

MINUTES OF THE MEETING OF  
AGENCY 1

January 31, 1977  
7:00 P.M.  
Room 225  
State Capitol Bldg

COMMUNITY AFFAIRS  
(Work Session)

The meeting was called to order. Roll was taken with all members present.

Mike Koehnke gave the executive budget proposal. He said they took 5 FTE's from other divisions and centralized them in the department. The money was transferred also. The coordinators were funded with federal money. Centralized services are picking up earmarked funds from other places, such as the Coal Board. Other than that, we recommend funding at current level.

The LFA recommends based on fiscal 76 with inflation cost factor, allowed the transfer of 5.5 from Human resources, 1 person transferred from Planning program and 1/2 FTE from Economic Development. We added 1 new FTE Coordinator. This centralizes the district coordinator functions within the department. The major difference between the Executive and LFA budget is the allocation of cost of the Centralized Service Division. We allocated the cost based on the cost allocation plan the department supplied us with. The department objected to that at the hearing. They don't believe the funds will be available.

Senator Stephens asked why they need 1 more district coordinator.

Mr. Koehnke said because the department breaks the state into 5 regions.

The LFA said they have 5, want 7. 1 in Helena that will coordinate the coordinators. Also 6 in the field. 1 coordinator was brought in from planning.

Senator Stephens said he had received some unfavorable comments from different communities. They feel the coordinators are not of much value.

Representative Bradley said she had had favorable comments. She also asked if the cost allocation is feasible.

Curt Nichols said yes, in his opinion. He thought their major problem is the amount allocated from the federal funds. The allocations are very near the same mentioned by the agency. He said he did not see any problem. The other allocations are very near the same as in the past.

Senator Thomas told the LFA that it looked to him like it has almost doubled in your general fund appropriation. Where will most of this go? Give us reasons.

The LFA said the large general fund increase is continuing the allocation of cost present in the department before. In the executive budget I believe that the request of the department is to bring all of the transfers forward from the general fund. That may be the reason.

Senator Roberts asked if under operating expenses are you allocating a portion for these new positions?

Mr. Nichols said operating expenses. I allocated for current programs with inflation factors, plus for transferred positions the cost was brought on with them.

Senator Roberts asked if that is how you figured the \$184,000 for fiscal 78?

Mr. Nichols said the \$184,000 for fiscal 76 is actual. That is what the smaller bureau experienced.

Senator Roberts asked - when you recommend \$192,000 with the new position that would really amount to a decrease. Is that right?

Mr. Nichols said what has happened is that they operated a centralized secretarial pool. They are giving that up as well as the telephone cost for the whole agency. You have some reduction at current level as well as funds transferred.

Representative Marks asked if the additional 8 FTE's they are asking for are strictly economic development.

The LFA said all except 1 - transferred from other programs. They will be people stationed in the field to work with all agencies in the program.

Senator Roberts asked if we need a coordinator to coordinate the coordinators. He also asked if there isn't an administrator for central services.

Mr. Nichols couldn't answer that for sure.

More open discussion.

Senator Stephens moved to eliminate the position of the new district coordinator.

Ayes - Representative Gunderson, Representative Marks, Senator Roberts, Senator Story, Senator Stephens and Senator Thomas.

Nos - Representative Bradley. MOTION PASSED

There was further discussion by the committee.

Senator Roberts made a motion to take the Fiscal Analyst recommendation as amended by the previous motion we have adopted and accepted.

AYES - Representative Bradley, Representative Gunderson, Senator Roberts, Senator Story, Senator Stephens and Senator Thomas.

Nos - Representative Marks                      MOTION PASSED

#### HUMAN RESOURCES

Mr. Koehnke said the executive budget recommends at current level minus all transfer out of this program. This program represents all federal money; only \$30,000 from general funds.

Senator Thomas asked the LFA what is the difference between federal funds and non-appropriated funds.

The LFA said the federal funds in this case could be funds that had been budgeted in the past, such as grants. The big difference between the LFA and the Executive budget is the LFA doesn't anticipate having these funds.

Senator Thomas asked if there are 20 FTE in the department. Would you continue funding at that level.

Mr. Nichols said he had cut it to 15. 5.5 are transferred to centralized services.

Mr. Nichols gave the LFA recommendation. The budget reflects the 5.5 FTE's taken out. \$16,600 operating expenses were transferred. \$88,275 in personal services transferred as salary cost for these individuals. The major reduction of operating expenses from fiscal 76 to fiscal 78 is travel. They actually spent \$102,495 for travel in fiscal 76. They asked for \$60,000 in 78-79. Further reduction of \$15,000 that was transferred with the employees that transferred to central services. Contract services was disallowed. We gave them \$15,000 of the \$50,000.

Senator Thomas moved we accept the LFA recommendation for FY 1978, 1979.

Representative Bradley called for further discussion.

Senator Stephens asked what is the justification for any general funds in this department.

The LFA couldn't find any justification.

Representative Marks asked what would happen if we didn't fund this program.

Representative Gunderson asked if there was a problem with budget amendment.

The LFA said depending on what the legislature decided to make it, it could be loose or could be tight.

Representative Gunderson said if there is something in this program that can help people in Montana, I am all for it.

There was more discussion.

The LFA gave a breakdown on what they had budgeted for in this program. \$27,000 summer youth program, \$700,000 in-school programs, \$300,000 seasonal farm workers, \$144,000 more aid to the community action program, \$663,000 community action program, \$336,000 winterization \$2,000,000 for economic disadvantaged youth, \$250,000 volunteer program, \$130,000 food stamp outreach program, \$60,000 senior citizens.

Senator Roberts said I think they should go by budget amendment instead of a blank check

Senator Thomas moved and it was seconded to accept the LFA's recommendation for fiscal 1978 and 1979.

AYES - Representative Bradley, Representative Gunderson, Senator Roberts, Senator Story, Senator Thomas.

NOS - Representative Marks and Senator Stephens. MOTION PASSED

Representative Bradley asked if the committee would like a letter of intent or concern written on this matter. There was no comment.

#### ECONOMIC DEVELOPMENT BUDGET

Mike Koehnke presented the executive recommendation, giving a rundown and recommending funding \$200,000 in general funds, the rest from federal funds.

The LFA recommendation is based primarily on the fact we couldn't verify there was any positive contribution in Economic Development coming to the current operation. Nor will the expansion contribute significantly to the state. As for study and analysis, this has been done in the past; the promotional effort, such as publications, haven't contributed that much. We feel the technical assistance offers the most promise. We don't recommend the large increase. The budget we have is primarily at agency current level of request. What they will have is a current level very tight budget.

Senator Roberts said as he understood it, the difference between the LFA and executive budget is the LFA is not recommending the specialists and counselors for economic advisory, etc. Under the 8.0 FTE the LFA is recommending, what will they be performing?

Mr. Nichols said that is up the the agency. I don't feel what they are now doing is that effective.

Senator Roberts said if we just go along and fund them at the current level they would not be able to do much of anything. We should either extend the funding or cut it off completely.

Representative Bradley asked why they couldn't have market specialists at the staff level they have presently.

Senator Roberts did not know. He did not think they could have enough market specialists with expertise at the current funding level.

The meeting was open to discussion with all members participating.

Representative Marks made a motion the Economical Development Program be funded at the 8 FTE level, accepting the LFA budget recommendations.

After more discussion, Senator Roberts made a sub-motion - moving to eliminate this program.

Representative Marks called for the question.

AYES - Representative Marks, Senator Roberts, Senator Story, Senator Stephens.

NOS - Representative Bradley and Senator Thomas

MOTION PASSED

Senator Roberts said he had talked with Jim Flynn, head of the department. Mr. Flynn had said to fund them at a level they could do something with or do away with it.

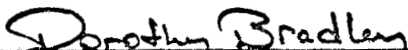
Representative Bradley suggested we go through the executive sheet carefully and decide which of these things we do want.

Representative Marks said he would feel comfortable to put some of this back but would like it to be in front of the full committee.

Senator Stephens said he would like to see the motion stand as I think it will reflect the majority views of this committee.

Representative Bradley said she might submit a minority report and recommendation at the executive level. If anyone wants to sign this, please let her know.

Meeting adjourned.

  
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Chairman Dorothy Bradley