

1/4/1977

MINUTES OF THE APPROPRIATIONS COMMITTEE
HOUSE OF REPRESENTATIVES

January 4, 1977

The organizational meeting was called to order by Chairman Bardanouye at 9:00 a.m. Roll call was taken and a quorum being present, the committee was opened for business. Representatives Estenson, Gunderson, Marks, and Moore were detained, but appeared shortly and all members were present.

The Chairman stated this meeting would be organizational, with no bills being considered. New members of the committee were introduced and welcomed.

Subcommittees were discussed by the Chairman. Chairmanships of these sub-committees were discussed, but these appointments have not been finalized. Tape recorders for sub-committee meetings have been suggested due to the importance of accuracy in reporting these meetings back to the committee.

Chairman Bardanouye gave a statement of the aims of this committee and its working policies. He explained briefly the workings of fiscal analysts and introduced John LaFaver, Fiscal Analyst for the Appropriations Committee. With the assistance of fiscal analysts, we have the capability to come up with answers to the Governor's figures and greatly improve accuracy in projecting income. In the area of revenue, we are within 2% of the executive projection, which is very close.

Representative Lund introduced Barbara Huber, his intern for this session. Representative Lynch introduced Bernard Harrington, his aide for the session.

Representative Lund asked if a motion is necessary that chairmen of the joint sub-committees come from the House. Chairman Bardanouye said no, we will keep the 5 key chairmanships in the House as we did last session, and he assumes the chairmen he names will be chairmen of the full committees.

John LaFaver spoke next. He stated he has a staff of 5 professional people. One analyst will be assigned to work with each sub-committee throughout the session, which will improve continuity, handling requests for information, follow-up, etc. The staff has been working on an analysis of the executive budget and comparing recommendations we would make as compared to what the Governor will request. This report will be ready for formal presentation next week. The committees will be able to look at a figure from the executive and one from LaFaver's analysis, and this should help to cut down acrimony between the two staffs on revenue estimates. Hearing two sides to most issues might take longer, but will result in a more accurate finished product.

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Discussion was held on those programs presently funded by federal funds. Long range building was discussed. LaFaver said it is required by statute to be reviewed, but requests did not come in until 3 weeks before Christmas and there was not time to review this prior to this time.

The concept of zero based budgeting was discussed by the Chairman. This concept will be tried by a few departments, but requires detailed analysis. Long range building has not had a detailed analysis and University has had problems, plus their budget came in very late. The sub-committee on institutions insisted on a uniform accounting system for the university system, and this is a difficult conversion. Montana will be one of the first states in the country to have a uniform accounting system in the universities.

Representative Lund mentioned the dedication the analysts have shown and that the long hours they have spent will make our work easier.

Representative Gerke asked that the services of the legislative auditor be mentioned and that he be introduced to the full committee. Copies of audit reports of any department audited in the last year or two are available. Performance audits prepared by the auditor's office and their value to Appropriations were also discussed.

Mr. LaFaver stated that at the request of Chairman Bardanouye a suggested list of assignments to sub-committees was made. (attachment, Exhibit 1). The aid was to try to group agencies that have a degree of interaction between them and to assign an analyst to that sub-committee who has expertise in that area. Chairman Bardanouye said recommendations of the fiscal analyst will be used unless some members object. A breakdown of each sub-committee is being prepared by the fiscal analyst. Mr. LaFaver also stated that a fiscal analysis of the executive budget will be available by the first of next week. Overlapping of services of Institutions and SRS was questioned by Representative Estenson.

Discussion was held next on whether Montana by law has a executive budget or a legislative budget. Chairman Bardanouye stated that the Court has ruled in Montana we have a legislative budget; that the legislature appropriates, not the Governor. We have the legal and moral right to introduce our own appropriations.

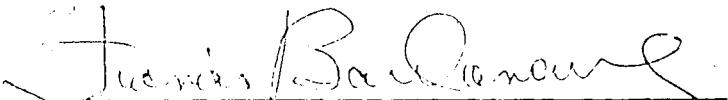
Representative Marks asked to discuss the problems with Senate Bill 401 (supplemental requests and appropriations), and is it our intention to work on a bill to correct constitutional conflict. Chairman Bardanouye stated it is his intentaion to work on this. A consitutional amendment is being drafted which would clearly set forth fiscal control of between session spending that exceeds appropriations. Representative Marks asked what technique we

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could use till the amendment is passed. Mr. LaFaver explained how supplemental appropriations and requests are handled by the state of Colorado. Agencies now facing problems of having supplemental requests approved by the legislature were discussed. Representative Gunderson feels the answer is to have annual sessions. Chairman Bardanouve stated he is in favor of annual sessions but we have to be realistic. Annual sessions are no cure if a large number of requests are submitted after we are sent home. Representative Gunderson said the benefit of annual sessions is that the committee would be an on-going one.

Chairman Bardanouve said he is considering a new concept of having a deadline to meet to introduce by a date certain the entire appropriations bill to the House. Discussion was held on this as to whether it would cause appropriations to be rushed or would be effective as a good housekeeping measure for our own committee.

The meeting adjourned at 10:40 a.m.


Francis Bardanouve, CHAIRMAN

FINANCE COMMITTEE ASSIGNMENTS - Judy Kippingley

INSTITUTIONS SUB-COMMITTEES - Dennis Driggs

Senate	House	Joint Senate-House
Flynn, Chairman Etchart	Gerke, Chairman Lund Ellis Hansen	Gerke, Chairman Flynn, V. C.
ELECTED OFFICIALS SUB-COMMITTEE	Doris Gavreel	
Regan, Chairman Lockrem Nelson	Lynch, Chairman Wood Gunderson	Lynch, Chairman Regan, V. C.
EDUCATION	Doris Gavreel	
Himsel, Chairman Fasbender	South, Chairman Moore Kvaalen Halvorsen	South, Chairman Himsel, V. C.
HUMAN SERVICES - Curt Johnson	Bradley, Chairperson Marks Gunderson	Bradley, Chairperson Roberts, V. C.
NATURAL RESOURCES & BUSINESS REGULATION - Bob Nelson	Manuel, Chairman Estenson Aageson	Manuel, Chairman Boylan, V. C.
LONG RANGE BUILDING - Judy Kippingley and others	South, Chairman Kvaalen Lund Halvorsen	Fasbender, Chairman South, V. C.

B. 1979 Biennium Funding Requests

Table 5 lists the general fund requests for the 1979 biennium and compares those requests with amounts actually appropriated in fiscal 1977. It should be emphasized that the amounts requested do not include "cost-of-living" increases for state employees.

Table 5. General Fund Requests For Fiscal Years 1978 and 1979
Compared to Appropriations in Fiscal 1977

	Appropriation Fiscal 1977	Request Fiscal 1978	Request Fiscal 1979
<u>Human Services</u>			
Labor and Industry	\$ 1,556,729	\$ 2,258,778	\$ 2,357,416
Health and Environmental Sciences	2,733,725	5,281,807	5,633,331
Community Affairs	2,011,761	5,135,144	5,205,930
Social and Rehabilitation Services	26,417,451	33,344,804	39,087,372
Total Human Services	\$32,719,666	\$46,020,533	\$52,284,049
<u>Education</u>			
Board of Public Education	\$ 31,879	\$ 101,458	\$ 101,568
OSPI			
Operations	1,512,779	2,031,846	2,114,710
Foundation	31,790,000	39,980,000 ¹	48,300,000
School Lunch	401,760	669,000	745,000
Transportation	2,975,000	4,168,065	4,268,065
5 Vo-tech Centers	4,245,790	6,650,282	6,787,371
Vocational, Secondary & Post Secondary	742,415	816,656	898,321
Advisory Council for Vo-ed	33,106	27,711	35,229
Library Commission	524,756	623,932	652,859
Historical Society	274,044	403,006	418,725
Arts Council	64,298	79,892	93,525
School for Deaf and Blind	1,074,654	1,345,819	1,420,174
Community Colleges	1,375,143	2,172,671	2,396,288
Commissioner of Higher Education	1,257,559	3,785,216	4,103,832
Bureau of Mines	703,442	1,093,163	1,186,671
Agricultural Experiment Station	2,903,460	4,116,127	4,480,895
Cooperative Extension Service	1,135,297	1,563,454	1,734,887
Board of Regents	240,000	984,500	800,500
University of Montana	10,795,983	15,844,447	17,635,979
Montana State University	10,600,603	15,310,069	17,225,951
Western Montana College	3,847,173	6,126,426	6,593,622
Western Montana College	1,323,871	1,798,453	1,895,942
Northern Montana College	1,835,192	2,755,548	2,951,054
Mt. College of Mineral Science & Technology	1,356,670	2,187,935	2,535,532
Total Education	\$81,044,874	\$114,635,676	\$129,376,700

	Appropriation Fiscal 1977	Request Fiscal 1978	Request Fiscal 1979
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Natural Resources and Business Regulation

Fish and Game	\$ 487,917	\$ 1,715,608	\$ 1,667,673
State Lands	1,289,116	1,322,579	1,340,571
Livestock	414,943	665,136	805,655
Agriculture	655,935	1,341,607	1,314,151
Natural Resources	4,389,627	5,422,873	5,335,244
Business Regulation	807,535	1,117,087	1,171,062
Public Service Regulation	775,758	700,010	720,901
Total Natural Resources & Business Reg.	\$8,820,831	\$12,284,900	\$12,355,257

Institutions

Central Office	\$ 4,929,062	\$12,839,904	\$12,625,680
Boulder River School and Hospital	7,746,248	9,481,113	9,762,340
Children's Center	86,943	-0-	-0-
Center for the Aged	1,015,899	1,318,602	1,342,239
Lastmont Training Center	404,980	493,993	482,976
Galen State Hospital	4,286,789	6,031,317	6,016,552
Mountain View School	1,080,126	1,259,640	1,309,857
Silver Hills School	1,719,652	2,024,456	2,061,601
Prison	3,748,784	4,830,602	5,261,584
Swan River Youth Forest Camp	407,873	491,508	503,113
Veterans' Home	526,575	600,588	606,370
Warm Springs State Hospital	15,142,918	17,764,667	18,209,652
Board of Pardons	57,192	86,123	84,735
Drug Program	231,707	-----In Central Office-----	
Board of Visitors	30,000	30,000*	30,000*
Total Institutions	\$41,414,748	\$57,252,513	\$58,296,699

	Appropriation Fiscal 1977	Request Fiscal 1978	Request Fiscal 1979
<u>Legislative, Judicial, Administrative</u>			
Legislature	\$ 22,500		\$ 2,200,000*
Legislative Auditor	740,925	\$ 1,095,214	1,291,024
Legislative Council		920,914	886,720
Legislative Fiscal Analyst	181,372	224,353	256,395
Environmental Quality Council	148,806	118,198	127,315
Governor's Office	1,590,547	1,700,000*	1,900,000*
State Auditor	1,056,157	1,424,438	1,391,153
Secretary of State	378,578	675,561	647,214
Treasurer	130,421	149,081	157,457
Judiciary	1,323,650	6,961,023	7,492,296
County Attorneys	332,858	410,557	410,557
Administration	2,970,595	4,189,580	4,791,204
PERS	2,000	2,000	2,000
Board of Examiners	43,847	37,400	37,104
Tax Appeals Board	235,213	245,128	267,465
Justice	4,164,292	4,330,329	4,510,891
Revenue	9,046,042	13,016,688	13,624,916
Commissioner of Campaign Finances	80,435	82,461	90,889
Crime Board	230,168	137,140	145,692
Military Affairs	538,891	813,311	833,263
Civil Defense	214,650	117,450	120,868
Total Legislative, Judicial, Administrative	<u>\$23,431,947</u>	<u>\$36,650,826</u>	<u>\$41,184,423</u>
Total General Fund Requests	<u>\$187,432,066</u>	<u>\$266,844,448</u>	<u>\$293,497,128</u>
Total General Fund Revenues		<u>\$200,300,000</u>	<u>\$221,200,000</u>

Estimates Only; Budget Requests Not Received

1. Estimate by Office of Legislative Fiscal Analyst

The amounts requested from the general fund by state agencies exclusive of "cost-of-living" increases exceed general fund revenues by \$138.8 million over the biennium.

In addition to these requests, the legislature will be asked to consider other funding proposals. The figures in Table 6 illustrate