

MINUTES OF THE MEETING
OF
AGENCY 1

DEPARTMENT OF COMMUNITY AFFAIRS

February 2, 1977
4:00 P.M.
Room 225
State Capitol Bldg.

The meeting was called to order by Chairman Dorothy Bradley with all members present except Senator Story.

OLD WEST COMMISSION -

Mike Koehnke gave the executive budget. The Old West Commission is a 5 state regional federal economic development agency. They recommend at current level which is 2 FTE's and 1 FTE modified (1 research specialist out in Glendive . The rest of the money is used for evaluation of economic development grants).

Curt Nichols presented the LFA recommendation. He said his budget is the same as the executive budget. Two people in the program with continued operating expenses forward to FY 78-79 with inflation factors. They received \$125,000 as a planning grant which supported the 2 people staff. The question is what to do with the rest of the money. A certain portion will go to Centralized Services, \$12,000 would go to them for overhead cost of agency. The amount to be appropriated is approximately \$75,000 a year. About \$30,000 a year remains that I put into the budget for economic development and research information.

Representative Bradley asked the LFA what is the \$30,000.

The LFA said the Old West Commission is the state planning agency for the Old West Regional Commission. They receive \$125,000 planning grant from the Old West Commission. That funds their operation. It is a fixed flat amount they get. In the past based on expenses of fiscal 76 with the 2 people and inflation factors they only spend about \$75,000 each year. The figure is high in fiscal 78 because of some pass through grants.

Senator Stephens asked the LFA if this energy researcher is already on board. The LFA said yes, but I don't know what he is doing. His charge is to coordinate the research that is going on on energy impact projects.

Senator Stephens asked if there is a DCA Coordinator in this area. Curt Nichols said yes.

Mr. Koehnke said he thought the policy will be to review the budget amendment and if approved by the executive, we will bring it to you. Technically, they do not have the authority to spend that money.

Representative Marks asked when the Coordinator came on board. Mr. Koehnke said he was approved on October 17. Representative Marks then asked if he had any strong feelings on this energy coordinator. Mr. Koehnke said he was hired for the remainder of the fiscal year and the next if they felt they needed him. I don't know for sure yet, but have to do some more research.

Representative Bradley asked if this isn't a duplication of the Governor's request for economic position.

There was open discussion between the members.

Representative Marks made a motion that it be reduced to the figure of 2 FTE's (getting rid of the energy coordinator).

Senator Thomas thought they should rule on this and they can come back with justification if they so desire. Representative Bradley said someone will have to make a special request if they want another open hearing.

Question - All voted Ayes

MOTION CARRIED

Senator Thomas asked the LFA if he would provide them with a running score on the trimmed FTE's.

RESEARCH AND INFORMATION -

Mike Koehnke gave the executive recommendation. He said the Research and Information Department currently has 8.63 FTE's. The executive budget recommends 2 program modifications. First, \$17,500 for 1 FTE (a geographer) and \$17,500 which is the supplement appropriation. There is a bill to match that as soon as it is signed by the governor. The second modification would be \$69,000 for special projects. This includes 1.68 FTE's.

Curt Nichols said the LFA's recommendation is slightly different. We recommend the addition of an economist and raising the secretary to full time. Federal funds will fund the economist. Net result in the end is a similar budget. I don't understand how the executive budget has enough to pay the positions they have listed.

Representative Bradley asked what an economist does. The LFA said they work in research and analysis. They have 2 economists now. The geographer is not in my recommendation. He said, "I denied him."

Senator Stephens asked why? Mr. Nichols said I denied him because I don't understand the nature of his work, required a specialist. The work appeared to be more a coordinative job. I think the staff can handle the work.

There was further discussion about the geographer and if he was needed. The feeling seem to be the planner could handle the work.

Senator Roberts mentioned he thought Senator Story had some strong feelings about this and asked if a decision could be postponed until Senator Story arrived. Everyone agreed and the decision was deferred.

PLANNING -

Mike Koehnke said the Planning Program is currently at 16 FTE's. They previously had 17, which included 1 field person. He was moved into Centralized Services. We recommend basically at current level with 3 modifications -

- 1 - \$22,000 in local assistance
- 2 - \$24,000 for transportation study in 1980.
- 3 - \$55,000 for local government study funds.

The LFA reminded him at this point that the \$55,000 should be deleted. A reduction of ear marked funds from the coal tax.

The LFA's recommendation is based on current level operations and allowed increase in cost over next biennial. Current level staff allowing Mr. Drews to transfer to Centralized Services. As in the executive recommendation, the estimate of coal tax revenue has to be lowered. It is much too high. The other part of the ear marked funds are highway earmarked funds. There is also a bill in to delete that. It is subject to legislation also.

Representative Marks asked if the \$75,000 and \$83,000 a year is the adjusted amount.

Mr. Nichols said no, the \$83,000 was an error, should be \$383,000.

Open discussion.

Senator Stephens moved to accept the LFA budget for the Planning Dept.

All Ayes

MOTION PASSED

INDIAN AFFAIRS -

Mike Koehnke said currently the Indian Affairs has 3 FTE's. \$47,000 comes from the general fund. We recommend 1 modification - 1 FTE has a clean cut transfer from the Crime Control Board. The Board specializes in Indian justice. We had CETA funds to be used for the Indian Talent Bank.

Curt Nichols said the LFA budget is based on current level staff, continue those and continue with the cost as requested by the agency. He said he did not receive the request for the transfer from the Montana Board of Crime Control. That transfer is proper and we recommended the executive recommendation on this.

Senator Thomas made a motion that we move the individual from the Crime Control Board and move him to the Indian Affairs and take the Executive figures for FY 78 and FY 79.

Representative Bradley called for further discussion.

Representative Marks asked what funding does the Indian Affairs have - what do they do?

Mr. Nichols said they have various projects. They are the focal point in state government for Indians to go with their problems. They help with relationships between the tribes, the law and border problems around Canada. They also maintain the Indian Talent Bank.

There was some open discussion on the Indian and his problems.

Chairman Bradley called for the vote.

AYES

Representative Bradley

Senator Thomas

Senator Roberts

NOS

Senator Stephens

Representative Marks

MOTION CARRIED

HIGHWAY SAFETY -

Mike Koehnke said this is located in DCA because they work better with local government than the Highway Dept. Currently they have 6.5 FTE and are funded from ear marked funds and federal funds plus they have over 3/4 million dollars in grants. No modification on this one.

Curt Nichols said the LFA recommendation is at current level for employees and operations - We recommend \$500,000 from Highway ear-marked revenue account to begin an intensive program against highway drunken drivers, based on the request of the department. They guarantee they can lower the death to 280 by 1979 and correspondently affect the injury rate. I have been informed since the meeting that the committee that handles the highway funds has spent the highway funds. There is no money to fund this. To fund this you would need a tax increase.

Senator Thomas asked the LFA if the highway committee spent the money. The LFA said not the highway committee, but the budget they are approving will expend highway earmarked revenue account. It is my understanding there is not the funds in the budget to pay for these programs.

Representative Marks talked about the waste of patrolmen being tied up by doing the license testing. He feels civilians should be doing this and free the patrolmen to do more work on the highways. He asked what is their funding? The LFA said the highway patrol has both earmarked funds and general funds.

There was open discussion on how this could be done.

Senator Stephens said on this \$500,000 which apparently has been spent, there are some good programs in it, such as the 5 man accident prevention unit. There are some good things in this. Is all of the money gone?

Curt Nichols said, I don't know the exact amount left. There are no funds to fund the entire package.

Representative Gunderson said they will end up with a balance of 2.6 million. After they take care of a suit pending and other miscellaneous things, they will be about \$100,000 short.

Representative Marks asked about those people doing the license examinations. Couldn't we save money by using civilians? Curt Nichols said our office recommends replacing the patrolmen with civilian testers.

Senator Thomas asked if they could postpone this for a while until we can find out how much we can fund.

Senator Roberts said I assume the other sub-committee considered this request. I would be willing to go along with their decision on it.

Senator Stephens said I would like to see the Drivers Improvement school funded.

Senator Roberts said I think we should earmark some money out of the fines and fund it that way. I think there is a bill to do this.

The Fiscal Analyst said he thought the bill was the one Mr. Groke wrote. I thought he needed \$100,000 to get set up, buy equipment needed and then it would operate on a fee basis.

More open discussion.

Senator Stephens said I move we accept the Executive Budget.

After more discussion, Chairman Bradley called for the vote.

AYES

Representative Gunderson
Senator Stephens
Senator Roberts

NOS

Representative Bradley
Representative Marks
Senator Thomas

Senator Stephens rephrased the motion to recommend we accept the executive budget with the addition of \$100,000 for Driver Improvement School, that is allocated out of earmarked revenue funds.

Question -

AYES - All voted Aye

MOTION CARRIED

HOUSING BOARD

Mike Koehnke gave the executive budget. The Housing Board has 4 FTE's. We recommend the current level plus 1 modification - \$35 to \$45,000 for 1 housing assistant, 1 FTE (accountant). This is earmarked funds - not general funds.

Curt Nichols said the LFA recommends continuing the 4 people in the office now and the increase in cost of the experiences they had in FY 76. I did not include the additional accountant. (Not enough work to warrant the addition). Also I did not recommend the use of earmarked funds. I felt it should be presented to the committee so you will be aware that the money comes from bonds and you should be aware of how that money is spent.

Senator Thomas said, in other words the earmarked funds could be used for operation of the budget and we could remove general fund money?

The LFA said yes, that is correct. The money for the earmarked accounts come from the 6% difference in the sale of bonds on the New York market and approximately 8% mortgage rate paid in Mont.

There was more discussion on selling of bonds.

Senator Stephens moved we accept the LFA's recommendation.

Senator Thomas asked if they could substitute in the motion to use earmark funds instead of general fund money.

Curt Nichols said if you want the program to be self sustaining, the use of earmarked funds is what you should consider.

More open discussion on earmarked funds.

Representative Marks moved to accept the LFA recommendation and use the earmark funds to reduce the general fund by \$39,000.

Chairman Bradley called for a vote.

AYES
None

Nos
Rep. Bradley, Senator Stephens,
Senator Roberts.

MOTION FAILED

They then voted on the motion to accept the LFA recommendation.

MOTION PASSED UNANIMOUS

COAL BOARD

Mr. Koehnke recommended the current level with 2 FTE's. We would like to amend our recommendation to you because of the trust fund for total grants which now stands in the executive budget for fiscal 78 over \$10,000,000. We recommend to reduce that to \$5,998,525 in FY 79. \$6,648,525 for total funding with earmarked

funds. We recommend \$6,061,812. In FY 79. \$6,711,812. Again, some of this money is in the Constitution Trust Fund.

The LFA recommends adjusted figures. Personal service and operating expenses remain the same.

Senator Roberts asked what is the main differences in the operating expenses; you are a little higher than the executive budget.


The LFA said \$10,000 in Contract Services they asked for. I gave them \$5,000. The Executive gave them the whole \$15,000.

More open discussion.

Senator Roberts moved we accept the LFA's bueget as ammended.

All voted aye. MOTION PASSED.

The meeting was concluded.


Dorothy Bradley, Chairman

Nina Kosmas, Sec.