

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

February 11, 1977
8:05 a.m.
Room 428A
State Capitol Building

The meeting was called to order with all members being present.
The subject of the hearing: Department of Revenue: Liquor Division, Miscellaneous Tax Division, Operations Division, Data Processing Division, and Inheritance Tax Division.

Liquor Division: The budget recommended by the LFA is explained on pages 189 through 193 in the committee's manual. Mr. Groff stated that they can work around the funding or get the funding from other sources for everything except the management analyst position, which they feel they badly need. They have a man experienced in the liquor business for this position. The analyst, Mr. Groff explained, does the analyzing in all the stores for stock inventory, auditing, and stock supplying along with some other duties. This division has 342 FTEs total, of which about 16 are in administrative positions. In response to a question by Senator Regan, Mr. Groff said that the store hours are set by statute to be open Tuesday through Saturday for 40 hours a week. It was suggested that further attempts be made to have the stores in the larger communities be open 7 days a week, but on a rotating basis. They request funding for 4 new stores, also.

Miscellaneous Tax Division: This budget is explained on pages 203 and 204 of the manual on the LFA recommendations. There are very minor differences, basically in vacancy savings and inflation rate. The division has no arguments or discussion on this budget.

Operations Division: The primary difference is with the revolving fund budget, Mr. Gosnell said. Laury Lewis, Deputy Director of the Department, said that the revolving fund is really for administrative purposes. He indicated that they are willing to accept the cut of the revolving fund because the Department of Administration thinks they can work out contracts that would not require the use of the revolving fund. If the Department of Administration is able to work this out, the division will not need the revolving fund. Mr. Ed Eaton of the Budget Office explained the purpose of the revolving fund. The money would already be appropriated, but instead of having 14 different divisions doing the purchasing, this one division would be able to do it. Mr. Gosnell said that the money is appropriated twice, but not expended twice.

The division is also requesting funding for the EEO structure in the division. Even though the Department of Administration is putting

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together a plan for the state, the Department of Revenue will still have to put together an affirmative action plan for the division. Senator Lockrem suggested that the committee take a careful look at the requests of the departments and the Department of Administration, Personnel Division which is also requesting funds for centralizing personnel services. Mr. Groff feels they need somebody in their department to keep track of their EEO program and personnel. The department has employees all over the state and have a couple of lawsuits going on right now. They have to hire people to go to the hearings and get involved in these anyway, so feel they should have one specific FTE for their department. They would be willing to go without this FTE for two years and see what they can do without the full time employee and without the \$15,000 they have requested. But they would need approximately \$5,000 for each year as requested.

Data Processing Division: Mr. Gosnell indicated there are problems with the revolving fund allotment, which would be \$90,886 for 1978 and \$92,640 for 1979. Regarding this revolving fund, Senator Regan asked why they were asking for the change from direct funding to a revolving fund now. It is important from an accounting standpoint Mr. Groff stated. The intra-departmental revolving fund is the problem from Mr. Gosnell's point of view.

The division also requests 10 FTEs for data processing; these people are essential for the efficient operation of the division. These people would be doing the income tax data processing. If they are not authorized the additional FTEs, the division would contract with the Department of Administration, Data Processing Division to do this work. Mr. Laury Lewis said that they can save time, money and efficiency by doing the key punching within their division; it also maintains the level of secrecy necessary when dealing with income taxes. Data Processing Administrator Troy McGee has no resistance to this plan, according to Mr. Eaton, who also recommends the FTEs.

Inheritance Tax Division: Mr. Laury Lewis explained that the division is requesting at least one FTE plus \$4,000 per year to cover the expenses incurred by classification appeals. He related the Administrator's feelings saying that Tom Stoll told him "I think that I might need one position, perhaps not the other. But if they give me the one position, I won't be able to fill it because I will have to pay for the classification appeals." The budget, without the \$4,000 per year, cannot afford the costs relating to appeals, which have apparently been successful. Chairman Lynch felt these requests should be funded. Mr. Gosnell will work on this further.

Chairman Lynch, in closing the hearing, told Mr. Groff that before the Appropriations Committee meets, the directors of the departments would be informed of their budget recommendation by the Subcommittee and if there were problems, they could come back in to the Subcommittee.

The meeting was adjourned at 9:00 a.m. The Subcommittee will meet in Executive Session on Monday, February 14, 1977, at 8:00 a.m.

