State special revenue is bond proceeds of $4,100,000 in fiscal 1988 only, highway state special revenue funds are $26,474,715 and $25,485,509 in fiscal 1988 and 1989 and reconstruction trust fund is $7,015,939 and $2,946,768 in fiscal 1988 and 1989.

Modifieds Recommended:

1. Construction - 29.60 FTE with a personal service cost of $615,904 and 46.00 FTE with a personal service cost of $938,668, operating costs primarily in contractor payments of $20,536,311 and $31,723,070 for fiscal years 1988 and 1989 are recommended to continue the reconstruction of the primary road systems in Montana. The totals by fiscal year for this modified request are $21,152,215 and $32,661,738.

LEGISLATIVE ACTION

AGENCY: DEPARTMENT OF HIGHWAYS PROGRAM: MAINTENANCE PROGRAM

BUDGET ITEM	FY 1986 Actual	Fiscal 1988 Executive	Fiscal 1988 Current Level	Fiscal 1988 Subcommittee	Fiscal 1989 Executive	Fiscal 1989 Current Level	Fiscal 1989 Subcommittee	FY 86-88 % Change
FTE	662.83	642.33	629.23	642.33	642.33	629.23	642.33	-20.50
Personal Services	$18,564,769	$18,962,443	$18,176,488	$18,962,443	$19,030,425	$18,243,237	$19,030,425	2.14
Operating Expenses	22,542,013	21,425,259	21,134,656	21,418,212	21,608,649	21,296,011	21,601,602	-4.99
Equipment	337,195	100,204	99,204	100,204	100,090	100,090	100,090	-70.28
Non-Operating	158,484	133,030	133,030	133,030	133,030	133,030	133,030	-16.06
TOTAL EXPENSES	$41,602,461	$40,620,936	$39,543,378	$40,613,889	$40,872,194	$39,772,368	$40,865,147	-2.38
FUNDING								
State Special Rev	$41,546,516	$40,620,936	$39,543,378	$40,613,889	$40,872,194	$39,772,368	$40,865,147	-2.24
Federal Revenue	55,945	0	0	0	0	0	0	-100.00
TOTAL FUNDING	$41,602,461	$40,620,936	$39,543,378	$40,613,889	$40,872,194	$39,772,368	$40,865,147	-2.38

Program Description: The Maintenance Program is responsible for managing and maintaining state highways and related facilities. Maintenance activities include the patching and repair of the highway surface, periodic sealing of highways, snow removal, and sanding.

Budget: There was a deletion of 20.50 FTE positions in this program resulting from pay plan and budget reductions made in fiscal 1987. Personal services increase from fiscal 1986 to fiscal 1988, even though there is a reduction of FTE, because of the number of vacancies in fiscal 1986 which were at 49.27 FTE at the fiscal year-end. Vacancy Savings of 4 percent was applied to this program. Weed control expense increases $99,426 from fiscal 1986 to fiscal 1988 and an additional $10,272 to fiscal 1989. Vehicle rental decreases $178,570, utilities increase, primarily from inflation, $90,824, oil mixed materials decrease $957,117, maintenance contracts decrease $50,000 from fiscal 1986 to fiscal 1988. A one-time expenditure of $65,084 in fiscal 1986 was deleted. Equipment decreases approximately $236,991 or 70.28 percent. Non-operating costs are the purchase of gravel sites for the program.

Funding: The Maintenance Program is funded 100 percent by the highway state revenue funds. Fiscal 1986 has $55,945 of federal funds for this program which was a budget amendment for a FEMA project for flood damage in northern Montana.

LEGISLATIVE ACTION

AGENCY: DEPARTMENT OF HIGHWAYS

PROGRAM: PRE-CONSTRUCTION

BUDGET ITEM	FY 1986 Actual	Fiscal 1988 Executive	Fiscal 1988 Current Level	Fiscal 1988 Subcommittee	Fiscal 1989 Executive	Fiscal 1989 Current Level	Fiscal 1989 Subcommittee	FY 86-88 % Change
FTE	243.00	212.00	209.08	212.00	212.00	209.08	212.00	-31.00
Personal Services	$ 6,491,206	$ 6,257,282	$ 6,187,583	$ 6,257,282	$ 6,257,793	$6,187,596	$ 6,257,793	-3.60
Operating Expenses	1,783,894	1,840,621	1,729,888	1,840,621	1,794,669	1,700,048	1,794,669	3.18
Equipment	1,132,527	425,458	425,458	425,458	394,500	394,500	394,500	-62.43
Non-Operating	2,080,970	3,313,950	3,313,826	3,313,950	1,668,600	1,668,300	1,668,600	59.25
TOTAL EXPENSES	$11,488,597	$11,837,311	$11,656,755	$11,837,311	$10,115,562	$9,950,444	$10,115,562	3.04
FUNDING								
State Special Rev	$ 4,797,903	$ 4,565,797	$ 4,214,625	$ 4,565,797	$ 3,923,336	$3,593,519	$ 3,923,336	-4.84
Federal Revenue	6,690,694	7,271,514	7,442,130	7,271,514	6,192,226	6,356,925	6,192,226	8.68
TOTAL FUNDING	$11,488,597	$11,837,311	$11,656,755	$11,837,311	$10,115,562	$9,950,444	$10,115,562	3.04

Program Description: The Preconstruction Program is responsible for completing all the activities relating to projects up to the time projects are let. These activities include designing projects, conducting public hearings, right-of-way purchases, and actual letting of projects.

Budget: Thirty-one FTE were deleted by the department due to the implementation of the Computer Aided Design and Drafting System (CADD) and the budget reductions from Special Session III. Vacancy savings at 4 percent was applied. Contracts for appraisers were increased by $50,000 each fiscal year in the right-of-way bureau, maintenance contracts for CADD were increased $18,788 to fiscal 1988 and then decreased $5,895 from fiscal 1988 to fiscal 1989. Legal fees increased $12,120. Training for employees increased $12,471 to fiscal 1988 and an additional $4,415 to fiscal 1989. Right-of-way travel decreased $16,472 to fiscal 1988 and an additional $30,000 from fiscal 1988 to fiscal 1989. A one-time expenditure of $20,000 in other expenses was deleted. Equipment budgeted decreased 62.43 percent because fiscal 1986 reflected the purchase of the CADD system of approximately $1.08 million in fiscal 1986. The fiscal 1988 budget contains $400,000 to expand the CADD system and there is an additional $369,500 in fiscal 1989 for the same purpose. Non-operating budget reflects the purchase of right-of-ways for the 1989 biennium.

Funding: State special revenue is the highway state special revenue fund of $4,325,797 in fiscal 1988 and $3,715,336 in fiscal 1989 and the reconstruction trust fund of $240,000 in fiscal 1988 and $208,000 in fiscal 1989.

Modifieds Recommended:

1. Preconstruction - 20.0 FTE with a personal services cost of $476,021 in fiscal 1988 and $475,636 in fiscal 1989, operating costs of $129,229 and $133,822 and land costs of $1,855,650 and $586,500 are recommendation for fiscal 1988 and 1989. This modified request is a companion request to the modified recommendation in the Construction Program which is for the primary road system. Funding is from three sources. Highway state special funds are $843,815 and $410,080, reconstruction trust funds are $50,000 and $24,300 and federal funds are $1,567,085 and $761,578 and for fiscal 1988 and 1989. Total costs of the modified are $2,460,900 in fiscal 1988 and $1,195,958 in fiscal 1989.

LEGISLATIVE ACTION

AGENCY: DEPARTMENT OF HIGHWAYS PROGRAM: SERVICE REVOLVING

BUDGET ITEM	FY 1986 Actual	Fiscal 1988 Executive	Fiscal 1988 Current Level	Fiscal 1988 Subcommittee	Fiscal 1989 Executive	Fiscal 1989 Current Level	Fiscal 1989 Subcommittee	FY 86-88 % Change
FTE	73.25	68.25	67.05	67.75	68.25	67.05	67.75	-5.50
Personal Services	$1,850,608	$1,855,757	$1,837,590	$1,848,197	$1,856,268	$1,838,161	$1,848,717	-0.13
Operating Expenses	1,025,651	1,042,775	951,340	1,021,550	1,048,834	936,120	1,007,712	-0.40
Equipment	57,063	33,276	33,276	33,276	26,286	26,286	26,286	-41.69
TOTAL EXPENSES	$2,933,322	$2,931,808	$2,822,206	$2,903,023	$2,931,388	$2,800,567	$2,882,715	-1.03
PROPRIETARY FUNDS	$2,933,322	$2,931,808	$2,822,206	$2,903,023	$2,931,388	$2,800,567	$2,882,715	-1.03

Program Description: The Service Revolving Program primarily consists of the aircraft units, printing units, photo unit, materials bureau and administration, data processing entry and systems programming bureau, and the van pool.

Budget: Five FTE were transferred to Constructin Program by the department in fiscal 1986. A 0.5 FTE laboratory aide was deleted by the subcommittee. Personal services costs remain approximately the same and reflect the decreased FTE offset by the approximately 3.6 percent employee salary increase from 1986 to the fiscal 1987 which was the basis of the 1989 biennium personal services budget. Vacancy savings of 4 percent was taken. Insurance increases $5,632 each fiscal year. Repairs for the aerial camera increase $3,873 for fiscal 1988 and an additional $2,000 for fiscal 1989. Inflation decreases expenditures by a net $17,832 in fiscal 1988 and an additional net decrease of $16,517 for fiscal 1989. The inflation decreases because Department of Administration computer processing costs are decreasing. The major equipment items are four nuclear testing devices at $17,200 each year and software programs at $7,500 in fiscal 1986 and $7,000 in fiscal 1989.

Funding: Funding for this program is from the internal service proprietary fund account. Revenues are generated from changing other programs within the department for the services provided by the program.

LEGISLATIVE ACTION

AGENCY: DEPARTMENT OF HIGHWAYS PROGRAM: STATE MOTOR POOL

BUDGET ITEM	FY 1986 Actual	Fiscal 1988 Executive	Fiscal 1988 Current Level	Fiscal 1988 Subcommittee	Fiscal 1989 Executive	Fiscal 1989 Current Level	Fiscal 1989 Subcommittee	FY 86-88 % Change
FTE	6.00	6.00	6.00	6.00	6.00	6.00	6.00	0.00
Personal Services	$142,876	$147,684	$147,970	$147,684	$148,107	$148,400	$148,107	3.37
Operating Expenses	225,006	212,804	202,148	212,804	217,982	212,061	217,982	-5.42
Equipment	489,711	402,120	402,120	427,120	360,620	360,620	335,620	-12.78
TOTAL EXPENSES	$857,593	$762,608	$752,238	$787,608	$726,709	$721,081	$701,709	-8.16
PROPRIETARY FUNDS	$857,593	$762,608	$752,238	$787,608	$726,709	$721,081	$701,709	-8.16

Program Description: The State Motor Pool Program operates and maintains a fleet of rental vehicles available to all state offices and employees in the Helena area.

Budget: The personal service increase reflects the 3.6 percent salary increase from fiscal 1986 to 1987. Vacancy savings was taken at 4 percent. Insurance increases by $5,932 to fiscal 1988. One-time expenditures of $4,248 in contract services, and supplies were deleted. Gasoline, including inflation, decreases $14,758 from fiscal 1986 to 1988 and inflation on gasoline increases $5,705 from fiscal 1988 to 1989. Equipment decreases 12.78 percent and is comprised entirely of automotive vehicles.

Funding: Funding is from the motor pool proprietary account. Revenues in this account come from vehicle rentals.

LEGISLATIVE ACTION

AGENCY: DEPARTMENT OF HIGHWAYS

PROGRAM: EQUIPMENT PROGRAM

BUDGET ITEM	FY 1986 Actual	Fiscal 1988 Executive	Fiscal 1988 Current Level	Fiscal 1988 Subcommittee	Fiscal 1989 Executive	Fiscal 1989 Current Level	Fiscal 1989 Subcommittee	FY 86-88 % Change
FTE	120.35	117.85	119.35	119.85	117.85	119.35	119.85	-0.50
Personal Services	$ 3,328,003	$ 3,345,584	$ 3,389,139	$ 3,396,551	$ 3,358,140	$ 3,402,043	$ 3,409,223	2.06
Operating Expenses	4,627,294	4,505,186	4,367,138	4,505,186	4,566,262	4,482,976	4,566,262	-2.64
Equipment	4,649,030	4,905,659	4,650,099	4,905,659	4,905,659	4,650,099	4,905,659	5.52
Non-Operating	2,910,182	1,675,099	0	1,930,659	1,450,099	0	1,705,659	-33.66
TOTAL EXPENSES	$15,514,509	$14,431,528	$12,406,376	$14,738,055	$14,280,160	$12,535,118	$14,586,803	-5.00
FUNDING								
State Special Revenue	$ 2,910,182	$ 1,675,099	$ 0	$ 1,930,659	$ 1,450,099	$ 0	$ 1,705,659	-33.66
Proprietary Funds	12,604,327	12,756,429	12,406,376	12,807,396	12,830,061	12,535,118	12,881,144	1.61
TOTAL FUNDING	$15,514,509	$14,431,528	$12,406,376	$14,738,055	$14,280,160	$12,535,118	$14,586,803	-5.00

Program Description: The Equipment Program is responsible for the purchase, distribution, and maintenance of all highway equipment. Equipment is rented out to various programs within the highway department.

Budget: There is a 0.50 FTE administrative office position that was deleted due to pay plan reductions in fiscal 1987. Two FTE mechanic positions were also deleted because of pay plan reductions but were added back by the subcommittee. Vacancy savings of 4 percent was taken. Insurance increases $48,974 each year. Auctioneer fees, for selling used equipment through the Surplus Property Bureau, increase $69,519 each fiscal year. Gasoline decreases $207,725 and diesel decrease $58,115 each fiscal year. Inflation for utilities and gasoline adds $24,651 to fiscal 1988 and an additional $61,232 in fiscal 1989. Non-operating expenses are the transfers of highway state special funds into the equipment proprietary fund.

Funding: The highway state special revenue funds are $1,930,659 and $1,705,659 in fiscal 1988 and 1989. The Highway Equipment Proprietary account funds the balance of the program at $12,807,396 and $12,881,144 in fiscal 1988 and 1989, respectively.

LEGISLATIVE ACTION

AGENCY: DEPARTMENT OF HIGHWAYS PROGRAM: CAPITAL OUTLAY PROGRAM

BUDGET ITEM	FY 1986 Actual	Fiscal 1988 Executive	Fiscal 1988 Current Level	Fiscal 1988 Subcommittee	Fiscal 1989 Executive	Fiscal 1989 Current Level	Fiscal 1989 Subcommittee	FY 86-88 % Change
FTE	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Non-Operating	$28,109,889							
TOTAL EXPENSES	$28,109,889	$0	$0	$0	$0	$0	$0	
STATE SPECIAL REVENUE	$28,109,889	$0	$0	$0	$0	$0	$0	

Program Description: The Capital Outlay Program constitutes the sinking fund for the retirement of department's bonds. It is also the program used to transfer the highway state special revenue funds to the Reconstruction Trust Account. There are no funds budgeted in this program for the 1989 biennium because the debt service bond principal and interest payments are statutorily appropriated in Section 17-7-502 (4) MCA.

LEGISLATIVE ACTION

AGENCY: DEPARTMENT OF HIGHWAYS

PROGRAM: STORES INVENTORY

BUDGET ITEM	FY 1986 Actual	Fiscal 1988 Executive	Fiscal 1988 Current Level	Fiscal 1988 Subcommittee	Fiscal 1989 Executive	Fiscal 1989 Current Level	Fiscal 1989 Subcommittee	FY 86-88 % Change
FTE	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
OPERATING EXPENSES	$12,442,561	$13,602,298	$13,632,007	$13,602,298	$13,672,810	$13,767,451	$13,672,810	9.32
STATE SPECIAL REVENUE	$12,442,561	$13,602,298	$13,632,007	$13,602,298	$13,672,810	$13,767,451	$13,672,810	9.32

Program Description: The Highway Stores Program is used to purchase and store materials such as sand, road oil, and gasoline which is needed by the other highway department programs. Physically separate store operations are maintained in Helena, at each of the field areas, and at their respective section houses. Known as Stores Headquarters, the Helena branch of the stores system addresses the needs of the Helena headquarters building and shop facility and acts as the central receiving and distribution center for all quantity stores purchases made for the highway department.

Budget: Contractor payments for production of road oil mix increases by $221,189, gasoline increases by $238,000, road oil decreases by $172,688 and sand cost increases $843,972 from fiscal 1986 to fiscal 1988. The inflation for gasoline and laboratory supplies increases $12,278 from fiscal 1986 to fiscal 1988 and an additional $70,500 to fiscal 1989.

Funding: This program is funded from the highway state special revenue account.

LEGISLATIVE ACTION

AGENCY: DEPARTMENT OF HIGHWAYS PROGRAM: Gross Vehicle Weight

BUDGET ITEM	FY 1986 Actual	Fiscal 1988 Executive	Fiscal 1988 Current Level	Fiscal 1988 Subcommittee	Fiscal 1989 Executive	Fiscal 1989 Current Level	Fiscal 1989 Subcommittee	FY 86-88 % Change
FTE	107.14	110.03	113.00	110.03	110.03	113.00	110.03	2.89
Personal Services	$2,299,072	$2,570,305	$2,625,070	$2,570,305	$2,570,561	$2,630,986	$2,570,561	11.80
Operating Expenses	789,331	872,082	762,262	872,082	878,681	767,174	878,681	10.48
Equipment	116,452	54,920	54,920	54,920	54,120	54,120	54,120	-52.84
TOTAL EXPENSES	$3,204,855	$3,497,307	$3,442,252	$3,497,307	$3,503,362	$3,452,280	$3,503,362	9.13
STATE SPECIAL REVENUE	$3,204,855	$3,497,307	$3,442,252	$3,497,307	$3,503,362	$3,452,280	$3,503,362	9.13

Program Description: The Gross Vehicle Weight Division provides enforcement of the statutes and regulations relating to vehicle weights on the state's highways (Title 61, MCA) and collects gross vehicle weight fees. It consists of two bureaus. The Licensing and Collection Bureau registers interstate fleet of vehicles, issues GVW fee licenses, issues oversize and overweight permits, and collects fees and taxes. The Enforcement Bureau operates eight stations across the state and assigns enforcement officers to inspect vehicles for compliance with registration, fuel, size, and weight laws.

Budget: There is a 2.89 FTE increase which is shown in the following table.

Table 1
Gross Vehicle Weight Program FTE Change
Fiscal 1986 to Fiscal 1988

	FTE
Authorized Additional GVW Officers - Fiscal 1987	11.00
Transferred to General Operations Program	(3.00)
Reduction for fiscal 1987 Budget and Pay Plan Cuts	(5.11)
Net FTE Addition	2.89

The personal services budget increases due to the FTE increases, vacancy savings realized in fiscal 1986, and position compensation increases based on fiscal 1987 pay matrices.

Data processing costs increase $8,564, utilities increase $6,049, repairs increase $19,741, relocation increases $22,875, allowances increase $10,807, and recruiting increases by $2,043 from fiscal 1986 to fiscal 1988. These costs are related to two new weigh stations and costs associated with the additional officers added in fiscal 1987. Inflation on utilities increases $9,155 to fiscal 1988 and an additional $8,659 to fiscal 1989. The equipment budget includes six sets of portable scales costing $44,000 each year of the biennium.

Funding: This program is funded totally from the highway state special revenue account.

LEGISLATIVE ACTION

AGENCY: ADJUTANT GENERAL

PROGRAM: AGENCY SUMMARY

BUDGET ITEM	FY 1986 Actual	Fiscal 1988 Executive	Fiscal 1988 Current Level	Fiscal 1988 Subcommittee	Fiscal 1989 Executive	Fiscal 1989 Current Level	Fiscal 1989 Subcommittee	FY 86-88 % Change
FTE	91.00	95.50	78.00	77.50	95.50	78.00	75.00	-13.50
Personal Services	$1,850,966	$2,248,700	$1,875,358	$1,857,945	$2,255,204	$1,878,749	$1,862,006	-0.38
Operating Expenses	1,708,874	1,855,420	1,661,809	1,667,502	1,874,647	1,710,722	1,716,110	-2.42
Equipment	23,181	9,460	3,500	3,500	0	0	0	-84.90
Non-Operating	1,983,366	1,002,280	2,280	2,280	1,002,280	2,280	2,280	N/A
TOTAL EXPENSES	$5,566,387	$5,115,860	$3,542,947	$3,531,227	$5,132,131	$3,591,751	$3,580,396	-36.56
FUNDING								
General Fund	$1,822,275	$1,836,982	$1,816,084	$1,806,770	$1,818,031	$1,831,154	$1,821,710	-0.85
Federal Revenue	3,744,112	3,278,878	1,726,863	1,724,457	3,314,100	1,760,597	1,758,686	-33.94
TOTAL FUNDING	$5,566,387	$5,115,860	$3,542,947	$3,531,227	$5,132,131	$3,591,751	$3,580,396	-36.56

Program Description: The Department of Military Affairs oversees all activities of the Army National Guard and the Air Guard Programs, the Veterans' Affairs Division, and the Disaster and Emergency Services Division, which is responsible for the preparation, update coordination, and testing of all state emergency preparedness, response, and recover plans. The division is also responsible for radiological defense efforts and calibration and maintenance of radiological instruments.

Budget: The reduction of 13.5 FTE is due to the elimination of 11.0 FTE security guard positions directly paid by the federal government in the 1989 biennium, and the elimination of 2.5 FTE due to fiscal 1987 budget cuts.

The reduction in total costs of the department is primarily the result of three factors: 1) elimination of budget amendments totaling $247,757 in fiscal 1986, 2) elimination of start-up costs of the veterans' cemetary of $25,000, and 3) elimination of local civil defense reimbursements of $1,800,861, which are requested as a modified budget in the 1989 biennium.

Funding: General fund supports all or a portion of all programs of the department with the exception of Emergency Management Development, which is entirely federally funded. A detailed discussion of the funding of each program is contained in the narrative that follows.

LEGISLATIVE ACTION

AGENCY: ADJUTANT GENERAL

PROGRAM: ADMINISTRATION PROGRAM

BUDGET ITEM	FY 1986 Actual	Fiscal 1988 Executive	Fiscal 1988 Current Level	Fiscal 1988 Subcommittee	Fiscal 1989 Executive	Fiscal 1989 Current Level	Fiscal 1989 Subcommittee	FY 86-88 % Change
FTE	4.00	4.00	4.00	4.00	4.00	4.00	4.00	0.00
Personal Services	$121,920	$124,576	$124,598	$124,598	$124,629	$124,655	$124,655	2.20
Operating Expenses	49,247	54,628	56,519	56,519	54,070	56,117	56,117	14.77
TOTAL EXPENSES	$171,167	$179,204	$181,117	$181,117	$178,699	$180,772	$180,772	5.81
FUNDING								
General Fund	$163,822	$169,508	$171,016	$171,016	$168,961	$170,627	$170,627	4.39
Federal Revenue	7,345	9,696	10,101	10,101	9,738	10,145	10,145	37.52
TOTAL FUNDING	$171,167	$179,204	$181,117	$181,117	$178,699	$180,772	$180,772	5.81

Program Description: The Administration Program provides management and supervisory support to the Department of Military Affairs.

Budget: The rise in operating expenses of 15 percent is due to increases in utility costs of $3,607 in fiscal 1988 and $7,019 in fiscal 1989, and an audit fee increase of $3,428 in fiscal 1988 above the fiscal 1986 level. Total audit costs are $4,200 in fiscal 1988 only.

Funding: General fund provides the entire support of this program with the exception of 0.5 FTE of a 1.0 FTE accounting technician position, who is 50 percent funded with federal funds as reimbursement for federal work performed. The rise in federal funds of 37.5 percent is due to the position being funded with approximately 40 percent federal funds in fiscal 1986.

LEGISLATIVE ACTION

AGENCY: ADJUTANT GENERAL

PROGRAM: ARMY NATIONAL GUARD PROGRAM

BUDGET ITEM	FY 1986 Actual	Fiscal 1988 Executive	Fiscal 1988 Current Level	Fiscal 1988 Subcommittee	Fiscal 1989 Executive	Fiscal 1989 Current Level	Fiscal 1989 Subcommittee	FY 86-88 % Change
FTE	15.00	15.00	15.00	14.00	15.00	15.00	14.00	-1.00
Personal Services	$ 290,326	$ 309,224	$ 305,774	$ 287,159	$ 309,919	$ 306,451	$ 287,814	-1.09
Operating Expenses	1,075,847	1,081,863	993,050	993,050	1,110,670	1,024,496	1,024,496	-7.70
Equipment	902	3,000	0	0	0	0	0	-100.00
Non-Operating	157,505	2,280	2,280	2,280	2,280	2,280	2,280	
TOTAL EXPENSES	$1,524,580	$1,396,367	$1,301,104	$1,282,489	$1,422,869	$1,333,227	$1,314,590	-15.88
FUNDING								
General Fund	$ 836,127	$ 842,986	$ 854,660	$ 850,006	$ 858,570	$ 874,637	$ 869,978	1.66
Federal Revenue	688,453	553,381	446,444	432,483	564,299	458,590	444,612	-37.18
TOTAL FUNDING	$1,524,580	$1,396,367	$1,301,104	$1,282,489	$1,422,869	$1,333,227	$1,314,590	-15.88

Program Description: The Army National Guard provides trained and equipped military organizations for the Governor in the event of a state emergency and for the President in the event of a national emergency. The state's responsibilities include coordination and maintenance of all National Guard facilities.

Budget: The reduction of 1.0 FTE is due to the deletion of a vacant security guard position due to fiscal 1987 budget cuts. The reduction in operating expenses of 7.7 percent is the cumulative result of the following: 1) expenses of two budget amendments totaling $92,757 were eliminated, 2) insurance expenses were reduced $17,096, 3) uniform reimbursements were reduced $3,150, and 4) utilities were increased $29,742 in fiscal 1988 and $61,095 in fiscal 1989.

Non-operating costs in the 1989 biennium consist of $2,280 each year in payments to a national guardsman injured in a prison riot in 1959. Non-operating costs in fiscal 1986 also included a budget amendment of $155,000 and $225 in capital outlay costs not maintained in the 1989 biennium.

Funding: This program is funded with a combination of general fund and federal funds. The state is reimbursed for certain expenses, including personal services, contract services, supplies and materials, utilities, and repair and maintenance, associated with the maintenance of federal buildings on a 75/25 federal/state basis. In addition, the

federal government makes a grant for communications expenses to the program. The reduction in federal funds of 37 percent is primarily due to the deletion of three budget amendments totaling $247,757.

Modified Budgets:

1. Designer: Federal funds totaling $22,065 in fiscal 1988 and $22,105 in fiscal 1989 are recommended to add a design engineer to coordinate and supervise minor construction and repair projects for the Townsend Montana Guard training site and for Fort Harrison.

2. Telephone/Maintenance Costs: Federal funds totaling $96,100 each year are recommended to account for a reimbursement agreement with the federal government for a portion of communications and maintenance costs of specific Army Guard facilities.

3. Training Site Support: Federal funds totaling $300,000 each year are recommended to provide training site support.

4. Coordinator for Family Services: Federal funds totaling $30,744 in fiscal 1988 and $30,707 in fiscal 1989, including 1.0 FTE, are recommended to provide support services for Army Guard family members.

LEGISLATIVE ACTION

AGENCY: ADJUTANT GENERAL PROGRAM: AIR NATIONAL GUARD PROGRAM

BUDGET ITEM	FY 1986 Actual	Fiscal 1988 Executive	Fiscal 1988 Current Level	Fiscal 1988 Subcommittee	Fiscal 1989 Executive	Fiscal 1989 Current Level	Fiscal 1989 Subcommittee	FY 86-88 % Change
FTE	31.00	37.00	20.00	20.00	37.00	20.00	20.00	-11.00
Personal Services	$478,301	$840,441	$479,577	$471,446	$846,355	$482,325	$474,912	-1.43
Operating Expenses	383,846	451,958	412,541	407,780	483,993	442,823	437,966	6.24
TOTAL EXPENSES	$862,147	$1,292,399	$892,118	$879,226	$1,330,348	$925,148	$912,878	1.98
FUNDING								
General Fund	$105,935	$119,185	$110,520	$110,349	$125,671	$116,662	$116,466	4.17
Federal Revenue	756,212	1,173,214	781,598	768,877	1,204,677	808,486	796,412	1.67
TOTAL FUNDING	$862,147	$1,292,399	$892,118	$879,226	$1,330,348	$925,148	$912,878	1.98

Program Description: The Air National Guard provides administrative and clerical services for the Air Guard Program. This program is also responsible for facilities maintenance and fire protection support to the Air National Guard base at Gore Hill near Great Falls.

Budget: Funding for 11.0 FTE security guard positions was added in fiscal 1986. These positions were never funded from this program, as the positions were funded directly by the federal government. The positions have been deleted in the 1989 biennium.

Personal services decrease 1.43 percent due to the reduction in reimbursement for 14.0 FTE firefighters by the amount of federal pay plan each year. The firefighters are 100 percent federally funded. Operating expenses rise 6.24 percent, as utilities add $29,951 in fiscal 1988 and $60,167 in fiscal 1989. In addition, $5,000 in repair and maintenance were deleted as a result of fiscal 1987 budget cuts.

Funding: The Air National Guard is funded with general fund and with federal funds. Federal funds entirely support the 14.0 FTE firefighters and provide 80 percent of the remaining funding of the program, with the exception of travel and other expenses, which are general funded.

Modified Budgets:

1. Crash/Fire Rescue: Funds are recommended to increase the firefighter staff at Gore Hill near Great Falls and for increased utilities and repair and maintenance costs of specialized facilities due to the conversion from F-106 to F-16 fighter planes. The increased staff, totaling $368,995 in fiscal 1988 and $371,443 in fiscal 1989, is 100 percent federally funded. The increased utilities and repair and maintenance, totaling $44,178 in fiscal 1988 and $46,027 in fiscal 1989, is 80 percent federal, 20 percent general fund. General fund totals $8,836 in fiscal 1988 and $9,205 in fiscal 1989.

LEGISLATIVE ACTION

AGENCY: ADJUTANT GENERAL

PROGRAM: DISASTER COORDINATION AND RESPPONSE

BUDGET ITEM	FY 1986 Actual	Fiscal 1988 Executive	Fiscal 1988 Current Level	Fiscal 1988 Subcommittee	Fiscal 1989 Executive	Fiscal 1989 Current Level	Fiscal 1989 Subcommittee	FY 86-88 % Change
FTE	14.00	13.00	13.00	13.00	13.00	13.00	13.00	-1.00
Personal Services	$370,032	$371,186	$371,353	$371,353	$371,059	$371,243	$371,243	0.36
Operating Expenses	89,253	116,852	93,020	93,220	82,347	87,141	87,141	4.44
Equipment	14,948	0	0	0	0	0	0	-100.00
TOTAL EXPENSES	$474,233	$488,038	$464,373	$464,573	$453,406	$458,384	$458,384	-2.04
FUNDING								
General Fund	$221,351	$245,969	$225,395	$222,095	$216,154	$222,401	$219,001	0.34
Federal Revenue	252,882	242,069	238,978	242,478	237,252	235,983	239,383	-4.11
TOTAL FUNDING	$474,233	$488,038	$464,373	$464,573	$453,406	$458,384	$458,384	-2.04

Program Description: Disaster Coordination and Response is responsible for the preparation, update, coordination, and testing of all state emergency preparedness, response, and recover plans.

Budget: One FTE training officer was deleted due to the fiscal 1987 budget cuts. The increase of 4.44 percent in operating expenses is due to the cumulative effect of two factors: 1) audit fees total $6,808 in fiscal 1988, or $5,154 over the fiscal 1986 level, and 2) a one-time data processing expense of $1,555 was eliminated.

Funding: This program is funded 50/50 with federal funds and general fund, with the exception of $16,982 in travel, which is 100 federal funded.

LEGISLATIVE ACTION

AGENCY: ADJUTANT GENERAL

PROGRAM: EMERGENCY MANAGEMENT DEVELOPMENT

BUDGET ITEM	FY 1986 Actual	Fiscal 1988 Executive	Fiscal 1988 Current Level	Fiscal 1988 Subcommittee	Fiscal 1989 Executive	Fiscal 1989 Current Level	Fiscal 1989 Subcommittee	FY 86-88 % Change
FTE	8.50	8.50	8.00	8.50	8.50	8.00	8.50	-0.00
Personal Services	$191,672	$211,177	$201,844	$211,177	$211,136	$201,829	$211,136	10.18
Operating Expenses	43,266	59,341	47,898	59,341	56,998	45,564	56,998	37.15
Equipment	3,421	0	0	0	0	0	0	-100.00
TOTAL EXPENSES	$238,359	$270,518	$249,742	$270,518	$268,134	$247,393	$268,134	13.49
FEDERAL REVENUE	$238,359	$270,518	$249,742	$270,518	$268,134	$247,393	$268,134	13.49

Program Description: Emergency Management Development supplements the Disaster Coordination and Response Program in the preparation and updating of local and state Emergency Preparedness Plans and is responsible for calibration and maintenance of radiological instruments.

Budget: The rise in operating expenses of 37.15 percent is due to the following factors: 1) travel was increased $11,273 each year, 2) insurance and bonds were increased $2,570, 3) audit fees total $2,320 in fiscal 1988, which is $1,857 over the fiscal 1986 level, and 4) data processing expenses were raised $240.

Modified Budget:

1. Local Civil Defense Reimbursements: Federal pass through funds totaling $2,000,000 each year are recommended for the Local Civil Defense Reimbursement Program to receive, record and disburse federal funds to other eligible political subdivisions.

LEGISLATIVE ACTION

AGENCY: ADJUTANT GENERAL PROGRAM: VETERANS' AFFAIRS

BUDGET ITEM	FY 1986 Actual	Fiscal 1988 Executive	Fiscal 1988 Current Level	Fiscal 1988 Subcommittee	Fiscal 1989 Executive	Fiscal 1989 Current Level	Fiscal 1989 Subcommittee	FY 86-88 % Change
FTE	18.50	18.00	18.00	18.00	18.00	18.00	18.00	-0.50
Personal Services	$398,715	$392,096	$392,212	$392,212	$392,106	$392,246	$392,246	-1.63
Operating Expenses	67,415	90,778	58,781	57,592	86,569	54,581	53,392	-14.57
Equipment	3,910	6,460	3,500	3,500	0	0	0	-10.49
Non-Operating	25,000	0	0	0	0	0	0	
TOTAL EXPENSES	$495,040	$489,334	$454,493	$453,304	$478,675	$446,827	$445,638	-8.43
FUNDING								
General Fund	$495,040	$459,334	$454,493	$453,304	$448,675	$446,827	$445,638	-8.43
Federal Revenue	0	30,000	0	0	30,000	0	0	N/A
TOTAL FUNDING	$495,040	$489,334	$454,493	$453,304	$478,675	$446,827	$445,638	-8.43

Program Description: The Veterans' Affairs Division provides a statewide service for assisting discharged veterans and their families, files, claims, cooperates with state and federal agencies having to do with the affairs of veterans and their families, and promotes the general welfare of veterans with information on veterans' benefits, provision of Veterans' Administration (VA) forms, guidance in completing those forms, and representation before regional VA appeals boards.

Budget: A 1.0 FTE administrative assistant position was eliminated due to fiscal 1987 budget cuts. However, a word processing operator position was increased to 1.0 FTE, for a net decrease of 0.5 FTE.

Operating expenses decrease 14.57 percent as a cumulative result of the following action: 1) a contract for secretarial services with the DAV and VFW was eliminated in a continuation of fiscal 1987 budget cuts, 2) rent on the Butte office totaling $1,998 each year was deleted, 3) one-time telephone charges of $1,500 were eliminated, 4) one-time paint expenses of $1,000 were eliminated, and 5) audit fees total $4,200, which is $3,428 higher than the fiscal 1986 level.

Equipment consists of one personal computer.

Modified Budget:

1. Veterans' Cemetary: Federal funds of $30,000 each year are recommended to establish an account to receive Veterans' Administration plot allowances of $150 per veteran burial, and will be used to expend funds through a contract for services to open and close graves.

TPAR2:arsma.

LEGISLATIVE ACTION

AGENCY: DEPARTMENT OF REVENUE

PROGRAM: DIRECTOR'S OFFICE - ADMINISTRATION

BUDGET ITEM	FY 1986 Actual	Fiscal 1988 Executive	Fiscal 1988 Current Level	Fiscal 1988 Subcommittee	Fiscal 1989 Executive	Fiscal 1989 Current Level	Fiscal 1989 Subcommittee	FY 86-88 % Change
FTE	9.00	8.50	8.50	8.50	8.50	8.50	8.50	-0.50
Personal Services	$268,894	$284,712	$284,114	$284,804	$284,596	$283,999	$284,689	5.92
Operating Expenses	175,887	239,249	227,109	227,205	124,027	112,225	112,324	29.18
Equipment	314	0	0	0	0	0	0	-100.00
TOTAL EXPENSES	$445,095	$523,961	$511,223	$512,009	$408,623	$396,224	$397,013	15.03
FUNDING								
General Fund	$306,013	$379,062	$386,941	$387,727	$311,079	$315,859	$316,648	26.70
State Special Revenue	111,496	116,099	95,482	95,482	97,544	80,365	80,365	-14.36
Proprietary Funds	27,586	28,800	28,800	28,800	0	0	0	4.40
TOTAL FUNDING	$445,095	$523,961	$511,223	$512,009	$408,623	$396,224	$397,013	15.03

Program Description: The Director's Office provides management control, coordination of policy direction, strategic planning, and personnel services that assist the tax programs in carrying out their respective collection and enforcement responsibilities.

Budget: The subcommittee-approved budget deletes $9,745 from fiscal 1986 actual expenditures relating to a one-time contract with a person who is now an employee of the department. Four percent vacancy savings was applied to all positions. Fiscal 1988 operating expenditures include $115,200 for biennial legislative audit costs while $61,816 was spent on audit costs in fiscal 1986. Operating costs were also increased $11,728 annually for increased insurance costs. Miscellaneous operating costs were reduced $2,546 annually. No equipment was authorized for the 1989 biennium.

Funding: This program is funded from the state general fund, an allocation from the highways state special revenue account, and liquor division proprietary funds. The highways special revenue funds approximately 12 percent of the current level budget for the director's office and the legal office, plus an additional $13,824 in fiscal 1988 for the legislative audit costs. The liquor division funding, $28,800 in fiscal 1988, is for legislative audit costs. The remaining $72,576 legislative audit costs are funded from the general fund.

LEGISLATIVE ACTION

AGENCY: DEPARTMENT OF REVENUE

PROGRAM: DIRECTOR'S OFFICE - LEGAL BUREAU

BUDGET ITEM	FY 1986 Actual	Fiscal 1988 Executive	Fiscal 1988 Current Level	Fiscal 1988 Subcommittee	Fiscal 1989 Executive	Fiscal 1989 Current Level	Fiscal 1989 Subcommittee	FY 86-88 % Change
FTE	7.50	6.50	6.50	6.50	6.50	6.50	6.50	-1.00
Personal Services	$227,877	$235,373	$234,844	$235,534	$236,379	$234,700	$235,390	3.36
Operating Expenses	31,679	30,781	31,328	31,395	30,789	31,490	31,559	-0.90
Equipment	514	440	675	675	465	700	700	31.32
TOTAL EXPENSES	$260,070	$266,594	$266,847	$267,604	$267,633	$266,890	$267,649	2.90
FUNDING								
General Fund	$215,745	$221,166	$218,977	$219,734	$222,028	$218,290	$219,049	1.85
Proprietary Funds	44,325	45,428	47,870	47,870	45,605	48,600	48,600	8.00
TOTAL FUNDING	$260,070	$266,594	$266,847	$267,604	$267,633	$266,890	$267,649	2.90

Program Description: The Legal Bureau provides legal representation and other legal services to the Director and the eight divisions of the Department of Revenue, especially the tax administering divisions. The office handles a large number of tax appeals before the State Tax Appeal Board as well as state courts. The major activities of the office consist of litigation preparation, legal research, and writing for legal opinions and briefs.

Budget: The subcommittee-approved budget provides a 2.9 percent increase from fiscal 1986 to fiscal 1988. One FTE legal assistant II was deleted from this program as part of the fiscal 1987 pay plan cuts. Personal services increases in spite of the 1.0 FTE reduction as the program experienced over 11 percent vacancy savings in fiscal 1986 and the subcommittee applied 4 percent vacancy savings in the 1989 biennium.

Operating expenses were continued at slightly below the fiscal 1986 level.

Funding: The Legal Bureau is funded from general fund and an allocation from the liquor division funds.

LEGISLATIVE ACTION

AGENCY: DEPARTMENT OF REVENUE

PROGRAM: CENTRALIZED SERVICES DIVISION

BUDGET ITEM	FY 1986 Actual	Fiscal 1988 Executive	Fiscal 1988 Current Level	Fiscal 1988 Subcommittee	Fiscal 1989 Executive	Fiscal 1989 Current Level	Fiscal 1989 Subcommittee	FY 86-88 % Change
FTE	37.27	35.27	35.27	35.27	35.27	35.27	35.27	-2.00
Personal Services	$ 733,691	$746,565	$ 752,047	$746,910	$746,787	$ 752,324	$747,187	1.80
Operating Expenses	124,302	143,834	92,254	136,145	145,852	92,743	142,076	9.53
Equipment	6,783	3,900	4,091	4,091	4,450	4,103	4,103	-39.69
Non-Operating	1,750,680	0	5,096,750	0	0	4,536,500	0	-100.00
TOTAL EXPENSES	$2,615,456	$894,299	$5,945,142	$887,146	$897,089	$5,385,670	$893,366	-66.08
FUNDING								
General Fund	$ 858,176	$887,413	$ 841,792	$880,546	$890,181	$ 842,570	$886,766	2.61
State Special Revenue	1,750,680	0	5,096,750	0	0	4,536,500	0	-100.00
Federal Revenue	6,600	6,886	6,600	6,600	6,908	6,600	6,600	0.00
TOTAL FUNDING	$2,615,456	$894,299	$5,945,142	$887,146	$897,089	$5,385,670	$893,366	-66.08

Program Description: The Centralized Services Division provides support services to all department divisions. In addition, the Division provides bad debt collection and write-off services for all state agencies and administers the beer and wine tax statutes regarding department tax collections.

Legislative Intent: The subcommittee approved language which allows the Department of Revenue to transfer Resource Indemnity Trust Interest funds to state agencies that receive project appropriation authority by the 50th Legislature.

Budget: The subcommittee budget deletes 2.0 FTE, an accounting/fiscal manager and an accounting technician, from fiscal 1986 to the 1989 biennium as the agency's reduction for the pay plan cuts in fiscal 1987 are continued. Personal services increases 1.8 percent even with the 2.0 FTE reduction as the Division experienced 10 percent vacancy savings in fiscal 1986 and the subcommittee applied 4 percent vacancy savings in the 1989 biennium.

Operating expenses were increased $43,758 in fiscal 1988 and $49,195 in fiscal 1989 for additional computer processing charges relating to the Department's Revenue Control System developed in the 1987 biennium. The development of this system was not specifically authorized by the 1985 Legislature. Contracted professional and printing costs totaling $27,000 incurred on behalf of the Property Assessment Division were removed from base

operating costs. Miscellaneous costs totaling approximately $4,800 annually were removed in the budget approved by the subcommittee.

Authorized equipment includes one typewriter, one microfiche reader, and one personal computer for liquor store auditors each year of the biennium.

Funding: The Centralized Services Division is funded from the general fund and an allocation from child support federal funds. The current level budget included Resource Indemnity Trust Interest funds which the agency transfers to other state agencies that receive appropriation authority to spend on special projects. The subcommittee chose to use language to give the Division authority to transfer these funds rather than set a specific dollar amount.

LEGISLATIVE ACTION

AGENCY: DEPARTMENT OF REVENUE PROGRAM: DATA PROCESSING DIVISION

BUDGET ITEM	FY 1986 Actual	Fiscal 1988 Executive	Fiscal 1988 Current Level	Fiscal 1988 Subcommittee	Fiscal 1989 Executive	Fiscal 1989 Current Level	Fiscal 1989 Subcommittee	FY 86-88 % Change
FTE	60.50	54.50	52.50	52.50	54.50	52.50	52.50	-8.00
Personal Services	$1,205,760	$1,274,680	$1,227,768	$1,228,458	$1,273,448	$1,226,648	$1,227,338	1.88
Operating Expenses	326,814	198,971	185,067	196,228	206,741	190,951	202,186	-39.96
Equipment	38,714	10,475	0	0	7,950	0	0	-100.00
TOTAL EXPENSES	$1,571,288	$1,484,126	$1,412,835	$1,424,686	$1,488,139	$1,417,599	$1,429,524	-9.33
FUNDING								
General Fund	$1,151,103	$1,094,145	$993,427	$1,005,278	$1,097,076	$995,219	$1,007,144	-12.67
Proprietary Funds	420,185	389,981	419,408	419,408	391,063	422,380	422,380	-0.18
TOTAL FUNDING	$1,571,288	$1,484,126	$1,412,835	$1,424,686	$1,488,139	$1,417,599	$1,429,524	-9.33

Program Description: The Data Processing Division provides automated data and word processing services, detailed systems requirements analysis, systems development and maintenance services, data entry services, computer operation support services, technical support for departmental and personal computers, and research services relating to tax policy, revenue estimating, and Montana tax laws.

Budget: The subcommittee-approved budget provides a 9 percent decrease from fiscal 1986 to fiscal 1988 primarily because operating expenses associated with a program transfer in fiscal 1986 were not continued into the 1989 biennium. Office automation charges from the Department of Administration were provided at $9,600 in fiscal 1988 and $10,560 in fiscal 1989. In fiscal 1989, $6,000 was added for printing the Department's biennial report to the legislature.

The 1985 Legislature authorized 50.0 FTE for fiscal 1986 and 51.5 FTE for fiscal 1987 for this Division. In fiscal 1986 and fiscal 1987, the agency transferred 10.0 FTE into this division to recentralize the data processing function in the agency. Before pay plan cuts, the division had 61.5 FTE in this Division. In response to fiscal 1987 pay plan cuts, the agency deleted 4.0 FTE. For the 1989 biennium, the agency requested 6.0 FTE of the 10.0 FTE transferred into the division in fiscal 1986 be retained. The remaining 4.0 FTE from the 10.0 FTE transfer were "sunset" FTE which were required to be eliminated from the department's 1989 biennium budget request. Finally, the subcommittee deleted 1.0 FTE programmer/analyst as the position had been vacant over 50 percent of fiscal 1986 and was still vacant

as of February 13, 1987. Personal services increases between fiscal 1986 and the 1989 biennium because the fiscal impact of the FTE transfers added approximately $87,000 annually to the personal services costs of the Division.

Operating expenses decrease 40 percent as computer processing charges and consulting and professional services totaling $135,000 incurred on behalf of the Property Assessment Division in fiscal 1986 was removed from ongoing expenditures in the 1989 biennium.

No equipment was authorized for purchase in the 1989 biennium.

Funding: The Data Processing Division is funded from general fund and an allocation from the Liquor Division funds.

LEGISLATIVE ACTION

AGENCY: DEPARTMENT OF REVENUE

PROGRAM: INVESTIGATIONS AND ENFORCEMENT DIVISION - ADMINISTRATION PROGRAM

BUDGET ITEM	FY 1986 Actual	Fiscal 1988 Executive	Fiscal 1988 Current Level	Fiscal 1988 Subcommittee	Fiscal 1989 Executive	Fiscal 1989 Current Level	Fiscal 1989 Subcommittee	FY 86-88 % Change
FTE	3.00	3.00	3.00	3.00	3.00	3.00	3.00	0.00
Personal Services	$120,436	$115,594	$115,658	$115,658	$115,677	$115,752	$115,752	-3.97
Operating Expenses	9,121	8,180	8,910	9,088	8,180	8,989	9,173	-0.36
Equipment	257	0	0	0	0	0	0	-100.00
TOTAL EXPENSES	$129,814	$123,774	$124,568	$124,746	$123,857	$124,741	$124,925	-3.90
FUNDING								
General Fund	$ 79,299	$ 45,745	$ 31,641	$ 50,397	$ 45,763	$ 31,684	$ 50,470	-36.45
State Special Revenue	0	0	18,685	0	0	18,711	0	--
Federal Revenue	50,431	63,176	55,557	55,637	63,231	55,635	55,716	10.32
Proprietary Revenue	84	14,853	18,685	18,712	14,863	18,711	18,739	--
TOTAL FUNDING	$129,814	$123,774	$124,568	$124,746	$123,857	$124,741	$124,925	-3.90

Program Description: The Investigations and Enforcement Division administers the Video Poker Control Program, Investigations Program, Child Support Enforcement Program, and the Medicaid Fraud Program. The Administration Program contains the division administrator, the investigation and enforcement bureau chief, and an administrative secretary.

Budget: The budget approved by the subcommittee maintains fiscal 1986 expenditures with the exception that 4 percent vacancy savings was applied to all positions in the program while no vacancy savings was actually experienced in fiscal 1986. No equipment was authorized for the 1989 biennium.

Funding: State special revenue funds in current level are an allocation from video poker revenue in the approximate amount of time the administration staff expects to spend on video poker activities. The subcommittee determined there was insufficient video poker revenue to fund this activity and replaced it with general fund. Federal funds include child support enforcement, and welfare and medicaid fraud. Child support funds require a 34 percent match from the general fund. Welfare and medicaid fraud funds require a 50 percent general fund match. Approximately $31,700 general fund per year is used to match the federal funds. In addition, approximately $18,700 general fund is used

each year to cover the estimated amount of time spent by the Administration Program's staff on video poker investigation. Liquor division proprietary funds represent 15 percent of the Administration Program's staff time on liquor investigation.

LEGISLATIVE ACTION

AGENCY: DEPARTMENT OF REVENUE

PROGRAM: INVESTIGATIONS AND ENFORCEMENT DIVISION - INVESTIGATIONS PROGRAM

BUDGET ITEM	FY 1986 Actual	Fiscal 1988 Executive	Fiscal 1988 Current Level	Fiscal 1988 Subcommittee	Fiscal 1989 Executive	Fiscal 1989 Current Level	Fiscal 1989 Subcommittee	FY 86-88 % Change
FTE	13.50	16.50	17.00	14.50	16.50	17.00	14.50	1.00
Personal Services	$336,589	$402,245	$414,338	$359,127	$401,888	$414,059	$358,919	6.70
Operating Expenses	90,250	82,731	83,456	84,239	81,694	84,220	85,030	-6.66
Equipment	21,167	8,652	10,000	10,000	9,000	10,000	10,000	-52.76
Non-Operating	0	0	20,000	20,000	0	20,000	20,000	--
TOTAL EXPENSES	$448,006	$493,628	$527,794	$473,366	$492,582	$528,279	$473,949	5.66
FUNDING								
General Fund	$ 52,648	$ 49,430	$ 93,102	$ 31,509	$ 41,237	$ 93,470	$ 25,460	-40.15
State Special Revenue	28,719	108,277	76,500	12,950	155,840	76,400	19,200	-54.91
Federal Revenue	70,288	125,885	129,685	129,685	125,933	129,683	129,683	84.51
Proprietary Revenue	296,351	210,036	228,507	299,222	209,572	228,726	299,606	0.97
TOTAL FUNDING	$448,006	$493,628	$527,794	$473,366	$492,582	$528,279	$473,949	5.66

Program Description: The Investigations and Enforcement Division's Investigations Program performs the criminal and regulatory investigative functions required by state and federal statute. Specific areas of responsibility are alcohol beverage control, video poker enforcement, welfare fraud investigation, cigarette tax enforcement, criminal income tax, and intra departmental investigation as well as special investigation when required.

Legislative Intent: The General Government and Highways subcommittee considered existing statute impacting video poker control when developing the budget for the Investigations Program. This meant that the subcommittee assumed the video poker licensing and investigation functions would stay in the Department of Revenue and that the administration allocation would go to 3 percent in the 1989 biennium. The estimated revenue from 3 percent was $141,075 in fiscal 1988 and $147,488 in fiscal 1989. The subcommittee's intent was to fund the licensing function in the video poker program first and the remaining revenue would fund the investigation function in this program. The video poker program was estimated to cost $128,125 in fiscal 1988 and $128,288 in fiscal 1989 leaving $12,950 in fiscal 1988 and $19,200 in fiscal 1989 for the investigation program.

House Bill 189, which transfers the licensing function of the video poker program to the Department of Commerce and maintains the administrative allocation at 5 percent, has passed the House of Representatives. The Natural Resources and Commerce appropriations subcommittee assumed this bill will become law and included the video poker licensing function in the Department of Commerce budget. It also included $61,535 in fiscal 1988 and $69,155 in fiscal 1989 for contracting with this Division to perform the investigation function.

The legislature needs to determine which video poker assumption is appropriate for budgeting purposes. If the legislature assumes House Bill 189 will become law, the Video Poker Program will be eliminated from the Department of Revenue and transferred to the Department of Commerce. In addition, the state special revenue amount in this program will increase to $69,155 annually to fund the video poker investigation function.

Budget: The subcommittee-approved budget provides a 5.7 percent increase from fiscal 1986 to fiscal 1988 due to the medicaid fraud function being transferred into this Program in the 1989 biennium. In fiscal 1986, the Medicaid Fraud Program was separate from the Investigations Program and was eliminated in the 5 percent cuts in fiscal 1987. One FTE was transferred into this Program in the 1989 biennium to provide medicaid fraud investigation on a limited basis.

Operating expenses are reduced $2,329 for one-time remodeling costs and $6,850 for repair and maintenance on an agency vehicle. Increases totaling $3,238 were included for increased rent and computer maintenance costs. Each year of the biennium includes $10,000 to purchase a new vehicle.

Funding: Funding for the Investigations Program comes from general fund, video poker license fees, federal welfare and medicaid fraud funds, and liquor proprietary funds. The subcommittee set the video poker revenue estimate at $12,950 in fiscal 1988 and $19,200 in fiscal 1989. This is based on existing statute which leaves the entire video poker function at the Department of Revenue and has the administrative allocation from the video poker revenues at 3 percent of collections in the 1989 biennium. As noted under Legislative Intent, if House Bill 189 becomes law, the Department of Commerce would take over the licensing function, the administrative allocation would remain at 5 percent as it was in the 1987 biennium, and the Department of Commerce would contract with the Department of Revenue for $61,535 in fiscal 1988 and $69,155 in fiscal 1989 for video poker investigation functions.

Federal welfare fraud funds are included in the subcommittee budget at the agency's request of $105,885 in fiscal 1988 and $105,933 in fiscal 1989. Of this amount, $20,000 each year is passed through to local governments for reimbursement for expenses incurred in prosecuting welfare fraud cases. Welfare fraud funds used to administer the program total $85,885 in fiscal 1988 and $85,933 in fiscal 1989. The remaining federal funds, $23,800 in fiscal 1988 and $23,750 in fiscal 1989, are medicaid fraud funds used to support the 1.0 FTE transferred into this program from the now defunct medicaid fraud program. Federal funds show a 84.5 percent increase from fiscal 1986 to fiscal 1988 primarily due to the welfare grants and medicaid fraud function being included in this program.

Proprietary funds are liquor division funds. It was the intent of the subcommittee that liquor proprietary funds be used in addition to general fund to match federal funds as necessary.

LEGISLATIVE ACTION

AGENCY: DEPARTMENT OF REVENUE

PROGRAM: INVESTIGATIONS AND ENFORCEMENT DIVISION - CHILD SUPPORT BUREAU

BUDGET ITEM	FY 1986 Actual	Fiscal 1988 Executive	Fiscal 1988 Current Level	Fiscal 1988 Subcommittee	Fiscal 1989 Executive	Fiscal 1989 Current Level	Fiscal 1989 Subcommittee	FY 86-88 % Change
FTE	54.00	50.00	41.00	41.00	50.00	41.00	41.00	-13.00
Personal Services	$ 987,865	$1,086,667	$ 917,031	$ 917,031	$1,086,024	$ 916,669	$ 916,669	-7.17
Operating Expenses	289,913	372,067	347,534	311,867	386,166	344,698	315,224	7.57
Equipment	50,534	8,600	8,625	8,625	9,000	0	0	-82.93
Non-Operating	120,694	160,000	160,000	160,000	175,000	175,000	175,000	32.57
TOTAL EXPENSES	$1,449,006	$1,627,334	$1,433,190	$1,397,523	$1,656,190	$1,436,367	$1,406,893	-3.55
FUNDING								
General Fund	$ 429,348	$ 498,894	$ 432,885	$ 420,758	$ 503,604	$ 428,865	$ 418,844	-2.00
Federal Revenue	1,019,657	1,128,440	1,000,305	976,765	1,152,586	1,007,502	988,049	-4.21
Other Revenue	1	0	0	0	0	0	0	-100.00
TOTAL FUNDING	$1,449,006	$1,627,334	$1,433,190	$1,397,523	$1,656,190	$1,436,367	$1,406,893	-3.55

Program Description: The Child Support Enforcement program was created for the purpose of establishing, enforcing, and collecting support obligations owed by absent parents to their children and the spouses with whom such children are living. The Child Support Enforcement program generates revenue from three sources: (1) recovered AFDC funds originally paid out by the State of Montana, (2) federal incentives paid to states for operating a cost effective program, and (3) fees generated in non-AFDC cases.

Budget: The subcommittee-approved budget eliminated the 13.0 "sunset" FTE approved by the 1985 Legislature. In addition, approximately $63,400 was removed from fiscal 1986 as an estimate of the operating costs associated with the 13 FTE. A portion of these FTE and operating costs were approved by the subcommittee as a modified. This is described in a separate section below.

Base operating costs were increased $63,400 for anticipated additional computer charges relating to the new computer system developed in the 1987 biennium. The subcommittee also increased operating costs $20,490 in fiscal 1988 and $26,196 in fiscal 1989 for increased hearing officers' costs, increased lab test fees for paternity testing, increased charges for IRS intercepts, and rent. In fiscal 1988, $8,625 was provided for purchase of a replacement vehicle. No equipment was authorized in fiscal 1989.

Non-operating costs include pass-thru funds to local governments to reimburse them for child support enforcement activities at the local level.

Funding: The Child Support Enforcement Program is funded from federal child support enforcement funds and general fund. A 34 percent general fund match is required to receive the federal funds.

Modifieds Recommended:

1. Additional 9.0 FTE - The subcommittee recommends approval of a modified request for 9.0 additional FTE for the child support enforcement program. These FTE were "sunset" by the 1985 Legislature. The total modified cost is $232,329 in fiscal 1988 and $231,398 in fiscal 1989. This includes $78,992 general fund in fiscal 1988 and $78,675 general fund in fiscal 1989 which is 34 percent of the modified cost.

LEGISLATIVE ACTION

AGENCY: DEPARTMENT OF REVENUE

PROGRAM: INVESTIGATIONS AND ENFORCEMENT - DIVISION - MEDICAID FRAUD

BUDGET ITEM	FY 1986 Actual	Fiscal 1988 Executive	Fiscal 1988 Current Level	Fiscal 1988 Subcommittee	Fiscal 1989 Executive	Fiscal 1989 Current Level	Fiscal 1989 Subcommittee	FY 86-88 % Change
FTE	4.00	0.00	0.00	0.00	0.00	0.00	0.00	-4.00
Personal Services	$113,232	$0	$0	$0	$0	$0	$0	-100.00
Operating Expenses	23,190	0	0	0	0	0	0	-100.00
Equipment	895	0	0	0	0	0	0	-100.00
TOTAL EXPENSES	$137,317	$0	$0	$0	$0	$0	$0	-100.00
FUNDING								
General Fund	$ 33,559	$0	$0	$0	$0	$0	$0	-100.00
Federal Revenue	103,568	0	0	0	0	0	0	-100.00
Proprietary Funds	190	0	0	0	0	0	0	-100.00
TOTAL FUNDING	$137,317	$0	$0	$0	$0	$0	$0	-100.00

Budget: This program was eliminated by the agency in fiscal 1987 and a portion of its function was combined with the Investigations Program.

LEGISLATIVE ACTION

AGENCY: DEPARTMENT OF REVENUE

PROGRAM: INVESTIGATIONS AND ENFORCEMENT DIVISION - VIDEO POKER

BUDGET ITEM	FY 1986 Actual	Fiscal 1988 Executive	Fiscal 1988 Current Level	Fiscal 1988 Subcommittee	Fiscal 1989 Executive	Fiscal 1989 Current Level	Fiscal 1989 Subcommittee	FY 86-88 % Change
FTE	7.00	0.00	4.00	4.00	0.00	4.00	4.00	-3.00
Personal Services	$ 95,695	$0	$103,144	$103,144	$0	$103,257	$103,257	7.78
Operating Expenses	24,173	0	24,340	24,981	0	24,369	25,031	3.34
Equipment	12,919	0	0	0	0	0	0	-100.00
TOTAL EXPENSES	$132,787	$0	$127,484	$128,125	$0	$127,626	$128,288	-3.51
FUNDING								
STATE SPECIAL REVENUE	$132,787	$0	$127,484	$128,125	$0	$127,626	$128,288	-3.51

Program Description: The Video Poker Program is responsible for the control and regulation of Montana's video poker industry. The program examines and approves machines for operation in the state, licenses machines, and collects license fees. License fee monies are distributed to local and state governments as required by statute.

Legislative Intent: See comments under Investigations and Enforcement Division, Investigations Program.

Budget: The subcommittee-approved budget deleted 3.0 FTE which reflects the agency's reduction in this program. The remaining 4.0 FTE will perform video poker licensing functions provided the program remains within the Department of Revenue. If this function is transferred to the Department of Commerce, this program and the 4.0 FTE should be eliminated from the Department of Revenue.

Funding: The Video Poker Program is funded from machine licensing fees. Current statute provides that 3 percent of the estimated revenue may be used for administrative functions in the 1989 biennium.

LEGISLATIVE ACTION

AGENCY: DEPARTMENT OF REVENUE

PROGRAM: INCOME AND MISCELLANEOUS TAX DIVISION

BUDGET ITEM	FY 1986 Actual	Fiscal 1988 Executive	Fiscal 1988 Current Level	Fiscal 1988 Subcommittee	Fiscal 1989 Executive	Fiscal 1989 Current Level	Fiscal 1989 Subcommittee	FY 86-88 % Change
FTE	108.30	108.15	90.65	90.65	108.15	90.65	90.65	-17.65
Personal Services	$2,142,754	$2,267,998	$1,938,756	$1,938,756	$2,266,947	$1,938,234	$1,938,234	-9.52
Operating Expenses	869,215	1,008,082	1,017,170	965,020	1,092,845	1,050,365	1,054,346	11.02
Equipment	107,649	8,260	35,100	8,260	5,000	18,400	5,000	-92.33
TOTAL EXPENSES	$3,119,618	$3,284,340	$2,991,026	$2,912,036	$3,364,792	$3,006,999	$2,997,580	-6.65
FUNDING								
General Fund	$3,042,230	$3,142,797	$2,908,142	$2,829,152	$3,218,998	$2,919,115	$2,909,696	-7.00
State Special Revenue	77,388	141,543	82,884	82,884	145,794	87,884	87,884	7.10
TOTAL FUNDING	$3,119,618	$3,284,340	$2,991,026	$2,912,036	$3,364,792	$3,006,999	$2,997,580	-6.65

Program Description: The Income and Miscellaneous Tax Division administers and enforces the Montana personal income and withholding taxes, which includes partnership returns, fiduciary and trust returns, estimated income tax, filing extensions, and elderly homeowner/renter credit. These taxes constitute the largest payments to the general fund. The distribution of the taxes is 64 percent general fund, 25 percent school equalization fund, and 11 percent to the long-range building program. The division is also responsible for the administration of 17 miscellaneous taxes and licenses.

Budget: The subcommittee-approved budget provides a 6.7 percent decrease from fiscal 1986 to fiscal 1988 because of FTE and equipment purchase reductions. The FTE are reduced 17.65 from fiscal 1986 to the 1989 biennium as 13.5 were "sunset" FTE and required by the 1985 Legislature to not be included in the 1989 biennium budget request and 4.15 FTE were reduced by the agency responding to the fiscal 1987 pay plan cuts.

Operating expenses increase 11 percent from fiscal 1986 to fiscal 1988 and 9 percent from fiscal 1988 to fiscal 1989 as the subcommittee authorized increased computer processing charges, $204,000 in fiscal 1988 and $288,000 in fiscal 1989, for the Department's new computer systems to be implemented in fiscal years 1988 and 1989. Additional computer maintenance charges, $12,435 in fiscal 1988 and $15,589 in fiscal 1989 were added.

The subcommittee deleted $85,000 of computer processing charges which the division had incurred on behalf of the Property Assessment Division in fiscal 1986. Consolidation of the Income Tax and Miscellaneous Tax Division also resulted in an approximate $34,000 annual savings.

Funding: The Income and Miscellaneous Tax Division is funded from general fund and state special revenue funds. State special revenue funds include unclaimed property, $60,000 in fiscal 1988 and $65,000 in fiscal 1989; cigarette enforcement funds, $15,000 annually; and non-game wildlife checkoff funds, $7,884 annually.

Modifieds Recommended:

1. Income Tax Assessments/Collection Staff - The subcommittee recommends approval of a modified for 13 FTE auditors which were part of the "sunset" FTE approved by the 1985 Legislature. The FTE would be used to continue audit and collection efforts initiated in the 1987 biennium. The general fund cost of the modified is $262,795 in fiscal 1988 and $262,421 in fiscal 1989.

LEGISLATIVE ACTION

AGENCY: DEPARTMENT OF REVENUE

PROGRAM: NATURAL RESOURCES AND CORP TAX DIVISION

BUDGET ITEM	FY 1986 Actual	Fiscal 1988 Executive	Fiscal 1988 Current Level	Fiscal 1988 Subcommittee	Fiscal 1989 Executive	Fiscal 1989 Current Level	Fiscal 1989 Subcommittee	FY 86-88 % Change
FTE	35.83	35.00	33.00	33.00	35.00	33.00	33.00	-2.83
Personal Services	$ 890,136	$ 967,814	$ 906,384	$ 906,384	$ 976,903	$ 907,026	$ 907,026	1.83
Operating Expenses	379,924	342,614	318,291	318,376	341,968	318,445	318,533	-16.20
Equipment	9,994	2,500	0	0	0	0	0	-100.00
TOTAL EXPENSES	$1,280,054	$1,312,928	$1,224,675	$1,224,760	$1,318,871	$1,225,471	$1,225,559	-4.32
FUNDING								
General Fund	$1,110,273	$1,136,026	$1,045,499	$1,045,584	$1,141,701	$1,046,295	$1,046,383	-5.83
State Special Revenue	56,934	54,774	57,048	57,048	55,042	57,048	57,048	0.20
Federal Revenue	112,847	122,128	122,128	122,128	122,128	122,128	122,128	8.22
TOTAL FUNDING	$1,280,054	$1,312,928	$1,224,675	$1,224,760	$1,318,871	$1,225,471	$1,225,559	-4.32

Program Description: The Natural Resources and Corporate Tax Division administers 17 different taxes, including corporate license tax, oil and gas severance tax, coal severance tax, metal mines tax, gross and net proceeds tax, electrical energy license tax, and the resource indemnity trust tax. The division also administers the state and federal royalty audit programs related to mineral production from state and federal lands located in Montana.

Budget: The subcommittee-approved budget reflects a 2.83 FTE reduction from fiscal 1986 to the 1989 biennium. This includes .33 FTE reduced because the 1985 Legislature authorized .33 FTE less royalty auditors in fiscal 1987 than in fiscal 1986, 0.5 FTE reduced for the fiscal 1987 pay plan cut, and 2.0 FTE cut because they were "sunset" by the 1985 Legislature and could not be included in the current level budget for the 1989 biennium. Personal services increases 1.8 percent in spite of the FTE reductions because the actual vacancy savings in fiscal 1986 was 6 percent while the subcommittee applied 4 percent vacancy savings to all positions in the 1989 biennium.

Operating expenses decrease 16.2 percent from fiscal 1986 to fiscal 1988 as the subcommittee deleted $63,000 of computer and printing charges the Division had incurred on behalf of the Property Assessment Division in fiscal 1986. Operating expenses were also reduced $10,000 which were related to the 2.0 sunset FTE. Miscellaneous costs were reduced approximately $5,400 annually.

Out of state travel was increased $17,945 to allow for increased out of state audits.

No equipment was authorized for purchase in the 1989 biennium.

Funding: The Natural Resources and Corporation Tax Division is funded from general fund, state special revenue, and federal funds. The state special revenue includes an allocation of the oil and gas special revenue account and the state lands resource development account. The federal funds include federal royalty audit funds and are used to support 3.0 FTE federal mineral royalty auditors and operating costs.

General fund is budgeted to decrease 5.8 percent from fiscal 1986 to fiscal 1988 because the sunset FTE were funded from the general fund.

Modifieds Recommended:

1. Two Revenue Agents - Two revenue agents, one for corporation tax and one for natural resource tax, have been recommended for approval by the subcommittee. These positions were sunset by the 1985 Legislature. The modified positions and related operating expenses are proposed to cost $79,269 in fiscal 1988 and $79,181 in fiscal 1989 funded from the general fund.

LEGISLATIVE ACTION

AGENCY: DEPARTMENT OF REVENUE

PROGRAM: PROPERTY ASSESSMENT DIVISION - ELECTED ASSESSORS

BUDGET ITEM	FY 1986 Actual	Fiscal 1988 Executive	Fiscal 1988 Current Level	Fiscal 1988 Subcommittee	Fiscal 1989 Executive	Fiscal 1989 Current Level	Fiscal 1989 Subcommittee	FY 86-88 % Change
FTE	36.40	35.70	35.70	35.70	35.70	35.70	35.70	-0.70
Personal Services	$0	$797,154	$748,365	$769,479	$798,624	$749,772	$770,886	--
TOTAL EXPENSES	$0	$797,154	$748,365	$769,479	$798,624	$749,772	$770,886	--
GENERAL FUND	$0	$797,154	$748,365	$769,479	$798,624	$749,772	$770,886	--

Program Description: The Elected Assessors Program, newly created in this budget cycle, contains the personal services budget for Montana's elected county assessors.

Budget: The subcommittee-approved budget funds Montana's 51 elected county assessors at 70 percent of the estimated salaries and benefits and 100 percent of the estimated health insurance costs. Four percent vacancy savings was applied to all positions in this program.

LEGISLATIVE ACTION

AGENCY: DEPARTMENT OF REVENUE

PROGRAM: PROPERTY ASSESSMENT DIVISION - APPRAISERS & NON-ELECTED ASSESSORS

BUDGET ITEM	FY 1986 Actual	Fiscal 1988 Executive	Fiscal 1988 Current Level	Fiscal 1988 Subcommittee	Fiscal 1989 Executive	Fiscal 1989 Current Level	Fiscal 1989 Subcommittee	FY 86-88 % Change
FTE	395.10	335.05	334.05	334.05	335.05	334.05	334.05	-61.05
Personal Services	$ 8,771,135	$6,901,365	$6,871,413	$6,873,283	$6,898,525	$6,868,642	$6,870,732	-21.64
Operating Expenses	1,263,527	1,404,224	1,261,930	1,375,772	1,337,851	1,211,619	1,321,938	8.88
Equipment	212,039	201,600	105,000	185,000	345,600	105,000	185,000	-12.75
TOTAL EXPENSES	$10,246,701	$8,507,189	$8,238,343	$8,434,055	$8,581,976	$8,185,261	$8,377,670	-17.69
FUNDING								
General Fund	$10,221,701	$8,507,189	$8,240,213	$8,434,055	$8,581,976	$8,187,351	$8,377,670	-17.49
State Special Revenue	25,000	0	0	0	0	0	0	-100.00
TOTAL FUNDING	$10,246,701	$8,507,189	$8,240,213	$8,434,055	$8,581,976	$8,187,351	$8,377,670	-17.69

Program Description: The Appraisers and Non-Elected Assessors Program contains the expenses necessary to operate the county offices and eight area offices.

Budget: Between fiscal 1986 and each year of the 1989 biennium, FTE are budgeted to decrease 61.05. This occurs because 24.0 FTE were authorized for fiscal 1986 only to assist in completing the reappraisal cycle and because most of the division reductions for the fiscal 1987 five percent and pay plan cuts were in this subprogram. Personal services decrease 21.6 percent from fiscal 1986 to fiscal 1988 because of the FTE reductions.

Operating expenses increase 8.9 percent from fiscal 1986 to fiscal 1988 primarily because approximately $140,000 of computer costs borne by other operating divisions in fiscal 1986 on behalf of the Property Assessment Division were added to this program in the 1989 biennium and additional funds were added ($82,963 in fiscal 1988 and $79,440 in fiscal 1989) to enable the Division to develop a standardized property tax classification and appraisal notice as required by Senate Bill 19 passed by the Special Session III in June 1986. Operating funds totaling $46,000 were provided in fiscal 1988 only for the division to use local and area fee appraisers to assist field staff and to obtain a unit cost analysis needed to develop the appraisal manual for use during the third appraisal cycle, and a subscription to the Marshall Valuation Service for the field staff.

These additional expenses were offset by an annual $126,400 reduction from fiscal 1986 in the funds budgeted for county computer support costs and an annual $22,604 reduction from fiscal 1986 for postage costs. The reduction for county computer support costs was part of the agency's fiscal 1987 five percent cut which has been continued into the 1989 biennium. The postage expense reduction results from the completion of the second appraisal cycle.

The subcommittee authorized $160,000 annually in the 1989 biennium for the Division to purchase 16 cars each year. In addition, $25,000 was provided annually for the Division to purchase office equipment for the county offices.

Modifieds Recommended:

1. On-Line Data System - This modified would develop an on-line data capture system accessible from county offices that would be used to electronically transmit agricultural land records and updates to existing residential/commercial records for batch processing on the Helena computer. In addition, the current batch system would be modified to accept agricultural land data. The modified proposal includes the recommendation that the state discontinue the use of the county computer systems for the purposes of real property appraisal and continue to use the county systems only for personal property appraisal. The modified cost recommended by the subcommittee is $94,533 with a $93,463 current level cost reduction for an overall cost of $1,070 in fiscal 1988 and a net $125,351 cost in fiscal 1989 ($287,372 cost less $162,021 current level reduction). This would be funded from the general fund.

Groeppe - Property.
Assessment notices => old + new value on appraisals.
Ag values not in computer.
Frozen until '91.

LEGISLATIVE ACTION

AGENCY: DEPARTMENT OF REVENUE

PROGRAM: PROPERTY ASSESSMENT DIVISION - HELENA

BUDGET ITEM	FY 1986 Actual	Fiscal 1988 Executive	Fiscal 1988 Current Level	Fiscal 1988 Subcommittee	Fiscal 1989 Executive	Fiscal 1989 Current Level	Fiscal 1989 Subcommittee	FY 86-88 % Change
FTE	14.00	11.00	11.00	11.00	11.00	11.00	11.00	-3.00
Personal Services	$403,603	$299,820	$299,878	$299,878	$300,021	$300,104	$300,104	-25.70
Operating Expenses	113,007	155,242	53,624	53,624	114,948	53,581	53,581	-52.55
Equipment	24,213	8,652	9,025	9,025	500	373	373	-62.73
TOTAL EXPENSES	$540,823	$423,714	$362,527	$362,527	$415,469	$354,058	$354,058	-32.97
FUNDING								
General Fund	$540,823	$423,714	$362,527	$362,527	$415,469	$354,058	$354,058	-32.97
TOTAL FUNDING	$540,823	$423,714	$362,527	$362,527	$415,469	$354,058	$354,058	-32.97

Program Description: The Helena office of the Property Assessment Division is responsible for centrally assessing all intercounty and industrial property, defending the lawsuits, and regularly audits all county offices.

Budget: The subcommittee-approved budget provides a 33 percent decrease from fiscal 1986 to fiscal 1988 due to FTE reductions and operating expense reductions. The Division reorganized in fiscal 1987 which resulted in the FTE reduction and operating expense efficiencies. The subcommittee did not increase expenditures $2,117 for maps and charts as recommended by the executive.

Modifieds Recommended:

1. Railroad Appraisal - The Department has asked for litigation funds for expected railroad and powerline tax appeals continuing in the 1989 biennium. The subcommittee recommended $60,000 annually and that the appropriation be line-itemed for this purpose only. This modified is funded from the general fund.

LEGISLATIVE ACTION

AGENCY: DEPARTMENT OF REVENUE

PROGRAM: PROPERTY ASSESSMENT DIVISION - ADMINISTRATION PROGRAM

BUDGET ITEM	FY 1986 Actual	Fiscal 1988 Executive	Fiscal 1988 Current Level	Fiscal 1988 Subcommittee	Fiscal 1989 Executive	Fiscal 1989 Current Level	Fiscal 1989 Subcommittee	FY 86-88 % Change
FTE	19.90	13.50	13.50	13.50	13.50	13.50	13.50	-6.40
Personal Services	$508,909	$421,334	$421,518	$421,518	$421,326	$421,520	$421,520	-17.17
Operating Expenses	285,124	204,695	196,054	197,454	204,549	196,116	197,516	-30.75
Equipment	6,595	1,036	1,036	1,036	432	432	432	-84.29
TOTAL EXPENSES	$800,628	$627,065	$618,608	$620,008	$626,307	$618,068	$619,468	-22.56
GENERAL FUND	$800,628	$627,065	$618,608	$620,008	$626,307	$618,068	$619,468	-22.56

Program Description: The Administration Program of the Property Assessment Division contains the administrative and legal function of the division.

Budget: The subcommittee-approved budget reflects the agency's 6.4 FTE reduction caused by division reorganization and pay plan cuts in fiscal 1987. Personal services decrease 17 percent from fiscal 1986 to fiscal 1988 because of the reorganization and pay plan cuts. Operating expenses are budgeted to decrease 30.8 percent from fiscal 1986 to fiscal 1988 due primarily to expenditure efficiencies obtained in the reorganization. Building rent for the staff in Helena is contained in this program at $50,000 annually.

LEGISLATIVE ACTION

AGENCY: DEPARTMENT OF REVENUE PROGRAM: MOTOR FUELS TAX DIVISION

BUDGET ITEM	FY 1986 Actual	Fiscal 1988 Executive	Fiscal 1988 Current Level	Fiscal 1988 Subcommittee	Fiscal 1989 Executive	Fiscal 1989 Current Level	Fiscal 1989 Subcommittee	FY 86-88 % Change
FTE	26.50	25.00	25.00	25.00	25.00	25.00	25.00	-1.50
Personal Services	$563,571	$517,662	$517,920	$517,920	$517,545	$517,828	$517,828	-8.10
Operating Expenses	98,036	183,883	156,031	184,245	190,128	153,501	190,521	87.94
Equipment	19,751	8,952	8,620	8,620	300	0	0	-56.36
TOTAL EXPENSES	$681,358	$710,497	$682,571	$710,785	$707,973	$671,329	$708,349	4.32
STATE SPECIAL REVENUE	$681,358	$710,497	$682,571	$710,785	$707,973	$671,329	$708,349	4.32

Program Description: The Motor Fuels Tax Division administers and enforces the motor fuel tax law including the issuance of licenses and permits, collection of taxes, enforcement of the bonding requirements, and payment of refunds.

Budget: The subcommittee-approved budget deletes 1.50 FTE from fiscal 1986 to the 1989 biennium. This reflects the reduction made by the agency in response to the fiscal 1987 pay plan cut. Four percent vacancy savings was applied in this program.

Operating expenses increase 88 percent because the subcommittee authorized an additional $83,358 in fiscal 1988 and $89,601 in fiscal 1989 for increased computer processing costs expected to be incurred by the Division as a result of implementing the new computer system developed in the 1987 biennium.

One vehicle was authorized for purchase in fiscal 1988. No equipment was authorized for purchase in fiscal 1989.

Funding: The Motor Fuels Tax Division is funded from an allocation of the Department of Highways gas tax state special revenue fund.

LEGISLATIVE ACTION

AGENCY: DEPT OF PUBLIC SERVICE REGULATION

PROGRAM: PUBLIC SERVICE REGULATION

BUDGET ITEM	FY 1986 Actual	Fiscal 1988 Executive	Fiscal 1988 Current Level	Fiscal 1988 Subcommittee	Fiscal 1989 Executive	Fiscal 1989 Current Level	Fiscal 1989 Subcommittee	FY 86-88 % Change
FTE	46.00	45.00	46.00	46.00	45.00	46.00	46.00	0.00
Personal Services	$1,275,580	$1,328,002	$1,351,875	$1,360,582	$1,326,579	$1,350,437	$1,359,144	6.66
Operating Expenses	310,237	320,197	335,616	360,380	319,023	324,534	348,047	16.16
Equipment	39,425	30,525	23,260	26,885	23,605	10,778	22,705	-31.81
Non-Operating	5,000	20,000	0	0	7,000	0	0	-100.00
TOTAL EXPENSES	$1,630,242	$1,698,724	$1,710,751	$1,747,847	$1,676,207	$1,685,749	$1,729,896	7.21
FUNDING								
General Fund	$1,591,510	$ 0	$1,663,821	$ 0	$ 0	$1,635,427	$ 0	-100.00
State Special Revenue	0	1,644,164	0	1,699,356	1,618,705	0	1,679,762	100.00
Federal Revenue	30,032	39,560	31,930	33,491	42,502	35,322	35,134	11.52
Proprietary Fund	8,700	15,000	15,000	15,000	15,000	15,000	15,000	72.41
TOTAL FUNDING	$1,630,242	$1,698,724	$1,710,751	$1,747,847	$1,676,207	$1,685,749	$1,729,896	7.21

Program Description: The Department of Public Service Regulation is responsible for regulation of public utilities, motor carriers, and railroad industries to provide safe, reliable, and adequate services at the lowest achievable cost to the consumers while concurrently providing the regulated industries with a fair and reasonable return on their investment for the services rendered. There are five public service commission districts, with one commissioner elected from each district.

Budget: In fiscal 1986 an attorney position was vacant most of the year. The 6.6 percent increase in personal services reflects the position being funded in the 1989 biennium. Operating expenses were increased 16.16 percent from fiscal 1986 to fiscal 1988 with contracted services increasing $31,300 per year, travel $12,000 per year, a $1,500 per year increase in supplies, a $3,400 per year increase in rent, and a $1,400 per year increase in repairs and maintenance. The increases were primarily in the pipeline safety program and the railroad safety program. The pipeline safety program is funded at $51,604 per year with 50 percent of the funding coming from the federal government and the remaining 50 percent from utility tax revenues. This compares to fiscal 1986 expenditures of $41,886. The railroad safety program is funded at $40,466 in fiscal 1988 and $49,118 in fiscal 1989. This compares to

fiscal 1986 expenditures of $18,198. The railroad safety program is financed with 19 percent federal funds and 81 percent utility tax revenues. Court recorder fees were increased for the expected increase resulting from the closure of railroad stations if House Bill 302 is enacted. The reduction between fiscal 1988 and 1989 is due to the legislative audit being a one-time appropriation of $12,800.

The executive budget had eliminated all out-of-state travel with the exception of $3,050 per year for the pipeline safety program. The subcommittee reviewed the entire travel budget for the Public Service Commission and Table 1 details the travel approved by the subcommittee. The subcommittee's recommendation is $36,830 per year over the executive recommendation and includes $6,430 per year for travel in relation to the possible closure of railroad stations.

Table 1
Public Service Commission Travel

	Fiscal 1988	Fiscal 1989
Out-of-State		
Pipeline Safety	$ 3,050	$ 3,050
Revolving Account	15,000	15,000
MDU Case	7,400	7,400
NARUS & Other Travel	8,000	8,000
Total Out-of-State	$33,450	$33,450
In-State		
Rail Safety 19/81	$ 6,900	$ 6,900
Pipeline Safety 50/50	6,000	6,000
In-State Commission Hearings	11,525	11,525
Motor Carrier Travel	12,000	12,000
In-state Motor Carrier Audits	3,850	3,850
Reductions	(4,500)	(4,500)
Total In-State	$35,775	$35,775
House Bill 302	$ 6,430	6,430
TOTAL TRAVEL	$75,655	$75,655

The subcommittee approved $14,608 for office equipment in fiscal 1988 and $1,778 in fiscal 1989, and funding for the replacement of one vehicle ($12,277) in fiscal 1988 and two vehicles ($20,927) in fiscal 1989. In fiscal 1986, the department was appropriated $5,000 general fund for seed money to begin a proprietary account to collect out-of-state expenses from the responsible utility. The transfer of these funds to the proprietary account, resulted in the non-operating expenditure of $5,000 in fiscal 1986.

Funding: The subcommittee accepted the executive recommendation that the Public Service Commission continue to be funded by a utility tax. The tax is set to expire on July 1, 1987 but there is legislation (HB 583) to extend the sunset date of the tax until July 1, 1989. The federal funds are funds from the U.S. Transportation Department for the Rail Safety Program and the Pipeline Safety Program.

The proprietary funds are the revenues the state receives from out-of-state utilities for auditing expenses. The state is reimbursed by the utilities for traveling out-of-state to do audits.

Modifieds Recommended:

1. Data Processing Consultant and an Uninterruptable Power Source: The subcommittee recommends $57,000 in fiscal 1988 for a data consultant ($50,000) to develop a data base for the PSC case management system and an uninterruptible power supply ($7,000) for the PSC computer. The subcommittee recommends that this budget modification be line itemed in the appropriation bill and boilerplate language be added to the bill which says that if there are any budget cuts in the fiscal 1988 that this line item is not to be cut.

2. Consultants: The second budget modification is for a biennial appropriation of $11,967 for the PSC to contract with specialists. The funds would be available to hire consultants for: 1) situations when the Consumer Counsel is unable or declines to develop certain issues and; 2) to protect the State's interest in regard to federal regulatory bodies. For the 1987 biennium the legislature appropriated $20,000 to enable the Commission to participate in the Montana-Dakota Utilities Co. cases before the Federal Energy Regulatory Commission. The Commission expended only $8,033 of the funds and the subcommittee recommends that the remaining $11,967 be made available for the 1989 biennium.

CSAR2:csps.

LEGISLATIVE ACTION

AGENCY: DEPARTMENT OF LIVESTOCK

PROGRAM: AGENCY SUMMARY

BUDGET ITEM	FY 1986 Actual	Fiscal 1988 Executive	Fiscal 1988 Current Level	Fiscal 1988 Subcommittee	Fiscal 1989 Executive	Fiscal 1989 Current Level	Fiscal 1989 Subcommittee	FY 86-88 % Change
FTE	116.61	114.61	108.71	114.61	114.61	108.71	114.61	-2.00
Personal Services	$2,842,637	$2,997,825	$2,889,127	$3,122,473	$3,004,449	$2,895,761	$3,129,373	9.84
Operating Expenses	1,366,229	1,056,390	976,369	1,009,468	1,063,648	980,577	1,016,548	-26.11
Equipment	182,805	122,966	122,966	132,966	126,544	128,230	136,544	-27.26
Non-Operating	25	2,000	2,000	2,000	2,000	2,000	2,000	8,000.00
TOTAL EXPENSES	$4,391,696	$4,179,181	$3,990,462	$4,266,907	$4,196,641	$4,006,568	$4,284,465	-2.84
FUNDING								
General Fund	$ 641,101	$ 654,923	$ 645,372	$ 606,763	$ 658,538	$ 648,210	$ 610,262	-5.36
State Special Revenue	3,223,967	3,429,258	3,250,090	3,565,144	3,443,103	3,263,358	3,579,203	10.58
Federal Funds	526,628	95,000	95,000	95,000	95,000	95,000	95,000	-81.96
TOTAL FUNDING	$4,391,696	$4,179,181	$3,990,462	$4,266,907	$4,196,641	$4,006,568	$4,284,465	-2.84

Program Description: The Department of Livestock consists of the Animal Health Division, the Brands-Enforcement Division, the Centralized Services Division, and the Diagnostic Laboratory Division. The Animal Health Division includes the Disease Control Program and the Milk and Egg Program. The Brands-Enforcement Division includes the Inspection and Control Program and the Predatory Animal Control Program. The Beef and Pork Research and Marketing Program and the Crimestoppers Program are administratively attached to the Centralized Services Division.

The Board of Livestock has the duties and powers of a department head as provided in Section 2-15-112, MCA. The board consists of seven members appointed by the Governor with the consent of the senate. Each member must be a resident of Montana and an active livestock producer. The executive secretary serves at the pleasure of the board. The executive secretary is responsible for ensuring that the department functions in a manner consistent with the directives, policies, and rules of the board and the laws of Montana.

Budget: The department's general fund budget was reduced 10 percent from the executive budget recommendation. The 4 percent vacancy savings was not applied to this department's budget.

LEGISLATIVE ACTION

AGENCY: DEPARTMENT OF LIVESTOCK

PROGRAM: AGENCY SUMMARY

BUDGET ITEM	FY 1986 Actual	Fiscal 1988 Executive	Fiscal 1988 Current Level	Fiscal 1988 Subcommittee	Fiscal 1989 Executive	Fiscal 1989 Current Level	Fiscal 1989 Subcommittee	FY 86-88 % Change
FTE	116.61	114.61	108.71	114.61	114.61	108.71	114.61	-2.00
Personal Services	$2,842,637	$2,997,825	$2,889,127	$3,122,473	$3,004,449	$2,895,761	$3,129,373	9.84
Operating Expenses	1,366,229	1,056,390	976,369	1,009,468	1,063,648	980,577	1,016,548	-26.11
Equipment	182,805	122,966	122,966	132,966	126,544	128,230	136,544	-27.26
Non-Operating	25	2,000	2,000	2,000	2,000	2,000	2,000	8,000.00
TOTAL EXPENSES	$4,391,696	$4,179,181	$3,990,462	$4,266,907	$4,196,641	$4,006,568	$4,284,465	-2.84
FUNDING								
General Fund	$ 641,101	$ 654,923	$ 645,372	$ 606,763	$ 658,538	$ 648,210	$ 610,262	-5.36
State Special Revenue	3,223,967	3,429,258	3,250,090	3,565,144	3,443,103	3,263,358	3,579,203	10.58
Federal Funds	526,628	95,000	95,000	95,000	95,000	95,000	95,000	-81.96
TOTAL FUNDING	$4,391,696	$4,179,181	$3,990,462	$4,266,907	$4,196,641	$4,006,568	$4,284,465	-2.84

Program Description: The Department of Livestock consists of the Animal Health Division, the Brands-Enforcement Division, the Centralized Services Division, and the Diagnostic Laboratory Division. The Animal Health Division includes the Disease Control Program and the Milk and Egg Program. The Brands-Enforcement Division includes the Inspection and Control Program and the Predatory Animal Control Program. The Beef and Pork Research and Marketing Program and the Crimestoppers Program are administratively attached to the Centralized Services Division.

The Board of Livestock has the duties and powers of a department head as provided in Section 2-15-112, MCA. The board consists of seven members appointed by the Governor with the consent of the senate. Each member must be a resident of Montana and an active livestock producer. The executive secretary serves at the pleasure of the board. The executive secretary is responsible for ensuring that the department functions in a manner consistent with the directives, policies, and rules of the board and the laws of Montana.

LEGISLATIVE ACTION

AGENCY: DEPARTMENT OF LIVESTOCK

PROGRAM: CENTRALIZED SERVICES PROGRAM

BUDGET ITEM	FY 1986 Actual	Fiscal 1988 Executive	Fiscal 1988 Current Level	Fiscal 1988 Subcommittee	Fiscal 1989 Executive	Fiscal 1989 Current Level	Fiscal 1989 Subcommittee	FY 86-88 % Change
FTE	8.00	8.00	8.00	8.00	8.00	8.00	8.00	0.00
Personal Services	$259,567	$262,154	$262,278	$272,815	$262,332	$262,471	$273,000	5.10
Operating Expenses	136,003	144,899	144,917	138,887	132,542	132,467	126,370	2.12
Equipment	449	5,750	5,750	5,750	0	1,700	0	1180.62
TOTAL EXPENSES	$396,019	$412,803	$412,945	$417,452	$394,874	$396,638	$399,370	5.41
FUNDING								
General Fund	$ 57,427	$ 61,893	$ 61,941	$ 57,480	$ 59,231	$ 59,496	$ 54,659	0.09
State Special Revenue	338,592	350,910	351,004	359,972	335,643	337,142	344,711	6.31
TOTAL FUNDING	$396,019	$412,803	$412,945	$417,452	$394,874	$396,638	$399,370	5.41

Program Description: The Central Services Division is responsible for the accounting, budgeting, payroll, personnel, legal services, purchasing, and general services functions of the department.

Budget: No vacancy savings was taken from this program which added $10,661 in fiscal 1988 and $10,668 in fiscal 1989. The increase in operating expenses are: 1) continuation of a $1,500/year contract for a study of the disease Chalkbrood in leafcutter bees; 2) $1,300 in fiscal 1989 for increased computer costs; 3) a $4,000 per year increase in travel; 4) an $1,100 increase in fiscal 1988 and $1,500 in fiscal 1989 for computer maintenance; and 5) audit charges of $1,300 in fiscal 1988. The audit costs are $16,080 and are a biennial appropriation in fiscal 1988. The equipment approved includes $1,050 for office equipment and $4,700 of computer equipment.

As part of the department's 10 percent general fund reductions $6,012 in operating expenses was reduced in fiscal 1988 and $6,172 in fiscal 1989. The reductions were taken in supplies and materials ($1,000 per year), communications ($3,000 per year), and travel ($2,014 in fiscal 1988 and $2,184 in fiscal 1989), and rent increases of $1,000 in fiscal 1988 and $4,000 in fiscal 1989.

Funding: This program is funded with general fund and by the assessment in livestock based upon taxable value. In the 1987 biennium the legislature developed a funding formula of 15 percent general fund and 85 percent state special revenues to finance the Central Management Division. With the department's 5 percent reduction in general fund, the general fund percentage for the 1989 biennium is less than 15 percent.

LEGISLATIVE ACTION

AGENCY: DEPARTMENT OF LIVESTOCK

PROGRAM: DIAGNOSTIC LABORATORY PROGRAM

BUDGET ITEM	FY 1986 Actual	Fiscal 1988 Executive	Fiscal 1988 Current Level	Fiscal 1988 Subcommittee	Fiscal 1989 Executive	Fiscal 1989 Current Level	Fiscal 1989 Subcommittee	FY 86-88 % Change
FTE	19.00	18.00	18.00	18.00	18.00	18.00	18.00	-1.00
Personal Services	$479,340	$479,970	$480,208	$499,969	$481,165	$481,441	$501,214	4.30
Operating Expenses	167,911	179,477	179,386	163,476	187,272	186,044	171,272	-2.64
Equipment	84,930	8,290	8,290	8,290	11,200	8,290	11,200	-90.24
TOTAL EXPENSES	$732,181	$667,737	$667,884	$671,735	$679,637	$675,775	$683,686	-8.26
FUNDING								
General Fund	$311,735	$316,223	$307,942	$300,222	$321,306	$311,888	$305,330	-3.69
State Special Revenue	420,446	351,514	359,942	371,513	358,331	363,887	378,356	-11.64
TOTAL FUNDING	$732,181	$667,737	$667,884	$671,735	$679,637	$675,775	$683,686	-8.26

Program Description: This program provides laboratory support for the Disease Control and Milk and Egg Programs and to veterinarians and livestock producers. The laboratory protects the public health by testing dairy products and performing diagnostic tests on suspected rabies cases and other zoonotic diseases. Testing on wildlife and small animals is performed upon request.

Budget: A laboratory supervisor position was eliminated in reductions which the department made in fiscal 1986 and this reduction was continued in the 1989 biennium. No vacancy savings was applied to this program which added $19,988 in fiscal 1988 and $19,773 in fiscal 1989. Fifty percent of the vacancy savings is financed with general fund and 50 percent is financed by animal health funds.

The increase in operating expenses are: 1) a $1,500 per year data communication line; 2) $1,000 in fiscal 1988 and $350 in 1989 for travel; 3) $2,095 per year for computer maintenance; 4) $2,050 in fiscal 1988 and $4,150 in fiscal 1989 increase in utilities; and 5) $6,000 in fiscal 1988 and $10,000 in fiscal 1989 inflationary increase in laboratory expenses.

The department's 10 percent general fund reduction reduced contracted services $8,000 per year, supplies and materials $6,000 per year, and utilities $2,000 per year.

Equipment for the 1989 biennium includes an embedding oven for $1,490; a liquid nitrogen storage container for $600; 5 personal computers and software for $12,400; and CO_2 incubator for $5,000.

Funding: This program is financed approximately 50 percent by general fund and 50 percent by animal health funds. When the department's 10 percent reduction in general fund was applied, the department requested that $10,000 of the general fund cut be restored with animal health funds. This request was approved.

LEGISLATIVE ACTION

AGENCY: DEPARTMENT OF LIVESTOCK

PROGRAM: DISEASE CONTROL PROGRAM

BUDGET ITEM	FY 1986 Actual	Fiscal 1988 Executive	Fiscal 1988 Current Level	Fiscal 1988 Subcommittee	Fiscal 1989 Executive	Fiscal 1989 Current Level	Fiscal 1989 Subcommittee	FY 86-88 % Change
FTE	13.30	12.30	12.30	12.30	12.30	12.30	12.30	-1.00
Personal Services	$373,566	$374,709	$374,853	$390,322	$375,187	$375,362	$390,820	4.49
Operating Expenses	74,620	75,886	75,598	75,886	76,847	76,226	76,847	1.70
Equipment	3,501	24,660	24,660	24,660	22,064	24,660	22,064	604.37
Non-Operating	25	2,000	2,000	2,000	2,000	2,000	2,000	8,000.00
TOTAL EXPENSES	$451,712	$477,255	$477,111	$492,868	$476,098	$478,248	$491,731	9.11
STATE SPECIAL REVENUE	$451,712	$477,255	$477,111	$492,868	$476,098	$478,248	$491,731	9.11

Program Description: This program is responsible for the diagnoses, prevention, control, and eradication of animal diseases and disorders. The program provides education and information on animal diseases and disorders to the livestock industry, and the veterinary profession, and the public at large.

Budget: The department eliminated a 1.0 FTE word processor operator in fiscal 1987. This reduction was carried forward into the 1989 biennium budget. No vacancy savings factor was applied to this program which increased the budget by $15,673 in fiscal 1988 and $15,633 in fiscal 1989. The budget includes replacement of two vehicles at a cost of $19,260 in fiscal 1988 and $22,064 in fiscal 1989. The budget also includes $5,400 for the purchase of a personal computer. The non-operating expenses are brucillosis indemnity payments for ranchers whose cattle have brucillosis and must be destroyed.

Funding: This program is funded by an assessment on livestock based on taxable value.

LEGISLATIVE ACTION

AGENCY: DEPARTMENT OF LIVESTOCK

PROGRAM: MILK AND EGG PROGRAM

BUDGET ITEM	FY 1986 Actual	Fiscal 1988 Executive	Fiscal 1988 Current Level	Fiscal 1988 Subcommittee	Fiscal 1989 Executive	Fiscal 1989 Current Level	Fiscal 1989 Subcommittee	FY 86-88 % Change
FTE	6.70	6.70	6.70	6.20	6.70	6.70	6.20	-0.50
Personal Services	$184,827	$186,098	$186,176	$183,261	$186,519	$186,611	$183,719	-0.85
Operating Expenses	23,819	25,087	23,691	22,678	25,307	24,040	22,879	-4.79
Equipment	13,302	18,009	18,009	18,009	18,562	18,562	18,562	35.39
TOTAL EXPENSES	$221,948	$229,194	$227,876	$223,948	$230,388	$229,213	$225,160	0.90
FUNDING								
General Fund	$203,948	$209,194	$207,876	$203,948	$210,388	$209,213	$205,160	0.00
Federal Revenue	18,000	20,000	20,000	20,000	20,000	20,000	20,000	11.11
TOTAL FUNDING	$221,948	$229,194	$227,876	$223,948	$230,388	$229,213	$225,160	0.90

Program Description: This program is responsible for insuring that eggs, milk, and milk products sold or manufactured in Montana are fit for human consumption. The program provides for licensing, sampling, laboratory testing, and product and site inspecting done in cooperation with other state and federal agencies.

Budget: The department's 10 percent reduction in the general fund from the Governor's budget recommendations resulted in the transfer of a 0.5 FTE clerical position and $10,000 to the Inspection and Control Program. No vacancy savings was applied to the budget which increased the budget by $7,754 in fiscal 1988 and $7,680 in fiscal 1989.

The travel budget was increased by $1,099 in fiscal 1988 and $1,283 in fiscal 1989 to reflect the travel needs of a fully staffed program. Operating expenses were reduced by $3,000 per year as part of the general fund reduction. The equipment budget contains funding for the replacement of two vehicles in each of the fiscal years of the biennium.

Funding: This program is funded primarily with general fund. The federal government contributes funds for inspecting the poultry products for the school lunch program and for the egg shell surveillance program.

LEGISLATIVE ACTION

AGENCY: DEPARTMENT OF LIVESTOCK

PROGRAM: INSPECTION AND CONTROL PROGRAM

BUDGET ITEM	FY 1986 Actual	Fiscal 1988 Executive	Fiscal 1988 Current Level	Fiscal 1988 Subcommittee	Fiscal 1989 Executive	Fiscal 1989 Current Level	Fiscal 1989 Subcommittee	FY 86-88 % Change
FTE	68.61	68.61	62.71	69.11	68.61	62.71	69.11	0.50
Personal Services	$1,506,564	$1,654,438	$1,545,132	$1,733,964	$1,658,574	$1,549,180	$1,738,253	15.09
Operating Expenses	230,101	257,794	249,682	257,794	265,147	257,834	265,147	12.04
Equipment	75,932	66,257	66,257	66,257	74,718	75,018	74,718	-12.74
TOTAL EXPENSES	$1,812,597	$1,978,489	$1,861,071	$2,058,015	$1,998,439	$1,882,032	$2,078,118	13.54
STATE SPECIAL REVENUE	$1,812,597	$1,978,489	$1,861,071	$2,058,015	$1,998,439	$1,882,032	$2,078,118	13.54

Program Description: This program is responsible for theft investigations, stray livestock investigations, brand inspections, recording of livestock brands, filing of livestock security interests, dealer licensing, and hide and beef inspection.

Budget: No vacancy savings was applied to this program which increased the budget by $68,935 in fiscal 1988 and $69,107 in fiscal 1989. In fiscal 1986 there were 5.90 vacant positions which continue to be funded in case the livestock market should have an upturn in the next biennium. The increase of 0.5 FTE reflects the transfer in of the clerical position from the Milk and Egg Program.

Operating expenses were increased approximately $10,000 per year to reflect the filling of the 5.90 FTE. An additional $8,012 was added for computer processing for additional computer terminals and a personal computer connected to the mainframe. An additional $9,735 in fiscal 1988 and $14,937 in fiscal 1989 was included in the current level to connect personal computers statewide via communication lines and to connect a terminal in Helena with the Department of Administration's mainframe. The equipment budget includes funding for five 1/2 ton pickup trucks and one automobile ($59,357) to be purchased in fiscal 1988 and six 1/2 ton pickup trucks ($59,118) in fiscal 1989. Two new computer terminals and replacement of one costing $6,900 in fiscal 1988 and replacement of two terminals in fiscal 1989 at $15,600 are included.

Funding: The program is funded entirely by the per head tax on livestock.

LEGISLATIVE ACTION

AGENCY: DEPARTMENT OF LIVESTOCK

PROGRAM: BEEF & PORK RESEARCH & MARK

BUDGET ITEM	FY 1986 Actual	Fiscal 1988 Executive	Fiscal 1988 Current Level	Fiscal 1988 Subcommittee	Fiscal 1989 Executive	Fiscal 1989 Current Level	Fiscal 1989 Subcommittee	FY 86-88 % Change
FTE	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Personal Services	$ 50	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	-100.00
Operating Expenses	508,578	75,000	75,000	75,000	75,000	75,000	75,000	-85.25
TOTAL EXPENSES	$508,628	$75,000	$75,000	$75,000	$75,000	$75,000	$75,000	-85.25
FEDERAL REVENUE	$508,628	$75,000	$75,000	$75,000	$75,000	$75,000	$75,000	-85.25

Program Description: This program promotes effective research into the production and marketing of beef and pork through collection and distribution of funds. Funds derived from a 20 cent per head assessment on swine sold are distributed to the Montana Pork Council. Funds derived from a $1 per head tax on cattle is allocated to the Montana Beef Council for distribution to state and national organizations.

Budget: In fiscal 1986 the Department of Livestock collected the tax on cattle and forwarded the funds to the state and national beef organizations. In fiscal 1987 the beef collections were converted to a fiduciary fund; and therefore, do not appear in the appropriations bill because the state is simply collecting and forwarding the revenue and, therefore, appropriation is not needed.

Funding: The $75,000 per year appropriated in this program reflects the pork research and marketing program.

LEGISLATIVE ACTION

AGENCY: DEPARTMENT OF LIVESTOCK

PROGRAM: PREDATORY ANIMAL CONTROL PROGRAM

BUDGET ITEM	FY 1986 Actual	Fiscal 1988 Executive	Fiscal 1988 Current Level	Fiscal 1988 Subcommittee	Fiscal 1989 Executive	Fiscal 1989 Current Level	Fiscal 1989 Subcommittee	FY 86-88 % Change
FTE	1.00	1.00	1.00	1.00	1.00	1.00	1.00	0.00
Personal Services	$ 38,623	$ 40,456	$ 40,480	$ 42,142	$ 40,672	$ 40,696	$ 42,367	9.11
Operating Expenses	142,307	215,634	145,482	215,634	218,920	146,353	218,920	51.53
Equipment	4,691	0	0	10,000	0	0	10,000	113.17
TOTAL EXPENSES	$185,621	$256,090	$185,962	$267,776	$259,592	$187,049	$271,287	44.26
STATE SPECIAL REVENUE	$185,621	$256,090	$185,962	$267,776	$259,592	$187,049	$271,287	44.26

Program Description: This program offers protection to livestock producers by controlling certain types of predators that kill or injure domestic livestock.

Budget: No vacancy savings was taken for this program which increased the budget by $1,686 in fiscal 1988 and $1,695 in fiscal 1989. The budget includes an increase of $31,301 per year for contracted predator control. The total available for contracted predator control is $100,000 per year. The budget also includes an increase for helicopter maintenance of $32,563 in fiscal 1988 and $37,563 in fiscal 1989, an increase in helicopter fuel costs of $4,100 per year, a $3,100 per year increase in helicopter insurance, and a $1,650 per year increase in travel. $10,000 per year was added for additional predator control equipment.

Funding: This program is funded primarily by an assessment on livestock based on taxable value. The program also receives a $75,000 grant from the Department of Fish, Wildlife, and Parks.

LEGISLATIVE ACTION

AGENCY: DEPARTMENT OF LIVESTOCK

PROGRAM: RABIES AND RODENT CONTROL

BUDGET ITEM	FY 1986 Actual	Fiscal 1988 Executive	Fiscal 1988 Current Level	Fiscal 1988 Subcommittee	Fiscal 1989 Executive	Fiscal 1989 Current Level	Fiscal 1989 Subcommittee	FY 86-88 % Change
FTE	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Personal Services	$ 100	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	-100.00
Operating Expenses	82,890	82,613	82,613	60,113	82,613	82,613	60,113	-27.48
TOTAL EXPENSES	$82,990	$82,613	$82,613	$60,113	$82,613	$82,613	$60,113	-27.57
FUNDING								
General Fund	$67,991	$67,613	$67,613	$45,113	$67,613	$67,613	$45,113	-33.65
State Special Revenue	14,999	15,000	15,000	15,000	15,000	15,000	15,000	0.01
TOTAL FUNDING	$82,990	$82,613	$82,613	$60,113	$82,613	$82,613	$60,113	-27.57

Program Description: This program attempts to prevent exposure of domestic animals and humans to rabid skunks. The objective of the program is to reduce the skunk population in areas that have proven rabies carriers.

Budget: As part of the department's 10 percent general fund reduction this program was reduced by $22,500 per year.

Funding: This program is funded by general fund and a $15,000 per year grant from the Department of Fish, Wildlife, and Parks.

LEGISLATIVE ACTION

AGENCY: DEPARTMENT OF AGRICULTURE

PROGRAM: AGENCY SUMMARY

BUDGET ITEM	FY 1986 Actual	Fiscal 1988 Executive	Fiscal 1988 Current Level	Fiscal 1988 Subcommittee	Fiscal 1989 Executive	Fiscal 1989 Current Level	Fiscal 1989 Subcommittee	FY 86-88 % Change
FTE	93.82	86.67	83.49	81.16	86.67	83.48	81.16	-12.66
Personal Services	$2,101,424	$2,202,547	$2,124,800	$2,046,029	$2,207,398	$2,129,106	$2,050,976	-2.64
Operating Expenses	710,615	913,352	613,090	664,351	893,986	600,497	642,702	-6.51
Equipment	136,570	113,160	115,595	99,103	132,657	134,337	131,535	-27.43
Non-Operating	556,008	1,300,701	1,300,701	1,300,701	1,300,701	1,300,701	1,300,701	133.94
TOTAL EXPENSES	$3,504,617	$4,529,760	$4,154,186	$4,110,184	$4,534,742	$4,164,641	$4,125,914	17.28
FUNDING								
General Fund	$1,542,157	$1,727,976	$1,401,849	$1,367,482	$1,708,478	$1,368,532	$1,349,402	-11.33
State Special Revenue	793,603	820,147	816,004	793,694	789,337	807,196	776,252	0.01
Federal Revenue	858,196	1,686,745	1,640,271	1,658,418	1,741,387	1,699,377	1,711,821	93.24
Proprietary	79,330	33,289	38,148	33,289	33,490	37,824	33,490	-58.04
Expendable Trust	231,331	261,603	257,914	257,301	262,050	251,712	254,949	11.23
TOTAL FUNDING	$3,504,617	$4,529,760	$4,154,186	$4,110,184	$4,534,742	$4,164,641	$4,125,914	17.28

Program Description: The Department of Agriculture was established by Article XII, Section I of the Montana Constitution. It is designed to encourage and promote the interests of all agricultural and allied industries in Montana; collect and publish statistics relating to the production and marketing of agricultural products; assist, encourage and promote the organization of farmers; gather and distribute marketing information; and administer regulations pertaining to production and marketing of food and fiber products.

Department Wide Issue: A 4 percent vacancy savings factor was applied to all department programs.

LEGISLATIVE ACTION

AGENCY: DEPARTMENT OF AGRICULTURE

PROGRAM: CENTRALIZED SERVICES DIVISION

BUDGET ITEM	FY 1986 Actual	Fiscal 1988 Executive	Fiscal 1988 Current Level	Fiscal 1988 Subcommittee	Fiscal 1989 Executive	Fiscal 1989 Current Level	Fiscal 1989 Subcommittee	FY 86-88 % Change
FTE	12.00	11.25	11.25	9.92	11.25	11.25	9.92	-2.08
Personal Services	$339,786	$336,262	$336,437	$282,891	$336,399	$336,584	$283,092	-16.75
Operating Expenses	85,724	106,573	93,581	107,157	76,398	73,769	76,982	25.00
Equipment	3,183	1,370	23,310	1,370	0	780	0	-56.97
Non-Operating	246,703	111,776	111,776	111,776	111,776	111,776	111,776	-54.69
TOTAL EXPENSES	$675,396	$555,981	$565,104	$503,194	$524,573	$522,909	$471,850	-25.50
FUNDING								
General Fund	$304,892	$262,088	$248,763	$233,422	$251,470	$224,570	$219,642	-23.44
State Special Revenue	290,306	203,552	230,423	193,180	197,345	219,861	188,591	-33.46
Federal Revenue	51,030	60,122	47,637	50,675	46,939	44,217	38,511	-0.70
Proprietary Fund	2,000	0	5,734	0	0	5,132	0	-100.00
Expendable Trust	27,168	30,219	32,547	25,917	28,819	29,129	25,106	-4.60
TOTAL FUNDING	$675,396	$555,981	$565,104	$503,194	$524,573	$522,909	$471,850	-25.50

Program Description: This program provides accounting, fiscal management, payroll, personnel, purchasing, property control, data processing, equal opportunity administration, and legal support to all programs within the department. Attached to the director's office is the Weed Management Program which administers the noxious weed management trust fund and provides special grants for noxious weed control and eradication.

Budget: A 0.75 FTE clerical position was eliminated due to Special Session III reductions. The deputy director's position was eliminated which resulted in a savings of $42,978 in fiscal 1988 and $43,046 in fiscal 1989. The department's attorney position was reduced by one third which left two thirds of an attorney position. This reduction resulted in a savings of $9,092 in fiscal 1988 and $9,057 in fiscal 1989.

The budget includes $9,750 of private funds in fiscal 1988 for the hosting of the Western States Agriculture Departments Conference. The Noxious Weed coordinator's operational budget was increased by $4,643 in fiscal 1988 and $3,057 in fiscal 1989. The reduction in operating expenses in 1989 reflects the biennial audit appropriation of $20,400 in fiscal 1988. Indirect costs increased $500 per year and computer maintenance increased $2,300 per year. Travel

in-state for director and centralized service staff increased $3,700 in fiscal 1988 and $2,200 in fiscal 1989. Equipment includes office equipment in fiscal 1988 and a camera in fiscal 1989. The non-operating appropriation is the funding for noxious weed grants.

For the 1987 biennium the legislature appropriated $500,000 of Resource Indemnity Trust Fund interest for noxious weed control. In the 1989 biennium the revenues from the pesticide tax will be supporting the noxious weed program and revenues from that tax are estimated to be $250,000 per year. The noxious weed act allocated 50 percent of the revenue to the noxious weed trust fund and 50 percent to noxious weed control. Therefore, in the 1989 biennium there will be $125,000 per year available for noxious weed control compared to the approximately $250,000 per year in fiscal 1986.

Funding: The funding for this program is prorated to the various revenue sources which support the department's programs. The personal services of each program compared to the total personal services was used as the ratio for determining an individual program's support of centralized services. The ratio which was determined was 17.36 percent. Those revenue accounts which couldn't finance their complete share of administrative costs were subsidized by the general fund. Also 2.5 percent of all grants was added in the calculation for the financing of centralized services. The division houses the noxious weed program which is funded by the tax on herbicides. The noxious weed coordinator is funded by general fund. Table 1 shows the source of centralized services funding.

Table 1
Centralized Service Funding by Program
Fiscal 1988 and 1989

Fund	Centralized Services	Noxious Weed Coordinator	Noxious Weed Council & Grants	Total
	Fiscal 1988			
General Fund	$195,050	$38,372	$ -0-	$233,422
State Special				
Noxious Weed Fund	-0-	-0-	124,843	124,843
Commercial Fertilizer	15,901	-0-	-0-	15,901
Grain Services	36,534	-0-	-0-	36,534
Commercial Feed	15,902	-0-	-0-	15,902
Federal and Other				
Federal Indirect	13,226	-0-	-0-	13,226
Wheat Research	21,699	-0-	-0-	21,699
Private Funds	15,750	-0-	-0-	15,750
Expendable Trust				
Hail Insurance	19,732	-0-	-0-	19,732
Rural Development	6,185	-0-	-0-	6,185
Total	$339,979	$38,372	$124,843	$503,194
	Fiscal 1989			
Fund	Centralized Services	Noxious Weed Coordinator	Noxious Weed Council & Grants	Total
General Fund	$182,177	$37,465	$ -0-	$219,642
State Special				
Noxious Weed Fund	-0-	-0-	124,835	124,835
Commercial Fertilizer	14,843	-0-	-0-	14,843
Grain Services	34,070	-0-	-0-	34,070
Commercial Feed	14,843	-0-	-0-	14,843
Federal and Other				
Federal Indirect	13,283	-0-	-0-	13,283
Wheat Research	20,228	-0-	-0-	20,228
Private Funds	5,000	-0-	-0-	5,000
Expendable Trust				
Hail Insurance	18,347	-0-	-0-	18,347
Rural Development	6,759	-0-	-0-	6,759
Total	$309,550	$37,465	$124,835	$471,850

LEGISLATIVE ACTION

AGENCY: DEPARTMENT OF AGRICULTURE PROGRAM: HAIL INSURANCE UNIT

BUDGET ITEM	FY 1986 Actual	Fiscal 1988 Executive	Fiscal 1988 Current Level	Fiscal 1988 Subcommittee	Fiscal 1989 Executive	Fiscal 1989 Current Level	Fiscal 1989 Subcommittee	FY 86-88 % Change
FTE	6.30	6.30	6.30	6.30	6.30	6.30	6.30	0.00
Personal Services	$104,787	$113,636	$113,131	$113,636	$113,537	$113,035	$113,537	8.44
Operating Expenses	36,977	41,995	38,881	41,995	41,432	38,728	41,432	13.57
Equipment	2,222	4,500	4,550	4,500	2,000	2,000	2,000	102.52
TOTAL EXPENSES	$143,986	$160,131	$156,562	$160,131	$156,969	$153,763	$156,969	11.21
EXPENDABLE TRUST	$143,986	$160,131	$156,562	$160,131	$156,969	$153,763	$156,969	11.21

Program Description: This program provides administration of Montana's hail insurance laws and offers grain growers insurance and protection against crop loss due to hail. As provided in Section 80-2-232, MCA, 2 percent of the gross annual levies collected from the participants goes to the counties and 1 1/2 percent to the state for administration. This program is attached to the department for administrative purposes only. By statute, the department director is a member and secretary of the Board of Hail Insurance.

Budget: The increase in personal services is caused by the fiscal 1987 pay raise and an increase in overtime costs of $4,000 per year. Because of the drought conditions in fiscal 1986, there was very little crop damage cause by hail; and therefore, there was a below average amount of funds expended for claims adjustor overtime and travel. The travel budget was increased by $2,191 per year over the amount expended in fiscal 1986. Other minor adjustments in operating expenses increased the budget by approximately $2,500 per year.

The equipment approved includes replacement of a computer at $3,500 in fiscal 1988 and a printer at $2,000 in fiscal 1989. A typewriter is to be replaced in fiscal 1988 at a cost of $1,000.

Funding: This program is financed by participating farmers and ranchers who purchase the hail insurance.

LEGISLATIVE ACTION

AGENCY: DEPARTMENT OF AGRICULTURE

PROGRAM: WHEAT RESEARCH AND MARKETING

BUDGET ITEM	FY 1986 Actual	Fiscal 1988 Executive	Fiscal 1988 Current Level	Fiscal 1988 Subcommittee	Fiscal 1989 Executive	Fiscal 1989 Current Level	Fiscal 1989 Subcommittee	FY 86-88 % Change
FTE	3.12	3.12	3.12	3.12	3.12	3.12	3.12	0.00
Personal Services	$ 89,683	$ 95,292	$ 93,720	$ 95,692	$ 95,506	$ 93,947	$ 95,906	6.70
Operating Expenses	78,627	102,407	82,161	92,459	104,494	82,502	93,660	17.59
Equipment	2,935	1,122	1,122	1,122	1,122	1,122	0	-61.77
Non-Operating	296,246	1,170,925	1,170,925	1,170,925	1,170,925	1,170,925	1,170,925	295.25
TOTAL EXPENSES	$467,491	$1,369,746	$1,347,928	$1,360,198	$1,372,047	$1,348,496	$1,360,491	190.96
OTHER REVENUE	$467,491	$1,369,746	$1,347,928	$1,360,198	$1,372,047	$1,348,496	$1,360,491	190.96

Program Description: This program encourages and promotes both the development of markets for Montana wheat and barley and intensive scientific and practical research into all phases of wheat and barley culture, production, and use. The Wheat Research and Marketing Unit is attached to the department for administrative purposes only. The department director is an ex-officio member of the Wheat Research and Marketing Committees.

Budget: Because of the drought conditions in fiscal 1986 the board reduced its travel expenditures. The fiscal 1988 and 1989 travel budgets have been increased by $9,949 in fiscal 1988 and $10,835 in fiscal 1989 to reflect a more normal travel expenditure rate. Contracted services were reduced $12,000 per year and postage was increased $4,460 per year so the board can mail out its newsletter to 18,000 producers. The budget has funding for a second code-a-phone service at $5,041 per year, a $6,500 per year increase in printing and graphics.

The non-operating expenditures for the 1989 biennium are based upon an increase in revenues that are projected for the biennium. Table 2 details the amount of wheat and barley by year upon which the budget is based. The refundable tax rate is 6 mills\bushels on wheat and 12 mills\hundred weight on barley which will generate $1,381,900 in fiscal 1988 and $1,381,900 in fiscal 1989.

Table 2
Bushels of Wheat and Barley
(Millions)

Grain	Fiscal 1986	Fiscal 1987	Fiscal 1988	Fiscal 1989
Wheat	50.20	136.85	142.00	142.00
Barley	30.00	89.38	92.00	92.00

Funding: This program is totally funded by participating grain producers who pay a tax rate of 6 mills/bushel on wheat and 12 mills/hundred weight on barley.

LEGISLATIVE ACTION

AGENCY: DEPARTMENT OF AGRICULTURE

PROGRAM: ENVIRONMENTAL MANAGEMENT DIVISION

BUDGET ITEM	FY 1986 Actual	Fiscal 1988 Executive	Fiscal 1988 Current Level	Fiscal 1988 Subcommittee	Fiscal 1989 Executive	Fiscal 1989 Current Level	Fiscal 1989 Subcommittee	FY 86-88 % Change
FTE	30.01	26.50	26.50	25.50	26.50	26.50	25.50	-4.51
Personal Services	$ 691,555	$694,682	$694,089	$666,642	$ 697,138	$ 696,857	$669,036	-3.60
Operating Expenses	229,009	235,817	220,335	227,765	240,664	225,328	231,797	-0.55
Equipment	127,319	57,280	63,509	57,280	98,435	98,435	98,435	-55.01
TOTAL EXPENSES	$1,047,883	$987,779	$977,933	$951,687	$1,036,237	$1,020,620	$999,268	-9.18
FUNDING								
General Fund	$ 681,194	$649,681	$645,067	$613,589	$ 649,792	$ 638,177	$612,823	-9.92
State Special Revenue	157,752	153,544	151,401	153,544	142,615	140,020	142,615	-2.67
Federal Revenue	208,937	184,554	181,465	184,554	243,830	242,423	243,830	-11.67
TOTAL FUNDING	$1,047,883	$987,779	$977,933	$951,687	$1,036,237	$1,020,620	$999,268	-9.18

Program Description: This program is responsible for administering the Montana Pesticides Act, the Crop Insect Detection and Management Act, the Noxious Plant Management Assistance Act, the Vertebrate Pest Management Act, and for managing the department's chemical analytical laboratory. Technical and consultant services are also provided to consumers and agricultural producers in analyzing pesticides chemically, and pest management program areas.

Budget: A chemist supervisor position was eliminated for a general fund savings of $26,716 in fiscal 1988 and $26,778 in fiscal 1989. The positions that were eliminated in the 1987 biennium were not restored in the 1989 biennium. In fiscal 1987 six seasonal biological aides (1.51 FTE) were eliminated as part of the division's 5 percent cut and a 1.00 FTE pesticide specialist was eliminated to finance the 1987 pay plan. The department also eliminated a 1.0 FTE chemist which the Environmental Protection Agency formerly financed.

The equipment approved is financed by either federal or state special revenues. The major equipment authorized was a high pressure liquid chromotograph detector ($25,000), a replacement controller and data system for the gas chromotograph system ($12,000), and replacement of a gas chromotograph mass spectrometer ($85,000), educational equipment ($4,965), and other laboratory equipment ($28,750).

Funding: The program is funded with general fund and the following state special revenue accounts and federal funds as detailed in Table 2.

Table 2
Environmental Management Division Funding

Fund	Fiscal 1988	Fiscal 1989	Source
General Fund	$613,589	$612,823	
State Special Revenue			
Training Funds	11,500	12,000	Fees for administering pesticide use and training courses
Commercial Feed	47,348	43,538	A 10 cent per ton tax on commercial feed sold
Commercial Fertilizer	94,696	87,077	A 20 cent per ton tax on fertilizer
Federal Revenue			
Environ. Protection Agency	179,554	238,830	
Pesticide Manual	5,000	5,000	A fee collected for the cost of printing the manual
Total	$951,687	$999,268	

LEGISLATIVE ACTION

AGENCY: DEPARTMENT OF AGRICULTURE

PROGRAM: PLANT INDUSTRY DIVISION

BUDGET ITEM	FY 1986 Actual	Fiscal 1988 Executive	Fiscal 1988 Current Level	Fiscal 1988 Subcommittee	Fiscal 1989 Executive	Fiscal 1989 Current Level	Fiscal 1989 Subcommittee	FY 86-88 % Change
FTE	30.39	28.83	28.64	28.64	28.83	28.64	28.64	-1.75
Personal Services	$678,734	$707,739	$705,111	$705,120	$709,771	$706,144	$707,145	3.89
Operating Expenses	131,273	149,868	137,109	139,212	151,205	139,002	140,316	6.05
Equipment	0	48,888	22,104	34,831	31,100	31,100	31,100	100.00
TOTAL EXPENSES	$810,007	$906,495	$864,324	$879,163	$892,076	$876,246	$878,561	8.54
FUNDING								
General Fund	$418,974	$420,462	$413,557	$417,807	$418,410	$411,209	$417,755	-0.28
State Special Revenue	332,361	420,721	395,413	405,376	406,905	408,403	403,627	21.97
Federal Revenue	26,586	32,023	22,941	22,691	33,271	23,941	23,689	-14.65
Proprietary Fund	32,086	33,289	32,413	33,289	33,490	32,693	33,490	3.75
TOTAL FUNDING	$810,007	$906,495	$864,324	$879,163	$892,076	$876,246	$878,561	8.54

Program Description: This program administers agricultural programs relating to the production, manufacturing, and marketing of commodities exported from or distributed in the state. The division provides services to industry by: (a) performing professional insect/disease surveys; (b) doing comprehensive feed mill inspections; (c) issuing official commodity certificates; (d) issuing dealer licenses/permits; (e) registering products; (f) doing analytical analyses for bees, etc.; and (g) collecting various assessment fees. Division personnel provide technical/scientific information upon request to the industry and the general public by investigating and resolving consumer complaints. The consumer complaints range from product contamination and quality control to elevator bankruptcies and non-payment for products.

Legislative Intent: The subcommittee unanimously voted to have a bill drafted which would increase certain produce and nursery inspection and licensing fees. The revenue from these fees is deposited into the general fund. The subcommittee recommended increasing these fees because currently these fees generate only about 61 percent of the cost of administering the inspections and licensing. The proposed increases will generate approximately $80,000 additional revenue per year. The fees will then be supporting 80 percent of the program.

Budget: In response to the statewide 5 percent cuts in fiscal 1987, the department eliminated 1.00 FTE funded with general fund and 0.75 FTE funded by state special funds. These reductions are carried forward into the 1989 biennium. The budget includes a travel increase of $2,621 per year and an increase in maintenance funds for the grain laboratory of $3,004 in fiscal 1988 and $2,940 in fiscal 1989. Included in the 1989 biennium budget is $17,304 in fiscal 1988 and $18,000 in fiscal 1989 for replacement of two cars in each fiscal year. In fiscal 1988 there is $14,728 for computer equipment and in fiscal 1989 is $12,500 state special funds to replace an infra-red protein analyzer.

Funding: Table 3 details the funding of the plant industry division for the 1989 biennium.

Table 3
Plant Industry Funding for the 1989 Biennium

Revenue Source	Fiscal 1988	Fiscal 1989	Purpose
General Fund	$417,807	$417,755	
State Special Revenue			
Anhydrous Ammonia	37,951	37,796	$1/ton tax on anhydrous ammonia fertilizer
Commercial Fertilizer	67,295	66,946	20 cent/ton tax on fertilizer
Commercial Feed	33,682	33,533	10 cent/ton tax on commercial feed
Grain Services	266,448	265,352	State charges for the service of analyzing grain samples
Federal Revenue			
Food and Drug Administration	21,631	22,629	
Wheat Research & Marketing	1,060	1,060	
Proprietary Fund			
Alfalfa Leaf Cutter	33,289	33,490	Charges to bee keepers based upon the number of pounds of bees owned.
Total	$879,163	$878,561	

Modifieds Recommended: The following budget modifications have been approved:

1. Apple Inspector: An additional .19 FTE was added to inspect apples for federal grading purposes. The position would be financed by fees charged for inspecting the apples at a cost of $3,288 in fiscal 1988 and $3,278 in fiscal 1989.

2. Heavy Metal Surveillance: Federal funds of $9,332 in fiscal 1988 and $9,582 in fiscal 1989 are available for expanding the surveillance of mineral products and cat foods for heavy metals.

3. Grain Lab: Three additional positions are requested for the grain laboratory in Great Falls. Two of the positions were part of a budget amendment that was approved in fiscal 1986. The additional positions are financed by grain inspection fees and cost $87,030 in fiscal 1988 and $87,176 in fiscal 1989.

LEGISLATIVE ACTION

AGENCY: DEPARTMENT OF AGRICULTURE

PROGRAM: AGRICULTURAL DEVELOPMENT DIVISION

BUDGET ITEM	FY 1986 Actual	Fiscal 1988 Executive	Fiscal 1988 Current Level	Fiscal 1988 Subcommittee	Fiscal 1989 Executive	Fiscal 1989 Current Level	Fiscal 1989 Subcommittee	FY 86-88 % Change
FTE	12.00	10.67	7.68	7.68	10.67	7.68	7.68	-4.32
Personal Services	$196,881	$254,936	$182,312	$182,049	$255,047	$182,539	$182,260	-7.53
Operating Expenses	149,012	276,692	41,022	55,762	279,793	41,168	58,515	-62.58
Equipment	911	0	1,000	0	0	900	0	-100.00
Non-Operating	13,059	18,000	18,000	18,000	18,000	18,000	18,000	37.84
TOTAL EXPENSES	$359,863	$549,628	$242,334	$255,811	$552,840	$242,607	$258,775	-28.92
FUNDING								
General Fund	$137,101	$395,745	$ 94,462	$102,664	$388,806	$ 94,575	$ 99,182	-25.12
State Special Revenue	13,193	42,330	38,767	41,594	42,472	38,912	41,419	215.25
Federal Revenue	104,151	40,300	40,300	40,300	45,300	40,300	45,300	-61.31
Proprietary Fund	45,241	0	0	0	0	0	0	-100.00
Expendable Trust	60,177	71,253	68,805	71,253	76,262	68,820	72,874	18.41
TOTAL FUNDING	$359,863	$549,628	$242,334	$255,811	$552,840	$242,607	$258,775	-28.92

Program Description: This program is composed of the Rural Development Unit, the Crop and Livestock Reporting Unit, and the Marketing Unit, and provides administrative support to the Alfalfa Seed Committee. These programs provide agricultural loans to low income rural Montanans, collect and publish statistics relating to the production and marketing of crops and livestock, and assist producers and industries in marketing their products.

Legislative Intent: Boilerplate language has been recommended which would forgive the $197,294 loan from the general fund to the Beginning Farm Loan Program.

Budget: Two programs which were part of the fiscal 1986 budget have been eliminated. The Beginning Farmer Loan Program which was designed to provide loans to beginning farmers was unable to become self sufficient and had processed only two loans during the programs existence. Therefore, the program was not continued in the 1989 biennium which eliminated 1.0 FTE. The Agricultural Counseling and Mediation Program was eliminated because the enabling legislation sunsets it July 1, 1987. This eliminated 3.32 FTE. The legislature had a bill to extend the program for the 1989 biennium but that bill died in the House. The current level base was increased by $12,075 per

year for increased mailing costs of the crop reporting report and for increased statistical data for the report. The $18,000 non-operating appropriation is the Rural Development Trust Fund grants to rural youth development programs.

Funding: The Agricultural Development Program is financed by general fund, state special revenue, federal funds, other funds, and trust funds. The state special revenue is the alfalfa seed fund which is generated by a tax on alfalfa seed. The federal funds are part of the crop reporting budget. The other funds are from the Wheat Research and Marketing account and are used primarily for the crop reporting budget. The trust funds are the Rural Development Trust Fund interest which is used exclusively to finance the Rural Development Program.

Table 4 details the Agriculture Development Division funding.

Table 4
Agricultural Development Funding

Program	General Fund	Alfalfa Seed	Federal	Private	Wheat Research	Rural Dev Trust Fund	Total
Fiscal 1988							
Alfalfa Seed	$ -0-	$41,194	$ -0-	$ -0-	$ -0-	$ -0-	$ 41,194
Rural Development	-0-	-0-	-0-	-0-	-0-	71,253	71,253
Marketing	37,204	-0-	-0-	-0-	3,700	-0-	40,904
Crop Reporting	65,460	400	10,000	-0-	26,600	-0-	102,460
Total	$102,664	$41,594	$10,000	$ -0-	$30,300	$71,253	$255,811
Fiscal 1989							
Alfalfa Seed	$ -0-	$41,019	$ -0-	$ -0-	$ -0-	$ -0-	$ 41,019
Rural Development	-0-	-0-	-0-	-0-	-0-	72,874	72,874
Marketing	37,222	-0-	-0-	-0-	3,700	-0-	40,922
Crop Reporting	61,960	400	10,000	5,000	26,600	-0-	103,960
Total	$ 99,182	$41,419	$10,000	$5,000	$30,300	$72,874	$258,775

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LEGISLATIVE ACTION

AGENCY: DEPARTMENT OF STATE LANDS

PROGRAM: AGENCY SUMMARY

BUDGET ITEM	FY 1986 Actual	Fiscal 1988 Executive	Fiscal 1988 Current Level	Fiscal 1988 Subcommittee	Fiscal 1989 Executive	Fiscal 1989 Current Level	Fiscal 1989 Subcommittee	FY 86-88 % Change
FTE	291.55	300.73	284.33	292.13	307.88	293.30	299.28	7.73
Personal Services	$ 7,265,151	$ 7,474,011	$ 7,077,665	$ 7,296,037	$ 7,598,277	$ 7,264,952	$ 7,420,458	0.43
Operating Expenses	8,359,163	5,600,473	4,914,991	5,387,007	5,352,420	4,903,581	5,141,435	-35.56
Equipment	687,216	568,577	539,653	555,053	387,936	312,436	378,936	-19.23
Non-Operating	2,821,872	5,283,000	2,805,531	5,283,000	5,313,000	2,805,531	5,313,000	87.22
TOTAL EXPENSES	$19,133,402	$18,926,061	$15,337,840	$18,521,097	$18,651,633	$15,286,500	$18,253,829	-3.20
FUNDING								
General Fund	$ 8,678,738	$ 7,120,793	$ 7,288,180	$ 6,828,064	$ 7,055,630	$ 7,171,398	$6,761,632	-21.32
State Special Rev	3,333,705	2,896,932	1,592,964	2,765,835	2,757,749	1,710,312	2,635,007	-17.03
Federal Revenue	6,922,698	8,716,555	6,286,422	8,735,417	8,647,935	6,233,144	8,666,871	26.19
Proprietary Fund	198,261	191,781	170,274	191,781	190,319	171,646	190,319	-3.27
TOTAL FUNDING	$19,133,402	$18,926,061	$15,337,840	$18,521,097	$18,651,633	$15,286,500	$18,253,829	-3.20

Program Description: The Department of State Lands was created in 1927 to administer grazing and agricultural trust land. The land administered by the department was acquired in the Enabling Act of 1889 which granted to Montana, for common school support, Sections 16 and 36 in every township within the state. Forested trust land was managed by the Department of Natural Resources and Conservation until July 1, 1981 when the function was transferred to the Department of State Lands. The primary purpose of the department is to administer state trust land holdings for the maximum benefit of the trust recipients. On non forested lands, the management may include agricultural, grazing, oil and gas, and/or mining leases. On trust forest land, the department management includes reforestation, disease control, timber sales, and fire protection. Additional responsibilities of the department include forest fire protection for private forest lands and administering the state's reclamation laws and certain other mining laws and regulations.

The department consists of five divisions: (1) Central Management Division, (2) Reclamation Division, (3) Lands Administration Division, (4) Resource Development Division, and (5) Forestry Division.

Departmentwide Issue: A 4 percent vacancy saving factor was applied to all department programs.

LEGISLATIVE ACTION

AGENCY: DEPARTMENT OF STATE LANDS

PROGRAM: CENTRAL MANAGEMENT DIVISION

BUDGET ITEM	FY 1986 Actual	Fiscal 1988 Executive	Fiscal 1988 Current Level	Fiscal 1988 Subcommittee	Fiscal 1989 Executive	Fiscal 1989 Current Level	Fiscal 1989 Subcommittee	FY 86-88 % Change
FTE	19.00	20.00	19.00	20.00	20.00	19.00	20.00	1.00
Personal Services	$ 551,946	$ 591,702	$ 564,914	$ 591,702	$ 591,291	$ 564,554	$ 591,291	7.20
Operating Expenses	588,484	605,924	564,067	593,324	534,541	498,274	521,941	0.82
Equipment	3,342	0	0	0	0	0	0	-100.00
Non-Operating	265,000	265,000	265,000	265,000	265,000	265,000	265,000	0.00
TOTAL EXPENSES	$1,408,772	$1,462,626	$1,393,981	$1,450,026	$1,390,832	$1,327,828	$1,378,232	2.93
FUNDING								
General Fund	$ 845,057	$1,023,678	$ 969,639	$1,011,078	$ 996,672	$ 943,702	$ 984,072	19.65
State Special Revenue	197,085	157,885	160,787	157,885	114,559	119,198	114,559	-19.89
Federal Revenue	168,369	89,282	93,282	89,282	89,282	93,282	89,282	-46.97
Proprietary Fund	198,261	191,781	170,273	191,781	190,319	171,646	190,319	-3.27
TOTAL FUNDING	$1,408,772	$1,462,626	$1,393,981	$1,450,026	$1,390,832	$1,327,828	$1,378,232	2.93

Program Description: Central management is responsible for performing the overall administrative services for the department. These services include revenue collection and distribution, budgeting, accounting, aviation operations, trust record maintenance, personnel, and data processing. The department's legal section and reception services for the Helena office are included in this division.

Budget: An attorney position was transferred from the Forestry Division to Central Management. This results in a general fund increase of $28,250 per year.

The difference in operating expenses between fiscal 1986 and the 1989 biennium include reduction of $39,200 in fiscal 1988 and $82,500 in fiscal 1989 in the trust land management system and a $60,100 increase in payroll costs, aircraft insurance, audit, and other contractual services in fiscal 1988 and a $30,600 increase in these costs in fiscal 1989. Repair and maintenance was reduced by $17,000 in fiscal 1988 and $18,500 in fiscal 1989.

For the 1989 biennium the subcommittee approved $265,000 per year general fund for payment to counties. The funds were appropriated for the payment in lieu of taxes. Sections 77-1-501 through 77-1-507, MCA, requires the state to reimburse counties in which the state owns over 6 percent of the land area of the county for lost property tax revenues.

Funding: Table 1 details the four components of the Central Management Division and the changes between fiscal 1986 and fiscal 1988.

Table 1
Central Management Division - Changes From Fiscal 1986 to Fiscal 1988

Fund	Central Management Program	Trust Fund Management	Aviation Program	Payment in Lieu of Taxes
Fiscal 1986 Expenditures				
General Fund	$580,057	$ -0-	$ -0-	$265,000
Resource Development Funds	-0-	197,085	-0-	-0-
Federal Indirect Costs	168,369	-0-	-0-	-0-
Air Operations	-0-	-0-	198,261	-0-
Total	$748,426	$197,085	$198,261	$265,000
Fiscal 1988 Appropriations				
General Fund	$746,078	$ -0-	$ -0-	$265,000
Resource Development Funds	-0-	157,885	-0-	-0-
Federal Indirect Costs	89,282	-0-	-0-	-0-
Air Operations	-0-	-0-	191,781	-0-
Total	$835,360	$157,885	$191,781	$265,000

Between fiscal 1986 and 1988 the central management program general fund has increased by 28.62 percent. The increase is due to: 1) the federal indirect cost rate allowed by the federal government was decreased by 3 percent or approximately $39,000 per year; 2) the Environmental Analysis Bureau was eliminated which reduced indirect reimbursements by approximately $40,000 per year; 3) increases in aircraft insurance of $27,000 per year; 4) the transfer of an attorney position, an increase of $28,250 per year; and 5) other program increases of approximately $32,000 which are reflected in the general fund increase.

The trust fund management system is being reduced in fiscal 1988 and 1989 and this reduction is reflected in Table 1. The trust fund management system is financed by the resource development fund which receives 2.5 percent of the income revenue generated by state trust fund lands.

The aviation program's direct costs such as fuel and maintenance are financed with proprietary funds whose revenues come from charges to other state agencies for use of the aircraft. The fixed costs such as the pilot's salary, insurance, hanger space, and utilities are financed primarily with general funds. The state payment to counties in lieu of taxes is financed by general fund.

Modifieds Recommended:

1. Twin Bridges - $12,600 per year of general fund for the maintenance and utilities of the state facility at Twin Bridges is recommended. The subcommittee was having a bill drafted which would transfer possession of the building to the county and the open land to the Department of Fish, Wildlife, and Parks to be administered as a fishing assess site.

LEGISLATIVE ACTION

AGENCY: DEPARTMENT OF STATE LANDS

PROGRAM: RECLAMATION DIVISION

BUDGET ITEM	FY 1986 Actual	Fiscal 1988 Executive	Fiscal 1988 Current Level	Fiscal 1988 Subcommittee	Fiscal 1989 Executive	Fiscal 1989 Current Level	Fiscal 1989 Subcommittee	FY 86-88 % Change
FTE	41.00	36.00	32.00	32.00	36.00	32.00	32.00	-9.00
Personal Services	$1,048,278	$1,012,360	$ 920,159	$ 919,813	$1,011,565	$ 919,568	$ 919,184	-12.25
Operating Expenses	2,494,883	2,146,765	1,988,676	2,137,310	2,025,226	1,989,769	2,016,018	-14.33
Equipment	34,804	49,050	45,000	49,050	30,000	30,000	30,000	40.93
Non-Operating	2,540,531	4,960,000	2,540,531	4,960,000	4,970,000	2,540,531	4,970,000	95.23
TOTAL EXPENSES	$6,118,496	$8,168,675	$5,494,366	$8,066,173	$8,036,791	$5,479,868	$7,935,202	31.83
FUNDING								
General Fund	$ 0	$ 85,057	$ 588,162	$ 0	$ 84,177	$ 573,457	$ 0	-100.00
State Special Revenue	861,154	1,133,887	417,183	1,133,887	1,012,474	417,183	1,012,474	31.67
Federal Revenue	5,257,342	6,949,731	4,489,021	6,932,286	6,940,140	4,489,228	6,922,728	31.86
TOTAL FUNDING	$6,118,496	$8,168,675	$5,494,366	$8,066,173	$8,036,791	$5,479,868	$7,935,202	31.83

Program Description: The Reclamation Division is responsible for the regulation of all mining-related disturbances in the state. The division administers the Montana Strip and Underground Mine Reclamation Act, Section 82-4-210, MCA; the Montana Opencut Mining Act, Section 82-4-401, MCA; the Montana Strip and Underground Mining Siting Act, Section 82-4-101, MCA; and statutes regulating hard rock mining. The division also administers the Federal Surface Mining Control and Reclamation Act.

The Reclamation Division includes the Abandoned Mine Reclamation Bureau, the Coal and Uranium Bureau, the Hardrock Mining Bureau, and the Environmental Analysis Bureau.

The Abandoned Mine Reclamation Bureau is responsible for abandoned mine reclamation, site inventory, reclamation project design, project administration, reclamation contracts, and technical assistance.

The Coal and Uranium Bureau is responsible for the Federal Surface Mining Control and Reclamation Act and the Montana Strip and Underground Mine Siting and Reclamation Acts. This bureau reviews prospecting and mining applications for coal and uranium and issues permits for both. This bureau is also responsible for reclamation of coal and uranium mining operations, including site evaluations, and bond release inspections.

The Hardrock Mining Bureau is responsible for administering the Montana Metal Mines Reclamation Act. The bureau issues mine and exploration permits, licenses and exclusions, and reviews reclamation plans. The bureau conducts mine and bond release inspections and monitors water quality.

Legislative Intent: Language included in the appropriations bill states that none of the $100,000 appropriation of reclamation hard rock funds can be used for research.

Language included in the appropriation bill requires the department to eliminate one of the three new positions added as a modified request if the number of hard mining applications going into fiscal 1989 is less than the number on applications going into fiscal 1988.

Budget: The environmental assessment bureau which had 9.0 FTE was eliminated by the department because of a lack of funding.

The difference in operating expenses from fiscal 1986 to the 1989 biennium includes: 1) a reduction of contractual services of $860,700 in fiscal 1988 and $862,900 in fiscal 1989; 2) an increase in helicopter insurance of $20,500 per year; 3) increase in legal fees of $27,500 in fiscal 1988 and $7,500 in fiscal 1989; 4) an increase in contractual services of $417,183 per year for contracts with the Department of Natural Resources and Conservation for environmental impact statements; 5) a $100,000 appropriation of reclamation hard rock funds in fiscal 1988; 6) a decrease of $9,800 per year in supplies and materials; 7) an $8,200 per year decrease in communication; 8) a $12,000 per year reduction in rent; and; 8) a $24,800 decrease in indirect costs.

The major portion of the operating expenses are for consulting services for the federally funded abandoned mine program and for environmental impact statements.

The equipment budget includes $45,000 in fiscal 1988 for replacement of three 4 x 4 vehicles and $30,000 in fiscal 1989 to replace two 4 x 4 vehicles. There is $4,050 appropriated in fiscal 1988 for office and computer equipment. Non-operating expenses include $9,930,000 of federal funds for abandoned mine reclamation. In fiscal 1986 the department expended $2,540,531 of federal funds for abandoned mine reclamation; therefore, the $4,960 authorized in fiscal 1988 represents a 95 percent increase.

Funding: There are five programs within the Reclamation Division the funding for each of the programs is detailed in Table 2.

Table 2
Reclamation Bureau Funding by Program

Fiscal 1988	Hard Rock Fund	RIT Interest	DSL Envir Impact Statement	Federal	Total
Administration	$ -0-	$ 58,742	$ -0-	$ -0-	$ 58,742
Hark Rock	100,000	257,565	-0-	-0-	357,565
Environ. & Analysis Bureau	-0-	-0-	417,183	-0-	417,183
Abandoned Mine	-0-	-0-	-0-	6,263,159	6,263,159
Open Cut	-0-	133,115	-0-	-0-	133,115
Coal and Uranium	-0-	167,282	-0-	669,127	836,409
Total FY 88 Funding	$100,000	$616,704	$417,183	$6,932,286	$8,066,173
Fiscal 1989					
Administration	$ -0-	$ 58,384	$ -0-	$ -0-	$ 58,384
Hark Rock	-0-	256,353	-0-	-0-	256,353
Environ. & Analysis Bureau	-0-	-0-	417,183	-0-	417,183
Abandoned Mine	-0-	-0-	-0-	6,273,156	6,273,156
Open Cut	-0-	118,161	-0-	-0-	118,161
Coal and Uranium	-0-	162,393	-0-	649,572	811,965
Total FY 89 Funding	$ -0-	$595,291	$417,183	$6,922,728	$7,935,202

The Reclamation Hard Rock Fund receives its revenue from mining fees, fines, and penalties. The Department of State Lands Environmental Impact Statement fund receives its revenue from industries who propose projects which need a state environmental impact statement. The industries are charged for the cost of producing the impact statement. The federal funds come from the Interior Department for abandoned mine reclamation and regulation of coal mining.

Modifieds Recommended:

1. Hard Rock Mining - Three new positions to augment the Montana Environmental Protection Act (MEPA) compliance, permit, inspection, and enforcement activities. The three positions are financed by $85,057 in fiscal 1988 and $84,177 in fiscal 1989 of general fund.

LEGISLATIVE ACTION

AGENCY: DEPARTMENT OF STATE LANDS

PROGRAM: LAND ADMINISTRATION DIVISION

BUDGET ITEM	FY 1986 Actual	Fiscal 1988 Executive	Fiscal 1988 Current Level	Fiscal 1988 Subcommittee	Fiscal 1989 Executive	Fiscal 1989 Current Level	Fiscal 1989 Subcommittee	FY 86-88 % Change
FTE	18.62	18.62	18.62	18.62	18.62	18.62	18.62	0.00
Personal Services	$382,856	$442,257	$442,381	$442,381	$441,995	$442,138	$442,138	15.55
Operating Expenses	106,162	131,000	87,200	113,132	131,281	87,733	113,665	6.57
Equipment	56,939	11,432	16,408	16,408	11,432	11,432	11,432	-71.18
TOTAL EXPENSES	$545,957	$584,689	$545,989	$571,921	$584,708	$541,303	$567,235	4.76
GENERAL FUND	$545,957	$584,689	$545,989	$571,921	$584,708	$541,303	$567,235	4.76

Program Description: The Land Administration Division is responsible for appraisal, supervision, management, and development of non-forest trust lands. This division is responsible for insuring that returns on the use of trust lands are maximized without adversely affecting the land resource. Proceeds from surface and mineral resource leases are distributed to public schools and other endowment funds. The division consists of the following bureaus and sections: (1) Resource Development Bureau, (2) Land Management Bureau, (3) Surface Leasing Bureau, (4) Mineral Leasing Bureau, and (5) Geology Section.

Budget: In fiscal 1986 3 FTE land use specialists were added by the legislature. These new positions did not work the full year in fiscal 1986. The 15.55 percent increase in personal services in fiscal 1988 reflects the full year funding of the three land use specialists.

For fiscal 1986 the legislature appropriated $89,132 for operating expenses. However, the department expended $106,162. The base for operating expenses was returned to the $89,132 per year level and $24,000 per year for noxious weed control was added.

The budget includes funding for replacement of a 4 x 4 vehicle ($11,432) in each of the fiscal years and purchase of a personal computer ($4,976) in fiscal 1988.

LEGISLATIVE ACTION

AGENCY: DEPARTMENT OF STATE LANDS

PROGRAM: RESOURCE DEVELOPMENT DIVISION

BUDGET ITEM	FY 1986 Actual	Fiscal 1988 Executive	Fiscal 1988 Current Level	Fiscal 1988 Subcommittee	Fiscal 1989 Executive	Fiscal 1989 Current Level	Fiscal 1989 Subcommittee	FY 86-88 % Change
FTE	7.00	7.00	7.00	7.00	7.00	7.00	7.00	0.00
Personal Services	$176,962	$180,350	$180,403	$180,350	$180,310	$180,373	$180,310	1.91
Operating Expenses	323,289	34,835	34,552	34,835	35,123	34,898	35,123	-89.22
Equipment	429	0	0	0	0	0	0	-100.00
Non-Operating	16,341	58,000	0	58,000	78,000	0	78,000	
TOTAL EXPENSES	$517,021	$273,185	$214,955	$273,185	$293,433	$215,271	$293,433	-47.16
STATE SPECIAL REVENUE	$517,021	$273,185	$214,955	$273,185	$293,433	$215,271	$293,433	-47.16

Program Description: The Resource Development Division carries out land development projects to increase revenue and to improve or preserve the value of the land. This responsibility is in accordance with the policy delineated in Section 77-1-601, MCA, which states:

> It is in the best interest and to great advantage of the State of Montana to seek the highest development of state-owned lands in order that they might be placed to their highest and best use and thereby derive greater revenue for the support of the common schools, the university system, and other institutions benefiting therefrom.....

Budget: The reduction in operating expenses from fiscal 1986 to 1988 was caused by a $290,023 one-time special assessment in fiscal 1986. The assessment was on state owned land in the Billings area which the state wanted to sell. A local lawsuit required the state to pay the assessment before the land could be sold.

The budget includes funding for $58,000 worth of capital projects in fiscal 1988 and $78,000 in fiscal 1989. The capital projects are improvements to state owned land which could be irrigation projects, stockwater projects, range renovations, or any other improvements to state owned land.

Funding: Funding for resource development projects is derived from not more than 2.5 percent of the income from lands managed. The Land Board determines the amount or percentage of income up to 2.5 percent. For the 1989 biennium 2.5 percent is to be assessed.

LEGISLATIVE ACTION

AGENCY: DEPARTMENT OF STATE LANDS

PROGRAM: FORESTRY DIVISION

BUDGET ITEM	FY 1986 Actual	Fiscal 1988 Executive	Fiscal 1988 Current Level	Fiscal 1988 Subcommittee	Fiscal 1989 Executive	Fiscal 1989 Current Level	Fiscal 1989 Subcommittee	FY 86-88 % Change
FTE	205.93	219.11	207.71	214.51	226.26	216.68	221.66	15.73
Personal Services	$ 5,105,109	$5,247,342	$4,969,808	$5,161,791	$5,373,116	$5,158,319	$5,287,535	1.11
Operating Expenses	4,846,345	2,681,949	2,240,495	2,508,406	2,626,249	2,292,907	2,454,688	-48.24
Equipment	591,702	507,595	478,245	489,595	346,504	271,004	337,504	-17.26
TOTAL EXPENSES	$10,543,156	$8,436,886	$7,688,548	$8,159,792	$8,345,869	$7,722,230	$8,079,727	-22.61
FUNDING								
General Fund	$ 7,287,724	$5,427,369	$5,184,390	$5,245,065	$5,390,073	$5,112,936	$5,210,325	-28.03
State Special Revenue	1,758,445	1,331,675	800,039	1,200,878	1,337,283	958,660	1,214,541	-31.71
Federal Revenue	1,496,987	1,667,542	1,704,119	1,713,849	1,618,513	1,650,634	1,654,861	14.49
TOTAL FUNDING	$10,543,156	$8,436,886	$7,688,548	$8,159,792	$8,345,869	$7,722,230	$8,079,727	-22.61

Program Description: The Forestry Division is responsible for: a) surface management on all school trust land classified as forest; b) fire suppression on all private and state land within forest fire districts and within counties as requested; and c) provision of technical advice to private landowners, loggers, and mills as it pertains to maximizing returns from the forest resource.

Legislative Intent: The subcommittee voted unanimously to have a committee bill (SB 348) drafted which would increase the assessment to private landowners for the fire suppression costs. Currently private land owners pay 1/3 of the presuppression forest fire costs but do not pay any of the suppression costs. The general fund finances the entire cost of suppression. To establish an equitable assessment to private landowners a 12 year history of fire suppression costs was calculated. A 10 year average cost was established after discarding the most expensive and the least expensive years. An inflation factor was applied to each of the 10 years, used in the average calculation, which produced a realistic projected cost for fire suppression costs. The average general fund cost was calculated to be $710,426. The subcommittee voted to add a surcharge on the existing landowner assessment of 3 cents per acre and increasing the minimum assessment by $3 and the revenues from the surcharge would be used to offset suppression costs financed by the general fund. The current assessment for presuppression costs is 17 cents per acre or a minimum of $14. The revenues the surcharge would generate are estimated to be $210,000 per year.

Currently the legislature appropriates the presuppression costs in the biennial appropriation bill. The forest fire suppression costs have been presented to the legislature as an item to be funded by a general fund supplemental at the beginning of each legislative session. The bill the subcommittee had drafted would create a state special revenue account where the surcharge assessment would be deposited. The legislature would have the revenue in the state special revenue account to partially offset the general fund costs of forest fire suppression.

Budget: The amounts shown in the column entitled "FY 1986 Actual" include a supplemental for fire suppression of $3,284,844. The expenditures by the Forestry Division minus the fire supplemental were $7,258,312 in fiscal 1986 without the fire supplementals. The cost increase from fiscal 1986 to 1988 is 12.4 percent. The increase of 8.58 FTE in fiscal 1988 and 15.73 FTE in fiscal 1989 is detailed in Table 3.

Table 3
Forestry FTE Increase From Fiscal 1986 to Fiscal 1988 and 1989

Increases	Fiscal 1988	Fiscal 1989
1. Reduction for Fiscal 1987 Pay Plan	(5.75)	(5.75)
2. Block II Assumption	6.20	6.20
3. Block III Assumption	2.80	9.95
4. Other 1987 Biennium Budget Modifications	5.33	5.33
FTE Change from Fiscal 1986	8.58	15.73

In fiscal 1987 the state assumed control of Block II which is the second of five blocks of land the state is assuming fire protection from the U.S. Forest Service. Therefore an increase of 6.20 FTE which occurred in fiscal 1987 is carried forward into the 1989 biennium. To fund the fiscal 1987 pay plan and to absorb the fiscal 1987 budget cut the division eliminated 5.75 FTE. This reduction is carried forward into the 1989 biennium. The subcommittee approved the assumption of Block III for the 1989 biennium. This increased FTE by 2.80 in fiscal 1988, and 9.77 in fiscal 1989.

Personal services increases 1 percent from fiscal 1986 to fiscal 1988 because the fire supplemental personal service costs are included in fiscal 1986. If the fire supplemental funds are excluded, personal services increase 13 percent between fiscal 1986 and 1988 for the new FTE and the fiscal 1987 pay plan increase. Vacancy savings of 4 percent was applied for this program. Operating expenses excluding fire supplemental expenditures increased 18.9 percent from fiscal 1986 to fiscal 1988. The major changes were $40,276 for assumption of Block III, an $81,000 reduction in payments to the U.S. Forest Service, $20,000 reduction in five contracted services, $28,000 increase in fire supplies and materials, $118,566 increase for contracted brush removal from state land, $97,946 increase for heavy equipment rental for brush removal, $143,700 increase in timber stand improvement (TSI) contracted services, $41,200 increase for heavy equipment rental for the TSI program, $13,200 increase in rent, and $15,800 increase in repairs and maintenance.

The main difference in operating expenses between fiscal 1988 and 1989 is the $76,200 reduction in payment to the U.S. Forest Service for fire protection, and inflationary increases of $12,000 in supplies and materials.

The budget includes $255,000 for vehicle replacement and $117,950 for new vehicles for Block III. The budget also includes $134,100 for communications equipment, and $228,899 for fire suppression equipment, $18,500 for agricultural equipment, $27,050 for office equipment, $16,600 for shop equipment, and $29,000 for computer equipment and software.

Program Changes:

1. Block III - The 1989 biennium budget includes $264,520 in fiscal 1988 and $235,656 in fiscal 1989 for the assumption of the third block for forest fire protection from the US Forest Service. To equalize acreage protected by the U.S. Forest Service and the state, they entered into a 10 year, 5 part transfer of 2,000,000 acres from the U.S. Forest Service to the state.

mcc 2. Brush and Timber Stand Improvement - The budget includes an increase of $295,300 for brush removal from state land and a $297,500 increase for timber stand improvement on state land over the amounts expended in fiscal 1986 for those programs. The increase in the TSI and brush removal programs correspond to the increased timber sales from 34 million board feet per year to 50 MMBF. In fiscal 1986 the state sold 52.5 MMBF and expects to sell an additional 50 MMBF in fiscal 1987. The majority of the timber from the fiscal 1986 and 1987 sales will be cut in the 1989 biennium, which is the justification for the increase in TSI and brush removal programs.

3. Private Slash Removal - The subcommittee approved an increase in the private land slash program of $38,300 per year. In fiscal 1986 the department was authorized approximately $158,000 for the slash program but expended only $121,000. Therefore, the budget was restored to the fiscal 1986 funding level.

Funding: The budget contains funding for the continuation of the expanded timber sale, which in fiscal 1986, was financed with Resource Development funds. In fiscal 1988 there is $236,000 general fund and in fiscal 1989 $237,656 general fund to maintain the state timber sales at the 50 MMBF level.

The forestry division's funding is detailed in Table 4.

Table 4
Forestry Budget by Program
1989 Biennium

Program	General Fund	State Special	Federal & Other	Total
Fiscal 1988				
State Forest Mgmt	$1,320,251	$ -0-	$ -0-	$1,320,251
Administration	1,878,057	-0-	160,199	2,038,256
Forest Fire	1,838,125	-0-	1,553,650	3,391,775
Brush Removal	-0-	494,143	-0-	494,143
Timber Stand Improvement	-0-	529,891	-0-	529,891
Nursery	109,816	116,401	-0-	226,217
Private Slash Removal	98,816	60,443	-0-	159,259
Total Fiscal 1988 Funding	$5,245,065	$1,200,878	$1,713,849	$8,159,792
Fiscal 1989				
Program				
State Forest Mgmt	$1,321,762	$ -0-	$ -0-	$1,321,762
Administration	1,909,364	-0-	148,199	2,057,563
Forest Fire	1,783,537	-0-	1,506,662	3,290,199
Brush Removal	-0-	494,306	-0-	494,306
Timber Stand Improvement	-0-	530,105	-0-	530,105
Nursery	96,681	129,690	-0-	226,371
Private Slash Removal	98,981	60,440	-0-	159,421
Total Fiscal 1988 Funding	$5,210,325	$1,214,541	$1,654,861	$8,079,727

The brush and timber stand improvement revenues are generated from the sale of timber on state land. The price that the state sells the timber at includes $11 per MBF for the TSI program and $11 per MBF for the brush removal program. These revenues are used to finance 100 per cent of the TSI and brush removal programs.

The revenues for the nursery account are derived from the sale of nursery products.

The revenue for the slash account is received when the state collects $0.24 per thousand board feet for expenses of administering the slash disposal program. The state also holds, in an escrow account, $5.76 per MBF from timber logged off private land. The funds are returned to the logger when the land has been adequately cleaned up so as to

remove fire hazards. If the land has not been properly cleaned up, the state uses the escrow account funds to eliminate the fire hazards.

The federal and other revenues are funds received from the private land owner for fire protection assessment and federal funds from the U.S. Forest Service. The revenues from the private landowners are estimated to be $1,146,730 in fiscal 1988 and $1,147,893 in fiscal 1989.

The federal funds are Clark-McNary funds for fire protection totaling $406,920 in fiscal 1988 and $358,769 in fiscal 1989. The remaining $160,199 of federal funds in fiscal 1988 and $148,199 in fiscal 1989 are for forestry planning, land owner assistance, and other forestry programs.

Modifieds Recommended:

1. Increased Nursery Production - An additional .70 FTE and operating costs are requested in the nursery to increase the production of seedings for conservation plantings. The cost increase would be $20,413 in fiscal 1988 and $20,440 in fiscal 1989. The funding would be from the sale of nursery stock.

2. Conservation Reserve Program - An additional .90 FTE and operating costs are requested to cover the increased workload for trees and shrubs to improve wildlife habitat on private lands through the Federal Conservation Reserve Program. The increase would be $24,401 in fiscal 1988 and $24,472 in fiscal 1989. Funding would come from the Department of Fish, Wildlife, and Parks which administers the Federal Conservation Reserve Program.

CSAR:cssl.

LEGISLATIVE ACTION

AGENCY: DEPARTMENT OF FISH, WILDLIFE, AND PARKS

PROGRAM: AGENCY SUMMARY

BUDGET ITEM	FY 1986 Actual	Fiscal 1988 Executive	Fiscal 1988 Current Level	Fiscal 1988 Subcommittee	Fiscal 1989 Executive	Fiscal 1989 Current Level	Fiscal 1989 Subcommittee	FY 86-88 % Change
FTE	493.20	495.76	490.51	490.51	496.51	490.51	490.51	-2.69
Personal Services	$12,787,731	$13,496,633	$13,384,057	$13,382,703	$13,516,887	$13,390,757	$13,387,865	4.65
Operating Expenses	8,216,891	8,943,897	8,053,009	8,624,110	8,904,206	8,050,571	8,466,842	4.96
Equipment	1,460,705	1,346,591	983,034	1,224,843	1,295,883	864,846	1,167,654	-16.15
Non-Operating	2,614,731	2,766,370	2,804,134	2,909,844	2,803,870	2,754,134	2,952,660	10.14
TOTAL EXPENSES	$25,080,058	$26,553,491	$25,224,234	$26,141,500	$26,520,846	$25,060,308	$25,975,021	4.23
FUNDING								
General Fund	$ 405,055	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	-100.00
State Special Revenue	16,355,872	17,327,180	16,555,626	17,124,255	17,234,499	16,464,614	16,906,254	4.70
Federal Revenue	6,350,602	7,039,672	6,765,125	7,014,975	6,933,199	6,672,779	6,910,245	10.46
Proprietary Funds	1,968,529	2,186,639	1,903,483	2,002,270	2,353,148	1,922,915	2,158,522	1.71
TOTAL FUNDING	$25,080,058	$26,553,491	$25,224,234	$26,141,500	$26,520,846	$25,060,308	$25,975,021	4.23

Program Description: The Department of Fish, Wildlife, and Parks is responsible for the preservation and protection of all forms of Montana's wildlife, their habitat, and the natural and cultural resources of aesthetic, scenic, historic, scientific, and archaeological significance.

The department consists of eight divisions: Centralized Services, Field Services, Fisheries, Law Enforcement, Wildlife, Parks and Recreations, Conservation Education, and Administration.

Department Wide Issue: A 4 percent vacancy savings factor was applied to all department programs.

LEGISLATIVE ACTION

AGENCY: DEPARTMENT OF FISH, WILDLIFE, AND PARKS

PROGRAM: CENTRALIZED SERVICES DIVISION

BUDGET ITEM	FY 1986 Actual	Fiscal 1988 Executive	Fiscal 1988 Current Level	Fiscal 1988 Subcommittee	Fiscal 1989 Executive	Fiscal 1989 Current Level	Fiscal 1989 Subcommittee	FY 86-88 % Change
FTE	46.52	47.83	47.43	46.83	47.83	47.43	46.83	0.31
Personal Services	$972,225	$1,109,777	$1,099,872	$1,095,321	$1,109,154	$1,099,307	$1,094,728	12.66
Operating Expenses	1,875,762	2,229,347	1,954,655	2,097,118	2,236,682	1,928,406	2,065,367	11.80
Equipment	573,490	610,953	531,449	531,449	783,789	526,282	701,101	-7.33
Non-Operating	0	25,000	25,000	25,000	25,000	25,000	25,000	N/A
TOTAL EXPENSES	$3,421,477	$3,975,077	$3,610,976	$3,748,888	$4,154,625	$3,578,995	$3,886,196	9.57
FUNDING								
State Special Revenue	$1,471,368	$1,840,363	$1,653,373	$1,716,728	$1,853,940	$1,618,395	$1,698,322	16.68
Federal Revenue	209,618	218,235	218,235	303,235	209,821	209,821	294,821	44.66
Proprietary Fund	1,740,491	1,916,479	1,739,[illegible]8	1,728,925	2,090,864	1,750,779	1,893,053	-0.66
TOTAL FUNDING	$3,421,477	$3,975,077	$3,610,976	$3,748,888	$4,154,625	$3,578,995	$3,886,196	9.57

Program Description: The Centralized Services Division is an administrative and support unit with two bureaus. The Accounting and Finance Bureau is responsible for the budgeting, property accounting, deposition of funds, personnel, payment of vendor invoices, payroll, and for monitoring the finances of the department's vehicle fleet and warehouse operations. The License Bureau is responsible for drawings for licenses and permits for game animals and administration of hunting and fishing licenses through license dealers.

Budget: The personal services budget increases 12.7 percent because the division had 5.18 positions vacant for a portion of fiscal 1986. The personal services budget reflects a fully funded program. Operating expenses increases from fiscal 1986 to 1988 due to the following factors: 1) insurance costs increase $49,626; 2) legislative audit fees increase $26,933; 3) gasoline costs increase $25,695; 4) additional gas tax revenues of $24,900 to be used for supplies and repairs; 5) appropriation of transfer authority to transfer indirect charges to the general fund of $85,000; and 6) other adjustments plus inflation, $9,202. The adjustments in operating between fiscal 1988 and 1989 are: 1) elimination of audit, $48,000; 2) increase in computer access charges, $7,800; and 3) increase in consultant services, $6,300. The equipment budget is detailed in Table 1.

Table 1
Centralized Services Equipment

Type of Equipment	Fiscal 1988	Fiscal 1989
Vehicles	$525,628	$579,047
Office	5,821	654
Aircraft	-0-	99,000
Print Shop	-0-	22,400
Total	$531,449	$701,101

The non-operating appropriation is the legislative contract authority. During the biennium the department will receive numerous federal grants which at the time the budget is being developed there is no way of knowing what the grant will be for or how much funding there will be. The legislative contract authority is the mechanism by which the department can accept and expend the federal grants with out going through the budget amendment process.

Funding: Funding for the division is from general license funds and other state special and federal revenue accounts which fund the department. In addition, the print shop, warehouse, and equipment proprietary funds finance the respective services with charges to users within the agency. The legislative contract authority is financed with federal funds.

Modifieds Recommended:

1. Vehicle Fund Transfer: A transfer of $118,327 in fiscal 1988 and $150,660 in fiscal 1989 from the hunting and fishing license account to the equipment revolving account. This transfer will provide adequate cash to cover vehicle operating costs and equipment purchases.

2. Internal Service Fund: Corresponding to the budget modifications approved in other department programs, the internal service fund account in centralized services must be adjusted. The internal service fund reflects the vehicle operations costs of the department. To the extent that a budget modification involves travel the internal service fund must be increased a like amount. In fiscal 1988 the recommended increase is $181,811 and in fiscal 1989 the increase is $188,633.

LEGISLATIVE ACTION

AGENCY: DEPARTMENT OF FISH, WILDLIFE, AND PARKS

PROGRAM: FIELD SERVICES DIVISION

BUDGET ITEM	FY 1986 Actual	Fiscal 1988 Executive	Fiscal 1988 Current Level	Fiscal 1988 Subcommittee	Fiscal 1989 Executive	Fiscal 1989 Current Level	Fiscal 1989 Subcommittee	FY 86-88 % Change
FTE	32.15	31.90	32.15	47.71	32.40	32.15	47.71	15.56
Personal Services	$ 844,786	$ 913,459	$ 922,940	$1,310,439	$ 920,081	$ 922,452	$1,309,903	55.12
Operating Expenses	472,839	536,190	476,156	661,526	556,379	479,024	593,165	39.91
Equipment	41,662	146,245	19,060	143,380	36,430	3,200	33,700	244.15
Non-Operating	49,312	57,500	45,000	52,500	45,000	45,000	45,000	6.46
TOTAL EXPENSES	$1,408,599	$1,653,394	$1,463,156	$2,167,845	$1,557,890	$1,449,676	$1,981,768	53.90
FUNDING								
State Special Revenue	$1,062,169	$1,334,127	$1,155,695	$1,848,578	$1,250,564	$1,148,391	$1,674,442	74.04
Federal Revenue	346,430	319,267	307,461	319,267	307,326	301,285	307,326	-7.84
TOTAL FUNDING	$1,408,599	$1,653,394	$1,463,156	$2,167,845	$1,557,890	$1,449,676	$1,981,768	53.90

Program Description: The Field Services Division was created under the department's reorganization, which became effective in fiscal 1984. The division was created primarily from the now defunct Ecological Services Division. The Field Services Division includes the seven regional supervisors and staff.

The Field Services Division is responsible for coordinating and supervising field activities of the seven regional headquarters, department personnel functions, game damage activities, and aircraft and private landowner relations.

Budget: The executive current level budget for the Field Services budget was appropriated which eliminated 0.75 FTE to finance the 1987 pay plan. A department request which transferred 14.0 FTE from the Parks Division was approved. The 14.0 FTE positions are in the sign shop, land agent office, design and construction bureau, and those programs in administration. A department request to add 2.31 FTE which are contractual employees was approved. This action was the result of an Internal Revenue Service audit which concluded that these employees were not contractual but rather state employees.

Personal services increase 55.12 percent caused by the transfer in of 14.0 FTE from the Parks and Recreation Division. In fiscal 1986 there was an average of 1.15 vacant positions which are fully funded in the 1989 biennium.

Operating expenses increase 39.91 percent from fiscal 1986 to 1988 and a large portion of that increase reflects: 1) the transfer in of the 14.0 FTE from the Parks and Recreation Division of $117,000 and a biennial appropriation of $72,000 for rent of private space at Kalispell while the regional headquarters is being reconstructed was approved.

The equipment approved includes $130,500 for data processing equipment, $14,060 for office equipment, $24,320 for scientific apparatus, plus other equipment totaling $8,200. The non-operating expenses include $45,000 per year of legislative contract authority and $7,500 in fiscal 1988 to pave the Great Falls regional headquarters parking lot.

Funding: This program is funded primarily by hunting and fishing license fees and by federal funds.

Modifieds Recommended:

1. Block Management Programs - A $40,000 per year increase in the block management program was approved. The program is funded by hunting and fishing license funds.

2. Increased Operations and Maintenance - $30,959 in fiscal 1988 and $47,795 in fiscal 1989 for increased operating and maintenance costs at regional offices. This budget modification is funded by hunting and fishing license funds.

LEGISLATIVE ACTION

AGENCY: DEPARTMENT OF FISH, WILDLIFE, AND PARKS

PROGRAM: FISHERIES DIVISION

BUDGET ITEM	FY 1986 Actual	Fiscal 1988 Executive	Fiscal 1988 Current Level	Fiscal 1988 Subcommittee	Fiscal 1989 Executive	Fiscal 1989 Current Level	Fiscal 1989 Subcommittee	FY 86-88 % Change
FTE	99.64	100.73	99.29	97.99	100.98	99.29	97.99	-1.65
Personal Services	$2,433,313	$2,676,610	$2,637,202	$2,625,164	$2,684,982	$2,637,674	$2,625,500	7.88
Operating Expenses	1,213,018	1,168,790	1,208,172	1,090,245	1,138,363	1,222,489	1,050,491	-10.12
Equipment	161,498	130,950	130,950	134,950	103,670	103,670	103,670	-16.44
Non-Operating	1,164,845	938,500	936,000	938,500	938,500	936,000	938,500	-19.43
TOTAL EXPENSES	$4,972,674	$4,914,850	$4,912,324	$4,788,859	$4,865,515	$4,899,833	$4,718,161	-3.70
FUNDING								
State Special Revenue	$2,847,827	$2,754,533	$2,756,543	$2,692,092	$2,784,560	$2,824,098	$2,699,318	-5.47
Federal Revenue	2,124,847	2,160,317	2,155,781	2,096,767	2,080,955	2,075,735	2,018,843	-1.32
TOTAL FUNDING	$4,972,674	$4,914,850	$4,912,324	$4,788,859	$4,865,515	$4,899,833	$4,718,161	-3.70

Program Description: The Fisheries Division is responsible for the management of Montana's fisheries resources to provide optimum sport fishing. Management strategies attempt to maintain an efficient fish culture program consistent with state needs; to preserve, restore, and improve fish habitat; to maintain optimum population of desirable fish in state waters; to provide workable fishing regulations to distribute fish equitably; to promote, where practical, commercial utilization of non-sport fish and to provide and maintain the best possible recreational fishing.

Budget: The executive current level budget which eliminated 3.21 FTE to fund the unfunded portion of the fiscal 1987 pay plan and the transfer of 0.90 position from the Parks Division was approved. A department request to add 0.66 FTE which were contractual employees to state employees (per IRS ruling) was approved.

The difference in operating expenses between fiscal 1986 and fiscal 1988 are 1) a $14,000 reduction in consulting and professional services; 2) a $44,000 reduction in constructed computer services; 3) a $24,000 reduction in travel; 4) a $7,000 reduction in utilities; 5) a $6,000 reduction in repairs and maintenance; and 6) and reduction of $27,672 in operating expenses related to the Libby Dam Reservoir expenditures which were authorized in a budget amendment in fiscal 1986. In fiscal 1989, printing costs are reduced $42,000 from fiscal 1988.

Table 2 details the equipment approved.

Table 2
Fisheries Division - Major Equipment Purchases

Equipment	Fiscal 1988	Fiscal 1989
Agriculture and Landscaping	$ 9,300	$ 11,550
Autos and Trucks	20,000	-0-
Household	1,450	4,400
Marine Equipment	58,650	42,300
Office	900	1,000
Shop, Plant, Industrial	4,100	4,575
Photographic	2,000	-0-
Laboratory	1,700	600
Snow Removal	-0-	800
Trailers and Campers	-0-	4,800
Field Monitoring Equipment	21,850	18,645
Other Equipment	15,000	15,000
Total Equipment	$134,950	$103,670

The budget includes $920,000 per year of legislative contracting authority and $18,500 per year for a grant to the cooperative fisheries research unit at Montana State University.

Funding: Funding for the division is from general license funds and federal Dingell-Johnson funds. Dingell-Johnson funds come from a federal excise tax on fishing equipment. The Dingell-Johnson funds require a 25 percent state match.

Modifieds Recommended:

1. Missouri River Reservations - 0.25 FTE with $23,834 in fiscal 1988 and $23,835 in fiscal 1989 to continue the Missouri River water reservations process is recommended. This budget modification would compliment the 1.25 FTE in the current level budget for the water reservations in the Missouri. Funding would be $18,000 per year federal and $5,834 license fee funds.

2. Expanded Fish Hatchery Operations - $60,000 federal per year and $20,868 in fiscal 1988 and $21,146 of general license funds in fiscal 1989 for expanded fish hatchery operations.

3. Central Montana Fisheries Enhancement - Increased funding for the fishery management program on the Missouri, Smith, and Dearborn Rivers and temporary help for central Montana farm pond and reservation management. The budget modification includes 1.00 FTE and $25,500 in federal fund in fiscal 1988, $24,000 in fiscal 1989, $7,658 in license fees in fiscal 1988, and $7,151 in fiscal 1989.

4. Fish Disease Prevention - Increased funding to better monitor and control trout and salmon diseases. The funding would be $6,925 of general license funds in fiscal 1988 and $7,247 in fiscal 1989.

4. Co-op Fish Monitoring - A cost share program with Bonneville Power Authority, U.S. Forest Service, and other agencies to monitor and plan for development activities in the Flathead/Kootenai River Basin waters. The funding source for this request is general license funds. This program is funded by general license funds at $22,931 in fiscal 1988 and $41,639 in fiscal 1989.

LEGISLATIVE ACTION

AGENCY: DEPARTMENT OF FISH, WILDLIFE, AND PARKS

PROGRAM: LAW ENFORCEMENT PROGRAM

BUDGET ITEM	FY 1986 Actual	Fiscal 1988 Executive	Fiscal 1988 Current Level	Fiscal 1988 Subcommittee	Fiscal 1989 Executive	Fiscal 1989 Current Level	Fiscal 1989 Subcommittee	FY 86-88 % Change
FTE	87.33	90.67	87.50	87.17	90.67	87.50	87.17	-0.16
Personal Services	$2,873,780	$2,835,882	$2,779,390	$2,754,834	$2,839,393	$2,783,145	$2,758,408	-4.14
Operating Expenses	816,734	964,113	811,653	867,884	967,091	813,021	869,301	6.26
Equipment	81,946	89,611	76,811	76,811	61,789	51,089	50,789	-6.27
Non-Operating	87,382	0	0	138,474	0	0	138,790	58.47
TOTAL EXPENSES	$3,859,842	$3,889,606	$3,667,854	$3,838,003	$3,868,273	$3,647,255	$3,817,288	-0.57
FUNDING								
State Special Revenue	$3,772,460	$3,734,985	$3,667,854	$3,699,529	$3,713,641	$3,647,255	$3,678,498	-1.93
Federal Revenue	87,382	154,621	0	138,474	154,632	0	138,790	58.47
TOTAL FUNDING	$3,859,842	$3,889,606	$3,667,854	$3,838,003	$3,868,273	$3,647,255	$3,817,288	-0.57

Program Description: The Law Enforcement Division is responsible for protecting fish and wildlife and their habitat and for protecting recreation, historic, and archaeological sites from willful or negligent destruction. Management duties include administration of special purpose licenses, outfitters, assisting landowners in alleviating wildlife damage, and conservation officer training.

Budget: The executive recommendation to delete 0.33 FTE to fund the fiscal 1987 pay plan was continued into the 1989 biennium. A 0.17 FTE was transferred in from the Administration Division. Personal services were reduced 4.14 percent from fiscal 1986 to fiscal 1988 because of the elimination of the appropriation of fines and fees for warden benefits. The fines and fees are appropriated statutorily.

Operating expenses increased $50,300 per year for warden travel. There were minor reductions in other operating expenses.

Table 3 details the equipment approved.

Table 3
Law Enforcement Equipment

Equipment	Fiscal 1988	Fiscal 1989
Communications	$16,000	$16,000
Law Enforcement	22,550	11,789
Marine	16,961	15,000
Shop, Plant, & Industrial	2,000	2,000
Scientific	300	-0-
Trailers & Campers	15,000	6,000
Horses	4,000	-0-
Total	$76,811	$50,789

The non-operating is a federal grant for a boating safety program.

Funding: Funding for the division is from general license fund and other earmarked revenues, including revenue from snowmobile registration fees, the motorboat certification identification fee, and fuel tax.

Modifieds Recommended:

1. Increased Warden Support - 1.0 FTE is recommended for increased warden support in Billings region. The funding source is general license funds of $32,294 in fiscal 1988 and $31,684 in fiscal 1989.

2. Warden/Biologist - Thompson Falls - .50 FTE is recommended to assist the Thompson Falls biologist and game warden. The position would handle routine duties which would allow the warden to spend more time on commercial poaching issues. Funding is derived from General license funds of $16,570 in fiscal 1988 and $16,562 in fiscal 1989.

LEGISLATIVE ACTION

AGENCY: DEPARTMENT OF FISH, WILDLIFE, AND PARKS

PROGRAM: WILDLIFE DIVISION

BUDGET ITEM	FY 1986 Actual	Fiscal 1988 Executive	Fiscal 1988 Current Level	Fiscal 1988 Subcommittee	Fiscal 1989 Executive	Fiscal 1989 Current Level	Fiscal 1989 Subcommittee	FY 86-88 % Change
FTE	93.34	94.36	93.51	91.79	94.36	93.51	91.79	-1.55
Personal Services	$2,595,805	$2,736,414	$2,715,538	$2,677,423	$2,737,639	$2,716,887	$2,678,664	3.14
Operating Expenses	1,865,515	2,022,721	1,869,293	1,891,822	2,009,753	1,872,611	1,884,194	1.41
Equipment	247,327	161,292	134,724	135,713	119,715	96,615	97,604	-45.13
Non-Operating	699,050	1,195,370	1,165,000	1,195,370	1,195,370	1,165,000	1,195,370	71.00
TOTAL EXPENSES	$5,407,697	$6,115,797	$5,884,555	$5,900,328	$6,062,477	$5,851,113	$5,855,832	9.11
FUNDING								
State Special Revenue	$2,551,217	$2,693,924	$2,537,608	$2,478,455	$2,640,586	$2,504,166	$2,433,941	-2.85
Federal Revenue	2,856,480	3,421,873	3,346,947	3,421,873	3,421,891	3,346,947	3,421,891	19.79
TOTAL FUNDING	$5,407,697	$6,115,797	$5,884,555	$5,900,328	$6,062,477	$5,851,113	$5,855,832	9.11

Program Description: The Wildlife Division is responsible for the department's survey, inventory, and research of the state's wildlife resource and its habitat. The division operates and maintains the department's wildlife management areas in the state, which total 270,000 acres. The goal of the Wildlife Division is to protect, perpetuate, enhance, and regulate the use of the wildlife resource for public benefit.

Budget: The personal services budget reflects the elimination of 3.20 FTE to fund the fiscal 1987 pay plan. In addition, the budget includes the transfer in of 0.17 FTE from other divisions, a 0.20 FTE correction which the department requested, and the creation of 1.28 FTE which were formerly contractual employees.

Specific increases in operating expenses were $20,700 in appraisal fees, a $21,000 per year increase for the non-game program, and a $16,000 per year increase for printing of the hunting regulations and a $28,500 reduction in all other operating expenses as recommended by the department. There is an $8,750 reduction in rent in fiscal 1989.

The major equipment is detailed in Table 4.

Table 4
Wildlife Equipment

Equipment	Fiscal 1988	Fiscal 1989
Agricultural	$ 3,000	$ 1,250
Auto and Truck	14,000	-0-
Marine	-0-	10,000
Office	3,320	-0-
Shop, Plant and Industrial	15,000	4,850
Trailers	18,000	2,000
Scientific	5,475	7,390
Field Monitoring	61,800	61,000
General	12,118	11,114
Horses	3,000	-0-
Total	$135,713	$97,604

Approved was $1,195,370 per year of legislative contract authority which appears in the non-operating line item.

Funding: The division is funded from general license funds, federal Pittman-Robertson, funds, and non-game state revenues.

Modifieds Recommended:

1. Statewide Enhancement Enforcement Survey - 1.0 FTE and operating funds to upgrade the department's capabilities to curtail illegal activities, provide public information and collect the biological data necessary to determine allowable harvest rates for elk, deer and antelope. The funding source is general license fund of $49,470 in fiscal 1988 and $49,513 in fiscal 1989.

2. Wildlife Mitigation Plans - 0.50 FTE to implement a wildlife mitigation plan at Hungry Horse and Libby Dams. The funding source for this project is the general license fund of $24,502 in fiscal 1988 and $24,503 in fiscal 1989.

3. Statewide Effects-Archery Hunting - Funding to evaluate the effects of archery hunting on elk statewide. The funding source for this project is general license fund of $27,900 in fiscal 1988 and $19,000 in fiscal 1989.

4. Minimize Grizzly Conflicts - 1.0 FTE and operating funds to capture and relocate problem bears, test aversive conditioning, and keep the public informed on potential bear problems. The funding source for this project is general license funds of $44,563 in fiscal 1988 and $44,594 in fiscal 1989.

5. Non-Game Program - Continuation of the non-game state income tax checkoff of $7,000 in fiscal 1988 and $7,000 in fiscal 1989.

6. Landowner/Hunter Assistance - 0.50 FTE in Sanders County to help enforcement personnel in the area. The funding source is general license funds of $16,230 in fiscal 1988 and $16,276 in fiscal 1989.

7. Expanded Weed Control - Increase to the departments effort at weed control on department lands. The funding source is general license funds of $10,000 in fiscal 1988 and $10,000 in fiscal 1989.

LEGISLATIVE ACTION

AGENCY: DEPARTMENT OF FISH, WILDLIFE, AND PARKS

PROGRAM: PARKS AND RECREATION DIVISION

BUDGET ITEM	FY 1986 Actual	Fiscal 1988 Executive	Fiscal 1988 Current Level	Fiscal 1988 Subcommittee	Fiscal 1989 Executive	Fiscal 1989 Current Level	Fiscal 1989 Subcommittee	FY 86-88 % Change
FTE	100.21	95.12	95.12	83.87	95.12	95.12	83.87	-16.34
Personal Services	$1,942,565	$2,052,070	$2,043,030	$1,747,101	$2,053,922	$2,045,084	$1,748,946	-10.06
Operating Expenses	1,192,384	1,228,646	1,002,478	1,234,992	1,201,266	1,008,623	1,223,219	-3.57
Equipment	193,335	177,290	69,290	177,290	169,290	72,590	164,590	-8.30
Non-Operating	418,902	445,000	478,134	445,000	445,000	478,134	445,000	6.23
TOTAL EXPENSES	$3,747,186	$3,903,006	$3,592,932	$3,604,383	$3,869,478	$3,604,431	$3,581,755	-3.81
FUNDING								
General Fund	$405,055	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	-100.00
State Special Revenue	2,685,607	3,187,846	2,983,817	2,886,038	3,162,194	2,987,295	2,871,286	7.46
Federal Revenue	428,486	445,000	445,000	445,000	445,000	445,000	445,000	3.85
Other Revenue	228,038	270,160	164,115	273,345	262,284	172,136	265,469	19.87
TOTAL FUNDING	$3,747,186	$3,903,006	$3,592,932	$3,604,383	$3,869,478	$3,604,431	$3,581,755	-3.81

Program Description: The Parks and Recreation Division is responsible for the operation and maintenance of the state park system, including state parks, recreation areas, monuments, recreational waterways, recreational ponds and trains and fishing access sites. The division is also responsible for conservation of the scenic, historic, archaeological, scientific, and recreational resources of the state; the administration of the federal land and water conservation fund in Montana; the administration of snowmobile recreation in Montana, by providing maintenance and installation of snowmobile facilities; and maintenance of the capitol complex grounds.

Budget: The budget includes the transfer of 2.25 FTE to other programs, an increase of 0.36 FTE for capitol complex mapping and coal tax park operations, and the elimination of 3.20 FTE for the fiscal 1987 pay plan. The department's request to transfer 14.0 FTE to the Field Services Division, the creation of 2.0 new positions for increased park maintenance, and the increase of 0.75 FTE state employees from contracted services were approved. The 10.06 percent personal services reduction reflects the FTE reduction.

Operating expenses changed between fiscal 1986 and 1988 due to the following adjustments: 1) an increase in the gas tax increased authorizations for snowmobile trail improvements by $42,000 and for boat access site improvements by

$85,000; 2) transfer of 14.5 FTE to Field services reduced operating expenses by $117,000; 3) additional park maintenance of $60,500; 4) one-time appraiser fees in fiscal 1986 were eliminated, saving $48,300, plus other minor adjustments.

The equipment approved is detailed in Table 5.

Table 5
Parks Division Equipment

Equipment	Fiscal 1988	Fiscal 1989
Agricultural	$ 67,260	$ 47,140
Communications	-0-	1,250
Construction	-0-	1,400
Office	2,030	3,700
Engineering	-0-	-0-
Other	8,000	5,800
Field Monitoring	-0-	5,300
Snowmobile	100,000	100,000
Total	$177,290	$164,590

Non-operating is $445,000 per year of federal land and water conservation funds that are awarded to county municipal governments, town governments, and school districts.

Funding: Funding for the division is received from snowmobile registrations, snowmobile fuel tax, coal tax, motorboat fuel tax, state park revenue, and fishing license revenue. Capitol grounds maintenance is supported through charges to all state agencies.

Modifieds Recommended:

1. Increased Snowmobile Program - Funds to improve trail signing and add mileage to trails. Funding of $61,000 in fiscal 1988 and $61,000 in fiscal 1989 is from the snowmobile fuel tax.

LEGISLATIVE ACTION

AGENCY: DEPARTMENT OF FISH, WILDLIFE, AND PARKS

PROGRAM: CONSERVATION EDUCATION DIVISION

BUDGET ITEM	FY 1986 Actual	Fiscal 1988 Executive	Fiscal 1988 Current Level	Fiscal 1988 Subcommittee	Fiscal 1989 Executive	Fiscal 1989 Current Level	Fiscal 1989 Subcommittee	FY 86-88 % Change
FTE	21.50	22.05	22.05	22.05	22.05	22.05	22.05	0.55
Personal Services	$ 627,712	$ 670,014	$ 668,873	$ 670,014	$ 669,323	$ 668,981	$ 669,323	6.74
Operating Expenses	464,833	521,923	457,506	488,823	523,644	453,116	490,544	5.16
Equipment	47,089	27,450	17,950	22,450	21,200	11,400	16,200	-52.32
Non-Operating	40,240	0	0	0	0	0	0	-100.00
TOTAL EXPENSES	$1,179,874	$1,219,387	$1,144,329	$1,181,287	$1,214,167	$1,133,497	$1,176,067	0.12
FUNDING								
State Special Revenue	$1,064,542	$1,079,862	$1,034,804	$1,071,762	$1,074,642	$1,023,972	$1,066,542	0.68
Federal Revenue	115,332	139,525	109,525	109,525	139,525	109,525	109,525	-5.04
TOTAL FUNDING	$1,179,874	$1,219,387	$1,144,329	$1,181,287	$1,214,167	$1,133,497	$1,176,067	0.12

Program Description: The Conservation Education Division is responsible for the public relations functions of the department including film production and publication and distribution of the Montana Outdoors Magazine. The division informs the public about fish and wildlife laws, administrative rules, and policies that are designed to regulate outdoor recreational activities.

Budget: The executive recommendation to transfer in 0.20 FTE from Parks and 0.35 FTE from Administration was approved. The major adjustments in operating expenses between fiscal 1986 and 1988 are: 1) an increase of $26,000 for Hunter Safety; 2) an increase in snowmobile safety education of $5,600; 3) a $10,000 reduction in supplies and materials. The $5,600 snowmobile education increase was caused by the 3 cent increase in the gas tax.

The equipment approved includes $11,050 for educational equipment, $8,300 for photographic equipment, $10,000 for film, and $9,300 for video equipment.

Funding: Funding for the Conservation Education Division is from general license revenue and federal Pittman-Robertson funds.

Modifieds Recommended:

1. Bear Education - A bear hunter education program. Official Fish and Wildlife studies indicate that over 90% of Montana grizzlies failed to pass their forest entrance exams. This compared to an average of only 40% failure rate in neighboring states and a bobcat failure rate of only 5 percent. The department has proposed slide and film shows that will not only entertain the bears but also educate them in forest life. Such films as "How to Survive a Long Winter's Night" narrated by J. Flynn demonstrating hibernation techniques, could be beneficial to bears who may not have been taught proper hibernation procedures by their parents. Montana's bears didn't always have such poor grades, and with a little help, encouragement, and this budget modification, we can again put Montana's bears back on top. Funding of $7,500 in fiscal 1988 and $7,500 in fiscal 1989 would come from the general license fund.

2. Boater Safety - Increased public information in boating safety. Funding of $30,000 in fiscal 1988 and $30,000 in fiscal 1989 would come from general license fund.

LEGISLATIVE ACTION

AGENCY: DEPARTMENT OF FISH, WILDLIFE, AND PARKS

PROGRAM: ADMINISTRATION DIVISION

BUDGET ITEM	FY 1986 Actual	Fiscal 1988 Executive	Fiscal 1988 Current Level	Fiscal 1988 Subcommittee	Fiscal 1989 Executive	Fiscal 1989 Current Level	Fiscal 1989 Subcommittee	FY 86-88 % Change
FTE	13.36	13.10	13.46	13.10	13.10	13.46	13.10	-0.26
Personal Services	$ 497,545	$502,407	$517,212	$502,407	$502,393	$517,227	$502,393	0.98
Operating Expenses	315,806	272,167	273,096	291,700	271,028	273,281	290,561	-7.63
Equipment	114,358	2,800	2,800	2,800	0	0	0	-97.55
Non-Operating	155,000	105,000	155,000	115,000	155,000	105,000	165,000	-25.81
TOTAL EXPENSES	$1,082,709	$882,374	$948,108	$911,907	$928,421	$895,508	$957,954	-15.78
FUNDING								
State Special Revenue	$ 900,682	$701,540	$765,932	$731,073	$754,372	$711,042	$783,905	-18.83
Federal Revenue	182,027	180,834	182,176	180,834	174,049	184,466	174,049	-0.66
TOTAL FUNDING	$1,082,709	$882,374	$948,108	$911,907	$928,421	$895,508	$957,954	-15.78

Program Description: The Administration Division includes the Fish and Game Commission, the Director's Office, and associated staff services. The commission sets department policies and priorities and regulates the harvest of fish, game, and fur bearers through regulations establishing seasons and bag limits. The Director's Office provides executive direction for the department's overall program. Management strategies are implemented through the director, associate and deputy directors, legal unit, planning unit, and resource assessment unit.

Legislative Intent: The following boilerplate language was approved.

> "No funds shall be used for lawsuits between state agencies in which the Department of Fish, Wildlife, and Parks is a plaintiff, unless it has been approved in written consent by the Governor.

Budget: The executive personal services recommendation, which includes the transfer of 1.60 FTE to other divisions, the transfer in of 1.70 FTE from the Parks Division, and the elimination of 0.36 FTE to finance the fiscal 1987 pay plan, was approved. The major adjustments in operating expenses between fiscal 1986 and 1988 are the reduction of $42,800 in contracted services per the department's request and a $20,000 per year appropriation for Cooney Dam.

The equipment approved was $2,800 for office equipment in fiscal 1988 only.

The non-operating appropriation approved includes $90,000 per year to the Department of Livestock for predator control which is a $10,000 per year increase; and $25,000 per year for legislative contract authority and $50,000 in fiscal 1989 to the State Library for Natural Heritage Program.

Funding: Funding for the division is from general license funds and an overhead charge for administering federal funds received by the department.

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LEGISLATIVE ACTION

AGENCY: DEPT OF NATURAL RESOURCES AND CONSERVATION

PROGRAM: AGENCY SUMMARY

BUDGET ITEM	FY 1986 Actual	Fiscal 1988 Executive	Fiscal 1988 Current Level	Fiscal 1988 Subcommittee	Fiscal 1989 Executive	Fiscal 1989 Current Level	Fiscal 1989 Subcommittee	FY 86-88 % Change
FTE	260.79	253.42	233.59	215.20	255.42	234.59	216.20	-44.59
Personal Services	$ 6,507,257	$ 6,656,425	$ 6,158,924	$ 5,780,067	$ 6,721,272	$ 6,203,727	$5,823,531	-11.18
Operating Expenses	2,869,914	5,884,685	5,045,878	4,912,012	3,513,405	3,200,248	3,084,909	71.16
Equipment	196,424	95,673	86,125	86,705	91,743	63,783	90,120	-55.86
Non-Operating	1,475,662	4,785,254	1,188,338	5,354,854	613,648	1,184,583	475,048	
TOTAL EXPENSES	$11,049,257	$17,422,037	$12,479,265	$16,133,638	$10,940,068	$10,652,341	$9,473,608	46.02
FUNDING								
General Fund	$ 4,416,063	$ 4,689,163	$ 5,107,248	$ 3,734,980	$ 4,758,348	$ 5,091,681	$3,782,520	-15.42
State Special Revenue	5,414,932	6,344,025	4,714,321	5,705,794	5,010,217	4,699,885	4,834,416	5.37
Federal Revenue	1,218,262	6,388,849	2,657,696	6,692,864	1,171,503	860,775	856,672	449.38
TOTAL FUNDING	$11,049,257	$17,422,037	$12,479,265	$16,133,638	$10,940,068	$10,652,341	$9,473,608	46.02

Program Description: The Department of Natural Resources and Conservation is responsible for the maintenance and enhancement of Montana's land, water, and energy resources. The department's duties on water include administration of water rights, permits, and records; management of state-owned water projects; dam safety; weather modification permits and licenses; international, interstate, and Indian compact negotiations and agreements; water-related studies and planning; floodplain management; and provision of technical and financial assistance for development of water and other renewable resource projects.

Supervision, assistance, funding, and coordination are provided for local conservation and grazing districts in their stewardship of the soil and water resources necessary to sustain agriculture. Activities include regulation of projects affecting streams, assistance for small watershed projects, soil survey planning, and provision of low-interest loans for rangeland improvement.

Proposed major energy generation, conversion, and transmission facilities are evaluated, and the construction and operation of approved facilities are monitored. Other activities involve petroleum fuels monitoring, special studies concerning energy supplies and demand, and emergency energy planning.

Several programs promote energy conservation, while grants and loans are provided for projects involving renewable energy sources. The production of oil and gas is regulated to prevent waste and guard against environmental damage.

LEGISLATIVE ACTION

AGENCY: DEPT OF NATURAL RESOURCES AND CONSERVATION

PROGRAM: CENTRALIZED SERVICES

BUDGET ITEM	FY 1986 Actual	Fiscal 1988 Executive	Fiscal 1988 Current Level	Fiscal 1988 Subcommittee	Fiscal 1989 Executive	Fiscal 1989 Current Level	Fiscal 1989 Subcommittee	FY 86-88 % Change
FTE	42.50	41.00	40.00	40.00	42.00	41.00	41.00	-1.50
Personal Services	$1,123,393	$1,133,859	$1,111,567	$1,112,384	$1,178,879	$1,156,970	$1,157,438	-0.98
Operating Expenses	466,588	439,405	427,543	436,294	413,833	376,735	410,722	-6.49
Equipment	35,475	3,975	4,775	3,775	2,275	3,275	2,275	-89.36
TOTAL EXPENSES	$1,625,456	$1,577,239	$1,543,885	$1,552,453	$1,594,987	$1,536,980	$1,570,435	-4.49
FUNDING								
General Fund	$1,117,902	$1,185,780	$1,059,111	$1,078,987	$1,229,050	$1,054,318	$1,096,927	-3.48
State Special Revenue	347,844	261,202	323,592	331,466	260,683	322,201	331,508	-4.71
Federal Revenue	169,710	130,257	161,182	142,000	105,254	160,461	142,000	-16.33
TOTAL FUNDING	$1,625,456	$1,577,239	$1,543,885	$1,552,453	$1,594,987	$1,536,980	$1,570,435	-4.49

Program Description: The Centralized Services Division provides managerial and administrative support services for the department. The division is responsible for budgeting, accounting, purchasing, data processing, publications, and inventory support.

Budget: There were 1.5 FTE technical writer's eliminated from fiscal 1986. In fiscal 1986 the deputy director position was filled through a contractual arrangement with a federal employee from the Bureau of Land Management. The budget for fiscal 1989 includes one additional position which is the deputy director position.

The difference in operating expenses between fiscal 1986 and 1988 are: 1) an increase in non-general fund payroll costs of $11,100; 2) a $10,100 increase in audit costs in fiscal 1988 only; 3) a reduction of $3,000 per year in exhibiting; 4) a $5,900 per year reduction in janitorial services; 5) a $5,900 increase in the deputy director contract; 6) a $46,600 decrease in rent; 7) a $12,200 per year reduction in utilities; 8) a $16,000 increase for ground maintenance; 9) an $11,600 increase for statewide indirect cost; and 10) a $17,300 reduction in moving costs.

Funding: Since the centralized services division provides support services to the entire department, a funding formula was used to determine the level the various revenue sources would support the division. For all of the funding sources other than general fund, resource indemnity trust interest, and water development fund, the revenue sources were used to the extent the funds were available. $78,650 per year of Resource Indemnity Trust interest was used to finance the division, and $102,375 in fiscal 1988 and $102,493 in fiscal 1989 of water development funds were used to finance the division. The general fund made up the remaining portion of the funding. Table 1 details the funding of the division and how the proposed funding differs from the executive recommendation.

Table 1
Centralized Services Funding

	Fiscal 1988			Fiscal 1989		
	Subcommittee Recommendation	Executive Budget	Difference	Subcommittee Recommendation	Executive Budget	Difference
Total Program	$1,552,453	$1,552,453	$ -0-	$1,570,435	$1,570,435	$ -0-
Funding						
Rangeland	$ 12,500	$ 12,500	$ -0-	$ 12,500	$ 12,500	$ -0-
Major Facility Siting	20,000	20,000	-0-	20,000	20,000	-0-
Water Rights	3,750	3,750	-0-	3,750	3,750	-0-
Grazing Fees	500	500	-0-	500	500	-0-
Conservation District	11,000	11,000	-0-	11,000	11,000	-0-
Alternative Energy	26,161	38,282	(12,121)	26,085	37,104	(11,019)
Oil and Gas	70,000	41,736	28,264	70,000	42,508	27,492
Renewable Resource Dev.	6,530	6,530	-0-	6,530	6,530	-0-
Federal Indirect	142,000	130,000	12,000	142,000	130,000	12,000
Water Development	102,375	102,375	-0-	102,493	102,493	-0-
RIT Interest	78,650	-0-	78,650	78,650	-0-	78,650
General Fund	1,078,987	1,185,780	(106,793)	1,096,927	1,204,050	(107,123)
Total Funding	$1,552,453	$1,552,453	$ -0-	$1,570,435	$1,570,435	$ -0-

Modifieds Recommended:

1. Loans and Grants Position: 1.0 FTE and $24,786 in fiscal 1988 and $24,550 in fiscal 1989 to handle: 1) all accounting functions in relation to Water Development Bond Sales and; 2) regular audits of all department loans and grants. The funding for the position would be from a variety of non-general fund sources.

LEGISLATIVE ACTION

AGENCY: DEPT OF NATURAL RESOURCES AND CONSERVATION

PROGRAM: OIL AND GAS CONSERVATION DIVISION

BUDGET ITEM	FY 1986 Actual	Fiscal 1988 Executive	Fiscal 1988 Current Level	Fiscal 1988 Subcommittee	Fiscal 1989 Executive	Fiscal 1989 Current Level	Fiscal 1989 Subcommittee	FY 86-88 % Change
FTE	24.00	22.00	19.80	22.00	22.00	19.80	22.00	-2.00
Personal Services	$574,512	$568,073	$520,762	$568,073	$567,822	$520,940	$567,822	-1.12
Operating Expenses	208,105	236,801	216,607	241,801	231,175	217,155	216,175	16.19
Equipment	33,917	10,434	10,434	10,434	31,992	7,592	31,992	-69.24
Non-Operating	1,954	3,170	3,170	3,170	2,905	2,905	2,905	62.23
TOTAL EXPENSES	$818,488	$818,478	$750,973	$823,478	$833,894	$748,592	$818,894	0.61
STATE SPECIAL REVENUE	$818,488	$818,478	$750,973	$823,478	$833,894	$748,592	$818,894	0.61

Program Description: The Oil and Gas Conservation Division is responsible for preventing waste and providing for the conservation of crude oil and natural gas through regulation of exploration and production activities, including issuance of drilling permits, classification of wells, establishment of well spacing units and pooling orders, inspection of drilling, production and seismic operations, investigation of complaints, engineering studies, and collecting and maintaining complete well data and production information.

Budget: Two 2.0 inspector positions which were eliminated in fiscal 1987 as part on the division's 5 percent reductions were not restored in the 1989 biennium. The budget includes a biennial appropriation of $5,000 for possible Montana Environmental Protection Act litigation. The funds would be used by the division to employ a private legal counsel. The budget includes a $20,000 biennial appropriation for microfilming of the division records. The budget also includes funds to replace two 4 wheel drive vehicles in fiscal 1989. The budget includes $10,000 per year of RIT interest for the plugging of abandoned oil and gas wells.

Funding: This division is financed by oil and gas conservation tax and user fees. The only exception to this is the $10,000 per year of RIT interest for the plugging of abandoned wells.

LEGISLATIVE ACTION

AGENCY: DEPT OF NATURAL RESOURCES AND CONSERVATION

PROGRAM: CONSERVATION DISTRICTS DIVISION

BUDGET ITEM	FY 1986 Actual	Fiscal 1988 Executive	Fiscal 1988 Current Level	Fiscal 1988 Subcommittee	Fiscal 1989 Executive	Fiscal 1989 Current Level	Fiscal 1989 Subcommittee	FY 86-88 % Change
FTE	5.20	5.20	5.20	5.20	5.20	5.20	5.20	0.00
Personal Services	$138,316	$ 140,660	$140,454	$146,520	$140,619	$140,298	$146,354	5.93
Operating Expenses	115,533	616,065	116,201	118,065	116,777	116,310	118,776	2.19
Equipment	1,080	200	200	200	1,156	200	1,156	-81.48
Non-Operating	395,575	386,250	292,734	416,250	386,250	298,785	386,250	5.23
TOTAL EXPENSES	$650,504	$1,143,175	$549,589	$681,035	$644,802	$555,593	$652,536	4.69
FUNDING								
General Fund	$ 0	$ 0	$352,552	$ 0	$ 0	$352,505	$ 0	--
State Special Revenue	648,362	1,140,472	194,334	678,332	642,099	200,385	649,833	4.62
Federal Revenue	2,142	2,703	2,703	2,703	2,703	2,703	2,703	26.19
TOTAL FUNDING	$650,504	$1,143,175	$549,589	$681,035	$644,802	$555,593	$652,536	4.69

Program Description: The Conservation Districts Division provides supervision, assistance, and coordination to the 59 conservation districts in the state. The primary responsibility of the division is to work with the local district towards developing and implementing plans for proper management of land and water resources. Three advisory committees: the Resource Conservation Advisory Committee, the Soil Survey Advisory Committee, and the Rangeland Resources Committee are administratively attached to the conservation district supervisor's office.

Legislative Intent: The division administers a low interest rangeland improvement loan program. To date fifty-two loans have been made improving over 300,000 acres. The continuation of the loan program was approved and boilerplate language which will allow the division to make up to $500,000 worth of loans during the biennium is recommended.

Boilerplate language was approved which would allow the conservation district division to distribute additional grant funds that may be received by reversion of unexpended grant funds.

Budget: No vacancy savings was applied to this program. This added $11,594 to the biennium budget. The budget includes $900 in fiscal 1989 for the application costs for renewable resource development funds. The budget includes $956 for a new typewriter for the Miles City Office and $2,000 per year for the travel per diem expense of the Rangeland Resources Committee. The budget was increased by $30,000 for the biennium for the spending authority to expend a 1987 biennium grant from RIT interest funds. The grant will be used for reclamation of streambank damaged by placer mining. The budget includes $220,000 per for conservation district grants. The budget has $71,250 per year for continuation of the saline seep project. Table 2 details the 1989 biennium budget for the division by funding source.

Table 2
Funding for the Conservation District Division
1989 Biennium

Program	Funding Source	FY 88	FY 89
Administration	RIT Int, RRD, Fed. & Graz. Cons.	$201,285	$202,766
Watershed Planning	Renewable Resource Development	63,500	63,500
Conservation District Subsidy	RIT interest	95,000	95,000
Saline Seep	RIT interest	71,250	71,250
RIT Grant	RIT interest	30,000	-0-
Conservation District Grants	Coal Tax	220,000	220,000
Total		$681,035	$652,536

Included in the current level is $63,500 for contracts with local conservation districts for watershed planning. As in previous fiscal years, this contract has been funded with Renewable Resources Development Funds. The additional $2,100 of RRD funds are used for administration.

Funding: The budget includes $710,965 of RIT interest which replaces general fund for the biennium to administer the division, to finance the conservation district subsidy, and for the saline seep grants. The division also is financed by $6,000 per year from grazing district fees. One-half of one percent of the coal severance tax is allocated for conservation district projects and by statute 10 percent of the renewable resources development funds are allocated to conservation districts for development of their water reservations. For fiscal 1988 and fiscal 1989 the revenues from the renewable resources development fund is $65,600 per year.

LEGISLATIVE ACTION

AGENCY: DEPT OF NATURAL RESOURCES AND CONSERVATION

PROGRAM: WATER RESOURCES DIVISION

BUDGET ITEM	FY 1986 Actual	Fiscal 1988 Executive	Fiscal 1988 Current Level	Fiscal 1988 Subcommittee	Fiscal 1989 Executive	Fiscal 1989 Current Level	Fiscal 1989 Subcommittee	FY 86-88 % Change
FTE	148.09	146.22	136.59	116.00	147.22	136.59	116.00	-32.09
Personal Services	$3,545,540	$3,740,306	$3,466,692	$3,033,229	$3,763,920	$3,466,171	$3,032,266	-14.45
Operating Expenses	1,367,874	1,304,262	1,002,661	921,367	1,271,869	1,000,573	919,281	-32.64
Equipment	103,616	73,160	65,492	65,492	46,315	47,492	47,492	-36.79
Non-Operating	66,652	4,306,434	69,934	4,905,434	65,893	70,393	65,893	7,259.77
TOTAL EXPENSES	$5,083,682	$9,424,162	$4,604,779	$8,925,522	$5,147,997	$4,584,629	$4,064,932	75.57
FUNDING								
General Fund	$2,900,726	$3,031,231	$3,201,229	$2,217,841	$3,044,180	$3,190,708	$2,234,475	-23.54
State Special Revenue	2,148,525	2,883,361	1,360,750	2,598,006	2,034,142	1,351,121	1,760,782	20.92
Federal Revenue	34,431	3,509,570	42,800	4,109,675	69,675	42,800	69,675	11,835.97
TOTAL FUNDING	$5,083,682	$9,424,162	$4,604,779	$8,925,522	$5,147,997	$4,584,629	$4,064,932	75.57

Program Description: The Water Resources Division is responsible for many programs associated with the uses, development, and protection of Montana's water. These programs include the following:

Floodplain Management Program--responsible for determining the floodways and one hundred-year floodplain boundaries for every water course and drainway in the state. Concurrent with this primary function is the management and regulation of flood-prone lands to prevent or alleviate flood threats to life and property.

Water Rights Program--responsible for carrying out Article IX of the State Constitution and the Montana Water Use Act, which provides that any use of the state's waters is a public use, and that waters in the state are the property of the state, for the use of the people, and are subject to appropriations for beneficial use.

Water Adjudication Program--responsible for the protection and confirmation of all rights to the use of any waters for any useful or beneficial purpose that existed prior to the effective date of the Montana Water Use Act of July 1, 1973.

Water Engineering--responsible for providing engineering assistance to state water user associations, and promoting safety and economic stability of state-owned water projects through professional engineering services.

Water Management Program--responsible for providing technical information and assistance on hydrology, geohydrology, geology, and soils to water users and units of government, and for the collection, compilation and analysis of water and related land resources data, projection of future water requirements, and formulation of plans, alternatives and methods of implementation to enable full utilization of these resources within the state.

Water Development Program--responsible for administration of the state's Water Development and Renewable Resource Development Programs to allow full economical and social benefits from the state's water and other renewable resources.

Budget: The budget does not include 32.09 positions which are in fiscal 1986. Below are listed the seven adjustments, which total the 32.09 reduction in FTE.

First, the Reserved Water Rights Compact Commission is legislatively required to complete their work by July 1, 1987. Therefore, the six positions of the committee were eliminated from the base. In fiscal year 1986, the commission expended $201,834.

Second, 2.0 of 3.0 FTE which were authorized to administer the Resource Indemnity Trust Grant Program are eliminated. One of the positions is currently filled but two of the positions were never filled. For the 1989 biennium the one filled position is funded with $50,000 RIT interest. The legislature had originally authorized $277,000 to administer the grant program. During Special Session III, this amount was reduced to $108,000.

Third, one position was eliminated who worked on reserved water rights on the Upper Missouri Basin. This position was approved for the 1987 biennium in House Bill 952.

Fourth, the department has cut the dam safety position from current level. This was a new position created in the 1987 biennium (0.5 FTE in fiscal 1986 and 1.0 FTE in fiscal 1987) to inspect dams for potential problems. The department requested that this position be dropped from current level because they were resubmitting a modification for the entire program.

Fifth, one attorney was transferred to Centralized Services to consolidate the legal staff into one unit.

Sixth, 1.37 FTE were eliminated which is a continuation of the fiscal 1987 5 percent reductions. A 0.12 FTE administrative aide was eliminated, a 0.25 typist, and a 1.0 programmer analyst.

Seventh, the water adjudication program was reduced by $500,000 for each fiscal year of the biennium. The water adjudication budget is within the water rights bureau. The water rights bureau has two main components, the new water rights program and the water adjudication program. The total budget of the water rights bureau is approximately $2,490,000 per year of which all but $75,000 per year is financed by general fund. The annual budget for the water adjudication program was approximately $1,068,000 per year before the reduction. The department indicated that the $500,000 reduction would eliminate 20.22 FTE positions for a savings in personal services of $419,706 and $80,294 in operating expenses.

Table 3 summarizes the budget for the water rights bureau as recommended by the executive compared to the budget as approved by the subcommittee.

Table 3
Water Rights Bureau
1989 Biennium Budget

	Fiscal 1988			Fiscal 1989		
Water Rights Bureau	Executive	Subcommittee	Difference	Executive	Subcommittee	Difference
New Water Right FTE	47.00	47.00	0.00	47.00	47.00	0.00
New Water Right Funding	$1,382,673	$1,382,673	$ -0-	$1,382,673	$1,382,673	$ -0-
Water Adjudication FTE	38.22	18.00	(20.22)	38.22	18.00	(20.22)
Water Adjudication Funding	$1,068,010	$ 568,010	$(500,000)	$1,068,010	$ 568,010	$(500,000)

The budget was reduced $13,300 for water testing which is done in concert with the US Geological Service. Funding for flood plains hearings officers was reduced by $9,300 per year. One major difference in operating expenses between fiscal 1986 and fiscal 1988 is that included in the fiscal 1986 expenses is $378,820 of expenditures for state water projects. In fiscal 1988 the appropriation for state water projects is listed under the non-operating category. The equipment in the 1989 biennium budget includes a replacement truck and replacement of two other department vehicles ($60,000), office equipment ($4,100), engineering equipment, ($38,800), and computer equipment ($10,100).

The long range building subcommittee reviewed and approved the list of state water projects that the budget was to include. The Natural Resources and Commerce Subcommittee was presented with the list of approved state water projects and moved to accept the list: Middle Creek Dam rehabilitation for $500,000; North Fork of the Smith River Dam rehabilitation feasibility study for $275,000; and Petrolia Dam Emergency Warning and Evacuation Plan for $25,000. The subcommittee also approved $4,040,000 of federal funds for the Middle Creek Dam project. These projects are in the non-operating line. Also included in the non-operating line is $28,300 annual transfer appropriation for Water Conservation Bond payment and $37,100 annually for debt service repayments.

Funding: $796,917 of general fund was replaced with RIT interest in the 1989 biennium. The water engineering bureau is funded entirely with water development funds. This replaced approximately $160,000 per year of general fund. Table 4 details the funding of the Water Resources Division by bureau.

Table 4
Water Resources Division - Funding

Bureau	General Fund	Water Wells Account	Water Development	RRD	RIT	Water Rights Appropriation	Federal Funds	Total
Fiscal 1988								
Administration	$ -0-	$ -0-	$ 175,312	$ -0-	$ 94,688	$ -0-	$ -0-	$ 270,000
Water Wells	10,000	30,000	-0-	-0-	-0-	-0-	-0-	40,000
Water Rights	1,950,683	-0-	-0-	-0-	-0-	75,000	-0-	2,025,683
Water Management	257,158	-0-	-0-	-0-	342,568	-0-	-0-	599,726
Water Development	-0-	-0-	335,438	65,000	-0-	-0-	-0-	400,438
Engineering	-0-	-0-	1,480,000	-0-	-0-	-0-	4,109,675	5,589,675
Total	$2,217,841	$30,000	$1,990,750	$65,000	$437,256	$75,000	$4,109,675	$8,925,522
Fiscal 1989								
Administration	$ -0-	$ -0-	$174,273	$ -0-	$ 95,727	$ -0-	$ -0-	$ 270,000
Water Wells	10,000	30,000	-0-	-0-	-0-	-0-	-0-	40,000
Water Rights	1,950,683	-0-	-0-	-0-	-0-	75,000	-0-	2,025,683
Water Management	273,792	-0-	-0-	-0-	313,934	-0-	-0-	587,726
Water Development	-0-	-0-	335,438	65,000	-0-	-0-	-0-	400,438
Engineering	-0-	-0-	671,410	-0-	-0-	-0-	69,675	741,085
Total	$2,234,475	$30,000	$1,181,121	$65,000	$409,661	$75,000	$69,675	$4,064,932

Modifieds Recommended:

1. Reserved Water Rights Compact Commission: The funding of the Reserved Water Rights Compact Commission was continued. The commission budget is contingent upon the commission's enabling legislation being extended beyond the current sunset date of July 1, 1987. The program is funded one half with general fund and one half with RIT interest. The budget recommended for fiscal 1988 is $229,767 and $229,479 for fiscal 1989.

2. Missouri River Reservations Program: $174,407 of RIT interest in fiscal 1988 and $174,358 in fiscal 1989 was accepted. The program would continue the comprehensive basin-wide water reservation process on the portion of the Missouri River from Canyon Ferry to Fort Peck.

3. Dam Safety: $127,563 of RIT interest in fiscal 1988 and $140,452 in fiscal 1989. This modification would fund the costs of assuring the safety of high hazard dams, reviewing permits and conducting inspections.

4. Powder River Negotiations: $35,500 of RIT interest for a biennial appropriation. This modification would provide funding for continued negotiations with Wyoming relative to the Powder River.

LEGISLATIVE ACTION

AGENCY: DEPT OF NATURAL RESOURCES AND CONSERVATION

PROGRAM: ENERGY DIVISION

BUDGET ITEM	FY 1986 Actual	Fiscal 1988 Executive	Fiscal 1988 Current Level	Fiscal 1988 Subcommittee	Fiscal 1989 Executive	Fiscal 1989 Current Level	Fiscal 1989 Subcommittee	FY 86-88 % Change
FTE	41.00	39.00	32.00	32.00	39.00	32.00	32.00	-9.00
Personal Services	$1,125,496	$1,073,527	$ 919,447	$ 919,861	$1,070,032	$ 919,346	$ 919,651	-18.27
Operating Expenses	711,814	3,288,152	3,282,866	3,194,485	1,479,751	1,489,475	1,419,955	348.78
Equipment	22,336	7,904	5,224	6,804	10,005	5,224	7,205	-69.54
Non-Operating	1,011,481	89,400	822,500	30,000	158,600	812,500	20,000	-97.03
TOTAL EXPENSES	$2,871,127	$4,458,983	$5,030,037	$4,151,150	$2,718,388	$3,226,545	$2,366,811	44.58
FUNDING								
General Fund	$ 397,435	$ 472,152	$ 494,355	$ 438,152	$ 485,118	$ 494,149	$ 451,118	10.24
State Special Revenue	1,461,713	1,240,512	2,084,670	1,274,512	1,239,399	2,077,585	1,273,399	-12.81
Federal Revenue	1,011,979	2,746,319	2,451,012	2,438,486	993,871	654,811	642,294	140.96
TOTAL FUNDING	$2,871,127	$4,458,983	$5,030,037	$4,151,150	$2,718,388	$3,226,545	$2,366,811	44.58

Program Description: The Energy Division is responsible for the administration of the Montana Major Facility Siting Act, the Alternative Energy Grant and Loan Program, the State Building Energy Program, the Energy Emergency Power Act, federally sponsored energy conservation programs, and various Northwest Regional activities.

The Major Facility Siting Act is enforced to insure that the location, construction, and operation of transmission, generation, and conservation facilities produce minimal adverse impacts on the people and the environment.

The Alternative Energy Grant and Loan Program awards grants and loans to individuals and organizations for projects that research, develop, demonstrate, or communicate the use of renewable energy sources such as solar, wind, geothermal, water, and biomass.

The State Building Energy Program awards grants to state governmental units for energy conservation measures.

The division monitors energy supply and demand on an on-going basis to alert the Governor to potential problems and be able to effectively target state emergency response actions in administering the Energy Emergency Powers Act.

Language: Boilerplate language which would allow the department to request a budget amendment if additional funds were made available from the BPA and the Montana Power Company was approved. Boilerplate language which allocated the proceeds from the coal severance tax to the Office of Science and Technology, and all other alternative energy revenues to the Energy Division was approved.

Budget: The budget includes the reduction in positions which were eliminated in the 1987 biennium and eliminated certain positions which were created via budget modifications and programs which were founded for the 1987 biennium. Below are listed the positions which were eliminated in the 1987 biennium.

A. One secretarial position and a coal analyst were eliminated in the 5 percent cuts made in fiscal 1987.

B. Two positions in the Renewable Energy Program were eliminated when the program was directed solely to retrofit of public buildings for energy savings.

C. Two positions in State Building Energy Program were eliminated with the transfer of coal severance tax revenue.

D. Three positions within the Residential Standards Demonstration Program were eliminated because they were part of a 1987 biennium modification that was presented to the legislature as a two-year program.

The major difference in operating expenses between fiscal 1986 and fiscal 1988 are: 1) the biennial reappropriation of $1,650,000 of the Rock Creek mitigation funds; 2) the biennial reappropriation of $40,000 of Lake Broadview mitigation funds; 3) reductions totaling $124,000 in consulting services, printing, and legal fees; 4) a reduction of $34,000 in facility siting operations; 5) the appropriation of environmental impact statements of $963,372; and 6) a reduction of $12,700 in other adjustments.

In fiscal 1989 there is an additional reduction of $60,500 in consultant services, and a $42,900 reduction in printing costs. The appropriations for Rock Creek and Lake Broadview do not appear in fiscal 1989.

The non-operating expenses include $10,000 in fiscal 1988 for the institutional building program. This program is financed by Warner Amendment Oil overcharge funds. The non-operating also includes $20,000 per year for the biomass utilization and cogeneration program.

There are four bureaus within the energy division. Table 5 details the funding of the bureaus.

Table 5
Energy Division

Fiscal 1988	General Fund	Facility Siting Fees	Alternative Energy	Federal	Other Funds	Total
Administration	$117,851	$ -0-	$ -0-	$ -0-	$ -0-	$ 117,851
Facility Siting	132,949	1,021,062	-0-	-0-	1,700,000	2,854,011
Energy Planning	187,352	-0-	-0-	-0-	-0-	187,352
Conservation and Renewable Energy	-0-	-0-	253,450	738,486	-0-	991,936
Total Funding	$438,152	$1,021,062	$253,450	$ 738,486	$1,700,000	$4,151,150
Fiscal 1989						
Administration	$118,593	$ -0-	$ -0-	$ -0-	$ -0-	$ 118,593
Facility Siting	136,658	1,021,063	-0-	-0-	-0-	1,157,721
Energy Planning	195,867	-0-	-0-	-0-	-0-	195,867
Conservation and Renewable Energy	-0-	-0-	252,336	642,294	-0-	894,630
Total Funding	$451,118	$1,021,063	$252,336	$ 642,294	$ -0-	$2,366,811

Funding: The funding by program is detailed in Table 5. The alternative energy funds are derived from the coal severance tax and from repayment of alternative energy loans. Beginning in fiscal 1988, 1.710 percent of the coal severance tax is allocated to the alternative energy fund. The revenues of the alternative energy fund are to be shared by the Department of Commerce, Office of Science and Technology and the Department of Natural Resources and Conservation, Energy Division.

The facility siting funds are generated by work done by the staff in preparing environmental impact statements or in doing facility siting reviews. The federal funds are primarily from the Bonneville Power Authority and the federal Department of Energy.

The other funds are $1,650,000 for Rock Creek mitigation, $40,000 for Lake Broadview Mitigation, and $10,000 from the Warren Amendment.

Modifieds Recommended: Three of the modifications were included in the executive budget and the Chevron oil overcharge modification was a new request by the department.

1. Residential Construction Demonstration Program: $484,236 for the biennium. This modification would continue the residential construction demonstration project which is funded by the Bonneville Power Administration (BPA) through the Washington State Energy Office.

2. Technical Assistance Program: $145,224 for the biennium of BPA funds. This program provides technical assistance and information to local government, commercial, agricultural, and residential consumers of electricity in western Montana to encourage BPA customers to conserve electrical energy.

3. BPA Coordination Agreement: $30,000 for the biennium of BPA funds. This modification would provide travel expenses for Montana officials to attend BPA meetings in Seattle and Portland.

4. Chevron Oil Overcharge: $15,500 biennial appropriation. This modification would continue the use of Chevron oil overcharge funds from fiscal 1987.

CSAR:csnr.

LEGISLATIVE ACTION

AGENCY: DEPARTMENT OF COMMERCE

PROGRAM: AGENCY SUMMARY

BUDGET ITEM	FY 1986 Actual	Fiscal 1988 Executive	Fiscal 1988 Current Level	Fiscal 1988 Subcommittee	Fiscal 1989 Executive	Fiscal 1989 Current Level	Fiscal 1989 Subcommittee	FY 86-88 % Change
FTE	278.15	316.10	263.25	284.60	317.10	263.25	284.60	-9.45
Personal Services	$ 7,093,665	$ 8,722,700	$ 7,296,503	$ 7,883,826	$ 8,762,089	$ 7,300,243	$ 7,896,495	11.14
Operating Expenses	5,716,791	13,330,236	6,225,579	12,533,759	13,266,040	6,012,507	12,518,279	119.24
Equipment	469,223	127,774	82,501	118,264	248,338	227,392	246,048	-74.80
Non-Operating	43,829,112	53,406,883	43,850,712	53,337,304	52,813,970	43,792,408	52,614,581	21.69
TOTAL EXPENSES	$57,108,791	$75,587,593	$57,455,495	$73,873,153	$75,090,437	$57,332,550	$73,275,403	29.36
FUNDING								
General Fund	$ 9,351,001	$ 7,714,326	$17,986,472	$ 4,229,346	$ 7,728,981	$18,392,534	$ 4,214,598	-54.77
State Special Rev	25,922,363	18,800,764	16,553,305	21,658,293	19,711,667	17,089,867	22,009,772	-16.45
Federal Revenue	18,161,705	19,784,529	18,486,063	18,924,220	18,327,022	17,550,413	17,985,307	4.20
Other Revenue	3,673,722	29,287,974	4,429,655	29,061,294	29,322,767	4,299,736	29,065,726	691.06
TOTAL FUNDING	$57,108,791	$75,587,593	$57,455,495	$73,873,153	$75,090,437	$57,332,550	$73,275,403	29.36

Program Description: The Department of Commerce was established by Section 2-15-1801, MCA, to encourage and promote commerce-related activities in Montana through a wide spectrum of programs. Some of the programs are designed to foster stable, diversified, economic development by providing various types of assistance to businesses wishing to develop or expand within the state.

Department Wide Issue: A 4 percent vacancy savings was applied to all department programs.

The transfer of the video poker program from the Department of Revenue to the Department of Commerce was approved but because the general government subcommittee has reviewed, approved, and included the video poker budget in general government is was not included in this write-up.

LEGISLATIVE ACTION

AGENCY: DEPARTMENT OF COMMERCE

PROGRAM: BUSINESS LICENSE AND REGULATION DIVISION ADMINISTRATION

BUDGET ITEM	FY 1986 Actual	Fiscal 1988 Executive	Fiscal 1988 Current Level	Fiscal 1988 Subcommittee	Fiscal 1989 Executive	Fiscal 1989 Current Level	Fiscal 1989 Subcommittee	FY 86-88 % Change
FTE	1.00	1.00	1.00	1.00	1.00	1.00	1.00	-0.00
Personal Services	$51,892	$ 51,187	$50,169	$51,187	$51,522	$50,519	$51,522	-1.36
Operating Expenses	9,762	103,157	8,901	26,661	102,994	8,711	26,474	173.11
Equipment	6,500	0	0	0	0	0	0	-100.00
TOTAL EXPENSES	$68,154	$154,344	$59,070	$77,848	$154,516	$59,230	$77,996	14.22
FUNDING								
General Fund	$ 5,013	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	-100.00
State Special Revenue	63,141	93,305	0	18,059	93,305	0	18,059	-71.40
Proprietary Fund	0	61,039	59,070	59,789	61,211	59,230	59,937	N/A
TOTAL FUNDING	$68,154	$154,344	$59,070	$77,848	$154,516	$59,230	$77,996	14.22

Program Description: The Business Licensing and Regulation Program Support represents the budget for the operation of the Business Regulation Division administrator. The administrator supervises the direction of the regulatory and licensing functions performed by the Building Codes, Milk Control, Professional and Occupational Licensing and Weights and Measures Bureaus.

Budget: The travel budget increases $1,500 per year. The executive recommendation to transfer the Tramway Safety Program from the Department of Administration to this program was approved. This program transfer is reflected in an operating expenses increase of $13,100 per year. The tramway safety budget was increased by adding $3,060 each fiscal year for increased contract costs and travel costs and by $246 per year for tramway conferences. Indirect charges were reduced by approximately $900 per year.

Funding: The Tramway Safety Program is funded by a registration and annual fee paid by tramway owners. The budget for the administrator is financed from a proprietary account, which receives its revenue from the Building Codes, Milk Control, Professional and Occupational Licensing and Weights and Measures Bureaus. The bureaus pay into the account based upon their individual personnel services budgets.

Modifieds Recommended:

1. Legal Pool: A $75,000 per year for a legal cost pool was approved. The pool would be used to finance any extraordinary legal expenses incurred during the biennium by the Building Codes, Milk Control, and Professional and Occupational Licensing bureaus. The funding would be state special revenue fund from the POL boards, milk control board, and the building code program.

LEGISLATIVE ACTION

AGENCY: DEPARTMENT OF COMMERCE

PROGRAM: WEIGHTS AND MEASURES BUREAU

BUDGET ITEM	FY 1986 Actual	Fiscal 1988 Executive	Fiscal 1988 Current Level	Fiscal 1988 Subcommittee	Fiscal 1989 Executive	Fiscal 1989 Current Level	Fiscal 1989 Subcommittee	FY 86-88 % Change
FTE	12.00	12.00	11.00	12.00	12.00	11.00	12.00	0.00
Personal Services	$296,337	$302,061	$281,690	$302,061	$302,951	$282,563	$302,951	1.93
Operating Expenses	122,509	127,577	121,959	123,097	125,131	119,792	120,527	0.48
Equipment	25,476	12,700	17,240	12,700	12,700	26,000	12,700	-50.15
TOTAL EXPENSES	$444,322	$442,338	$420,889	$437,858	$440,782	$428,355	$436,178	-1.45
GENERAL FUND	$444,322	$442,338	$420,889	$437,858	$440,782	$428,355	$436,178	-1.45

Program Description: The staff of the Weights and Measures Bureau test and inspect all weighing and measuring devices and is responsible for calibrating all weights and measures. The bureau staff is also responsible for quality and quantity control for all petroleum products. They investigate complaints concerning violations of weights and measures laws and regulations; regulate labeling, advertising and quantity control of prepackaged products; license all state petroleum dealers; and collect all license and scale test fees as well as impose late penalties.

Budget: The budget for the division which included the funding of one currently vacant position was approved. The budget includes $12,700 per year for equipment replacement. The funds will be used primarily to replace one vehicle in each year of the biennium.

Funding: This program is funded by general fund. The program earns for the general fund approximately $210,000 per year. Therefore, the program returns to the general fund approximately 48 percent of its costs.

LEGISLATIVE ACTION

AGENCY: DEPARTMENT OF COMMERCE PROGRAM: FINANCIAL DIVISION

BUDGET ITEM	FY 1986 Actual	Fiscal 1988 Executive	Fiscal 1988 Current Level	Fiscal 1988 Subcommittee	Fiscal 1989 Executive	Fiscal 1989 Current Level	Fiscal 1989 Subcommittee	FY 86-88 % Change
FTE	21.00	21.00	21.00	21.00	21.00	21.00	21.00	0.00
Personal Services	$485,745	$577,839	$577,232	$577,839	$577,829	$577,247	$577,829	18.96
Operating Expenses	198,873	221,606	216,695	213,113	216,247	211,319	207,544	7.16
Equipment	6,500	0	900	0	0	1,647	0	-100.00
TOTAL EXPENSES	$691,118	$799,445	$794,827	$790,952	$794,076	$790,213	$785,373	14.45
STATE SPECIAL REVENUE	$691,118	$799,445	$794,827	$790,952	$794,076	$790,213	$785,373	14.45

Program Description: The Financial Division consists of the State Banking Board and Department of Commerce staff who are responsible for chartering, licensing, supervising, and examining state banks, savings and loan associations, credit unions, consumer loan licensers, sales finance companies, and Montana development companies/boards. They act as guardian of the public's interests in Montana's financial institutions and seek to prevent loss resulting from mismanagement or insolvency of state financial organizations. Statutory authority for these functions resides in Title 32, MCA.

Budget: The budget includes an increase in travel of approximately $17,000 per year to reflect a fully staffed program. In fiscal 1986 there were two new positions added. These new positions were not filled for the entire fiscal year and therefore the travel expenditures were not reflective of a fully staffed program. Legal costs were reduced by $6,200 per year, computer costs increased $1,400 per year, insurance increased $600 per year, and rent increased $1,100 per year. The difference between fiscal 1988 and 1989 is in audit charges of $5,185.

Funding: This program is funded by an annual assessment to the financial institutions in the state.

LEGISLATIVE ACTION

AGENCY: DEPARTMENT OF COMMERCE

PROGRAM: MILK CONTROL BUREAU

BUDGET ITEM	FY 1986 Actual	Fiscal 1988 Executive	Fiscal 1988 Current Level	Fiscal 1988 Subcommittee	Fiscal 1989 Executive	Fiscal 1989 Current Level	Fiscal 1989 Subcommittee	FY 86-88 % Change
FTE	8.00	8.50	8.00	8.00	8.50	8.00	8.00	0.00
Personal Services	$182,684	$201,553	$195,212	$192,331	$201,356	$195,036	$192,152	5.28
Operating Expenses	90,452	98,174	88,243	89,418	96,288	86,381	87,446	-1.14
Equipment	10,680	0	0	0	0	0	0	-100.00
TOTAL EXPENSES	$283,816	$299,727	$283,455	$281,749	$297,644	$281,417	$279,598	-0.73
STATE SPECIAL REVENUE	$283,816	$299,727	$283,455	$281,749	$297,644	$281,417	$279,598	-0.73

Program Description: The staff of the Milk Control Bureau is responsible for supervising, regulating, and controlling the milk industry of this state. The Bureau investigates all matters pertaining to production, processing, storage, distribution, and sale of milk. The bureau is charged with insuring compliance by all licenses through minimum pricing, fair trade rules, extension of credit, and financing prohibitions of the law. Intelligent production and orderly marketing of milk and cream products are encouraged to guarantee an adequate supply of healthful milk to the consuming public at the least possible cost.

Legislative Intent: Language to be included in the appropriation bill would allow the Milk Control Board to request a budget amendment if they receive a petition for a state pooling arrangement. The executive budget had recommended a budget modification of $31,878 for the biennium to hold a hearing on the advisability of such an arrangement and to establish the pool if warranted. But because the petition requesting the pooling arrangement had been withdrawn, the budget modification was not approved.

Budget: The budget includes a reserve for an economic consultant of $5,998 per year. The reserve is provided in case the Milk Board determines an economic consultant becomes necessary to revise the economic milk formulas. There is an increase of $2,800 per year in indirect charges and a reduction in legal costs of $10,300 per year. The difference between fiscal 1988 and 1989 is $1,975 in audit costs.

Funding: The program is funded by an assessment on the milk produced in Montana.

LEGISLATIVE ACTION

AGENCY: DEPARTMENT OF COMMERCE

PROGRAM: PROFESSIONAL AND OCCUPATIONAL LICENSING BUREAU

BUDGET ITEM	FY 1986 Actual	Fiscal 1988 Executive	Fiscal 1988 Current Level	Fiscal 1988 Subcommittee	Fiscal 1989 Executive	Fiscal 1989 Current Level	Fiscal 1989 Subcommittee	FY 86-88 % Change
FTE	36.11	30.43	35.21	30.43	30.43	35.21	30.43	5.68
Personal Services	$ 776,343	$ 832,290	$ 858,486	$ 831,490	$ 833,978	$ 857,949	$ 833,178	7.10
Operating Expenses	768,182	1,504,293	1,442,676	1,465,029	1,497,582	1,443,902	1,459,280	90.71
Equipment	78,127	802	4,906	802	0	3,630	0	-98.97
Non-Operating	0	100,000	0	100,000	100,000	0	100,000	N/A
TOTAL EXPENSES	$1,622,652	$2,437,385	$2,306,068	$2,397,321	$2,431,560	$2,305,481	$2,392,458	47.74
FUNDING								
State Special Revenue	$1,622,652	$1,722,907	$1,631,068	$1,682,843	$1,725,406	$1,630,481	$1,686,304	3.71
Proprietary Fund	0	714,478	675,000	714,478	706,154	675,000	706,154	100.00
TOTAL FUNDING	$1,622,652	$2,437,385	$2,306,068	$2,397,321	$2,431,560	$2,305,481	$2,392,458	47.74

Program Description: The Professional and Occupational Licensing Bureau is designed to provide the administrative and clerical services required by the professional licensing boards. Services provided by the bureau include correspondence, application processing, license issuance, license renewal, continuing education monitoring, investigation of complaints, examination administration and grading, minute taking of board meetings and maintenance of board records. Services are provided to the following 29 boards:

Board of Athletics
Board of Architects
Board of Barbers
Board of Chiropractors
Board of Cosmetologists
Board of Dentistry
Board of Denturity
Board of Hearing Aid Dispensers
Board of Landscape Architects
Board of Medical Examiners
Board of Morticians
Board of Nursing
Board of Nursing Home Administrators
Board of Occupational Therapists
Board of Optometrists
Board of Pharmacists
Board of Physical Therapy Examiners
Polygraph Licensing
Board of Private Investigators
Board of Professional Engineers and Land Surveyors
Board of Psychologists

Board of Public Accountants
Board of Radiologic Technologists
Board of Realty Regulation
Board of Sanitarians
Board of Veterinarians
Board of Social Workers and Professional Counselors
Board of Speech Pathologists and Audiologists

Legislative Intent: Boilerplate language which would allow the Board of Nursing to come to the Legislative Finance Committee and request a budget amendment if a computerized adaptive testing program becomes mandatory in fiscal 1989 was approved.

Budget: The reduction of 5.68 FTE from fiscal 1986 is caused by the following position transfers shown in Table 1.

Table 1
FTE Changes in the Professional and Occupational Licensing Bureau

A.	1.00	FTE added in fiscal 1987 for Board of Nursing
B.	(1.50)	FTE transferred to Build Montana Program
C.	1.30	FTE transferred in from Business Support
D.	(0.50)	FTE transferred to Management Services
E.	(2.00)	FTE for Board of Plumbers and Electrical Board transferred to Building Codes Division
F.	0.80	FTE programmer transferred from Management Services
G.	(4.78)	FTE transferred to the Lottery Division (Board of Horse Racing)
	(5.68)	FTE Total

The method of accounting for the department's costs of serving the Professional and Occupational Licensing Boards has changed. In fiscal 1986 the support FTE of this program were divided among the boards on the basis of time spent providing administrative support. In the 1989 biennium, the program has been arranged to assign to the P.O.L. Administration subprogram all support staff which are not statutorily provided to a specific board. The estimated personal services and operating support to each board is calculated based on time studies. The personal services and operation support cost is reflected in each board's budget in the indirect cost recovery expenditure object code. Therefore the budget appears to have increased by $710,000 per year but it really is a change in accounting.

Funding: Each of the boards are funded by assessment upon the members of the professions which the boards represent. The indirect funds are used to finance the centralized services which all boards utilize.

Modifieds Recommended:

1. Chiropractors: An increase in board compensation of $300 per year and in operating expenses of $1,700 per year.

2. Morticians: An increase in board compensation of $500 per year and in operating expenses of $4,571 in fiscal 1988 and $5,370 in fiscal 1989.

3. Professional Engineers and Land Surveyors: An increase operating expenses of $2,000 in fiscal 1988.

4. Accountants Board: An increase in operating expenses of $26,000 per year.

LEGISLATIVE ACTION

AGENCY: DEPARTMENT OF COMMERCE

PROGRAM: AERONAUTICS DIVISION

BUDGET ITEM	FY 1986 Actual	Fiscal 1988 Executive	Fiscal 1988 Current Level	Fiscal 1988 Subcommittee	Fiscal 1989 Executive	Fiscal 1989 Current Level	Fiscal 1989 Subcommittee	FY 86-88 % Change
FTE	12.84	11.99	12.84	11.99	11.99	12.84	11.99	0.85
Personal Services	$316,094	$342,868	$358,684	$342,868	$344,136	$360,116	$344,136	8.47
Operating Expenses	245,562	353,394	247,442	265,742	277,715	247,594	273,434	8.22
Equipment	4,352	22,857	23,857	22,857	22,892	22,892	22,892	425.21
Non-Operating	19,352	33,000	20,745	33,000	33,000	20,745	33,000	70.53
TOTAL EXPENSES	$585,360	$752,119	$650,728	$664,467	$677,743	$651,347	$673,462	13.51
FUNDING								
State Special Revenue	$526,772	$615,036	$559,238	$602,384	$615,660	$559,068	$611,379	14.35
Federal Revenue	0	75,000	0	0	0	0	0	N/A
Proprietary Fund	58,588	62,083	91,490	62,083	62,083	92,279	62,083	5.97
TOTAL FUNDING	$585,360	$752,119	$650,728	$664,467	$677,743	$651,347	$673,462	13.51

Program Description: The Division of Aeronautics consists of the Aeronautics Board and two bureaus. The Aeronautics Board, allocated to the department for administrative purposes, advises on matters pertaining to aeronautics.

The Airport/Airways Bureau staff provide technical and financial assistance to communities in airport development, navigational aid development, communications, aviation safety and aviation planning. Program staff plan, establish, operate, and maintain the state-owned system of airports, navigational aids, and communications facilities.

The staff of the Safety and Education Bureau maintain a statewide organization for aerial search and rescue and provide search and rescue for lost aircraft. They serve as the approving agent for Veterans Administration flight schools, enforce state law on pilot and aircraft registration, and issue commercial air operator certificates. Bureau personnel plan and organize annual aircraft mechanic refresher seminars and annual flight instructor refresher clinics and conduct aviation safety programs for pilots in Montana. Additional staff responsibilities include: maintain a film library for pilot groups and schools; furnish aviation information and educational materials to students; provide schools with help in the area of curriculum planning and career information; provide guided career awareness tours of specific aviation facilities for schools and other groups; maintain an accredited college aviation/aerospace teacher workshop

program; and produce a monthly newsletter for the aviation community. The bureau also makes air marking recommendations for proposed towers, power lines, etc., and the actions of the FAA and other agencies are monitored with the best interests of Montana aviation in mind.

Budget: The West Yellowstone airport operations had 0.95 FTE eliminated because airport revenues would not support the position. The reduction resulted in a savings of $21,475 per year. A 0.10 FTE janitorial position was approved which had previously been a contractual employee. The IRS required that the employee be a state employee. The budget includes and increase of $14,695 per year for aircraft insurance, $17,000 in fiscal 1988 and $27,000 in fiscal 1989 for replacement of two aircraft engines, and a reduction of $7,300 for reference materials and radios.

Included in the equipment is $18,465 in fiscal 1988 and $18,500 in fiscal 1989 for non-directional beacon transmitters and unicoms. The equipment budget also includes $1,992 each year for radio equipment and $2,400 each year for emergency locator transmitter homer radios. The fiscal 1988 budget includes $1,000 to purchase a personal computer modem and software.

The increase in non-operating is an increase in preliminary engineering grants for airport upgrades and to award grants to additional teachers to attend the aerospace teacher workshop.

Funding: The aeronautics division is financed by a tax on aviation fuel. The West Yellowstone airport operation is financed by landing fees and a percentage of the concession revenues.

Modifieds Recommended:

1. State Air Plan: $75,000 of federal funds and $8,500 of state aeronautics funds match for completion of the state air plan in fiscal 1988 is recommended.

LEGISLATIVE ACTION

AGENCY: DEPARTMENT OF COMMERCE

PROGRAM: TRANSPORTATION DIVISION

BUDGET ITEM	FY 1986 Actual	Fiscal 1988 Executive	Fiscal 1988 Current Level	Fiscal 1988 Subcommittee	Fiscal 1989 Executive	Fiscal 1989 Current Level	Fiscal 1989 Subcommittee	FY 86-88 % Change
FTE	15.00	12.00	12.00	12.00	12.00	12.00	12.00	-3.00
Personal Services	$ 477,424	$ 386,748	$ 386,858	$ 386,748	$ 387,274	$ 387,381	$ 387,274	-18.99
Operating Expenses	411,773	310,136	271,424	267,628	307,565	267,903	265,170	-35.01
Equipment	10,014	1,250	1,000	1,250	0	0	0	-87.52
Non-Operating	4,322,618	3,211,085	2,709,180	2,709,180	1,771,250	1,771,250	1,771,250	-37.33
TOTAL EXPENSES	$5,221,829	$3,909,219	$3,368,462	$3,364,806	$2,466,089	$2,426,534	$2,423,694	-35.56
FUNDING								
General Fund	$ 604,540	$ 582,134	$ 543,282	$ 539,626	$ 578,839	$ 539,284	$ 536,444	-10.74
State Special Revenue	75,000	71,250	71,250	71,250	71,250	71,250	71,250	-5.00
Federal Revenue	4,542,289	3,255,835	2,753,930	2,753,930	1,816,000	1,816,000	1,816,000	-39.37
TOTAL FUNDING	$5,221,829	$3,909,219	$3,368,462	$3,364,806	$2,466,089	$2,426,534	$2,423,694	-35.56

Program Description: The Transportation Division's purpose is to develop and maintain effective transportation systems in Montana. The division staff provides technical, legal, planning, and financial assistance to transportation users, providers, and local governments. They are responsible for rate analysis and development of cost models to assess changes in transportation rates and systems.

Division staff also contributes recommendations for development of Montana's transportation system. This is accomplished through various state and federal programs of technical and financial assistance designed to assist shippers, agriculture, the rail and trucking industries, inter-city passenger carriers, urban public transportation, and other transportation providers and users. The division is also charged with administering the State Rail Plan and maintaining Montana's eligibility for general railroad assistance funding.

Legislative Intent: Boilerplate language was approved which would allow the Transportation Division to request federal funding for up to 3.0 additional FTE if federal funds become available.

Budget: In the budget 3.0 FTE were eliminated which were financed with federal rail planning funds. The funds were no longer available in the 1989 biennium. The reduction in operating expenses is caused by the following four decisions. First, there was a reduction in consultant services of $122,805 per year. Second, the budget was reduced 5 percent from the executive's general fund recommendation. This reduced consultant services by approximately $29,000 per year. Third, the budget was reduced by $10,000 per year which was a match for federal Urban Mass Transportation funding. The reduction was taken in consultant services. Fourth, the indirect charges decreased by $15,700 per year. Legal fees were increased by $31,300 per year.

The non-operating is federal Urban Mass Transportation Grants which the state administers. Table 2 details the federal grants which the state administers.

Table 2
Federal and State Grants

UMTA	Fiscal 1988	Fiscal 1989
Section 8 Planning Grants	$ 80,000	$ 80,000
Section 16b(2) - Capital fund for elderly and Handicapped Vehicles	220,000	220,000
Section 18 Capital & Operating Subsidy for Nonurbanized/Rural Areas	400,000	400,000
FED-RAIL		
Rehabilitation and Improvement Assistance for Rail Facilities and Construction	1,937,930	1,000,000
State Highway Funds Pass-Through to City Public Transit System	71,250	71,250

Funding: The program is funded with general fund, state highway gas tax revenue, federal urban mass transportation funds, and federal rail funds.

Modifieds Recommended:

1. Railroad Funds: $501,905 federal local rail assistance funds were approved. The funds are available on a priority basis to project recipients who can provide a minimum 30 percent match for the federal funds. This would be a biennial appropriation.

LEGISLATIVE ACTION

AGENCY: DEPARTMENT OF COMMERCE

PROGRAM: BUSINESS ASSISTANCE DIVISION

BUDGET ITEM	FY 1986 Actual	Fiscal 1988 Executive	Fiscal 1988 Current Level	Fiscal 1988 Subcommittee	Fiscal 1989 Executive	Fiscal 1989 Current Level	Fiscal 1989 Subcommittee	FY 86-88 % Change
FTE	11.00	16.00	12.00	0.00	16.00	12.00	0.00	-11.00
Personal Services	$350,481	$ 485,509	$367,858	$ 0	$ 485,556	$368,123	$ 0	-100.00
Operating Expenses	330,376	807,953	326,035	300,000	896,433	323,569	300,000	-9.19
Equipment	8,640	4,570	4,000	0	0	0	0	-100.00
TOTAL EXPENSES	$689,497	$1,298,032	$697,893	$300,000	$1,381,989	$691,692	$300,000	-56.49
FUNDING								
General Fund	$685,538	$ 686,692	$697,893	$ 0	$ 683,219	$691,692	$ 0	-100.00
State Special Revenue	0	30,114	0	0	59,257	0	0	N/A
Proprietary Funds	3,959	581,226	0	300,000	639,513	0	300,000	7477.67
TOTAL FUNDING	$689,497	$1,298,032	$697,893	$300,000	$1,381,989	$691,692	$300,000	-56.49

Program Description: The Business Assistance Division performs comprehensive services that constitute the direct technical assistance component of the Build Montana Economic Development effort, including the following programs:

Small Business Advocate and Business Licensing Center - Serves as the single contact for businesses in understanding and completing all licensing requirements necessary to open or remain in business.

Business Development Assistance Program - Provides for contracting opportunities on a domestic and federal level to manufacturing firms through the contract procurement market system.

Marketing Assistance Program - Aids manufacturers in penetrating product markets on a local, state, regional, and national basis; conducts the "Made in Montana" campaign.

Development Finance Assistance Program - Provides technical assistance in the areas of financial analysis and planning, loan packaging, bonding, business tax incentives and the availability of public and private capital sources.

International Trade Program - Aids businesses in marketing their products outside the United States.

Business Location Program - Conducts promotion and recruitment efforts to attract and relocate out-of-state firms in Montana.

Local Development Organization Assistance Program - Assists local development organizations in retaining, expanding and recruiting business.

Budget: All general fund for the Business Assistance Division was eliminated. This decision eliminated 11.0 FTE and saved $1,389,585 of general fund for the biennium. The remaining budget includes the continuation of the $300,000 per year for the promote Montana program. The program is funded with private funds from Montana businesses.

Funding: The promote Montana program is funded entirely with private donations.

Modifieds Recommended:

1. Pacific Rim Office: The office would be financed one-third by the accommodations tax, one-third by wheat research and marketing funds and one-third by the Montana Beef Council. The budget for the office would be $90,340 in fiscal 1988 and $177,770 in fiscal 1989.

LEGISLATIVE ACTION

AGENCY: DEPARTMENT OF COMMERCE

PROGRAM: MONTANA PROMOTION DIVISION

BUDGET ITEM	FY 1986 Actual	Fiscal 1988 Executive	Fiscal 1988 Current Level	Fiscal 1988 Subcommittee	Fiscal 1989 Executive	Fiscal 1989 Current Level	Fiscal 1989 Subcommittee	FY 86-88 % Change
FTE	11.00	14.00	11.00	14.00	14.00	11.00	14.00	3.00
Personal Services	$ 282,072	$ 350,120	$ 275,178	$ 350,120	$ 349,857	$ 275,040	$ 349,857	24.12
Operating Expenses	1,177,236	3,364,106	1,171,523	3,360,026	3,440,449	1,168,487	3,436,270	185.42
Equipment	7,947	3,900	329	3,900	1,100	329	1,100	-50.92
Non-Operating	0	1,211,169	0	1,211,169	1,235,607	0	1,235,607	N/A
TOTAL EXPENSES	$1,467,255	$4,929,295	$1,447,030	$4,925,215	$5,027,013	$1,443,856	$5,022,834	235.68
FUNDING								
General Fund	$1,233,330	$ 0	$1,197,030	$ 0	$ 0	$1,193,856	$ 0	-100.00
State Special Revenue	0	4,579,295	0	4,575,215	4,677,013	0	4,672,834	N/A
Private Funds	233,925	350,000	250,000	350,000	350,000	250,000	350,000	49.62
TOTAL FUNDING	$1,467,255	$4,929,295	$1,447,030	$4,925,215	$5,027,013	$1,443,856	$5,022,834	235.68

Program Description: The Travel Promotion Program is responsible for promoting the state of Montana as a vacation destination nationally and internationally through advertising, publications, publicity, exhibits, direct contact with tour operators, and motion picture location promotion. The goal of the Travel Promotion Program is economic development through increased non-resident visitor expenditures and revenues.

Budget: The budget adds three new travel promotion officers. Operating expenses which increase substantially are contractual services of approximately $440,000 in fiscal 1988 and $430,000 in fiscal 1989, most of which is in printing of promotional materials; communications of $1,600,000 in fiscal 1988 and $1,686,000 in fiscal 1989 for advertising; an increase of $104,600 per year in other communication activities; and a $15,500 per year increase in travel and all other operating expenses. A reduction of approximately $4,000 per year is in the recalculation of indirect costs.

The non-operating expenditure is the proposed return of 25 percent of the accommodation tax revenues to local non-profit tourism corporations for regional tourism promotion.

Funding: The budget would be financed by the proposed 4 percent accommodations tax. The budget also includes $350,000 per year of private funds which are used to fund joint state-private promotion campaigns.

LEGISLATIVE ACTION

AGENCY: DEPARTMENT OF COMMERCE

PROGRAM: HOUSING ASSISTANCE BUREAU

BUDGET ITEM	FY 1986 Actual	Fiscal 1988 Executive	Fiscal 1988 Current Level	Fiscal 1988 Subcommittee	Fiscal 1989 Executive	Fiscal 1989 Current Level	Fiscal 1989 Subcommittee	FY 86-88 % Change
FTE	7.00	7.00	7.00	7.00	7.00	7.00	7.00	0.00
Personal Services	$ 182,027	$ 182,964	$ 183,101	$ 182,964	$ 183,206	$ 183,362	$ 183,206	0.51
Operating Expenses	109,669	110,313	107,565	108,135	106,732	106,061	104,530	-1.40
Equipment	73,660	1,249	1,249	1,249	696	696	696	-98.30
Non-Operating	7,113,868	9,740,286	9,732,120	9,740,286	9,744,360	9,736,196	9,744,360	36.92
TOTAL EXPENSES	$7,479,224	$10,034,812	$10,024,035	$10,032,634	$10,034,994	$10,026,315	$10,032,792	34.14
FEDERAL REVENUE	$7,479,224	$10,034,812	$10,024,035	$10,032,634	$10,034,994	$10,026,315	$10,032,792	34.14

Program Description: The Section 8 Housing Bureau's primary function is to provide rental subsidies on behalf of approximately 2,600 eligible low-income families or individuals (including elderly, disabled, and handicapped families) statewide in decent, safe, and sanitary housing through federally funded programs by the use of certificates (Existing Housing, Moderate-Rehabilitation, and Rental Rehabilitation Programs) and vouchers (Rental Rehabilitation and Voucher Demonstration Programs). The secondary function of the bureau is to upgrade the rental housing stock available to low-income families and individuals through rehabilitation of substandard and marginal rental properties through the Moderate Rehabilitation and Rental Rehabilitation Programs.

Budget: In operating expenses legal fees decreased $2,600 and computer processing decreased $4,900 per year. Computer maintenance increased $6,500 per year.

The reduction in equipment reflects the one-time purchase of computer equipment in fiscal 1986. The non-operating budget reflects the estimate of federal funds that will be available in the 1989 biennium for funding housing assistance programs.

Funding: The program is funded by Federal Housing Assistance funds.

LEGISLATIVE ACTION

AGENCY: DEPARTMENT OF COMMERCE

PROGRAM: OFFICE OF ECONOMIC POLICY AND RESEARCH

BUDGET ITEM	FY 1986 Actual	Fiscal 1988 Executive	Fiscal 1988 Current Level	Fiscal 1988 Subcommittee	Fiscal 1989 Executive	Fiscal 1989 Current Level	Fiscal 1989 Subcommittee	FY 86-88 % Change
FTE	7.00	7.00	7.00	7.00	7.00	7.00	7.00	0.00
Personal Services	$182,587	$192,578	$196,125	$196,078	$192,374	$195,926	$195,874	7.39
Operating Expenses	112,766	114,200	58,641	84,858	109,230	57,096	80,348	-24.75
Equipment	8,393	1,411	2,131	1,411	1,188	1,908	1,188	-83.19
TOTAL EXPENSES	$303,746	$308,189	$256,897	$282,347	$302,792	$254,930	$277,410	-7.05
FUNDING								
General Fund	$264,578	$268,189	$216,897	$242,347	$262,792	$214,930	$237,410	-8.40
Federal Revenue	39,168	40,000	40,000	40,000	40,000	40,000	40,000	2.12
TOTAL FUNDING	$303,746	$308,189	$256,897	$282,347	$302,792	$254,930	$277,410	-7.05

Program Description: The Office of Economic Policy and Research is the central planning, coordination, and analysis unit for the department's programs. Primary functions include monitoring Montana's economy, formulating policy recommendations through the Governor's Council on Economic Development, conducting specific economic analysis projects, coordinating the departmental economic development policy group, distributing economic and demographic information through the Census and Economic Information Center, and presenting information on the department's economic development programs. This office also supervises staffing of the Montana Ambassadors.

Budget: The executive budget was accepted and then increased personal services by $3,500 per year for per diem for the Governor's Council on Economics. The budget was reduced by 10 percent general fund from the amount of general fund recommended by the executive with the per diem adjustment. The reduction primarily affected the contractual services area of the budget. Functions such as research for the Governor' Council on Economics would be reduced, computer processing of economic data would be reduced, and computer programming for economic analysis would be reduced.

Funding: This program is funded with general fund and a federal grant from the Economic Development Administration of $40,000 per year.

LEGISLATIVE ACTION

AGENCY: DEPARTMENT OF COMMERCE

PROGRAM: LOCAL GOVERNMENT - AUDIT

BUDGET ITEM	FY 1986 Actual	Fiscal 1988 Executive	Fiscal 1988 Current Level	Fiscal 1988 Subcommittee	Fiscal 1989 Executive	Fiscal 1989 Current Level	Fiscal 1989 Subcommittee	FY 86-88 % Change
FTE	28.70	28.20	24.70	28.20	28.20	24.70	28.20	-0.50
Personal Services	$ 678,640	$ 758,074	$ 679,476	$ 758,074	$ 758,002	$ 679,558	$ 758,002	11.70
Operating Expenses	249,326	268,137	237,833	256,893	261,799	231,738	250,278	3.03
Equipment	4,096	13,000	13,000	13,000	10,500	10,500	10,500	217.38
Non-Operating	1,452,700	0	87,054	0	0	87,054	0	100.00
TOTAL EXPENSES	$2,384,762	$1,039,211	$1,017,363	$1,027,967	$1,030,301	$1,008,850	$1,018,780	-56.89
FUNDING								
General Fund	$1,452,700	$ 87,768	$ 87,054	$ 43,560	$ 87,768	$ 87,054	$ 43,546	-97.00
Proprietary Funds	932,062	951,443	930,309	984,407	942,533	921,796	975,234	5.62
TOTAL FUNDING	$2,384,762	$1,039,211	$1,017,363	$1,027,967	$1,030,301	$1,008,850	$1,018,780	-56.89

Program Description: The Local Government Audit Program exists to perform post-audits of the financial statements of local government entities across Montana. The program also performs special entity audits in cases of suspected fraud or misappropriation of funds. The audit function is designed to protect the taxpayers' interests by verifying that the financial conditions and operations are responsibly accounted for and reported, and that all appropriate statutes and regulations are complied with by local officials.

Budget: In fiscal 1987 the division administrator was transferred to a newly created program entitled Local Government Administration. This transfer is carried forward into the 1989 biennium. One position which was eliminated in the fiscal 1987 budget reductions was not restored in the 1989 biennium. Added to the budget were 1.50 FTE secretarial positions which were contractual employees who the IRS required become state employees. Travel was increased by $16,500 per year and contracted services were reduced by $13,100 in fiscal 1988. Postage and long distance phone calls were increased by $1,500 per year.

The $16,500 travel increase was approved because in fiscal 1986 there were two auditing positions which were vacant most of the year. In fiscal 1986, the district court reimbursement program was located in this program. In the 1989 biennium, the reimbursement program is transferred to Local Government Systems; therefore, the decrease in non-operating expenses.

Funding: This program is funded with general fund and from revenue collected from local units of government for auditing. The general fund was reduced by 50 percent from the executive recommendation and the department directed to increase the charges to local governmental units.

LEGISLATIVE ACTION

AGENCY: DEPARTMENT OF COMMERCE

PROGRAM: LOCAL GOVERNMENT - SYSTEMS

BUDGET ITEM	FY 1986 Actual	Fiscal 1988 Executive	Fiscal 1988 Current Level	Fiscal 1988 Subcommittee	Fiscal 1989 Executive	Fiscal 1989 Current Level	Fiscal 1989 Subcommittee	FY 86-88 % Change
FTE	9.00	7.00	6.30	7.00	7.00	6.30	7.00	-2.00
Personal Services	$ 152,592	$ 201,861	$ 186,548	$ 201,861	$ 201,642	$ 186,355	$ 201,642	32.29
Operating Expenses	94,450	122,188	130,406	119,193	120,645	81,756	117,580	26.20
Equipment	7,135	4,250	4,250	4,250	4,250	4,250	4,250	-40.43
Non-Operating	19,768,296	11,564,317	20,717,336	11,564,620	12,154,283	21,113,929	12,154,593	-41.50
TOTAL EXPENSES	$20,022,473	$11,892,616	$21,038,540	$11,889,924	$12,480,820	$21,386,290	$12,478,065	-40.62
FUNDING								
General Fund	$ 4,060,459	$ 5,019,208	$14,224,884	$ 2,586,208	$ 5,061,208	$14,656,519	$ 2,586,208	-36.31
State Special Revenue	15,763,635	6,703,000	6,659,469	9,135,000	7,251,000	6,575,571	9,725,000	-42.05
Proprietary Fund	198,379	170,408	154,187	168,716	168,612	154,200	166,857	-14.95
TOTAL FUNDING	$20,022,473	$11,892,616	$21,038,540	$11,889,924	$12,480,820	$21,386,290	$12,478,065	-40.62

Program Description: The Local Government Systems Program exists to develop, implement, and maintain uniform budgetary, accounting, and reporting systems for Montana cities, towns, counties, school districts, and single purpose districts. The staff provides special accounting assistance to local officials and ongoing training for local finance personnel, coordinates technical advice and assistance between state agencies and local governments, and is responsible for the timely receipt of budgets and annual financial reports from counties, cities, and towns. During fiscal 1986, the District Court Reimbursement Program, the County Land Planning Grant Program, and the Local Government Block Grant Program were added to this bureau.

Budget: In fiscal 1986 there were 9.0 FTE in this program. Three of the positions were vacant in fiscal 1986. Two of the vacant positions were eliminated. Consulting services was decreased from $4,943 to $0.

Audit fees were increased from $21,407 to $48,728. This increase reflects the cost of auditing the District Court Reimbursement Program. The audit charges for the district court program are $47,000 per fiscal year.

The District Court Reimbursement program was approved at $2,500,000 per year of general fund support. The general fund is reimbursed for the cost of the district court reimbursement program through a charge on vehicle registrations. The charge which raised $2,409,577 in fiscal 1986 and is estimated to raise $5,770,000 for the biennium.

The budget includes $299,000 in fiscal 1988 and $311,000 in fiscal 1989 for the county land planning grants. The grants are financed from 0.38 percent of the coal severance tax revenues.

The budget includes funding of the Local Government Block Grant Program (LGBG) at $8,836,000 in fiscal 1988 and $9,414,000 in fiscal 1989. The program is to be funded with one-third of the oil severance tax revenues and the local government block grant vehicle fee. The vehicle fee is to sunset for July 1, 1987, but there is legislation (House Bill 155) which would eliminate the sunset date. The budget as approved will fund approximately 50 percent of the State's obligation to the local governmental units. The legislature in Special Session III amended the Local Government Block Grant act to state that the department shall distribute revenues to the extend that they are available.

Funding: The local government systems administration is funded approximately one-third by general fund and two-thirds by charges to local governmental units. The funding for the County Land Planning Grants, the District Court Reimbursement Program and the Local government Block Grant program is detailed in the following table.

Table 3
1989 Biennium Current Level Grants

	Fund Source	FY 1988	FY 1989
District Court	General Fund	$ 2,429,620	$ 2,492,593
County Land Planning	Coal Severance Tax	299,000	311,000
Local Gov. Block Grant	General Fund	-0-	-0-
	Local Block Grant	8,836,000	9,414,000
Total		$11,564,620	$12,154,593

LEGISLATIVE ACTION

AGENCY: DEPARTMENT OF COMMERCE

PROGRAM: LOCAL GOVERNMENT ASSISTANCE ADMINISTRATION DIVISION

BUDGET ITEM	FY 1986 Actual	Fiscal 1988 Executive	Fiscal 1988 Current Level	Fiscal 1988 Subcommittee	Fiscal 1989 Executive	Fiscal 1989 Current Level	Fiscal 1989 Subcommittee	FY 86-88 % Change
FTE	2.00	2.00	2.00	2.00	2.00	2.00	2.00	0.00
Personal Services	$46,698	$84,496	$84,554	$84,496	$84,551	$84,615	$84,551	80.94
Operating Expenses	5,149	15,424	12,986	14,170	14,967	12,537	13,682	175.20
Equipment	500	0	0	0	0	0	0	-100.00
TOTAL EXPENSES	$52,347	$99,920	$97,540	$98,666	$99,518	$97,152	$98,233	88.48
PROPRIETARY FUNDS	$52,347	$99,920	$97,540	$98,666	$99,518	$97,152	$98,233	88.48

Program Description: The Local Government Assistance Division-Administrator Program represents the budget for the operations of the administrator of the division and the division's legal counsel. The administrator supervises the functions of the Housing Assistance Bureau, Community Development Bureau, which includes the Coal Board and the Hard Rock Mining Board, the Audit Bureau and the Systems Bureau, which includes the Local Government Block Grant, District Court Reimbursement, and County Land Planning distribution functions.

Budget: This is a new program created in fiscal 1986 and, therefore, the personal services and operating only reflect partial year expenditures. The division administrator position was transferred out of the Audit Program into this program. Also, an attorney position in the Legal Services Division was transferred to this program when the Legal Services Division was disbanded.

The increase in operating expense reflects the transfer of the attorney and the increase in indirect costs.

Funding: The program is funded by a proprietary charge to all of the programs which it administers. The charges to the programs are based upon each individual program's personnel services budget.

LEGISLATIVE ACTION

AGENCY: DEPARTMENT OF COMMERCE PROGRAM: BUILDING CODES BUREAU

BUDGET ITEM	FY 1986 Actual	Fiscal 1988 Executive	Fiscal 1988 Current Level	Fiscal 1988 Subcommittee	Fiscal 1989 Executive	Fiscal 1989 Current Level	Fiscal 1989 Subcommittee	FY 86-88 % Change
FTE	29.50	29.00	29.00	29.00	29.00	29.00	29.00	-0.50
Personal Services	$ 738,665	$ 807,349	$ 807,635	$ 807,349	$ 809,473	$ 809,817	$ 809,473	9.30
Operating Expenses	356,469	372,732	350,264	354,141	367,178	345,983	346,159	-0.65
Equipment	138,513	1,400	1,400	1,400	147,580	147,580	147,580	-98.99
TOTAL EXPENSES	$1,233,647	$1,181,481	$1,159,299	$1,162,890	$1,324,231	$1,303,380	$1,303,212	-5.74
STATE SPECIAL REVENUE	$1,233,647	$1,181,481	$1,159,299	$1,162,890	$1,324,231	$1,303,380	$1,303,212	-5.74

Program Description: The Building Codes Bureau establishes and enforces minimum building, plumbing, mechanical, electrical, and energy standards to safeguard the public in design and construction of buildings, recreational vehicles, and factory built buildings, in accordance with the authority assigned in Title 50, Chapter 60, MCA. The bureau achieves compliance with minimum standards through review and approval of plans, issuance of building, plumbing, mechanical, and electrical permits, issuance of factory building and recreational vehicle insignias, and field inspection of buildings and installations.

Legislative Intent: Boilerplate language which permits the department to request up to three additional building inspectors if the building economy should greatly increase was approved.

Budget: In fiscal 1987 a 0.50 of an attorney was eliminated from this program. The major changes in operating expenses between fiscal 1986 and 1988 are a reduction of $55,900 in legal costs, $1,700 increase in reference books, $5,600 increase in maintenance, $7,160 increase for audit costs, $1,954 increase in payroll costs, a $12,500 reduction in and a $15,300 increase in gasoline, and a $38,700 increase in indirect charges. The equipment budget contains $147,850 in fiscal 1989 to replace 16 vehicles which were all purchased in fiscal 1986 and will have over 100,000 miles by fiscal 1989.

Funding: The Buildings Code Program is financed by building inspection fees and by licensing charges to electricians and plumbers.

Modifieds Recommended:

1. Electrical Board Educational Testing Service: $7,350 in fiscal 1988 and $9,450 in fiscal 1989 to allow the Electrical Board to make a lump sum payment to the Educational Testing Service for the examination fees of Montana Appl[illegible]s for national certification was approved.

LEGISLATIVE ACTION

AGENCY: DEPARTMENT OF COMMERCE

PROGRAM: COAL BOARD

BUDGET ITEM	FY 1986 Actual	Fiscal 1988 Executive	Fiscal 1988 Current Level	Fiscal 1988 Subcommittee	Fiscal 1989 Executive	Fiscal 1989 Current Level	Fiscal 1989 Subcommittee	FY 86-88 % Change
FTE	2.50	2.50	2.50	2.50	2.50	2.50	2.50	0.00
Personal Services	$ 81,710	$ 83,376	$ 82,390	$ 83,376	$ 83,488	$ 82,508	$ 83,488	2.04
Operating Expenses	57,697	83,577	59,205	66,419	82,484	49,977	65,294	15.12
Equipment	1,546	223	0	223	0	0	0	N/A
Non-Operating	5,126,183	815,824	4,154,104	712,650	857,028	4,375,002	0	-86.10
TOTAL EXPENSES	$5,267,136	$983,000	$4,295,699	$862,668	$1,023,000	$4,507,487	$148,782	-83.62
STATE SPECIAL REVENUE	$5,267,136	$983,000	$4,295,699	$862,668	$1,023,000	$4,507,487	$148,782	-83.62

Program Description: The Coal Board provides grants to local governments where adverse impacts have occurred as a result of large-scale coal development. The program is administered by a gubernatorially appointed board that acts on applications from local governments for public facilities or services intended to relieve the demand for public services and facilities caused by coal industries.

Budget: Operation expenses fund the current staff to monitor coal board grants which were awarded in previous fiscal years. The increase in operating expenses are indirect costs of $7,200 per year. The budget includes grant funding for one project in which the coal board had made a commitment for fiscal 1988. That project is the commitment of $712,650 for the Yellowstone County jail. The intent was to fund only those administrative costs that were necessary and any commitments that had been previously made, with the remaining coal board funds to be left uncommitted.

Funding: The coal board receives 6.65 percent of the coal severance tax income.

LEGISLATIVE ACTION

AGENCY: DEPARTMENT OF COMMERCE PROGRAM: HARD ROCK MINING BOARD

BUDGET ITEM	FY 1986 Actual	Fiscal 1988 Executive	Fiscal 1988 Current Level	Fiscal 1988 Subcommittee	Fiscal 1989 Executive	Fiscal 1989 Current Level	Fiscal 1989 Subcommittee	FY 86-88 % Change
FTE	2.00	2.00	2.00	2.00	2.00	2.00	2.00	0.00
Personal Services	$58,121	$ 61,029	$ 61,051	$ 61,029	$ 61,066	$ 61,093	$ 61,066	5.00
Operating Expenses	30,497	43,961	29,399	43,056	43,495	29,209	42,567	41.18
Equipment	1,212	0	0	0	0	0	0	-100.00
Non-Operating	0	0	1,008,550	$1,026,288	0	1,280,698	1,211,934	N/A
TOTAL EXPENSES	$89,830	$104,990	$1,099,999	$1,130,373	$104,561	$1,371,000	$1,315,567	1,158.35
STATE SPECIAL REVENUE	$89,830	$104,990	$1,099,000	$1,130,373	$104,561	$1,371,000	$1,315,567	1,158.35

Program Description: The Hard Rock Mining Board assists mineral developers and local government units prepare, review, and implement impact plans for new, large-scale hard rock mines; arbitrates disputes between local governments and mining companies; makes determinations on impact plan waivers; and awards grants and loans to mitigate fiscal and economic impacts of mine workforce reduction and closure.

The Hard Rock Mining Board receives one-third of the metalliferous mines license tax. The revenue from the license tax is first dedicated to the administrative expenses of the board. The remaining balance after administrative expenses is transferred to a hard rock mining impact trust account. Within the trust account are subaccounts and the funds are segregated by the county from which the revenues are received. If at some point in the future the mine is shut down or reduces its production by over 50 percent, the county can apply for use of the trust account fund for the impact costs of the reduced tax revenues.

Legislative Intent: The following boilerplate language was approved: "The Hard Rock Board shall report to the legislature any expenditures from the Hard Rock mitigation and arbitration account."

Budget: The appropriation for travel was increased by $5,700 per year. Indirect cost for Local Government Administration increased by $6,400 per year. This increase reflects the increased hark rock mining activity in Montana. The non-operating is the appropriation for possible mitigation costs if a hard rock mine is closed or reduces production substantially. The appropriation could also be used to resolve differences between local governmental units

and mining companies in regard to the mines impact on local communities. The appropriation level is determed by the estimated revenues minus administrative expenses.

Funding: The Hard Rock Mining Board receives one-third of the metalliferous mines license tax.

LEGISLATIVE ACTION

AGENCY: DEPARTMENT OF COMMERCE

PROGRAM: COMMUNITY DEVELOPMENT

BUDGET ITEM	FY 1986 Actual	Fiscal 1988 Executive	Fiscal 1988 Current Level	Fiscal 1988 Subcommittee	Fiscal 1989 Executive	Fiscal 1989 Current Level	Fiscal 1989 Subcommittee	FY 86-88 % Change
FTE	8.50	8.50	8.50	8.50	8.50	8.50	8.50	0.00
Personal Services	$ 224,693	$ 247,291	$ 245,833	$ 247,291	$ 247,078	$ 245,621	$ 247,078	10.06
Operating Expenses	151,737	152,104	140,930	152,239	150,603	139,307	150,759	0.33
Equipment	3,025	223	223	223	0	0	0	-92.63
Non-Operating	5,680,475	5,262,651	5,262,651	5,262,651	5,262,673	5,262,651	5,262,673	-7.36
TOTAL EXPENSES	$6,059,930	$5,662,269	$5,649,637	$5,662,404	$5,660,354	$5,647,579	$5,660,510	-6.56
FUNDING								
General Fund	$ 196,790	$ 214,613	$ 211,539	$ 214,748	$ 213,839	$ 209,481	$ 213,995	9.13
Federal Revenue	5,863,140	5,447,656	5,438,098	5,447,656	5,446,515	5,438,098	5,446,515	-7.09
TOTAL FUNDING	$6,059,930	$5,662,269	$5,649,637	$5,662,404	$5,660,354	$5,647,579	$5,660,510	-6.56

Program Description: The Community Development Program receives, awards, administers, and monitors federal HUD funds intended to assist local governments with their greatest public facilities, housing, and economic development needs by funding projects that will principally benefit low to moderate income people in their communities.

Technical assistance is provided to local governments. Much of the assistance is accomplished through training workshops, publications and automated data retrieval.

Budget: The budget approved is a continuation budget for the Community Development program which includes 8.50 FTE.

Funding: The general fund is a 50 percent match for the operating costs of the program. The federal funds are Housing and Urban Development funds.

LEGISLATIVE ACTION

AGENCY: DEPARTMENT OF COMMERCE

PROGRAM: COORDINATOR OF INDIAN AFFAIRS

BUDGET ITEM	FY 1986 Actual	Fiscal 1988 Executive	Fiscal 1988 Current Level	Fiscal 1988 Subcommittee	Fiscal 1989 Executive	Fiscal 1989 Current Level	Fiscal 1989 Subcommittee	FY 86-88 % Change
FTE	2.00	2.00	2.00	1.00	2.00	2.00	1.00	-1.00
Personal Services	$54,879	$55,339	$55,346	$36,346	$55,396	$55,408	$36,438	-33.77
Operating Expenses	32,882	38,693	32,273	7,464	34,835	32,020	7,276	-77.30
Equipment	1,915	0	0	0	0	0	0	-100.00
TOTAL EXPENSES	$89,676	$94,032	$87,619	$43,810	$90,231	$87,428	$43,714	-51.15
GENERAL FUND	$89,676	$94,032	$87,619	$43,810	$90,231	$87,428	$43,714	-51.15

Program Description: The Indian Affairs Coordinator serves as the Governor's liaison with the state's Indian tribes and provides information and policy support to state, local, and federal officials in the areas of tribal affairs and Indian law. The coordinator also serves the Montana congressional delegation as an advisor and intermediary in the field of Indian affairs and acts as spokesman for representative Indian organizations and groups, both public and private, whenever that support is solicited.

Budget: The budget eliminates the administrative aide position in the Indian Affairs office and all operating expenses for the office other than insurance of $390 per year, audit costs $494 in fiscal 1988, rent $3,018 in fiscal 1988 and $3,315 in fiscal 1989, and department indirect charges of $3,194 in fiscal 1988 and $3,189 in fiscal 1989.

LEGISLATIVE ACTION

AGENCY: DEPARTMENT OF COMMERCE

PROGRAM: MONTANA HEALTH FACILITIES AUTHORITY

BUDGET ITEM	FY 1986 Actual	Fiscal 1988 Executive	Fiscal 1988 Current Level	Fiscal 1988 Subcommittee	Fiscal 1989 Executive	Fiscal 1989 Current Level	Fiscal 1989 Subcommittee	FY 86-88 % Change
FTE	3.00	3.00	3.00	3.00	3.00	3.00	3.00	0.00
Personal Services	$ 73,313	$ 74,446	$ 74,459	$ 74,446	$ 74,418	$ 74,435	$ 74,418	1.55
Operating Expenses	42,770	49,477	48,136	48,387	48,859	40,546	47,743	13.13
Equipment	13,378	265	265	265	0	0	0	-98.02
TOTAL EXPENSES	$129,461	$124,188	$122,860	$123,098	$123,277	$114,981	$122,161	-4.91
PROPRIETARY FUNDS	$129,461	$124,188	$122,860	$123,098	$123,277	$114,981	$122,161	-4.91

Program Description: The Montana Health Facility Authority issues revenue bonds and notes to finance capital projects for public and private non-profit health facilities at borrowing rates below those otherwise available. Two types of programs are operated by the authority: one to provide financing for individual facilities, and the other to satisfy the capital needs of a pool of institutions.

Budget: Legal fees were increased by $4,140 per year. The budget also has an increase of $2,050 for a full year dues in National Council of Health Facilities Financing Authorities. Indirect costs were reduced by $900 per year, travel was reduced by $1,850 per year, and rent was increased $1,650 per year.

Funding: The Montana Health Facility Authority is financed by bond fee income. When the authority puts together a bond sales a portion of the bond proceeds are earmarked for the administrative expenses of the authority.

LEGISLATIVE ACTION

AGENCY: DEPARTMENT OF COMMERCE

PROGRAM: MT ECONOMIC DEVELOPMENT BOARD

BUDGET ITEM	FY 1986 Actual	Fiscal 1988 Executive	Fiscal 1988 Current Level	Fiscal 1988 Subcommittee	Fiscal 1989 Executive	Fiscal 1989 Current Level	Fiscal 1989 Subcommittee	FY 86-88 % Change
FTE	7.00	7.00	7.00	ND	7.00	7.00	ND	ND
Personal Services	$214,588	$236,084	$233,111	ND	$235,918	$232,953	ND	ND
Operating Expenses	99,344	105,025	98,447	ND	104,001	89,862	ND	ND
Equipment	6,489	0	2,136	ND	0	2,136	ND	ND
Non-Operating	189,042	0	158,972	ND	0	144,883	ND	ND
TOTAL EXPENSES	$509,463	$341,109	$492,666	ND	$339,919	$469,834	ND	ND
FUNDING								
General Fund	$189,042	$181,262	$158,972	ND	$181,262	$144,883	ND	ND
Other Revenue	320,421	159,847	333,694	ND	158,657	324,951	ND	ND
TOTAL FUNDING	$509,463	$341,109	$492,666	ND	$339,919	$469,834	ND	ND

Program Description: The Montana Economic Development Board is responsible for administering the Coal Tax Loan Program, the Montana Capital Companies Program, the Industrial Development Revenue Bond Program, and the Municipal Finance Program. The Montana Capital Companies Program encourages investment in venture capital firms through a tax credit program. As a result, venture capital is made available in Montana. The Coal Tax Loan and Industrial Development Revenue Bond Programs assist Montana's small businesses in obtaining long-term, fixed-rate financing through private (Montana) lending institutions. The Municipal Finance Program provides short-term and intermediate term financing to local governments at reduced costs.

Budget: The subcommittee has made no decision (ND) concerning the 1989 biennial budget for the Montana Economic Development Board. The executive has recommended that the board be combined with the Board of Investments and that the combined boards be transferred to the Department of Commerce. Senate Bill 298 would combine the two boards and the subcommittee was awaiting an outcome on that bill before making any decisions on the board.

One additional part of the executive budget recommendation which the subcommittee has also not decided is a request to include boilerplate language which would extend the repayment date of the board's startup loan from the end of fiscal 1987 to the end of fiscal 1989.

Funding: Currently there are four programs administered by the board. The Coal Tax Loan program is funded with general fund and the other three programs are funded by revenues generated from the sale of bonds. The other three programs are: 1. the Montana Capital Companies program; 2. the Industrial Development Revenue Bond program; and, 3. the Municipal Finance program.

The executive proposal would blend the Montana Economic Development Board in with the Board of Investments and the cost of MEDB would become part of the investment proprietary fund which finances the Board of Investments.

LEGISLATIVE ACTION

AGENCY: DEPARTMENT OF COMMERCE

PROGRAM: MONTANA SCIENCE AND TECH ALLIANCE

BUDGET ITEM	FY 1986 Actual	Fiscal 1988 Executive	Fiscal 1988 Current Level	Fiscal 1988 Subcommittee	Fiscal 1989 Executive	Fiscal 1989 Current Level	Fiscal 1989 Subcommittee	FY 86-88 % Change
FTE	2.00	5.00	0.00	2.00	6.00	0.00	2.00	0.00
Personal Services	$ 83,814	$ 162,888	$0	$ 88,543	$ 190,020	$0	$ 88,750	5.64
Operating Expenses	57,219	89,373	0	62,148	99,869	0	65,381	8.61
Equipment	8,005	4,449	0	1,009	2,290	0	0	-87.40
Non-Operating	156,578	1,178,260	0	952,908	1,240,269	0	1,004,937	508.58
TOTAL EXPENSES	$305,616	$1,434,970	$0	$1,104,608	$1,532,448	$0	$1,159,068	261.44
FUNDING								
State Special Revenue	$305,616	$1,362,421	$0	$1,104,608	$1,427,388	$0	$1,159,068	261.44
Proprietary Funds	0	72,549	0	0	105,060	0	0	---
TOTAL FUNDING	$305,616	$1,434,970	$0	$1,104,608	$1,532,448	$0	$1,159,068	261.44

Program Description: The 1985 legislature created the Office of Science and Technology to strengthen and diversify Montana's economy by establishing a public-private sector partnership to encourage scientific and technological development within the state. The office was to keep the state in step with a transforming economic structure, create new jobs, and expanded small business opportunities.

Legislative Intent: Boilerplate language delineating how the revenues from the alternative energy fund are to be allocated between the Department of Commerce, Office of Science and Technology, and the Department of Natural Resources and Conservation, Energy Division was approved. The boilerplate language would allocate only the revenues earned by the alternative energy fund from the coal severance tax to the Office of Science and Technology. All other revenues earned by the alternative energy fund would be allocated to the Energy Division.

Budget: The budget includes an increase of $1,900 per year for the board per diem and an increase in contractual services of $3,316 in fiscal 1988 and $2,770 in fiscal 1989. The increase was primarily for consultant services and consultant travel. Travel is increased by $1,700 in fiscal 1988 and $5,400 in fiscal 1989. Audit fees are reduced by $494.

The non-operating appropriation is for the grants and loans which the office awards. This was a new program in fiscal 1986 and, therefore two grants were awarded. The 1989 biennial budget reflects a fully funded program.

Funding: For the 1987 biennium, the 1985 legislature appropriated $2,000,000 (reduced to $1,963,610 in Special Session III) for the office and funding of science and technology research programs. The funds were allocated from the Department of Natural Resources and Conservation, Alternative Energy Research Development and Demonstration Program. The program continues to be financed with alternative energy funds in the 1989 biennium. As stated in the legislative intent section only the revenue which is allocated from the coal severance tax to the alternative energy account be appropriated to the Office of Science and Technology.

Modifieds Recommended:

1. Administrative Assistant Position: 1.00 FTE for an administrative assistant to assist in the increased workload.
2. Seed Capital Fund: The subcommittee has not made a decision on this budget modification. The subcommittee was waiting to see if companion legislation which would allow the commitment of Coal Trust Fund as security for a seed capital bond sale passed the legislature. The budget modification would add 2 FTE in fiscal 1988 and 1 FTE in fiscal 1989. The positions would be financed from an administrative charge which would be funded from the seed capital fund. The cost of the budget modification would be $72,549 in fiscal 1988 and $105,060 in fiscal 1989.

LEGISLATIVE ACTION

AGENCY: DEPARTMENT OF COMMERCE

PROGRAM: BOARD OF HOUSING

BUDGET ITEM	FY 1986 Actual	Fiscal 1988 Executive	Fiscal 1988 Current Level	Fiscal 1988 Subcommittee	Fiscal 1989 Executive	Fiscal 1989 Current Level	Fiscal 1989 Subcommittee	FY 86-88 % Change
FTE	13.00	14.00	14.00	14.00	14.00	14.00	14.00	1.00
Personal Services	$ 327,604	$ 387,440	$ 386,787	$ 387,440	$ 388,068	$ 387,115	$ 388,068	18.26
Operating Expenses	766,336	687,080	809,237	681,333	684,792	765,904	678,893	-11.09
Equipment	16,564	0	2,890	0	0	2,890	0	-100.00
TOTAL EXPENSES	$1,110,504	$1,074,520	$1,198,914	$1,068,773	$1,072,860	$1,155,909	$1,066,961	- 3.76
PROPRIETARY FUNDS	$1,110,504	$1,074,520	$1,198,914	$1,068,773	$1,072,860	$1,155,909	$1,066,961	- 3.76

Program Description: The Montana Board of Housing, created by the Montana Housing Act of 1975, is an agency of the state and is within the Department of Commerce for administrative purposes. The Board is established to provide decent, safe, and sanitary housing in the state which is within the financial capabilities of lower income persons and families. Public moneys are made available through the issuance of revenue bonds to assist private enterprise and governmental agencies in meeting critical housing needs. The board operates both single family and multi-family programs, administers federal housing programs at the state level, renders technical assistance, and conducts other activities which fulfill the program's legislative purpose.

Legislative Intent: Boilerplate language which will allow the Board of Housing to request a budget amendment if bonding activity should increase during the 1989 biennium was approved.

Budget: In fiscal 1986 the department transferred a position from Management Services Division to the Board of Housing. The position was used to create an assistant administrator. The budget includes the continuation of the assistant administrator position in the Board of Housing. Contractual Services decreased by $100,000 per year and computer maintenance increased by $18,200 per year.

Funding: This program is funded through an administrative charge which is applied to the mortgages which the board finances.

LEGISLATIVE ACTION

AGENCY: DEPARTMENT OF COMMERCE

PROGRAM: LOTTERY

BUDGET ITEM	FY 1986 Actual	Fiscal 1988 Executive	Fiscal 1988 Current Level	Fiscal 1988 Subcommittee	Fiscal 1989 Executive	Fiscal 1989 Current Level	Fiscal 1989 Subcommittee	FY 86-88 % Change
FTE	0.00	35.00	0.00	35.00	35.00	0.00	35.00	35.00
Personal Services	$0	$ 857,206	$0	$ 857,206	$ 863,417	$0	$ 863,417	100.00
Operating Expenses	0	3,820,503	0	4,086,241	3,779,083	0	4,098,356	100.00
Equipment	0	42,000	0	42,000	42,000	0	42,000	100.00
Non-Operating	0	20,290,291	0	20,024,553	20,415,500	0	20,096,227	100.00
TOTAL EXPENSES	$0	$25,010,000	$0	$25,010,000	$25,100,000	$0	$25,100,000	100.00
PROPRIETARY FUNDS	0	$25,010,000	$0	$25,010,000	$25,100,000	$0	$25,100,000	100.00

Program Description: The Montana State Lottery was created by the electorate through the passage of Referendum 100 during the 1986 general election, The enabling legislation for the lottery became effective on January 1, 1987 and created a Lottery Commission which is responsible for adopting administrative rules related to the lottery. The legislation also created a lottery director who is responsible for overseeing the operations of the Montana lottery. The commission is attached to the Department of Commerce for administrative purposes.

Budget: The lottery director would supervise a staff of 34. The current budget proposal includes the director and an administrative assistant, 15 FTE working in the marketing of the lottery, 14 FTE handling the operations of the lottery, and 4 FTE in the security of the lottery. The major operating expenses in the lottery budget are contractual services of $2,579,933 in fiscal 1988 and $2,641,185 in fiscal 1989. Advertising is budgeted at $817,740 per year.

The non-operating expenses included the lottery prizes which by statute will be 45 percent of gross sales, and after administrative expenses and prizes, the remainder of the lottery receipts are to paid quarterly in to the public school retirement equalization account. In fiscal year 1988 included in the nonoperating appropriation is the repayment to the general fund of the $1,500,000 start up loan.

Funding: The lottery will be a self funding operation when it is operational. The referendum which created the lottery provided a general fund loan of $1,500,000 for start up costs and that loan is to be paid back with interest when the lottery is operational.

Other Appropriation Bills: House Bill 374 has been introduced which would remove the 5 percent sales commission from the 15 percent administrative cap. The budget which was approved is based upon the passage of House Bill 374. House Bill 374 also makes the administrative expenses a statutory appropriation which would remove the entire lottery budget out of the appropriations process. If the administrative expenses do become a statutory appropriation then the legislature would have no impact on the administrative expenditures of the lottery.

LEGISLATIVE ACTION

AGENCY: DEPARTMENT OF COMMERCE PROGRAM: HORSE RACING

BUDGET ITEM	FY 1986 Actual	Fiscal 1988 Executive	Fiscal 1988 Current Level	Fiscal 1988 Subcommittee	Fiscal 1989 Executive	Fiscal 1989 Current Level	Fiscal 1989 Subcommittee	FY 86-88 % Change
FTE	0.00	4.78	0.00	4.78	4.78	0.00	4.78	4.78
Personal Services	$0	$113,987	$0	$113,987	$113,782	$0	$113,782	N/A
Operating Expenses	0	131,806	0	117,315	134,094	0	119,564	N/A
Equipment	0	9,000	0	9,000	0	0	0	N/A
TOTAL EXPENSES	$0	$254,793	$0	$240,302	$247,876	$0	$233,346	N/A
STATE SPECIAL REVENUE	$0	$254,793	$0	$240,302	$247,876	$0	$233,346	N/A

Program Description: The Board of Horse Racing is responsible for adopting rules to govern horse race meets and the parimutuel system in Montana. The rules adopted govern the licensing of all racing personnel, the establishment of dates for race meets, veterinary practices, and standards in connection with race meets, auditing, supervision, and investigations related to parimutuel racing in Montana.

Legislative Intent: Boilerplate language which will allow the Board of Horse Racing to request a budget amendment for the cost of implementing harness racing in Montana was approved.

Budget: The Board of Horse Racing was part of the Professional and Occupational Licensing Bureau in fiscal 1986. The program is transferred to the Lottery Division. The 4.78 FTE include an administrative officer, an administrative assistant, an office clerk, and 1.78 racing stewards, auditors, license clerks, and state security. The operating expenses include contracted services at approximately $45,000 per year, travel at $21,320 per year, supplies at $9,200 per year, communications at $6,000 per year, and other expenses including indirects at $36,000 per year.

Funding: The Board of Horse Racing is financed by a 1 percent tax on the gross horse race betting receipts.

LEGISLATIVE ACTION

AGENCY: DEPARTMENT OF COMMERCE

PROGRAM: DIRECTOR'S/MANAGEMENT SERVICES

BUDGET ITEM	FY 1986 Actual	Fiscal 1988 Executive	Fiscal 1988 Current Level	Fiscal 1988 Subcommittee	Fiscal 1989 Executive	Fiscal 1989 Current Level	Fiscal 1989 Subcommittee	FY 86-88 % Change
FTE	27.00	25.20	24.20	24.20	25.20	24.20	24.20	-2.80
Personal Services	$774,662	$686,117	$668,920	$668,696	$685,731	$667,503	$668,343	-13.68
Operating Expenses	195,755	235,247	215,359	221,052	162,970	152,853	153,724	12.92
Equipment	26,556	4,225	2,725	2,725	3,142	2,934	3,142	-89.74
TOTAL EXPENSES	$996,973	$925,589	$887,004	$892,473	$851,843	$823,290	$825,209	-10.48
FUNDING								
General Fund	$125,013	$138,090	$887,413	$121,189	$129,041	$119,052	$117,103	-3.06
Proprietary Funds	871,960	787,499	766,592	771,284	722,802	704,235	708,106	-11.55
TOTAL FUNDING	$996,973	$925,589	$887,004	$892,473	$851,843	$823,290	$825,209	-10.48

Director's Office: The Director's Office provides the department with executive, administrative, and policy guidance. This office acts as the liaison among private business, local governments, administratively attached boards and the Governor's Office in the effort to improve and stabilize the economic climate in Montana.

Management Services Division: The Management Services Division provides internal support to all agency programs. The services provided include budgeting, accounting, purchasing, contracting, personnel administration, payroll, training, and the analysis, development, maintenance, and supervision of department data processing systems and hardware.

County Printing Board: The County Printing Board is responsible for setting maximum prices which may be charged for county printing and legal advertising. The general fund supports the County Printing Board.

Legal Services: In fiscal 1986 the department reorganized the legal section and transferred an attorney and a paralegal to the Director's Office/Management Service Division. The attorney provides legal advice to the department programs and the services are charged to the programs on a per hour basis.

Consumer Affairs: The consumer affairs program responds to consumer complaints as they relate to product quality, price, and promises make by the seller and or manufacture and the consumer. The program is funded by general fund.

Public Contractors: The Department of Commerce determines whether contractors issued public contractor's licenses are residents of the State of Montana. This program is financed by general fund.

Budget: The budget includes the transfer of positions that occurred in the 1987 biennium as the base for the 1989 biennium. The table below details the positions transferred and eliminated in the 1987 biennium. The operating expenses include an increase of $36,346 in audit costs; a $21,000 increase in repair and maintenance; a $9,850 reduction in mainframe computer useage; a $13,307 reduction in indirect charges; and other miscellaneous changes which result in a budget decreasse of $8,900. An executive request for $2,050 per year of Natinal Governor's Association Council of State Planning dues was denied.

In fiscal 1989 the audit costs of $63,634 are eliminated because the fiscal 1988 appropriation is biennial.

Table 4
Director's/Management Services
FTE Changes

		FTE
A.	Transfer of a partial position from Professional Licensing and Occupation Bureau	0.50
B.	Transfer of a partial position from Office of Economic Analysis	0.50
C.	Transfer of one position from Building Codes	1.00
D.	Transfer of a partial position to Professional Licensing and Occupational Bureau.	(0.80)
E.	Transfer of deputy director position to Board of Housing	(1.00)
F.	Transfer of two attorney - one to POL and one to Local Government Admin.	(2.00)
G.	Elimination of one attorney position	(1.00)
	Total FTE Changes	(2.80)

Funding: The Director's Office and the Management Services programs are financed by chargebacks to all of the departmental programs. The cost to each program is based upon a program's personal services cost compared to the department total personal services. For fiscal 1988 each program is charged an additional 8.3 percent of its personal services costs for its share of the director's office and management services. Table 5 details the funding of the programs in the Director's/Management Services Division.

Table 5
Directors/Management Service Division

Program	Fiscal 1988 FTE	Fiscal 1988 General Fund	Fiscal 1988 Other	Fiscal 1989 FTE	Fiscal 1989 General Fund	Fiscal 1989 Other
Directors Office	4.00	$ 975	$180,668	4.00	$ 975	$180,750
Management Service	14.00	-0-	485,855	14.00	-0-	423,256
Legal Service	1.50	-0-	62,634	1.50	-0-	62,012
Programmers	1.20	-0-	42,127	1.20	-0-	42,088
Consumers Protection	2.50	90,475	-0-	2.50	88,675	-0-
Public Contractors	1.00	29,739	-0-	1.00	27,453	-0-
Total	24.20	$121,189	$771,284	24.20	$117,103	$708,106

Modifieds Recommended:

1. Accounting Position: The subcommittee recommends an additional accounting position at $20,151 in fiscal 1988 and $18,618 in fiscal 1989. The position would be funded by the department's indirect rate.

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PUBLIC SERVICE COMMISSION:

Major subcommittee decisions

1. The subcommittee accepted the executive recommendation to continue to finance the Public Service Commission budget with utility tax revenues. There are no general fund dollars in the PCS budget. **page C-3 Funding:**

2. The subcommittee accepted the executive recommendation to fully fund the Pipeline Safety program which increased from $41,886 in fiscal 1986 to $51,604 in fiscal 1988. The program is funded 50/50 federal/state. **page C-1 Budget**

3. The subcommittee accepted the executive recommendation to fully fund the Rail Safety program which increased from $18,198 in fiscal 1986 to $40,466 in fiscal 1988. The program is funded 19/81 federal/state. **page C-1 Budget**

4. The subcommittee added $6,430 per year for travel of the Commission if House Bill 302 is passed. HB 302 is the bill which would allow the railroads to close railroad stations. **page C-2 Table 1**

5. The subcommittee recommends two budget modification which are detailed on **page C-3 Modifieds Recommended**

DEPARTMENT OF LIVESTOCK

Major subcommittee decisions

1. The subcommittee approved the executive budget recommendation for the Department of Livestock with the following two exceptions.

A. Because this is a relatively small department the subcommittee did not apply a 4 per cent vacancy savings to the department.

B. The subcommittee reduced the general fund by 10 percent from the general fund recommended by the executive. This resulted in a general fund reduction of $135,184 for the biennium. The reductions are detailed in the program narratives.

DEPARTMENT OF AGRICULTURE

Major subcommittee decisions

1. The subcommittee eliminated the deputy director's position which resulted in a biennial saving of $86,024, of which approximately 60 percent is a general fund savings. **page C-16 Budget**

2. The subcommittee eliminated 1/3 of an attorney position which resulted in a biennial savings of $18,149 of which approximately 60 percent is a general fund savings. With this reduction there remains 2/3 of an attorney. **page C-16 Budget**

30,000/yr

3. The subcommittee eliminated a chemist supervisor position which resulted in a biennial savings of $53,494. The saving is 100 percent general fund. **page C-22 Budget**

4. The subcommittee voted unanimously to have a bill drafted which would increase Plant Industry fees. The bill and companion rule amendments would increase revenues to the general fund by approximately $80,000 per year. **page C-24 Legislative Intent**

5. The subcommittee recommends three budget modifications in the Plant Industry Division which are detailed on **page C-25. Modifieds Recommended**

6. The subcommittee accepted the executive recommendation to eliminate the Beginning Farmer Loan Program. The subcommittee approved boilerplate language which would forgive the general fund loan which was made to the Beginning Farmer Program. The loan amount was $197,294. **page C-26 Legislative Intent**

7. Because the House did not extend the sunset date of the Agriculture Counseling and Mediation Program the subcommittee did not fund the program in the 1989 binnium. **page C-26 Budget**

DEPARTMENT OF STATE LANDS

Major subcommittee decisions

1. The subcommittee recommends the Twin Bridges budget modification which is on **page C-31 Modifieds Recommended**

2. The subcommittee replaced the general fund in the Reclamation Bureau with RIT interest. This was an executive recommendation which the subcommittee accepted. $1,211,995 of general fund was replaced. **page C-34 Table 2**

3. The subcommittee recommends the budget modification for three new positions to augment the compliance, permitting, inspection, and enforcement in hard rock mining. The positions would be in the Reclamation Division. The positions are to be funded by general fund and $169,234 is recommended for the biennium. **page C-34 Modifieds Recommended**

The subcommittee also recommends that boilerplate language be incorporated in to the appropriations bill which would require the department to eliminate one of the three new positions if the number of hard rock mining applications are less going into fiscal 1989 than they are going into fiscal 1988. **page C-33 Legislative Intent**

4. The subcommittee voted unanimously to have a committee bill drafted (SB 348) which would increase the assessment to private landowners to finance a portion of the forest fire suppression costs. The bill would raise the assessment by 3 cents per acre and the minimum assessment by $3.00. The revenue from the additional assessment would be deposited into a special revenue account which would be used to offset the general fund costs for fire suppression. The estimated revenue from this bill is $210,000 per year. **page C-37 Legislative Intent**

5. The subcommittee approved funding for the assumption of Block III from the US Forest Service. The current level budget includes $264,520 in fiscal 1988 and $235,656 in fiscal 1989 for the state assumption. **page C-39 Program Changes**

6. The subcommittee approved the continuation of the expanded timber sale which was started in fiscal 1986. The goal is to sell 50 million board feet of timber per year. This is up 18 million board feet from the amount sold in previous fiscal years. In fiscal 1986 the expanded timber sale costs were financed with resource development fund. In the 1989 biennium the expanded timber sale in financed with general fund. The general fund cost is $236,000 in fiscal 1988 and $237,656 in fiscal 1989. **page C-39 Funding**

7. The subcommittee recommends two budget modifications in the Forestry Division which are detailed on page **C-41. Budget Modifications.** Neither of the modifications require any general fund.

DEPARTMENT OF FISH, WILDLIFE, AND PARKS

Major subcommittee decisions

1. The subcommittee recommends two budget modifications for the Centralized Services Division. The two modifications are detailed on **page C-44 Modifieds Recommended**

2. The subcommittee transferred 14.0 FTE from the Parks Division to the Field Services Division. The positions were in the sign shop, design and construction bureau, and the land agent office. The transfer was made because the Parks Division is no longer in the acquisition and development of parks but rather the maintenance of existing facilities. The positions transferred will work primarily on fishing access sites and wildlife areas. **page C-45 Budget**

3. The subcommittee recommends two budget modifications for the Field Services DIvision which are detailed on **page C-46.**

4. The subcommittee recommends 5 budget modifications for the Fishier Division. The modifications are detailed on **page C-48.**

5 The subcommittee recommends 2 budget modifications for the Law Enforcement Division. The modifications are detailed on **page C-51.**

6. The subcommittee recommends 7 budget modifications for the Wildlife Division. The modifications are detailed on **pages C-53 and C-54.**

7. As mentioned 14.0 positions were transferred from the Parks Division to the Field Services Division. When the 14 positions were in the Parks division, they were partially financed with coal tax interest and parks miscellaneous funds. When the positions were transferred to Field Services approximately $111,000 per year of coal tax revenues and parks miscellaneous funds were freed up which allowed the subcommittee to reallocate those funds into increased park maintenance. **page C-55 Budget**

8. The subcommittee approved a $85,000 increase for boat assess site improvements and $42,000 per year for snowmobile trail improvements. The additional funds were made available when the legislature increased the gas tax by 3 cents per gallon. **page C-55 Budget**

9. The subcommittee recommends one budget modification for the Parks Division which is detailed on page **C-56 Modifieds Recommended.**

10. The subcommittee recommends two budget modifications for the Conservation Education Division which are detailed on page **C-58 Modifieds Recommended.**

DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION

Major subcommittee decisions

1. The subcommittee replaced $107,000 general fund per year with oil and gas funds and RIT interest in Centralized Services Division. The Centralized Services Division provides administrative support for the DNRC programs. To the extent those DNRC programs are funded with general fund, state special revenues funds, and federal funds, the subcommittee tried to establish an equable distribution of the administrative costs. **Table 1 on page C-64** details the funding of Centralized Services which was approved by the subcommittee.

2. The subcommittee recommends one budget modification for the Centralized Services Division which is detail on **page C-64 Modifieds Recommended.**

3. The subcommittee accepted the executive recommendation to replace the general fund funding of the Conservation District budget with RIT interest. The replacement saved $710,965 of general fund for the biennium. **page C-67 Funding**

4. The subcommittee reduced the water rights adjudication program by $500,000 general fund per year. The reduction was in that portion of the Water Rights Bureau which works specifically with the Water Court. The budget for that portion of the Water Rights Bureau, as recommended by the Governor, was approximately $1,068,000 per year. The reduction will reduce the budget to $568,000 per year. **pages C-69 and C-70 Budget and Table 3**

5. The subcommittee recommends four budget modifications for the Water Resources Division which are detail on **page C-71 Modifieds Recommended.**

6. The subcommittee recommends four budget modifications for the Energy Division which are detail on **page C-74 Modifieds Recommended.**

DEPARTMENT OF COMMERCE

Major subcommittee decisions

1. The subcommittee approved the transfer of the Tramway Safety Program from the Department of Administration to the Department of Commerce. **page C-77 Budget**

2. The subcommittee recommends one budget modification for the Business License and Regulation Division Administration which is detailed on **page C-78 Modifieds Recommended.**

3. The subcommittee recommends four budget modifications for the Professional Licensing and Occupational Licensing Bureau which is detailed on **page C-84 Modifieds Recommended.**

4. The subcommittee recommends one budget modification for the Aeronautics Division which is detailed on **page C-85 Modifieds Recommended.**

5. The subcommittee eliminated 3.0 positions in the Transportation Division which were financed with federal funds. The federal rail planning funds were no longer available, therefore the positions were eliminated. The subcommittee approved boilerplate language which would permit the department to request a maximum of three additional position (via a budget amendment) if federal funds should become available. **pages C-87 and C-88 Legislative Intent and Budget**

6. The subcommittee reduced the Transportation Divisions general fund by 5 percent from the executive recommendation. This saved approximately $29,000 of general fund per year. The subcommittee also eliminated the general fund match for UMTA (Urban Mass Transit Administration) Grants. This reduced general fund an additional $10,000 per year. **page C-88 Budget**

7. The subcommittee recommends one budget modification for the Transportation Division which is detailed on **page C-88 Modifieds Recommended.**

8. The subcommittee eliminated all general fund funding for the Business Assistance Division. This eliminated 12.0 positions and reduced general fund by $1,389,585 for the biennium. **page C-90 Budget**

9. The subcommittee recommends one budget modification for the Business Assistance Division which is detailed on **page C-90 Modifieds Recommended.**

10. The subcommittee accepted the executive proposal to replace the general fund for the Montana Promotion Division with accommodation tax revenues. The subcommittee also increased the spending authorization for the program from $1,500,000 per year to approximately $5,000,000 per year. The additional funding will provide increase advertising to promote Montana as a tourist state, and $1,211,000 per year to be distributed back to local tourist agencies. The budget includes three new positions for increase promotion activities. **page C-91 Budget**

11. The subcommittee reduced the Office of Economic Analysis general fund budget by 10 percent from the executive recommendation. This reduced the budget by approximately $23,500 per year. **page C-94 Budget**

12. The subcommittee reduced the general fund in the Local Government Audit division by 50 percent. This saved $43,500 of general fund per year. The subcommittee replaced the general fund with revenue earned by charging local governmental units the cost of providing an audit. **page C-96 Funding**

13. The subcommittee accepted the executive recommendation to fund the Local Government Block Grant with 1/3 of the oil severance tax revenues and the local government block grant vehicle fee. Between these two revenue source approximately 50 percent of the total state obligation will be financed. **page C-98 Budget and Funding**

14. The subcommittee recommends one budget modification for the Building Codes Division which is detailed on **page C-100 Modifieds Recommended.**

15. The subcommittee approved continued operating expenses for the Coal Board, but approved only funding for one local grant project. Funding for the Yellowstone County Jail was included in the budget because the state had a contractual commitment to the project. The remaining Coal Board funds where left uncommitted. **page C-101 Budget**

16. The subcommittee eliminated 50 percent of the Indian Affairs budget. This reduced general fund by $43,800 per year. **page C-105 Budget**

17. The subcommittee has not taken any action on the Montana Economic Development Board budget because there was legislation proposing merging the Economic Development Board in with the Board of Investments. Until that legislation was final the subcommittee felt it premature to deal with a budget for the program. **page C-107 Budget**

18. The subcommittee recommends one budget modification for the Montana Science and Technology Alliance budget which is detailed on **page C-109 Modifieds Recommended.** The subcommittee did not make any recommendation on a second budget modification which would have increased staff for a seed capital fund because the program was dependent upon legislation.

19. The subcommittee approved the budget for the Lottery Program as requested by the executive. **page C-112 Budget**

20. The subcommittee recommends one budget modification for the Director's/Management Services Division budget which is detailed on **page C-117 Modifieds Recommended.**

21. The subcommittee has approved the transfer of the Video Poker Program from the Department of Revenue to the Department of Commerce. But because the General Government Subcommittee has included the Video Poker budget in their budget, the Natural Resources Subcommittee did not want to include the Video Poker budget in two places.

Agency/Program	General Fund Impact Fiscal 88	General Fund Impact Fiscal 89
LEGISLATIVE AUDITOR		
1. (a) Eliminate performance audit function, including approximately 12 FTE.	$456,700	$456,200
LEGISLATIVE COUNCIL		
1. Interim Studies and Conferences Program		
(a) Terminate membership in interstate organizations, including National Council of State Legislatures, $75,322, Council of State Governments, $57,927, Five-State Biennial Conference, $4,100, MT-West Canadian Province Boundary Advisory Committee, $2,000, and Forestry Task Force, $$7,000 per year.	$101,738	$51,611
2. Montana Code Annotated Program		
(a) Transfer $200,000 excess balance in state special revenue account to general fund.	$200,000	$0
ENVIRONMENTAL QUALITY COUNCIL		
1. (a) To reduce administrative overhead, the EQC might be consolidated under Legislative Council. Minimal savings at first, but eventual integration of admin functions, eliminate governing board.	$20,000	$20,000
JUDICIARY		
1. Supreme Court Operations		
(a) MCA 3-2-604 requires that Judiciary provide free copies of Montana Reports to other agencies. Reports could be sold or obtained from other sources. Eliminate statutory requirement.	$22,000	$22,000
(b) Eliminate payment of continuing legal education and judicial training for the 7 supreme court justices.	$9,600	$9,600
(c) Sunset 2 justice positions early, at beginning 1989 biennium.	$242,500	$127,500
Boards and Commissions		
(a) The collateral duties of the Judiciary are carried out by 11 boards and commissions. Through consolidation and review of the duties of those boards/commissions, it appears significant economizing could be accomplished. Force issue by reducing operating budget by 20%.	$22,500	$22,500
(b) Eliminate 0.5 FTE Budget & Finance Officer position, was full time position, vacant over two years, have managed without. Not included in LFA current level, added back in by subcommittee.	$15,100	$15,100
(c) The subcommittee added a 0.5 FTE clerical position to do work for committees that was previously a contract service. Take an equivalent amount out of operating expenses.	$10,400	$10,400
State Law Library		
(a) As a one-time measure to get through state fiscal crisis, take a 10 percent reduction in the book and reference material budget for the 1989 biennium.	$21,550	$20,560
District Courts		
(a) Eliminate payment of continuing legal education and judicial training for the 36 district court judges. Budget only statutory training.	$25,700	$29,200
Judiciary Total Options	$369,350	$256,860

Agency/Program	General Fund Impact Fiscal 88	General Fund Impact Fiscal 89
GOVERNOR'S OFFICE		
1. Air Transportation Program		
(a) The budget allows a 16 percent growth in air travel time from fiscal 1986. Reducing the fuel and co-pilot expenses back to the fiscal 1986 actual expenditure level would result in an annual general fund savings.	$5,754	$5,165
2. Lt. Governor's Office		
(a) All functions in the Lt. Governor's office are discretionary with the exception of the Centennial commission. This proposal would eliminate all staff, except one to coordinate the 1989 statehood centennial.	$122,599	$122,473
3. Citizen's Advocate Office		
(a) This is not a statutory function	$47,627	$47,570
Governor's Office Total Options	$175,980	$175,208
SECRETARY OF STATE		
1. Records Management Program		
(a) Personal staff for Secretary of State may be excessive. Eliminate deputy to secretary of state's position or equivalent.	$37,000	$37,000
(b) Eliminate out-of-state travel to Nat'l Association of Sec. of States meetings and Council of State Govt meeting fees/dues, plus cut back in-state travel by turning in leased vehicle and travelling less.	$10,000	$10,000
2. Administrative Codes Program		
(a) Eliminate the requirement that the general fund reimburse the Administrative Code State Special Revenue Account for the cost of free distribution of ARM updates to state agencies. The June special session eliminated the requirement in fiscal 1987 only.	$30,600	$30,600
Secretary of State Total Options	$77,600	$77,600
STATE AUDITOR		
1. Central Management		
(a) Personal staff for State Auditor may be excessive. Consider the elimination of at least one exempt position, have State Auditor identify where management level cut-back will be.	$35,000	$35,000
(b) The executive budget had deleted two positions, an admin assistant II and a data processing control technician, as part of the permanent 5% cuts. They had been identified by the Auditor as where cuts could be taken if necessary. They were left in the subcommittee budget.	$37,000	$37,000
2. Insurance Division		
(a) The executive budget had deleted two positions, an admin officer III and a compliance specialist, as part of the permanent 5% cuts. The compliance specialist position had been created in the June 1986 special session for the MT Insurance Assistance Plan. The positions had been identified by the Auditor as where cuts could be taken if necessary. They were left in the subcommittee budget. This is insurance state spec revenue, but reverts to general fund at year end, direct general fund impact.	$50,400	$50,400

Agency/Program	General Fund Impact Fiscal 88	General Fund Impact Fiscal 89
3. Securities Division		
(a) Delete funding for a Wang computer added by the subcommittee over LFA current level. Automation project was to have been completed in 1987 biennium.	$4,700	$0
State Auditor Total Options	$127,100	$122,400
DEPARTMENT OF JUSTICE		
1. Legal Services Division		
(a) This division has 19 FTE, and is AG's legal staff. As part of the 10% general fund cut, take 10% of the AG's legal services staff/budget. Appears to be a layer of management that could be deleted.	$80,000	$79,700
2. Indian Legal Jurisdiction		
(a) Cut the total budget by 50%, require that counties, who also have an interest in the Blackfeet case, pay 50% of the costs of the program, on a temporary basis.	$82,790	$32,830
3. County Prosecutor Services		
(a) Cut the program budget by 50%, reduce felony, legal, and CLE training assistance to county attorneys, at least temporarily during fiscal crisis.	$67,590	$67,670
4. Driver Services Bureau		
(a) Reduce number of driver license examining stations, eliminating services in smaller towns. Cut 4.5 FTE, and reduce related operating expenses.	$93,700	$93,700
(b) Cut one of the three cars per year budgeted for the program.	$8,650	$9,000
(c) Remove funding for better typewriter ribbons, not included in LFA current level.	$8,000	$8,000
(d) Do not fund cost of printing organ donor cards. Should also rescind statute requiring service be offered.	$0	$7,000
5. Highway Patrol Division		
Highway Patrol Division is entirely funded by highway gas tax and some federal funds. NO GENERAL FUND SAVINGS potential. Could cut 9 FTE as recommended by exec at savings of $325,000 per year(approx $36,000 per patrolman, including operating expense reductions), cut 5 vehicles per year (to 65) at a savings of $62,300 fy 88, $68,550 fy 89, eliminate 10 highband radios fy 88, $25,000, eliminate FTE transfer of vacant position from Data Processing that had been identified to delete, saving $24,000/year.		
7. Law Enforcement Services Division		
(a) This program administers 3 bureaus: Criminal Inv, Fire Marshall, and ID Bureau. Each bureau has a bureau chief. Division is largely administrative. Eliminate division, take out a level of management. Savings is 50% of budget, assuming 50% would have to be pushed down to bureaus for operating.	$40,000	$40,000

Agency/Program	General Fund Impact Fiscal 88	General Fund Impact Fiscal 89
8. County Attorney Payroll		
(a) Eliminate 1.2% per year salary increase for county attorneys. Either requires statute change, or simply fund no increase, encourage counties to comply with freeze. If some counties don't comply, would require supplemental.	$10,870	$21,920
(b) Eliminate funding for county attorney salaries which are not required by population to be full time. Requires amendment to MCA 7-4-2706. Affects 8 counties. See Issue 1, page A-113, LFA Budget Analysis book.	$160,000	$160,000
9. Law Enforcement Academy		
(a) Currently, tuition fees fund only 11% of the Academy operating budget. Consider increasing tuition fees to 20% of operating budget, which reduces motor vehicle fund requirement, use to offset general fund elsewhere.	$50,885	$49,370
10. Fire Marshall Bureau		
(a) Cut budget for one car replacement per year. Was not in executive budget.	$8,650	$8,650
11. Identification Bureau		
(a) Cut program budget by 25%, reduce fingerprinting and other services at least temporarily to meet agency 10% general fund budget reduction requirement.	$59,200	$58,300
12. Criminal Investigation Bureau		
(a) Eliminate funding for purchase of vehicles in fy 88. Where necessary, agency could rent vehicles for under-cover ops.	$9,000	$0
13. Forensic Science Division		
(a) Restore funding of approximately 18% of program using Alcohol Rehabilitation state special revenue funds. Program has been supported by those funds for several years, since lab does high volume of DUI tests.	$143,835	$143,230
(b) Allow the division to charge for certain scientific services using a propietary account. Reduce general fund authority, set up state special rev account. May have to amend MCA 44-3-302 to allow charges.	$50,000	$50,000
Department of Justice Total Options	$873,170	$829,370
Department of Justice - 10 percent General Fund Amount	$587,130	$614,065

BOARD OF CRIME CONTROL

1. Agency's primary functions are; 1) grant administration of federal grant programs, 2) P.O.S.T. function for certification and standards for law enforcement officials, 3) juvenile justice training program, 4) technical assistance to local law enforcement agencies, and 5) maintenance of the MT Uniform Crime Reporting Program to provide crime statistics to local and federal agencies. Only the P.O.S.T. function is statutory. The others could be considered as non-essential in difficult fiscal times. Option: Eliminate entire agency except P.O.S.T. function, transfer P.O.S.T. to Department of Justice, make part of an existing bureau. NOTE: To do so would eliminate match funds and conduit for $762,500 in federal action grant funds, which the state might lose.	$385,000	$375,000

Agency/Program	General Fund Impact Fiscal 88	General Fund Impact Fiscal 89
DEPARTMENT OF REVENUE		
1. Centralized Services Division		
(a) The budget includes $43,758 in FY88 and $49,195 in FY89 for computer processing charges for a new computer system (the Revenue Control System) which was not specifically authorized for development by the 1985 Legislature.	$43,758	$49,195
2. Income Tax Division		
passed (a) The budget includes new computer equipment maintenance funds but the division was not authorized new computer equipment purchases in the 1989 biennium. These maintenance costs could be removed without adversely impacting the division's budget.	$12,584	$15,738
3. Natural Resources and Corporate Tax		
passed (a) The budget includes $17,945 each year as a current level expansion for out of state travel. In light of tight fiscal times, the legislature may want to consider eliminating this base expansion.	$17,945	$17,945
out of state audits 7 less trips - cost 2½ m/yr. Pt: get people in field.		
4. Appraisers & Non-Elected Assessors		
passed (a) The budget includes funding for 100 percent of the deputy county assessor salaries and 70 percent for county assessors. Reducing the state's contribution to 70% for deputy assessors would save $266,500 in fiscal 1988 and $266,100 in fiscal 1989.	$266,500	$266,100
passed (b) The budget includes $160,000 annually for 16 → 8 replacement vehicles. This is double the amount that was provided by the 1985 Legislature. Cutting this in one-half would leave the agency the amount authorized by the 1985 Legislature.	$80,000	$80,000
passed (c) The budget includes $25,000 annually for the state to purchase office equipment for elected assessors and field staff. In tight fiscal times, the legislature may want to reduce this by one-half or eliminate it entirely for the 1989 biennium.		
Eliminate office equipment purchases Reducing by one-half would save $12,500/yr	$25,000	$25,000
(d) There is currently legislation (SB36) introduced which would return most property appraisal and assessment function to the counties. If this legislation passes, it would require a vote before the people of Montana. Until the future of this function is determined, the legislature may want to consider freezing most property appraisal activity in the state. The assessors would use the property appraisals from the just-completed appraisal cycle to calculate taxable value and mill levy requirements. The costs that would be incurred in the 1989 biennium would be for the county assessors, the centrally-assessed property function within the Department of Revenue, and some administrative costs. The costs that would be saved are the "field" appraisal costs.	$5,750,000	$5,700,000
Department of Revenue Total Options	$6,195,787	$6,153,978
Department of Revenue 10 Percent Cut	$1,748,892	$1,755,744

Agency/Program	General Fund Impact Fiscal 88	General Fund Impact Fiscal 89
DEPARTMENT OF ADMINISTRATION		
1. Accounting Division		
(a) This division has a SBAS support function which was transferred to the accounting division in 1980. The purpose of the function is to get the accounting system through fiscal year end, correct SBAS system problems and make minor and major enhancements to SBAS. The SBAS is function adequately and in tight fiscal times it may be appropriate to consider eliminating or reducing this function.		
Eliminate function Keeping only the fiscal year end function would save $41,419 in FY88 and $41,366 in FY89	$76,961	$76,979
2. Personnel Division - Training Program		
(a) The budget includes general fund support for 1.0 FTE trainer primarily responsible for management training. Other training activities within the program are supported by course fees. The legislature may want to consider placing this FTE entirely on proprietary funds.	$34,572	$34,544
3. Fund Transfers		
(a) Three proprietary funds had excess working capital balances at FYE86. The legislature may want to consider taking a proportionate share of the excess balance and return it to the general fund.	$500,000	Biennial
Department of Administration Total Options	$611,533	$111,523
Department of Administration 10 Percent Cut	$303,091	$300,993

$ in 2 people out

350 for 6 days
15-20 people

Bad precedent: Proprietary balance to G.F. 320,000

data proc. telecomm. - bills Gen. Serv.

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