

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

January 20, 1977
8:15 a.m.
Room 428A
State Capitol Building

The meeting was called to order by Chairman Lynch with all members being present, except Representative Gunderson who was excused. The subject of the hearing: Department of Highways - Motor Pool and Equipment.

Fiscal Analyst William Gosnell reported that there are only minor differences between the two budget proposals for both the motor pool and the equipment bureau. The differences between the LFA and the executive budgets are basically inflationary rates; both divisions operate on a revolving fund.

Central Services Administrator John Prebil indicated that if Mr. Gosnell is accurate in his assumptions of inflation then the Department is satisfied with the budget for the motor pool. The method of figuring the inflationary rates are different for different accounts, Mr. Gosnell reported, and he has the rates for review by committee members if they would be helpful.

A memorandum regarding the requests for the equipment bureau was distributed to the members by Mr. Prebil. This outlines the requests and is attached hereto. (The resume of the requests for the general operations program was also distributed and is attached.)

In reference to the reduction from the LFA budget for "personal services" (see paragraph #1 of equipment bureau memo), Mr. Gosnell explained that the reduction was made because this was a cost-accounting technique and he did not understand its applicability to the budget. Senator Regan felt the question is about the necessity of this for the spending authority and would like them to exhibit the need and how the funds are used. Mr. Blake asserted that while this is only a small amount it should be noted that this amount means about six trucks to the division. This is a trading of funds, but it is needed in the budget he feels. It goes down as a charge to one account and credit to another. There is no net reduction to the department because of the way it is presented, explained Mr. Gosnell, reminding that this is a revolving fund.

A request for funds for sick and annual leave payments is also explained in the memorandum for equipment bureau.

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Senator Lockrem asked if the director of the Department has considered the possibility of using trust fund contributions for the Zook claim. Mr. Prebil will find out more about this matter and report back to the committee. Mr. Prebil explained briefly that the Zook case is one in which a contractor claims he did more than the state paid him for. The lower court awarded about \$40,000 but the supreme court said the district court erred and increased the award to be paid by the state to \$1,320,00. Mr. Anderson has asked the federal government to participate in this award and has indicated that he will take it to Washington, D.C. to get participation by the federal government if necessary. Mr. Prebil will find out if insurance covers this in answer to the inquiry by Senator Regan; and if not, why not. Senator Regan asked if this wasn't related to construction of a federal highway and if so, why federal funds would not be available for the settlement. This was, Senator Lockrem thought, on the Boulder interstate project and delays were caused by patent mining claims that are unique to the area.

Mr. Prebil brought the committee's attention to a request that was not discussed for the travel funds for the general operations budget. It is elaborated in the memorandum regarding that budget (attached). The travel is accomplished by the use of either motor pool or government vehicles. He was not sure if the amount of travel would increase but would check into it. The GVW is doing more traveling in order to provide better supervision within the division.

Monday, January 24, the committee will hear testimony on the Safety budget.

Workers' Compensation Judge: Mr. Gosnell presented figures to the committee for classifying the 5 FTEs under Judge Hunt; most all state employees other than elected officials must be classified and paid accordingly. He recommended the committee accept the classification proposal. On page 136 of the manual for the committee, the salary adjustments would be reflected by adding \$4,696 to the LFA Fiscal 78 recommendation, bringing the total to \$141,931 and adding \$4028 to the LFA Fiscal 79 recommendation bringing the total to \$144,306.

The Judge travels quite alot, using air transportation and often takes a clerk with him for the "clerk of the court". His case load has doubled what was predicted but now while the number of cases has stabilized, the type of cases are more involved and require more work. Of the approximately 300 cases heard, about 15% were appealed upward, the rest settled.

Senator Lockrem discussed the problems he felt regarding the extension of funds, well beyond the amount appropriated for the position and felt a performance audit would be in order since it is a relatively new position. Chairman Lynch felt that since this was a new program

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an evaluation in the next two years would reveal more. The funds problem, he felt, was just a matter of erroneous calculations and a better estimate could be made now that we have experience with it.

Senator Regan moved that the Workers' Compensation Judge's budget be accepted as amended. The motion did not carry with 2 votes in favor (Regan and Lynch) and 3 votes opposed to the motion (Lockrem, Nelson and Wood).

Commissioner on Campaign Finances and Practices: Consideration of this matter was passed for the day, as it was felt that it would be premature to pass a budget at this time.

Environmental Quality Council: There was a discussion of the funding requested for rent; there is a possibility that they may be able to move their 8 FTEs into the Highway Department building during FY 79. This would cost about \$2 per square foot as opposed to \$5 they plan. This will be checked into and reported back to the committee Friday.

Senator Lockrem expressed feelings that this department has outlived its usefulness and is becoming a duplication of other efforts. The need for an attorney, economist and ecologist was questioned, and the possibility of their obtaining the services of an attorney and economist from other agencies under legislative authority. It was pointed out that about 40% of their personnel funding is in the three positions. Senator Regan suggested that the committee could set a time, say in two years, for the Council to "self-destruct." Senator Lockrem will meet with Senator Hager and report back to the committee on his findings. The committee passed consideration on this budget for one more day.

Civil Defense: The question with this budget revolves around the emphasis on nuclear or natural disasters. Senator Regan is concerned that if we add 3 FTEs now we are making a commitment for the future; she felt they should be required to demonstrate to the committee after a period of one or two years that they are needed and consideration of extension be made then. The natural disaster program will exist only for 30 months; then will be on a 50/50 maintenance basis. Mr. Gosnell explained that he kept the civil defense at the current level and increased the natural disaster plan now to get that completed. The department would have to absorb the shortage of other areas for the time being but they would be back to their current level after January 1979. Senator Lockrem indicated a concern over the removal of the fuel allocation function from the civil defense department. It was felt that the capabilities to respond to a crisis situation are still there. Praise was given to Administrator Gilbertson as being a very dedicated administrator and hard worker. Senator Regan moved that the committee take the LFA's recommendations and fund the budget for Civil Defense around the LFA recommendation. The motion passed with 3 votes in favor (Regan, Lockrem, Nelson) and 2 votes opposed (Wood and Lynch).

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Office of the Governor: Mr. Gosnell explained his recommendation to reduce 1 FTE from the Budget Office. The request agreed to by the Governor's office is to follow the LFA recommendation (\$3,146,389) plus \$27,900 for the Citizens Advisory Council on Energy. Chairman Lynch said it is felt that the Council is very well received as the citizens feel they have an input, he questions the value of the Council as far as actual accomplishments are concerned. The travel and meal expenditures of the Council members would be funded by the \$27,900 request. So far the Council members have had to pay their own expenses. It was estimated that about two-thirds (2/3) of the members are financially able to afford this but the other members would be excluded from participation if funds are not appropriated. Chairman Lynch moved that the committee accept the \$3,146,389 as recommended by the LFA and then go into the Citizens Advisory Council when more information is available. The motion was unanimously carried.

State Auditor's Office: Consideration on this budget was passed until the committee meets with the Department of Administration to discuss the transfer of the payroll function.

Workmens Compensation Supplement to HB 143: It was pointed out that in the first six months they have spent 77% of their budgeted funds, and will need more money soon. Senator Regan moved that the committee accept the Workmens Compensation supplemental budget. The motion was carried with 3 votes in favor (Lynch, Regan, Wood) and 2 votes opposed (Nelson, Lockrem).

The meeting was adjourned at 9:45 a.m.


J.D. Lynch, Chairman

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