

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

February 14, 1977
8:15 a.m.
Room 428A
State Capitol Building

The meeting was called to order by Chairman Lynch with all members present for executive session.

Representative John Scully, Chairman of the Administrative Code Committee, testified before the committee regarding the functions of the administrative code. He said they have been trying to get some answers to the computer questions, but they are still unanswerable at this time. The Administrative Code Committee will go ahead with the current status for about two years. There will have to be some deletions and changes of some rules, and the Committee will have to force administrative agencies to do their own work in order to get ready for the recodification. There will have to be some recodification of the statutes brought on by the next legislative session. The Committee will make an amendment to H.B. 77 to work out that portion that creates the Code Commissioner position and to leave this in the Secretary of State's Office. Mag cards would be helpful and probably advisable, but his Committee suggests that they remain as is and go ahead on that basis.

Their request now is for two FTEs, \$54,940 in 1978 and \$55,285 in 1979. Senator Regan asked if they could use the services of the legislative council's staff. Representative Scully said they will probably have to turn to that staff to do the recodification. They could probably go to a software system fairly easily; that had not been considered originally. He said they had spent \$5,000 previously and still don't have the answer so felt it would not be worth spending another \$3,000. They will take the time during the next two years and take care of the matter.

SECRETARY OF STATE: Administrative Code Function: Senator Regan moved that the Committee put the funding at the current level of \$54,940 and \$55,285. VOTE: The motion carried with a unanimous vote. (Representative Gunderson excused for the vote.)

Presidential Elections: Senator Regan moved that the Committee add the \$329.00 to the budget for the presidential elections. VOTE: The motion carried with a unanimous vote. (Representative Gunderson excused for the vote.)

CAMPAIGN FINANCES AND PRACTICES: See the attached handout. Senate Bill 71 affects the commissioner only; however House Bills 185 and 566 would affect the agency. S.B. 71 deals with all elected officials on this subcommittee, plus superintendent of public instruction and public service commissioners; they are the only two under other subcommittees. But Representative Bardanouve asked that it be put in the full committee and not the subcommittee. Senator Regan and Chairman Lynch felt this committee should work with the bill.

Senator Regan moved that the committee accept the LFA recommendation of 6.5 and 7 FTEs, with a contingency clause for H.B. 183 passing. Discussion: Mr. Gosnell said that H.B. 185 would add \$2,000 in 1978 and nothing in 1979. This would be 40% of their workload but not much funding effected. Because they would have less reports to audit, Mr. Gosnell said they could possibly get by with one FTE; they will need the FTE for auditing the other reports. Senator Lockrem felt that if the workload was reduced by 40%, their funding level must be reduced. We should not go beyond the Executive budget, he said. Chairman Lynch indicated he did not agree because we are letting them receive information, rubber stamp it, and send it back. They should at least be able to check out the information. Mr. Gosnell said they now have two clerical and a part-time lawyer; they request an accountant, lawyer and C.P.A. and hope to get a lawyer who is also a C.P.A. Senator Regan withdrew her motion in order to consider this issue when Representative Gunderson could also be present.

LEGISLATIVE AUDITOR: They simply want to add the language contained in the two paragraphs on the attached sheet. Mr. Gosnell recommended these paragraphs be added to the bill itself; Chairman Lynch read the material to the committee.

Senator Lockrem moved that the committee add the two paragraphs to the bill. VOTE: The motion carried with a unanimous vote. (Rep. Gunderson excused for the vote.)

LEGISLATURE: Senator Regan moved that \$30,000 per year be added for the PERS contribution. VOTE: The motion carried with a unanimous vote. (Representative Gunderson excused for the vote).

GOVERNOR'S OFFICE: Based on the Arthur Anderson & Co. study's recommendation, the office is requesting two positions (2 FTEs) for setting up controls and priorities on the data processing system. The Department of Administration is "judge and jury" now and this would provide some external controls and guidance for the Data Processing division. The two positions would be a deputy director and clerical/secretarial position. Mr. Dave Lewis of the Budget Office explained that there are now 3 secretaries for 25 people and 1 receptionist (who is a grade 5 without typing duties, 75% to 80% of her time is with telephone duties).

Senator Regan moved that the committee approve the deputy director position. VOTE: The motion carried unanimously.

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Senator Lockrem moved that the clerical position will not be included. VOTE: The motion carried with four (4) aye votes and two (2) no votes (Representatives Gunderson and Lynch).

Representative Gunderson moved that the deputy director position begin on April 1, 1977. VOTE: The motion carried unanimously.

Citizens Advisory Council: Senator Regan stated that this council is already functioning but has not been costing the state any money. Chairman Lynch said it was not fair for the people with lower incomes to have to pay their way while the wealthier members could afford the expenses involved. Senator Lockrem said that attendance records show that it is the people with the lower incomes who are actually attending more meetings and are more involved. Senator Regan suggested to give them \$10,000 and let them decide how to spend the funding; or they could be given the \$27,900 funding and let them decide on expenditures, it was also suggested. Senator Lockrem felt there was little of substance done at the meetings judging by their reports and his experiences.

Senator Lockrem moved the \$27,900 request be denied. Discussion: Senator Regan directed attention to page 67 of the manual on the budgets and asked if this is actually under another committee. Mr. Lewis said the Energy and Resource Committee under the Energy Office headed by Bill Christiansen is not the same as the Citizens Advisory Council. Mr. Lewis said that if they don't get the \$27,900 they will drop the Citizens Advisory Committee. The problem with giving only \$10,000 is that there will have to be a \$12,000 expenditure for dues for another committee for the western states; so the decision would already be made as to how the \$10,000 would be spent. They need both amounts Mr. Lewis stated. Mr. Lewis, in response to a question from Senator Regan, said that he did not know if the Council was doing anything. Chairman Lynch said that testimony was given that a good job was being done by the Council and it was not fair to judge the Council by Mr. Lewis' statement because he is a budget person and would not be involved in other aspects of it.

Representative Gunderson made a substitute motion that they be given the \$10,000 per year. VOTE: The motion carried unanimously.

STATE AUDITOR'S OFFICE: See the handout attached. Payroll Function: The LFA recommendation is to move the payroll function to the Dept. of Administration. Mr. Gosnell reported that there was a good reason for this function to be under the Auditor five years ago; but those reasons no longer hold. He said there is a great need to get control of the payroll base and a need to get the university and EEO systems under the base. Mr. Crosser, Director of the Department of Administration, felt it was a good idea to transfer the payroll to his department. The Auditor did not approve of the transfer. Senate Bill 368 is the bill that would transfer the function to the Department of Administration.

Senator Regan moved that the committee accept the State Auditor's budget as recommended by the LFA, contingent upon the passage of S.B.368. VOTE: The motion carried unanimously.

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Investment Regulation Examiner: This would be a grade 12 position, as requested. Senator Regan felt his position is a function of the Business Regulations Department, and they have the power to take actions where this examiner would not have as much power.

Representative Gunderson made a motion to put this position into the budget. Discussion: Neither the LFA or the executive budgets funded this request. Mr. Gosnell said this position would be just paper checkers; Senator Lockrem indicated it is tied to the role of insurance commissioner. Representative Wood asked if the job was not done at this level, would the irregularities and problems be discovered elsewhere? Mr. Gosnell indicated they would because the defrauded person would probably call in. Also if Attorney General Mike Greely gets a white collar crime unit, that would be the best place for it to go. Representative Gunderson withdrew his motion.

Senator Lockrem moved that the committee pass consideration of this budget for the day. VOTE: The motion passed unanimously.

DEPARTMENT OF ADMINISTRATION: Director's Office: Refer to the hand-out for all divisions. The only issue in this budget is for funding for classification appeals.

Senator Regan moved that the committee add \$1,904 (1978) and \$1,588 (1979) into the other amount of the LFA budget recommendation. VOTE: The motion carried unanimously.

Accounting: There are no problems with this budget.

Architecture & Engineering: Discussion on the addition of some language to the bill; see the attached "Decision Package" sheets. The language requested could be put into the intent statement and not the bill itself. Senator Lockrem pointed out that SB 401 would do alot to this package if it passes as it is a fairly comprehensive bill. Senator Regan asked if it shouldn't be necessary to state it would be "for legal services only."

Senator Regan moved that Architecture and Engineering budget be accepted as shown on the attached Decision Package for the Department of Administration, with possible contingency of consolidation.

VOTE: The motion carried unanimously.

Data Processing: Mr. Gosnell held out the workload increase; he also indicated that he felt consolidation should be done, rather than re-studied. The Digitizer has never been productive and it is suggested by the LFA that it be sold rather than put another \$10,000 into it to get to going right. It was bought from Natural Resources, who should probably not have purchased it originally. The Department feels they can make it productive and get other departments using it if they are funded \$10,000 in authority. Representative Gunderson and Representative Wood both felt that the funding could make it productive and worthwhile. The department also requests a data base manager and clerk to make sure the systems are working properly and to get control

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over this area. Senator Lockrem pointed out that this is revolving fund money.

Representative Gunderson moved that the committee accept the department's request and add the LFA recommendations and the secretary at a grade 7. VOTE: The motion carried unanimously.

The Department now uses a 90-day fund balance and suggest 60-day fund balance. The LFA recommendation is 45 day fund balance. This will be added to the intent language, with no objections from committee members.

General Services: Reproduction and Distribution: Mr. Gosnell said that the budget is now substantially lower than the executive budget and about the same as the LFA. The issue is revolving vs. general fund support. They request \$26,200 for 1978 and \$21,900 for 1979, for acquiring equipment that the legislature used to purchase. This would be taken over by this department.

Representative Gunderson moved that the committee add \$26,200 and \$21,900 to the Reprod. and Dist. budget. VOTE: The motion carried unanimously.

Buildings and Grounds: Mr. Gosnell said that \$88,450 and \$146,417 should be added in because it was an error that it was not included originally; he gave too much revolving fund money and not enough general funding. There was a discussion on the addition of 2 FTEs as security guards for the historical society. The department feels they need the additional security guards; presently they must call general services for back-up help when someone calls in sick or is off unscheduled. Mr. Gosnell said that we could move 2 FTEs and general funds from the historical society budget and reduce that budget to put all the security guards under one office.

Representative Gunderson moved that two (2) FTEs - security guards - be added to the budget. VOTE: The motion carried unanimously.

Senator Lockrem moved that the division be given authority for one (1) FTE - painter. VOTE: The motion carried unanimously.

The discussion then turned to the FPRA request for \$172,133 in 1978 and \$197,320 in 1979. This would be for items such as desks for the Senate and House sound equipment. The members discussed the sound equipment in both the House and Senate; the contracts expire this year. There were also comments of complaint about the House voting machine.

Senator Lockrem moved that the Building and Grounds funding be approved as recommended. VOTE: The motion carried unanimously.

Management Systems: Representative Gunderson moved that the committee add the \$4,000 requested. VOTE: The motion carried unanimously.

Purchasing: Representative Gunderson moved that 1.5 FTEs and \$12,911 be added to the budget. VOTE: The motion carried unanimously.

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Building Standards: The difference is in that the LFA recommendation does not allow 3 FTEs and seed money. Senate Bill 401 includes funding. There was a brief discussion of their use of earmarked funds. Senator Regan moved that the committee pass consideration about this until they find out more about what S.B. 401 will do. VOTE: The motion carried unanimously.

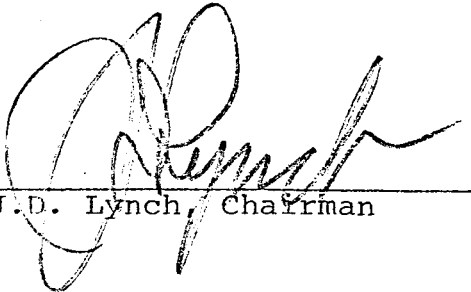
Renewable Resources: Senator Regan moved that the budget be approved. It may be abolished by a Senate Bill. VOTE: The motion carried with a vote of four (4) aye votes and two (2) no votes (Senators Nelson and Lockrem).

Investments: Senator Lockrem moved that the request for outside consulting/advisor services be denied. Discussion: Chairman Lynch felt they are aided greatly by going to outside consultants. Mr. Gosnell indicated that the division wants outside consulting services in addition to their staff consultants. The request is for \$25,747 in 1978 and \$37,453 in 1979. VOTE: The motion failed with two (2) aye votes (Senators Nelson and Lockrem) and four (4) no votes.

Senator Regan moved that they be funded \$20,000 in 1978 and \$30,000 in 1979 for outside consulting/advisor services. VOTE: The motion failed with a tie vote; three (3) aye votes (Senator Regan, Senator Lockrem, and Representative Wood); and three (3) no votes (Senator Nelson and Representatives Gunderson and Lynch).

Representative Gunderson moved that they be funded \$25,000 for each year for outside consulting/advisor services. VOTE: The motion carried with four (4) aye votes and two (2) no votes (Senators Lockrem and Nelson).

The meeting adjourned at 9:30 a.m.



J.D. Lynch, Chairman

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