

MINUTES OF THE MEETING OF
HOUSE APPROPRIATIONS SUBCOMMITTEE ON ELECTED OFFICIALS
MONTANA HOUSE OF REPRESENTATIVES

January 18, 1977
8:10 a.m.
Room 428A
State Capitol Building

The meeting was called to order by Chairman Lynch with all members being present. The subject of the first hearing: Civil Defense, Military Affairs.

Mr. Gosnell has recommended that substantially lower funds be allocated, emphasizing a lessening of dependence on nuclear disaster planning and more on natural disaster planning. This recommendation is a policy, rather than fiscal, recommendation in part, which is within the authority of the Legislative Fiscal Analyst.

Mr. C.L. Gilbertson, Director of the Civil Defense Division, reported generally on the operations and duties of the division, which is primarily to make preparations and plans for the protection of the lives of the people living in Montana, by preparing a comprehensive plan for the State.

The programs within the Division that are totally federally funded and oriented toward nuclear planning are: C&M (Calibration and Maintenance of radiological monitoring devices through the State), Crisis Relocation Program (CRP), Training and Education (T&E), and Natural Disaster Response (NDR) which is funded on a one-time grant which expires in December 1978 and includes setting up a state emergency plan. The LFA recommendation is to add one FTE to the NDR to enable them to get information into the hands of the local offices for emergency preparedness plans.

The Civil Defense Coordination Division is also nuclear oriented but is funded half by the general fund and half by federal funds. It is responsible for the administration and supervision of all other programs. They presently have 11 FTEs; 4 coordinators are in the field working on a day to day basis with 14 counties and assisting the smaller counties. The CD program reaches 56 counties presently. The duties on a local level include personnel, administration, surplus, excess, warning, communication, exercise, plans, natural disaster assistance, hazardous materials, shelters, radiological materials. The state level duties are basically the same but also include emergency disaster plans. Federal funds are to be used specifically for nuclear disaster plans and, therefore, the emphasis is upon nuclear.

On July 1, 1976, the State fuel allocations were transferred to the Environmental Energy Council, however Mr. Gilbertson said they work very closely with each other. The rationale of transferring this

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function to a department of government that does not work directly with the 56 counties was to establish an overall comprehensive energy office. Mr. Gilbertson indicated it was by Executive, not statutory, order that the change was made.

Senator Regan asked if the State is obligated in this next session to match the funds granted to Great Falls for the flood relief. It was explained by Mr. Gilbertson that if individual and family grants are given, they are 75% federally funded and 25% state funded. But the federal government can advance the state's 25% share at the time of the emergency and the state must appropriate funds for reimbursement at the next legislative session.

Senator Regan indicated that she was on the internal committee that turned down a request for the 4 extra FTEs for several reasons but that it was also felt that this was an obligation that the State was picking up that would commit them to granting the 4 FTEs later. Since the program requesting the 4 FTEs is limited to functioning for 30 months only, by contract.

There are two sources of federal funds for Civil Defense according to Mr. Ed Eaton of the Budget Office; they are the Department of Defense funds and Housing and Urban Development funds. They are not related except that the natural place to coordinate the two sources was under Defense. If the 4 FTEs are not approved, it would mean that these responsibilities would still have to be handled but with less people. PL 93-288 was changed giving the State a much broader set of requirements that they have to meet to qualify for federal funds. The changes in the division were approved by Executive budget before, but they did not approve the continuation. There has been an increasingly greater number of natural disasters over the years, but this department has not added any employees in at least five years.

The hearing on this subject was closed at 9:00 with no executive action taken by the Committee at this time. After a short recess, the Committee reconvened at 9:20 in the office of the State Auditor to hear testimony on their budget, which is detailed on pages 68, 90 and 100 in the Committee's manual.

Mr. Gosnell described the discrepancies as being slightly more money recommended by the LFA, but this is because the LFA included equipment in its budget that the Executive budget did not include.

Chief Deputy Investment Commissioner Rick Tucker reported that the authority is expressly written that they register broker-dealers in and outside of Montana, but at this time they do not have the personnel to take care of the fraud and at the same time do the registrations. In response to questions from committee members, he explained actions that can be taken by the state. State Auditor Omholt commented that his office works very closely with the Securities and Exchange

Commission, and that there is probably less fraud in the State of Montana than in most others. He attributed this to the fact that we are a small state people-wise and have a system of early warning where they are able to alert the SEC and sister states.

It was explained by Mr. Gosnell that the equipment being considered for acquisition are a mag card system, file cabinets and an electric file system. The addition of a mag card system would entail the reduction of a clerical employee, but the LFA recommends to add 1 FTE for the insurance division. Mr. Omholt responded to an inquiry that he couldn't tell yet if this would work out totally satisfactory because this legislature may assign additional duties and responsibilities to the Office. He did assert that his office has never hesitated to return money to the general fund that they don't use.

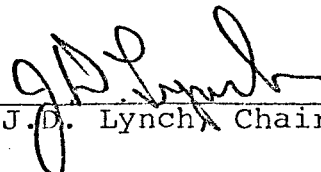
Mr. Omholt also indicated that his office is contemplating a move in the next year and will need the electric file system in place before the move so their operations in the licensing division will not be interrupted. The cost for moving one of the filing systems is between \$900 and \$1000, which could be saved by the State if a new system is acquired.

The next topic of discussion was on reassigning the payroll function to the Department of Administration. Mr. Gosnell felt this would only strengthen the program; he finds no weaknesses in the system but feels that reassigning the payroll function would greatly enhance the operations when the new personnel system is initiated. Now there is a duplication of work and records as the Dept. of Administration is required by law to keep payroll information. Ms Kathleen Behm, Administrator of the Central Payroll Function, explained changes that are planned to begin in the very near future, revising the "before-the-fact" pay system to make sure money is actually earned before it is paid.

Ms. Behm expressed feelings that the function should not be changed from the Auditor's office. It was originally assigned to the Auditor's Office because there was no strong administrative function at that time. Mr. Omholt felt that for the duties and protection of all involved, the Auditor's office was and is the proper place for the function.

It was discussed that County Attorneys belong under the Department of Justice, and therefore will be deferred until the hearings are held with Attorney General Greely.

There being no further questions or discussions regarding this budget, the Committee meeting was adjourned at 9:50 a.m.


J.D. Lynch Chairman