

MINUTES OF THE COMBINED MEETING OF THE
SENATE FINANCE AND CLAIMS COMMITTEE AND
THE HOUSE APPROPRIATIONS COMMITTEE

State Capitol
Room 225
March 21, 1977

The combined meeting of the Senate Finance and Claims Committee and the House Appropriations Committee was called to order at 8:00 A.M. by Representative Bardanoue, Chairman of the Appropriations Committee, who presided as Chairman of the combined meeting.

Also attending were Mr. Dave Lewis, Office of Budget and Program Planning, and Mr. John LaFaver, Legislative Fiscal Analyst.

Roll call of both committees was taken (see attached roll call sheets). A quorum of both committees being present, the Chairman stated the subject of the combined meeting was to hear the Legislative Branch Subcommittee Recommendation of the Elected Officials Subcommittee.

The Chairman introduced Representative J. D. Lynch, Chairman of the Elected Officials Subcommittee. Representative Lynch introduced the other members of his committee, and handed out the following:

Legislative Branch Subcommittee Recommendation	- Attachment A
Draft copy of the Legislative, Judicial, and Administrative Bill	- Attachment B
Draft Supplemental Bill	- Attachment C

The subcommittee recommendation was given to the combined committees as follows:

Legislative Auditor: In addition to Attachment A, in reply to a question from Senator Fasbender, Representative Lynch stated that the increase was made because the request for audits are ever-increasing, and this increase is realizing that they should be doing more audits. The additional audits are new program audits and performance audits. Senator Fasbender questioned the benefits of these audits, and Representative Lynch stated past experience has shown there are substantial benefits realized from these.

Representative Gerke commented that under the law the state is obligated to audit federal revenue sharing funds and also there are state audits mandated that we have not been able to comply with because of lack of staff.

Office of Legislative Fiscal Analyst: As per attachment A. No discussion.

Legislative Council: In addition to Attachment A, Representative Bradley mentioned that if HJR 63 passes, there will be \$18,000 that will have to be amended into this budget.

Legislature: As per Attachment A. No discussion.

Commission on Uniform State Laws: As per Attachment A. No discussion.

Environmental Quality Council: In addition to Attachment A, Richard L. Bourke, Acting Director of the Council, made a request for an additional \$9,735 for 1978, representing money which was encumbered in 1976 for publication which has not been done. The money has to be available before July 1, 1977, and they are requesting a transfer of these funds. Representative Lynch mentioned the supplemental of \$10,000 - do they need this supplemental if this money is transferred back? Mr. Bourke said they do, the supplemental does not relate to this publication.

Consumer Counsel: As per Attachment A. No discussion.

Governor's Office: In addition to Attachment A, the following matters were discussed:

Board of Visitors: Representative Lynch stated that legislation had not been introduced to continue this board, and it was not included in the governor's budget. If it is to continue, it will have to be added back into this budget. He presented amendments to accomplish this, which are attached. This amendment also includes S.B. 413 Lawyer to the governor's budget. The committee feels the board is worthwhile.

Representative Ann Mary Dussault spoke saying it was the intention of the governor's office that a bill would be submitted taking this board to the Department of Institutions. In the Fiscal Analyst's budget and the governor's budget, the appropriation for the board was in the institutions budget - the legislation was not introduced. The amendment proposed by Representative Lynch takes the recommendation of the fiscal analyst and places the board in the governor's office, since statutorily that is where it is assigned. In talking to Representative Gerke, he had said it was the subcommittee's intention to place this recommendation in the governor's budget.

The Chairman said the rules could be suspended and we could bring in legislation to get this in the proper area.

Representative Gerke stated he had said only that this be put back in the governor's budget and out of Institutions - he had made no recommendation as to the funding.

Citizens Advisory Council on Energy: Representative Lynch reported that \$27,900 was requested for each year of the biennium. The subcommittee felt that it was not justified as only about 5 of the 60 members did not represent special interests. It was not funded.

Amendments by Representative Bradley to put items into the Governor's Budget: Amendments were proposed by Representative Bradley to put the Office of Commerce & Small Business Development and the Air Travel formerly in the Aeronautics Division into the Governor's budget. Copies of these amendments are attached.

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Discussion re Governor's Budget: Mr. Dave Lewis questioned the figures in the amendments proposed by Representative Bradley on the governor's travel - \$68.4 and \$74.4 - the request was for \$90,000 per year based on actual budget last year of \$80,000. He asked where the lower figures came from. Representative Bradley explained this had been referred out of her committee, and re-referred back. She explained how the figures recommended had been arrived at, and that it is a personal recommendation of the chairman of her committee. It is lower than the budget office recommended, but she felt it was an appropriate amount. Use of the Highway Department aircraft at no charge was mentioned.

Representative Estenson asked Mr. Lewis concerning reinstatement of the planning section. Mr. Lewis stated the governor's office felt there was not enough coordination in this area and a position was established in the governor's office to perform the function of reviewing all projects before they went into the governor's budget. Representative Marks mentioned the master concept of a central laundry - this has been continually pushed aside by program planning office - why? What direction are we going? Is Long Range Building being run by planning office? Mr. Lewis responded that as regards Boulder, it was felt that we shouldn't proceed until the legislature made a determination as to what was going to happen in Boulder. Representative Gerke stated this was good judgment - to hold up on some of these projects. It was determined that the centralized laundry did not apply to Boulder.

Senator Flynn asked what we accomplish by belonging to the Federation of Rocky Mountain States, etc., through the governor's office. Mr. Lewis stated he would like someone from the governor's office to answer that.

Concerning the reorganization of the governor's office and the reduction - Senator Smith indicated we should keep a close eye on this to see that we don't have a 36% decrease there and a 40% increase somewhere else - we want to be sure we are keeping a handle on this and not playing numbers games.

Secretary of State: In addition to Attachment A, Joann Woodgerd submitted a hand-out sheet explaining the additional amounts needed for the O3 Program, Administrative Procedures Act; House Bill 77, and House Bill 787. The O3 Program is being set up and a few things were left out of the original request; H.B. 77, if passed, adds three departments' rules and changes format and frequency of the register, which would require an additional \$8,000 per year. H.B. 787 provides for involuntary dissolution of corporations, and if this function is added to the Secretary of State's office, the additional funds on the hand-out will be needed to comply.
(Hand-out attached)

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State Auditor: In addition to Attachment A, R.G. Tucker of the Auditor's Office asked that the request of \$16,486 in FY 78 and \$17,763 in FY 79 be funded so that office will be able to watch securities brought into the state. This can only be done by program audits and the extra person is needed to handle this.

Department of Justice: In addition to Attachment A, there was discussion on the new program, county prosecution services. Questions were raised as to how many on the staff? (4 FTE in FY 78 and additional 3 FTE in FY 79). Senator Himsel questioned that we have had to hire out of state people with the expertise necessary to handle these cases in the past - do we now have people with that expertise? Representative Marks asked what these special prosecutors would do if their services were not requested by the counties. He was told there are staff duties they would perform for the attorney general, but past requests have indicated their services would be requested.

Workmen's Compensation: Senator Smith questioned the attorneys working on the workmen's compensation trial - will they be retained after that is completed and will there be a staff surplus. Mr. Pat Driscoll, Attorney General's office, responded that those attorneys' jobs terminate at the end of the trial, with the probability that two will be retained to handle the expected appeals.

Representative Marks asked Representative Lynch how much is allocated for wind-up of workmen's comp? Mr. Gosnell, fiscal analyst, replied \$463,000 is appropriated for this in the supplemental.

Representative Lynch explained that the vehicle acquisition amount in this budget is for 90 new cars for the highway patrol; he also mentioned the LETS bureau and law enforcement academy - it is the feeling of the committee that local governments should continue to contribute to these if they consider the program of value. Concerns of the committee should be referred to on this item.

Fire Marshal Bureau: William Penttila, Chief of the Bureau, urged additional funding of this bureau. (Testimony attached) A letter in support of this budget from the Independent Insurance Agents of Montana was also read into the record (attached).

Board of Crime Control: As per Attachment A. No discussion.

County Attorneys: As per Attachment A. No discussion.

Department of Highways: In addition to Attachment A, H. J. Anderson, Director, Tom Winsor, Montana Chamber of Commerce; Al Donahue, Heritage Inn, Great Falls, and Jim Collins, KOA, Billings, rose in support of funding of the Travel Promotion Unit (Fact Sheet attached). Graphs were shown in support of what tourism does for Montana, and

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the importance of the Travel Promotion Department was stressed. It was stated that this is an inexpensive method of bringing a lot of money into the state. The expected rise in cost of gasoline will make it necessary that we advertise what is in Montana, or the tourists will travel only to our neighboring states, who do spend the money for advertising. (See attached Memorandum)

The \$100,000 to fund a study by the Department of Highways was discussed. Why can't we use the \$10,000 study recently completed at the University of Montana? H.J. Anderson replied that the study was proposed because so many people stated the figures we use are incorrect, and an in-depth study was suggested to obtain accurate information.

Department of Revenue: In addition to Attachment A, William A. Groff, Director, was asked concerning the 175 people needed to accomplish the accelerated appraisal program. He stated the funding requested takes them up to June of 1977, at which time 110 appraisers and 65 clerks will be dropped.

Department of Administration: In addition to Attachment A, Representative Lynch explained that concerning the State Tax Appeals Board - a letter was received since the budget was put together stating one position has been vacated and does not need to be filled. It is suggested that the appropriate salary and fringe benefits be cut from this budget.

Mr. Jack Crosser, Administrator of the Department, stated that SB 298 transferred the renewable resource program to the Department of Natural Resources and this created a clerical problem in his area, in that the subcommittee had previously indicated he should make use of the renewable resource clerical staff for overload. He is requesting one additional clerical person.

Department of Military Affairs: In addition to Attachment A, Representative Lynch explained the agreement at the Great Falls airport which takes the state of Montana out of the airport. The city will now provide the 20 match so they can obtain the 80/20.

Civil Defense: Senator Stephens questioned taking out the 4 FTE from Military Affairs and putting them back in - why? Representative Lynch replied the committee was split on this - you might request further audit.

Patricia Beebee spoke concerning the four FTE's cut and then put back. The federal and state funding procedure was explained, and the federal condition that the money be used for nuclear preparation was discussed. The question has been, could we use these funds for natural disaster preparation? Cutting the FTE's would have burdened their ability to respond and they appreciate their not being cut.

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Supreme Court: In addition to Attachment A, Ray Stewart, Court Administrator, spoke concerning the cuts for the requested Management Analyst III, District Court Referees, and District Court Law Clerks. (Testimony attached).

Judge Robert J. Boyd, Anaconda, stated the court referees were requested at his request. Mental health commitments have placed an enormous burden on his court. This is not funding a district court operation - this comes by reason of the location of the institution. Because of this, he would ask that the funding of referees be made.

Charles J. Pimble, Clerk of the District Court, Yellowstone County, spoke in support of the additional requests, stating that Montana needs to be made aware that the courts will have problems and to prepare to ward them off. Accurate record keeping is essential. The Management Analyst would help clerks keep current on laws and rules as they change. He urged funding of these programs.

Mr. Dave Leiws, Office of Budget and Program Planning, stated the governor's office supports additional law clerks and referees.

J. D. Lynch stated the subcommittee's justification of the funding of the Judiciary and the Highways - Travel Promotional Unit (copy attached).

This concluded the Elected Officials report to the combined committees. (Visitors' List attached)

EXECUTIVE SESSION OF HOUSE APPROPRIATIONS COMMITTEE:

Motion was made by J.D. Lynch that the Bradley amendments and the amendments regarding the Board of Visitors be moved into the elected officials subcommittee budget. Seconded. Question called. VOTE: Motion carried with all members voting aye except Representative Moore.

Representative Marks asked for a total of all FTE's involved in this report. Mr. Gosnell will furnish this.

The Chairman stated there will be a joint Senate Finance and Claims and Appropriations Committee meeting tomorrow, March 22, 1977, at 8:00 a.m. in Room 225 to hear the report of Agency I.

Meeting adjourned at 11:15 A.M.

FRANCIS BARDANOUVE, Chairman