

MINUTES OF THE APPROPRIATIONS COMMITTEE
HOUSE OF REPRESENTATIVES
State Capitol, Room 225

March 28, 1977

The Chairman called the meeting to order at 7:15 p.m. with all members present, except Representative Moore who was excused. Roll call is attached. Others present were:

Keith Colbo, Executive Assistant to the Governor
Richard C. Bowers, President, University of Montana
Dave Lewis, Deputy Director, Budget Office
Representative John Driscoll, Speaker of the House
John LaFaver, Legislative Fiscal Analyst
Ron Weis
Curt Nichols
Bob Robinson
Judy Rippingale
Mike Koehnke
Tom Briggs
Jim Williams
Sandy Lewis

The Chairman stated it is important that we wind up the bills we have before the committee, and we are meeting tonight to consider adjustments to House Bill 145. We have a deadline to meet in getting these bills to the Senate; if we don't get them to the Senate soon, we might as well keep them here. We will look at House Bill 145 at this time subcommittee by subcommittee and adopt them in the same order. The boiler plate language will cover all the bills, and they will be presented to the floor as one bill.

AGENCIES I - Representative Dorothy Bradley, Chairperson

Rep. Bradley stated there are several amendments for the Committee to consider tonight. It has been impossible for her subcommittee to meet as a whole on these amendments, but she has talked with the members individually and believes this is the consensus of the subcommittee. These are, however, her recommendations and will have to be adopted by the full Appropriations Committee as they have not been voted on by her subcommittee.

The first change is to the Department of Health, concerning the TB treatment at Galen. The subcommittee's recommendation was to decentralize the program and have treatment on a community basis. However, if the Institutions Subcommittee cannot go along with this, they will ask that we remove the request for general fund money for community treatment because there is no point in taking the two programs at the same time. This would remove \$65,000 in FY78 and \$61,000 in FY79. Rep. Bradley feels this is an unfortunate decision and would prefer the recommendation of her subcommittee, but there is no need for the two programs.

The second change would be to the expansion of crippled children's services through the Dept. of Health. In first adopting that program, they went beyond the current level and approved an additional \$300,000 for the biennium. If this amount is cut back, there will still be a total of approximately \$1.4 million in the handicapped program; this will continue the program at the current level.

Rep. Bradley mentioned in passing the Dept. of Community Affairs - they are examining another possible change dealing with the funds for the housing division. The feeling is that instead of funding a position from general funds, this could be done from earmarked revenue. Perhaps this change could be made in the Senate. She does not have the figures to recommend that change at this time but will follow up on it.

Another change recommended is to replace a planning position for the transportation study with federal funds rather than general funds, which would decrease general funds by \$10,000 and \$14,000 during the biennium.

Representative Bradley then stated that with no discussion with her subcommittee she is proposing another change with great reluctance; this is to eliminate the Women's Bureau and use that funding for the Human Rights Division, which she feels is a much higher priority program. The executive level is justified, probably too low, she said.

Rep. Lynch asked a question concerning the elimination of \$119,000 from the TB program; Rep. Bradley replied that if the TB program was not to be eliminated at Galen, that is the problem. There was no point in their appropriating for the community treatment program if the Galen program is to be continued.

Rep. Kvaalen asked, concerning the DCA, if more employees are being added. Rep. Bradley replied no, she is recommending what the committee supported, which is maintaining the position the subcommittee supported with federal funds rather than general funds. That is the size of the project; there are federal funds available. Rep. Bradley recommends that we go along with the entire program. It is temporary and we won't pick it up later.

Rep. Marks stated he would have to differ with the Chairperson Bradley as to the elimination of the Women's Bureau; he would reverse the priority. He feels some of the cases investigated by the Human Rights Division are frivolous. There is not as much discrimination as some people would lead us to believe, and he would not approve additional funding for Human Rights.

Rep. Bradley stated she had not discussed this with her committee because she only thought of it tonight. The Human Rights Commission is charged by law to deal with discrimination; they are mandated by law. With the passage of the two laws in this state, we have held out a promise that discrimination will not take place, and we are not fulfilling it. She would recommend the executive level of adding 4 FTEs and costing \$60,000 each year of the biennium. The Chairman asked if a compromise would be considered; it would be an additional increase but not the full 4 FTEs. Rep. Bradley said that the subcommittee had

recommended the fiscal analyst's recommendation and her minority report was to fund it at the executive level. She discussed briefly the two CETA positions, and said that they really can't be counted.

Rep. Lynch said either the Women's Bureau is justified or it is not; to eliminate it completely would be saying it is not justified, he felt. Rep. Bradley said it is not quite that simple. The committee felt that the performance could and should be better; by recommending an additional professional, the committee felt it would be more productive. That statement, she said, was made so the Bureau would know they were under scrutiny. If the problem is lack of general fund money, she believes, the money should go to the Human Services Division.

There would be no budget reduction; this would be a trade-off. Rep. Marks stated his priorities are just the opposite. He feels the Human Rights Division has been an outreach program telling people how they have been discriminated against.

MOTION: Rep. Kvaalen moved that the subcommittee report of Agencies I concerning approximately one-half million dollars savings in general fund money in the Departments of Health and Community Affairs be adopted. Motion seconded; question called. VOICE VOTE: The motion carried unanimously. (See attachments)

MOTION: Rep. Bradley moved that the committee vote on the minority report concerning the Human Rights Commission - that the executive level recommendation be adopted. (4 additional FTEs)

Discussion: Rep. Lynch asked to hear from the majority on the subcommittee. Rep. Marks answered that the committee felt the present staffing of the Human Rights Division was adequate. There is some backlog, which is normal; it takes a while to process these things, he said. He feels that it has been a function of that division to look for discrimination.

MOTION: Rep. Halvorson moved that the motion be amended to allow funding for two FTEs for the Human Rights Division.

Discussion followed; Rep. Bradley agreed to the amendment. Rep. Lynch stated what we have done is add money, not cut anything. He thought the proposition was to prioritize. Rep. Bradley said what we have done is to add two FTEs over and above the current level.

ROLL CALL VOTE: The motion to add two FTEs to the Human Rights Division. carried with 9 aye - 7 no, 1 absent.

MOTION: Rep. Bradley moved that the Women's Bureau be deleted.

Discussion: Rep. Bradley stated if we delete anything it should be deleted entirely because she does not feel it can function as it is, with one secretary and one professional. Rep. Lynch stated he would admit the Bureau has not produced as he thought it would, but the question is should it be done away with. Has the money we spent on this the last four years been a waste? Rep. Lund stated he feels the Women's Bureau should be left as it is. Rep. Marks stated his position was to

eliminate it or give it the additional help needed. The Department has not paid much attention to this Bureau nor seemed to care if it existed. It was felt it would function better if we added another professional to it. Rep. Estenson spoke in support of the Women's Bureau, stating she realizes if this is Rep. Bradley's decision, it has been a very difficult one to reach. Rep. Lynch then asked that Rep. Bradley withdraw her motion as considerable cuts have been accomplished and the trade-off is not required.

Rep. Bradley WITHDREW THE MOTION to delete the Women's Bureau.

MOTION: Rep. Marks moved that the subcommittee report of Agencies I with the amendments be adopted. Seconded and question called.

VOICE VOTE: The motion carried unanimously (Rep. Moore absent).

AGENCIES II - Representative Rex Manuel, Chairman

Rep. Manuel presented the suggested general fund reductions from his subcommittee (see attachment) and explained the reductions to the committee. The reduction in general fund moneys from the original subcommittee report is \$1,880,332.

Questions from the committee concerned the area of DD funds. Rep. Estenson stated the subcommittee could not come to a consistent agreement as to the money following the children coming out of Boulder School. It is felt that neither they nor the Institutions Subcommittee can get a handle on this based on the information available. This should be noted, she said, so the Senators can look at this more closely. There seems to be no figures available on the numbers of children to be transferred.

Representative Gerke asked, concerning community development, if there is any other place in this budget where there is money for youth development. Rep. Manuel replied, mainly in the 4-C's program and Big Brothers and Sisters. MACCY is a community-based program, and a good one, which works with the children in certain communities but has little to do with SRS. The subcommittee does not like to see it go, but it was not recommended for funding by SRS nor by the executive or LFA. Rep. Gerke spoke in support of MACCY. Rep. Manuel replied it is a good program but probably misplaced in the budget; it should be in the educational area or in the extension service as SRS is not the proper place. This can be considered later on.

In the Department of Agriculture, it was felt there could be a reduction in the horticultural program. Private nurseries could take care of the index themselves, which would result in a reduction of \$16,623 and \$16,924. Rep. Manuel explained recommendations of the committee prioritizing their money concerning the state lands, central management program, reclamation program, etc. In the Fish & Game Department, there is no change in money, but none of the appropriation may be spent on planning until the planning department is located at the Helena headquarters.

Rep. Bradley asked what the implication is of the cut in economic assistance in the SRS budget. Rep. Manuel responded that we are not sure. These cuts are made under the fiscal analyst's projections; no cuts of any services will result in the items covered by economic assistance; this had allowed an increase in AFDC payments. The subcommittee made an addition to the eligibility determination program to recover third-party claims. There is approximately \$14 million increased in the budget over the last biennium.

MOTION: Rep. Manuel made a motion that the changes be accepted in the budget and the recommendations of the subcommittee be adopted. Seconded and the question called.

ROLL CALL VOTE: The motion carried 11-5, 1 absent (Rep. Moore).

MOTION: Rep. Kvaalen moved that the \$200,000 in the budget for Natural Resources to be paid to the Soil Conservation Districts be deleted.

Discussion: Rep. Manuel stated that Senate Bill 310 in 1975 put this burden on the soil conservation districts and the subcommittee felt it should be left it. Rep. Aageson stated they did not come in pleading but had done the best job they are capable of. If they are not going to do an adequate job in the future, they will have to have some help. In most counties, they are already levying the full amount. Rep. Kvaalen disagreed. The Chairman asked to whom the money is allocated; Rep. Manuel answered it goes to the districts that have rivers and streams flowing into their districts. The subcommittee had not been able to devise a formula for allocating the money because they did not know which districts were in the worse shape. This will be done by Ueland in the Soil Conservation District.

ROLL CALL VOTE: The motion to delete \$200,000 carried 11-6.

MOTION: Representative Gunderson moved that \$25,000 be deleted from the Natural Resources budget that was for weather modification.

Discussion: Rep. Estenson said this was discussed by the subcommittee and Senator Kolstad had convinced the subcommittee to leave it in. Rep. Gunderson asked what control we have over this. It is all federally funded, what are they going to do with the \$50,000? Chairman Bardanouve stated there is only so much moisture and if every state gets in the act, they will all be back where they were in the first place. Rep. Aageson said this is not for cloud seeding; it is strictly for scientific research. This program is in Montana because we expressed the most interest and now we are pulling back from that commitment. Rep. Gerke opposed the motion taking the funds out of the budget; it is a small amount and will be matched by wheat money as the farmers are willing to match. The government is trying to decide if modification is possible in this and other areas.

ROLL CALL VOTE: The motion failed with 3 members voting aye; 14, no.

MOTION: Rep. Lynch moved that the transfer of the visual services be denied or rejected.

Discussion: Rep. Lynch stated that Mr. Melby of SRS stated he was not in favor of this transfer. States that have tried this have gone back to what we are doing now. This should be a separate division and not part of vocational rehabilitation. The work being done is important and the budget should be kept intact. Rep. Halvorson supported the motion, stating that blind people are very unhappy about the idea of the transfer.

ROLL CALL VOTE: The motion carried with a vote of 13-4.

The committee then discussed the forest inventory program on state lands; around \$300,000 is appropriated for this. There is federal money to do the private land survey, and some members of the committee felt the proportion of match was too high for the number of acres of state lands that would be surveyed.

Fiscal Analyst Bob Robinson explained what the subcommittee had done. The Dept. of Natural Resources had requested 16 FTEs and approximately \$300,000 for the biennium for matching with federal funds. The subcommittee gave them the federal funds and the FTEs, but they did not give the general fund money for matching. The committee asked if you can get the federal money without the matching funds; there is some question whether this can be done. The Chairman stated this survey would be a good management tool. From a business standpoint, it is a good investment of this money. Rep. Manuel stated that the subcommittee left it to the full committee to decide whether general funds may be given.

There was further discussion concerning the inventory. One can be done without the other; Mr. Moon wants the very thorough state lands inventory and feels it will be very valuable. The people who will be hired to do the inventory are trained to do this work. Mr. Moon has wanted an inventory of this nature for sometime, but he hasn't had the capability to do it. Rep. Marks commented on the inventory being done only on the west side of the Continental Divide. If these figures are used for taxation by the Dept. of Revenue, those people having lands on the east side will not be treated fairly. The Chairman stated there is testimony that these figures will not be used for that purpose. Rep. Hansen stated they don't have good figures to work with on either side of the Divide now.

MOTION: Rep. Hansen moved that we accept the recommendation for the survey of \$147,000 for FY78 and \$122,960 for FY79 of general fund money.

SUBSTITUTION MOTION by Rep. Bradley that we allow \$75,000 for each year of the biennium for this program - for a total of general fund money of \$150,000.

ROLL CALL VOTE ON SUBSTITUTE MOTION: The substitute motion failed with a vote of 5 aye, 12 no.

ROLL CALL VOTE: The motion by Rep. Hansen carried with a vote of 12-5.

MOTION: Rep. Lund then moved that we adopt the amended subcommittee report of Agencies II; Rep. Estenson seconded the motion; question called.
ROLL CALL VOTE: Motion carried with vote of 12-5.

INSTITUTIONS SUBCOMMITTEE - Representative Harold Gerke, Chairman

Rep. Gerke explained that the subcommittee has had a couple of follow up meetings with the analyst and, depending of course on what the full committee chooses to do, they would make the following recommendations. There is not a lot they can do in a great many areas, and rather substantial savings are suggested in a couple of areas.

By holding the developmentally disabled from Galen and Warm Springs in their respective institutions rather than transferring them on July 1, 1977, it is possible to save from the general fund \$460,095 in FY78 and \$478,705 in FY79, for a total of \$938,800. There is a related possible savings in long range building which might be of interest. If we were to move these patients to Boulder more rapidly, we would need to do something about the housing. The latest recommendation for housing was modular units at the cost of approximately \$350,000 which would be recovered in a short time. The savings would result by slowing down the transfers and transferring as space in Boulder became available. Patients are leaving from time to time and, as this occurs, new patients would come in. There would be savings in staff and in the cost of the modular homes.

The net effect on the original recommendation is that Boulder River School and Hospital will be decreased by \$1.9 million. Warm Springs will increase \$788,000. Galen will increase by \$186,000; for a net savings of general funds of \$938,000.

Rep. Gerke stated the attempt is to write all the budgets in all institutions so we can put management of this in the Department of Institutions so they have the flexibility to work as space is available and certified beds are available. We will be back where we started as to FTEs in Warm Springs with 717.6 in the first year and 676 in the second year. The net effect as to FTEs over the two year period will be 697.6.

Another savings the subcommittee recommends is in the alcohol treatment program. If H.B. 627 passes, there will be a savings to the general fund in central offices' services of \$860,943 in FY78 and \$869,683 in FY79, for a total of \$1,730,626. The Galen alcohol treatment program will have a savings of \$993,324 in FY 78 and \$984,576 in FY79, total for those two programs for alcohol treatment of \$3,708,526. It is important that H.B. 627 passes in its present form.

The total savings from these proposals to the general fund is \$4,647,326, provided this committee goes along with these programs and H.B. 627 passes.

Rep. Gerke pointed out another thing; there has been substantial pressure on this committee to increase the budget in the field of mental health. He stated they have been given a substantial increase over what they have had; it is a substantial decrease from what they want. The subcommittee is recommending a change in the program. The money will be allocated to central office and they will deal with the centers as needed on a program basis. Some are performing, and some are not, he said. The hope is to develop a minimum standard with which they will have to comply.

Rep. Gerke then discussed the number of patients we can anticipate dealing with in all the institutions, through mental health centers, board of pardons, alcohol treatment programs, etc. The figure is expected to be about 17,000 in 1978 and 17,600 in 1979.

In reply to a question from Rep. Marks, Rep. Gerke stated that it is extremely difficult to pin down where the people are and when they will move to some other care. That is one reason for the suggestion to use Boulder as a staffing area for the developmentally disabled. They would be processed from there to the communities and, therefore, a better count would be possible. However, this costs money. The subcommittee recommended these patients be moved faster than the executive program called for and this would cost \$1 million more to do.

There was discussion by the committee as to the number of patients left at Warm Springs, which is about 500. It is reasonable to assume that those left need more care. Under these proposals, the program at Warm Springs has been somewhat enriched; they won't get the care they would have at Boulder. Housing for the patients at Warm Springs was discussed. Rep. Gerke said there is adequate space for them now, and the hospital and the Warren Building are being remodeled.

The recommendations of consolidation of operations were discussed. At the outset, the plan proposed now would not save on the number of employees. They are hoping to accomplish this. Rep. Marks asked if the number of employees was brought up because the patients couldn't be moved into the community as quickly? Rep. Gerke replied yes; some homes may have to be build in the communities. We have to work a program that will fit what we get, he said.

The Chairman mentioned that he had been promised some savings in areas of personnel and none have shown up. Dave Lewis stated that the Governor's recommendation contemplates about 50 FTEs cut in the area of maintenance; there could be some cut at Galen even with this change.

Rep. Estenson asked if we are not moving DD's into the community in order to keep jobs at Warm Springs? Rep. Gerke responded, no, they aren't ready to go in to the community now according to the information the subcommittee has. Some people in SRS say all of these people can go into the communities; he does not agree. He believes there will always be a need for the types of institutions we have at Boulder and Warm Springs. We don't really know if those we have transferred into the communities will be able to stay. If we don't fund the mental health centers properly, it almost guarantees they will be back. If SRS does not have the money to keep them in their present new homes, they will also be back.

Rep. Gerke then discussed other cuts that could possibly be made. In contracted services for doctors at the Center for the Aged at Lewistown, this will be a savings in nurses' time and it is felt it is worthwhile. These people need the medical attention.

We could take \$21,000 out of the children's center; probably a poor economy. The Lighthouse Program at Galen has been given serious study.

It has been shown to the subcommittee that it has a high degree of success. There is \$260,000 there; the Governor did not include this. Vocational training instructors in the prison could be taken out, but Rep. Gerke said he would hate to see this.

Rep. Bradley questioned the staffing ratio at Warm Springs; how does that compare to Galen? Fiscal Analyst Tom Briggs explained that in Galen you have a high turnover and the ratio is different than staffing ratio for long term care. Galen is an acute treatment center with a high degree of disorders that show up when a person is processed for alcoholism, for instance. The average stay for TB treatment is 83.5 days. The detoxification program takes additional FTEs there too. There are 294 FTEs in Galen now; the recommendation is for 242 including all programs. Rep. Bradley questioned why 242 FTEs for 142 patients. This includes everyone, not just direct care staff. Rep. Bradley said this points up the need for decentralization. A community-type approach would be much less expensive. Rep. Gerke stated if you would visit the institution and go through the records you would understand better. Something could be done to improve this, but the state is obligated to do some of these programs. If we eliminate programs, we can cut staff. If we are going to do the other programs, however, we have to have staff, including the support staff.

Further questions from the committee brought out that the new prison cost comes out of long range building. There was \$1.3 million in the Governor's budget for the smaller wing. The new wing will take \$3.8 million or \$2.5 million more than the Executive budget allowed.

Rep. Estenson asked what happens to the mental health advisory council. Dave Lewis replied that it is not funded at this time. The executive will make a request. The Chairman said it appeared that we could operate the children's center for a lesser figure.

MOTION: Rep. Hansen moved that the amendments be adopted. Concerning the transfer of money between Boulder and Warm Springs - if patients move to Boulder sooner, the money will move to Boulder. The savings in general fund money from the alcohol treatment program (\$3.7 million) will be removed from the general fund appropriation and the figures from H.B. 627 are to be plugged in. If that bill does not pass, we will have to amend.

ROLL CALL VOTE: The motion carried with a vote of 16-1 (Estenson, No)

MOTION: Rep. Marks moved that the amended subcommittee report be adopted Seconded and question called.

ROLL CALL VOTE: The motion carried with a vote of 12-5.

Rep. Bradley then questioned the staffing pattern at the prison. She asked if you have 228 FTEs for 514 prisoners now, you are adding 81 additional for how many? Rep. Gerke explained that you can't look at it that way. Considerable discussion followed as to how the staffing pattern was arrived at. If the old prison had been closed as planned, staffing patterns would be considerably different. If all the prisoners

were moved to the new location, you would need 60 FTEs less than the 318. You have to look at it from the standpoint of one set of officers for two locations. The guards and staff at the prisons are concerned they did not receive the number they requested; they claim their lives are exposed to undue hazards because of insufficient staffing and they may not accept the proposed pattern. Warden Crist asked the subcommittee for the additional people, and he gave assurance that when the new prison is completed these additional people will be released.

ELECTED OFFICIALS SUBCOMMITTEE - Representative J.D. Lynch, Chairman

Rep. Lynch explained the reduction in general fund moneys in the Dept. of Revenue's budget: \$700,000 in general fund moneys and 29 FTEs to implement the Homestead Tax Relief Act. In the State Tax Appeals Board \$42,655 was cut through not funding the position Vernon Miller had held previously. An additional \$10,000 was cut from the Commission on Uniform State Laws. One of the more controversial cuts made this day was in the Office of Budget and Program Planning; they had been given 3 additional FTE and these were cut, resulting in reductions of \$101,537 and 3 FTEs from the original bill.

Department of Administration: The Subcommittee added what they felt was a necessary function, giving one additional secretary because of added duties. The major point of contention in this budget today was the amount of the Governor's travel. Representatives Wood, Lynch and Gunderson feel it should be \$85,000 and \$90,000. Rep. Bradley suggested \$68,400 and \$74,400 when it was transferred from her committee. The problem is that when Rep. Bradley presented this, she did not have the input from the Governor's office. The travel budget now includes the travel for the Lieutenant Governor also, and Rep. Lynch feels it should be left to the full committee to decide which figures are required. He stated to keep travel at status quo and including the Lieutenant Governor's travel, he would ask for the \$80,000 to \$90,000 figures. Rep. Lynch also feels that this should be separated from the rest of the report. All of the Senators in the subcommittee voted the low figures, and all the House members voted the high figures; they are at a stand off.

Economic Development with 5 FTEs and \$259,250 was a transfer, as was the Board of Visitors. Board of Visitors at \$65,183 and \$64,770 is contingent on the passage of a Senate bill transferring a lawyer from the Warm Springs contracted services to the Board of Visitors. If the Senate bill fails, the Board of Visitors budget would remain at \$40,000 and \$41,000. The Chairman suggested that we pass this bill without the lawyer, and if the Senate bill passes, the Senate can put the lawyer in the budget.

The money set aside for pay raises was explained. Increased revenue estimates of \$400,000 was explained as money the Legislative Auditor expects to collect from agencies for audits. The Vietnam Honorarium fund is expected to revert \$200,000 back to the general fund after July 1, 1977.

MOTION: Rep. Lynch moved that the subcommittee report including the changes be accepted, excluding the Governor's travel and including the Board of Visitors at the figures of \$41,412 and \$40,626. If Senate Bill 413, which transfers the lawyer, is passed, money for the lawyer would be put back in. The Office of Commerce and Small Business Development and Economic Assistance are also excepted from this motion.

There was considerable discussion on the language and the figures on the Office of Commerce and Small Business Development and Economic Development. Rep. Lynch will clarify this for John LaFaver so the proper figures and language will go into the bill.

ROLL CALL VOTE: The motion carried with 16-0, Rep. Estenson abstaining.

MOTION: Rep. Lynch moved, contrary to the subcommittee recommendation, that the Governor's travel be funded at the \$85,000 and \$90,000 figures.

Discussion: Rep. Bradley questioned the figures, stating these are higher for each year of the biennium than the total travel for the last biennium. Rep. Lynch explained that the Lt. Governor's travel is now included and this will get a handle on all the travel.

Mr. Keith Colbo of the Governor's Office stated that the Lt. Governor's travel had been picked up in the past by different agencies, depending on the problem he was dealing with that necessitated the travel. It was not reflected in the figures Rep. Bradley worked with. Now the intent is to combine the two.

Rep. Moore questioned how Rep. Bradley had arrived at the figures she recommended. You said the Governor's travel last biennium was \$70,000, and you are recommending doubling that amount for the current biennium. Are you including the Lt. Governor, Rep. Moore asked? Rep. Bradley replied no, her figures were only for the Governor's travel.

Rep. Lynch mentioned that charges per air mile have gone up and expect to go higher. If travel is kept to the same level this biennium, and including the Lt. Governor's travel, the \$85,000 and \$90,000 figures are not exorbitant.

Rep. Bradley stated the figures she recommended had an inflation factor of 20% to cover the Highway plane for 240 hours of flight time. This is thirty 8-hour days of flight time, which she felt is sufficient.

Dave Lewis was asked to clarify. He said they checked this with aeronautics for the first six months of this year; the cost was \$30,000 and for the year that would be about \$60,000. The cost of the Highway plane was not immediately available; they did not have their figures together. It was at least \$12,000 last year, giving a total of \$72,000. With inflation factors added in and including the Lt. Governor's travel, the \$85,000 and \$90,000 figures for travel would not be excessive; they would, in fact, be maintaining current level.

SUBSTITUTE MOTION was made by Rep. Moore that the figure for the Governor's travel be \$142,800 for the biennium.

Discussion: Rep. Lynch stated this will limit the Lt. Governor's travel. The money that is not used will revert back to the general fund. Rep. Moore's substitution motion would limit the travel of the Lt. Governor almost to the point where he will not be able to travel at all. Rep. Lynch feels the Governor's travel has contributed some pretty productive things. The Chairman asked if we could compromise this; if we don't reach an agreement, he said, we will have a hassle on the floor.

Rep. Marks stated that Bradley's figure was a compromise. Even if it was not proposed with the Lt. Governor's travel in mind, it almost doubles the actual figure of the last biennium and is sufficient to include the Lt. Governor.

Rep. Estenson asked if the Lt. Governor will be traveling more in place of the Governor; Mr. Colbo responded that the Lt. Governor has traveled more than previous Lt. Governors and mentioned further that the Governor and Lt. Governor never travel in the same plane.

Rep. Gerke spoke in support of Rep. Lynch's motion. Travel costs are now put in one place as they should be and include travel for both men.

Rep. South asked if the Lt. Governor's travel which was previously paid out of other state agencies has been pulled out of those budgets. Mr. Lewis replied that it had not; it would be extremely difficult even to identify those agencies. He stated again that the figures being discussed are not excessive.

SUBSTITUTE MOTION was made by Rep. Bradley for all motions pending that the figure for the Governor's travel be calculated at half of the figure between that she proposed and those proposed by Rep. Lynch. This would be \$76,700 for FY78 and \$82,200 for FY79. Seconded; question called.

ROLL CALL VOTE: The substitute motion carried with 13 aye-4 no votes.

The committee then discussed the Office of Commerce and Small Business Development. Rep. Moore asked Mr. Colbo if this is the same or similar to the office funded two years ago. Mr. Colbo answered yes and no and explained the difference. Rep. Estenson asked about the FTEs presently in this Office. Rep. Bradley explained that the transfer of this dept. to the Governor's office was so that it would have high visibility.

Concerning the amount of general fund money, Rep. Moore asked if this was seeded with \$120,000 federal funds to put people on board and now we are putting in \$120,000 general fund money to keep it going? Rep. Gerke explained this is a good program which has never been properly funded in Montana. North Dakota funded this program two to four years ago and have received millions out of it because they have worked it. If you don't work it, you don't the money that is available, he said. This money is available to Montana and every city and town in the state if it goes through the Governor's office, which must participate at least minimally or there will be no opportunity for the cities and town to participate.

There was discussion on the wording of the appropriation, as it is not correct as written.

MOTION: Rep. Lynch moved that the figures remain the same, and that the wording on the first line should read Office of Commerce and Small Business Development and on the second line read Economic Development. The figures are as presented on Rep. Bradley's amendment to the Elected Officials' budget.

ROLL CALL VOTE: The motion carried by 15-2.

The committee then discussed the Mental Health Advisory Council. This is required by law as a condition of federal funding for mental health centers, Mr. Dave Lewis explained. Rep. Estenson said the function of the mental health council is to prepare a report. They are no longer attached to the Dept. of Institutions because they were not allowed to do their job.

MOTION: Rep. Gerke moved that we fund the Mental Health Advisory Council at \$21,700 per year.

SUBSTITUTE MOTION was made by Rep. Estenson that we do not fund the Mental Health Advisory Council.

Discussion: Rep. Lynch opposed the substitute motion. If this puts the mental health centers in jeopardy we should fund the council. How many federal dollars are in the Mental Health Centers that might be jeopardized, Rep. Lynch asked? Mr. Tom Briggs, Fiscal Analyst, explained there is \$3.3 million of federal funds in the mental health centers. There is an additional \$2.1 with expanded services; the current program is \$5.3 million.

Rep. Gerke explained the enabling legislation and stated that by executive reorganization, all advisory councils have to be extended every two years. Because of this, it was thought to be proper to put this in the Governor's office, and that office did not object to that concept.

ROLL CALL VOTE on the substitute motion: This motion failed with a vote of 4 aye to 13 no.

MOTION: Rep. Lynch moved that the Mental Health Advisory Council be put in the Dept. of Institutions and funded at \$21,700 for each year of the biennium.

ROLL CALL VOTE: The motion carried 13-3, Rep. Gerke abstaining.

MOTION: Rep. Ellis moved to amend the Travel Promotion Unit and raise it a total of \$92,296 for the biennium.

SUBSTITUTE MOTION was made by Rep. Kvaalen that the Travel Promotion Unit's budget be reduced to \$400,000 for 1978 and \$400,000 for 1979.

ROLL CALL VOTE: The motion failed with a vote of 1 aye to 16 no.

Discussion: Rep. Lynch said it was carefully studied and it was shown that with less money and more efficiency, they could come up with the same product. There is almost \$1.3 million in the Unit. When you talk

about a draw-down on the Highway fund, you are talking about an 8 or 9 match for highway construction. He would remind the committee that funds for out-of-state publicity and postage were increased for this unit.

ROLL CALL VOTE on Rep. Ellis' motion to increase Travel Promotion budget: The motion failed with 5 aye votes to 12 no votes.

MOTION: Rep. Wood moved that the Fire Marshal's Office budget be increased to \$218,932 for FY78 and \$225,214 for YF79.

SUBSTITUTE MOTION made by Rep. Moore that we leave the budget as it is.

Discussion: Rep. Gerke opposed the increase in the budget. This office really has not accomplished a lot and has cost the state a lot of money, Rep. Gerke stated.

ROLL CALL VOTE: The substitute motion carried 13-4.

MOTION: Rep. Lynch moved that the Elected Officials subcommittee report be adopted with amendments. Seconded and question called.

ROLL CALL VOTE: The motion carried with a 16-1 vote (South, NO).

Rep. Estenson then moved that the committee adjourn. She feels that the universities need more time for discussion. The Chairman said that if we adjourn now, we will put off our budget again and need to get it completed. Rep. Gerke agreed with Rep. Estenson. We really are beyond considering this budget at this late hour. There is no reason we can't come in at 8:00 a.m. and do what is necessary and still get this out tomorrow. Rep. Moore agreed. However, he would remind everyone that tomorrow is the 72nd day and we have only a 5-day extension. We have to get this on the floor, he said.

ROLL CALL VOTE: The motion to adjourn failed with a vote of 6 aye to 11 no.

There was then considerable discussion on the lateness of the hour and whether the committee was too tired to finish the reports. The Chairman felt there was some ill-feelings and we should adjourn if that was the consensus.

MOTION: Rep. Lynch moved that we adjourn. Seconded; question called.

ROLL CALL VOTE: The motion failed with 5 voting aye; 9, no; 2 abstaining and 1 absent.

EDUCATION SUBCOMMITTEE - Representative Carroll V. South, Chairman

Rep. South reported there have been two mistakes found which change the bill as it was presented on Friday, March 25. These will cost us \$106,000 in the Commissioner of Higher Education Office and approximately \$50,000 in the Bureau of Mines. To compensate for that, they have removed \$175,000 from the School Lunch program, which reduced that program from the executive recommendation down to that of the fiscal analyst. There is still \$750,000 to \$1,200,000 increase in the program.

The other monetary change made is they have placed \$11,000 per year for additional WICHE dues, contingent upon the Governors Conference and their recommendation. If the governors by majority vote decide to pay the additional money, the money will be there; if not, it will revert.

With all six university units, it was explained, the committee used actual 1977 enrollments to derive the budget. They used the same enrollments for 1978 and 1979. There is no contingency fund based on increased enrollments because that is not a workable solution; it would be better to ask all units to come in for a supplemental if they have increased enrollments.

The only concern in the budget as it is before you, Rep. South said, is for the University of Montana. Not because they weren't treated fairly; but in giving them fair treatment, it was recognized that they have not done what they should have done in the last six years. They are heavy on personnel, other than in the area of faculty. They were brought in line with MSU. In doing this, the committee put them in an awkward position in terms of faculty. Rep. South stated he did not know how to address the problem. He would not recommend changing the student-faculty ratio. If we make an adjustment at UM, Rep. South stated, he recommend that we appropriate a cushion for the first year of the biennium for faculty and line-item it just for faculty. If we do that, and don't make it sufficiently specific, the money will be sitting there and will be fair game for collective bargaining units because we have not given them enough money to fund their settlements. We should bear in mind that this must have specific language.

We should also consider whether or not we are going to put in this accreditation money for the law school. The American Bar Association has laid down conditions which the university must meet or show cause why they should not lose their accreditation. The condition is an additional \$88,000 per year for faculty salaries in the law school. I think this committee has to make the decision, Rep. South stated. If we don't like this, we should write a letter to the Board of Regents and say we won't pay this. They can take us to court, or find the funds otherwise, he stated.

MOTION: Rep. South then moved that the amendments to the Education budget be adopted. Seconded.

Discussion: Rep. Moore asked what the mistakes mentioned earlier were. For the Commissioner's Office, Rep. South explained, two positions were left out; that is \$53,000 each year of the biennium. As to the Bureau of Mines, a motion was made when Mrs. Ripplingale was not at the meeting and it was left out of the minutes. It was for one additional FTE. The School lunch money would take care of this.

Rep. Estenson expressed concern about the \$11,000 for WICHE dues. The Governor appoints commissioners who serve on the WICHE board. Now a staff aide has been interjected who meets with other aides in the region and actually sets policy in some areas. Montana is one of the chief users of the WICHE program; in talking to some of the commissioners who have access to the Governor, we now have someone else interjected in who makes recommendations. We should understand, she said, what the consequences might be if we don't pay these dues.

VOICE VOTE: The motion to adopt the amendments carried unanimously.

MOTION: Rep. Ellis moved that the University of Montana be given a cushion of \$500,000 the first year of the biennium and that the language be put in that this is for faculty only.

Discussion: Rep. Ellis spoke of the impact the cuts in faculty would have on the community of Missoula and the university itself. Rep. Lynch asked if this is the figure Rep. South was talking about; the response was that he was not talking about a figure because he did not know what an adequate figure would be. Rep. South added that they do have some funds they could hold over.

The Chairman asked what funds were being referred to. Rep. South explained that there is approximately \$1.4 million in sequestered funds, of which University of Montana's share would be approximately \$440,000. These were held over from the last biennium and did not revert back to the general fund. A language change would allow them to do that.

Rep. Marks asked Rep. Ellis if his motion was made to accommodate the faculty until they could be released. Rep. Ellis replied yes. The present budget will create a drastic cut the first year. Rep. Marks asked Dr. Bowers if this would prevent a reduction in staff. Dr. Bowers replied it would require \$1.4 million not to reduce any staff. If he received \$500,000 he would have to come up with nearly \$1 million or get the funds some place else, he said. There is a turnover of 20 to 30 a year; they have 23 vacancies but some they will have to fill. Around 40% of these are nontenured positions but dates of notification are required on faculty contracts, Dr. Bowers explained.

The Chairman asked if there is a department that could be eliminated completely. Dr. Bowers replied that will be carefully considered, but there are still notification dates they must meet.

Rep. Bradley asked for clarification on what is being done with enrollments. Are you holding to the 1977 enrollments at all six units in 1979 and 1978 when it has been rather clearly demonstrated that some are increasing and some are holding the line, she asked. Rep. South explained that testimony has clearly indicated that when you have an increased enrollment in an academic year, it is too late to go out and recruit staff. The additional enrollment next year would not make a difference. If you have a contingency fund at all based on increased enrollment, it would have to be in 1979. The problem with doing it otherwise is that if you appropriate based on projected increased enrollments and the enrollments don't occur, they still spend the money.

Rep. Bradley said MSU has had a considerable increased enrollment over the last few years and had students who did not pay. Rep. South disputed this, saying that the student-faculty ratio has stayed the same at both UM and MSU for the last 8 years. The problem is that UM has not reduced staff as enrollments declined; this is one of the major changes. MSU is getting a lot more staff other than faculty, and UM is being told to make adjustments.

Rep. Bradley asked if Rep. South could compare the amount that will go per FTE at the six units of the university system in 1977 compared to

adjustments which will be made, and how it will turn out at the end of 1979. Rep. South indicated he could not compare that at this time.

Rep. Marks asked about vacancy savings; Rep. South replied the faculty is based on enrollment as of now, there are no variables. There is a 19:1 student-faculty ratio. UM has not been cutting as their enrollment declined. MSU will be current this time when we appropriate money based on increased enrollment. At the UM, \$135,000 is being taken away for other than faculty; MSU will be given \$155,000 for that. Rep. Ellis commented that this will have repercussions in the community of Missoula. When Havre and Eastern went through this, they just lost faculty and went on from there, the Chairman responded.

Rep. Bradley asked for clarification on the sequestered funds. Every unit has some funds which were sequestered by the Commissioner's Office, Rep. South explained. The share for the UM is around \$400,000; some of that is encumbered but possibly some could carry over to the next fiscal year. There is also some operational funds that would require legislation to carry over. If that is not done it would revert, but it could be done.

Between now and the end of the fiscal, the University could run a tight ship in order to carry some of this money over.

Dr. Bowers was asked to comment on the use of the \$400,000. He said that they have discussed this and don't think they could carry over all of it. The law school question is important; \$80,000 of that amount is for the law school. If we can't continue those law school salaries, there will be problems and they could lose their accreditation. Dr. Bowers said that he is uncertain what they could carry over; they will try to save some between now and July 1 but they are currently pretty tight.

Rep. Halvorson spoke to the loss of accreditation issue. You can't have students coming out of an unaccredited school, she said. We have to upgrade the library. Maybe Missoula took harsher treatment than they can absorb, she said, but this is not like a business. When you disrupt a community, you get a bad name for your school. You break down something that we in Montana have felt was important - our school system. She did not feel this could be done all at one time.

Rep. South then stated that he is probably going to support Rep. Ellis' motion. We have put the UM on notice that we are expecting some changes. Regardless of what we say they are to do with the money, this \$500,000 is going to be sitting there when they go back to the bargaining table; and it is going to be fair game no matter what you write in the bill. The Regents wouldn't agree to tying themselves to any line-item budgeting; and you should be aware of that fact when you vote on this motion. This could go to members represented by unions and none to faculty.

The Chairman asked if we line item this, would the Regents agree? Rep. Lynch replied that under the new constitution, you can't do that. Dr. Bowers replied that he can't speak for the Regents. He had talked to the chairman and he is in favor of this but he had not talked with the others, Dr. Bowers stated.

If we put up part of the \$500,000, would you put in some of the sequestered funds, the Chairman asked Dr. Bowers. Dr. Bowers replied he would; then there was some confusion. Dr. Bowers said he had misunderstood, he thought the committee intended to put in the \$500,000, not a portion of it. He will have to come up with more than that to honor the present contracts with faculty, he said. We are going to lose faculty, and the faculty lost first will probably be the best members. To answer the question of the Chairman, if you are asking what is proper for the university to carry over funds in escrow, Dr. Bowers said that about \$350,000 would be the approximate amount. He would use anything he could to get this cushion, he said. The Chairman suggested that we will put in \$200,000 and the Regents will promise they won't spend it for other than faculty salaries.

Question called on the motion to provide a cushion to the University of Montana, amended from \$500,000 to \$200,000.

ROLL CALL VOTE: The motion carried by a vote of 16-1.

Rep. South then stated that if we do not intend to fund the higher salaries for the law school faculty, we need to write a letter of intent to the Board of Regents. If we don't do this, they are going to have a really hard decision.

The Chairman told Dr. Bowers that what really bothers him is that we have a pay plan, based on equality, and an elite few receive more. Dr. Bowers explained that these inequities exist in institutions throughout the country in all schools. Medical professors receive higher salaries than other faculty, for example. He believes they are asking for too high a differential, but we are faced with loss of accreditation which will affect the students, Dr. Bowers said. The Chairman then replied that you will still have the same professors; they have no higher qualifications now, just higher salaries. Dr. Bowers explained that in the future, it will make it easier to recruit law school faculty, if salaries are in line with the rest of the schools. Many other law schools are under the same threat.

Rep. Lynch voiced displeasure with this policy and said it could set a precedent. Anytime professors want higher salaries in the law schools, all they will have to do is threaten loss of accreditation and they will receive the increase. Rep. Moore also strongly opposed this policy.

MOTION: Rep. Ellis moved that \$88,379 per year be budgetd to the law school faculty.

After a brief discussion, the question was called.

ROLL CALL VOTE: The motion failed with a vote of 5 aye to 12 no.

MOTION: Rep. Wood moved that the Montana Advisory Council on Children and Youth be put back in the Cooperative Extension Service and funded at \$48,000 per year. Seconded.

After a brief discussion, the question was called.

ROLL CALL VOTE: The motion carried with a vote of 12-5.

Rep. South then spoke of retaining legislative control of salaries at the university system. The subcommittee decided if we were to control spending in the university system, we would have to go back to guidelines established two years ago. The university system came up with \$8.5 million above the appropriation. In the case of Eastern after collective bargaining, they gave increases; at Tech, they gave an increase in 1977. If you want to be bound by what the system does in the odd numbered years, when they come in to more money, that is fine, but you have lost legislative control of salaries and expenditures. UM, MSU and the two smaller units did not raise salaries as high in 1977; that is why their increases are higher now. They wanted us to use salaries the same as comparable institutions in adjacent states in Category I and II schools, and that is what we did. Rep. South then explained Category I and II schools. Each unit has the option of having more teachers and paying them less money. Whatever the decision is that they make, it will bind us in 1978; and that is why it was necessary to go back to guidelines. The four units that have substantial increases in salaries have those increases because they did not choose to raise faculty salaries as much as the other two. They are not being given any more; they are just going back to our guidelines which have been established. They can do anything they like with the pool of money we give them; they can change student-faculty ratios or give higher salaries.

Rep. Gerke asked about the pool of money. You are setting salaries and ratios and giving them 2.7% increase of an already low salary. Isn't establishing a student-faculty ratio putting a limit on it? Rep. South replied that Eastern currently has a higher student-faculty ratio; we are dropping this ratio. This will allow them to hire more teachers or pay higher salaries to those they have. All six units are being treated the same. Eastern is a Category II school; Category I schools have more full professors than Category II schools and this makes the difference.

Rep. Lynch asked if this means that the average staff at Montana Tech will take a reduction in pay; he was told no, these are management decisions over which we have no control.

Rep. South spoke of the "mass tenure" that occurred immediately after the last session of the legislature ended. This really bothers him, he said, because now they come in and say they can't do anything with the tenured teachers. Eastern has 100% of their full professors tenured; they are the only campus with this percentage. What this means, he explained, is if the student enrollment drops, you first get rid of the nontenured teachers; and this would automatically build a higher staffing pattern at Eastern because of the high percentage of tenured faculty.

Concerning the continuing education revenue, Rep. Gerke asked if this was being overstated. The information used was that sent to the subcommittee and there was an error in the information from the Commissioner's Office. Rep. South said that he had just learned of this tonight and could not speak to that. This committee tried to get every figure they could, he stated. If there is an error, it is not the fault of this committee, the Chairman stated.

Rep. Gerke said that we need an extra \$120,000 on the P.E. building so we can get the students to furnish the rest and keep the classroom going there providing we can get a letter of intent. Rep. South explained one reason they did not make a decision is they did not know how accurate the information is from the other five units, and they want student fees freed up to use as the other units have used them. The computer purchase entered in, also. Building fees were discussed as were repairs and renovations. Student building fees that are freed are going to be suggested for use for repair and renovation on all of campuses rather than use general fund moneys.

Rep. Gunderson asked to discuss vo-ed. You have \$1.7 million of other funds appropriated, he said; \$1 million plus the federal funds plus the mill levy and legislative fees. He wondered where the other \$1 million in federal funds are. Rep. South answered that those federal funds were not appropriate; that is still an option but they chose not to. They are in the Superintendent's Office and would have to go to secondary and community colleges.

MOTION: Rep. Lynch moved that Montana Tech change from actual 1977 to budgeted 1978; that the budgeted recommendations for faculty salaries for 1978 would remain at \$17,814 per average salary. He was not certain of the language but wants there to be no increase and no decrease.

The Chairman stated that by this motion you are rewarding them for raising their salaries beyond the level of other units. Rep. South strongly resisted this motion, saying all the units will come in and do the same thing. The average salary at Tech is \$500 higher than either of the two universities and they should be under. They are not Category I school.

ROLL CALL VOTE: The motion failed with 5 aye votes and 12 no votes.

Rep. Wood proposed a motion for increased funding for the Bureau of Mines having to do with the program Dr. Groff wanted for 2 FTEs. He did not have the figures available. Motion withdrawn.

MOTION: Rep. Moore moved that we accept the Education Subcommittee budget amended to include the discrepancy at Eastern. Rep. South said Mrs. Rippingale would have those figures in a few minutes to make the motion more accurate. MOTION WITHDRAWN.

MOTION: Rep. South moved that the error made on the projected revenue on ABE be corrected. This is a correction on Eastern. Appropriation from the general fund will be \$54,834 for 1978 and \$60,675 for 1979.

ROLL CALL VOTE: The motion carried unanimously (Manuel absent).

Rep. Gerke stated that somewhere, either in the foundation program or in the Superintendent's program, there should be money for Adult Basic Education. It does not appear anywhere, and it should. Perhaps \$500,000 each year, he said. That may not be appropriate, but "nothing is not right."

Considerable discussion followed on whether or not the ABE program has been funded. H.B. 835 was introduced on March 25 that appropriates \$1 million for this program. Rep. Gerke said it was, but where is it going? Rep. South stated that as chairman of the subcommittee he never asked that committee to make a decision on this because he thought it should be made after the foundation program because the two cannot be separated. Rep. Bradley felt the funding on this should be separated and stand on its own.

MOTION: Rep. Lund moved that the Education Subcommittee report as amended be adopted. Seconded and question called.

ROLL CALL VOTE: The motion carried with a vote of 14-3.

Discussion was held on the boilerplate language. The Chairman stated he thought it was agreeable because it is almost like the language used in the past, except that we don't go into the budget amendment process. Some of the members stated they had not been in the committee in the past and were unsure of the language. Does Mr. LaFaver have the ability now to see that the budgets get in on time? Mr. LaFaver responded that a compromise was reached and there is an escape valve. The Budget director can either reduce or eliminate an appropriation authority or extend the deadline for 30 days. It gives a degree of leeway not in the previous language.

MOTION: Rep. Lynch moved that the agreed-upon language be adopted. Seconded and question called.

ROLL CALL VOTE: The motion carried with a vote of 14-3.

MOTION: Rep. Moore moved that we adopt House Bill 145 as amended. Seconded and question called.

ROLL CALL VOTE: The motion carried with a vote of 14-3.

MOTION: Rep. Lynch moved that the meeting be adjourned.

VOICE VOTE: The motion carried unanimously.

The meeting adjourned at 1:05 a.m.

Francis Bardanoue, Chairman