

MINUTES OF THE MEETING  
SUBCOMMITTEE AGENCY 1

February 23, 1977  
8:00 A.M.  
Room 225  
State Capitol Bldg.

The meeting was called to order by Representative Marks. Roll was taken. Present were Representative Marks, Senator Roberts, Senator Stephens and Senator Story. Representative Bradley and Representative Gunderson arrived late.

WRAP UP ON DEPARTMENT OF COMMUNITY AFFAIRS -

Dave Lewis from the OBPP passed out a list of supplemental requests for the department (copy attached).

Mr. Lewis talked about The Special Projects Program, requesting \$46,017. He said the state is required to provide 25% match for federal disaster relief funds. Dan Worsdell said we have spent \$400,000 on the program. This program is to help people affected by the flood in the Great Falls area and northern Indian Reservations.

Representative Marks asked if this had not been turned down before?

Mr. Lewis said the original request for the federal funds money was turned down because it was feared it would bind future legislators to appropriate the match. They later did approve the special funds.

Representative Marks asked if what we do has any effect on what the federal government will do?

Mr. Lewis did not know for sure. Mr. Nichols said there was nothing stated in the federal laws about what would happen.

Senator Stephens asked if this was a direct grant to people who received losses during the flood. Mr. Lewis said yes.

Representative Marks asked if this is grant money, why is the match necessary. Mr. Lewis said the BIA put up the rest of the match.

Representative Bradley suggested they take the Aeronautics Program supplementals first.

Mr. Nichols said on the first supplemental, it is for \$94,000 from general funds. \$70,000 is for the Governor's travel and \$24,000 is for operating deficits. We recommend to appropriate the \$70,000 from the general fund. We recommend in the future the governor's travel be budgeted for in his own office. In operating deficits, the law says any surplus money goes into the capital replacement account. They have about \$50,000

in that account, It was my feeling that money should be used to replace the deficit. Since then, the Department has gotten a legal opinion that says when money goes into that account, it can't be taken out.

Mr. Lewis remarked we only recommended this under the assumption that they could not take the money out of that surplus account.

Mr. Ferguson said he was confused on the \$94,000 supplement.

Mr. Worsdell said the \$94,000 was originally submitted in the executive budget, probably in June. Since then we have realized that the actual figure is approximately \$103,000. This was not included in the executive budget at that time.

Representative Marks asked why hasn't this difference been reconciled since June?

Mr. Worsdell said there is no way to change it once the actual loss has been figured.

The LFA asked if the \$103,000 is actual or estimated deficit?  
Mr. Worsdell said actual.

Representative Marks said it has been 8 months since this deficit has been realized.

Mr. Worsdell said they knew by the end of July but at that time the executive budget had already been in. He said according to the law, Senate Bill 508, we can go back and recover these losses. We can ask for that operating loss in the next biennium or another fiscal year.

Representative Marks mentioned that they have had 6 months and should have gotten together and reconciled this deficit.

Mr. Lewis said he did not remember receiving information that they were more than \$94,000 in deficit but maybe he had been told and just forgot.

On the second item for \$11,250 from the Federal and Private Revenue Fund, the LFA said he only saw this yesterday and did not know anything about it.

Mr. Lewis said this comes in as a budget amendment requiring some state match. That is why we come to this committee for consideration.

Mr. Ferguson said this is to purchase and install specialized wind recording equipment at select airports across Montana for the purpose of preconstruction planning. They want a history on prevailing winds.

Representative Marks asked when this budget amendment was prepared. Mr. Worsdell said February 1.

No further questions, so Chairman Bradley felt the entire Aeronautics budget should be reviewed at this time.

Mr. Deadman from the Legislative Auditor's Office talked about the audit report issued in February. He said the items in the report that would probably affect this committee are in the pooling area and also in the area of justification of the acquisition of more aircraft.

Next, Karl Zeier from the Legislative Auditor's Office passed out a copy of the audit report. He said one recommendation they did make was that the state aircraft be pooled in the Aeronautics Division. We believe there are some benefits to be derived by pooling of all state aircraft.

He said they had made several recommendations in the report that supplements the recommendation for pooling of all state aircraft. Recommend pooling of all state pilots. Increase of the Aeronautics budget to allow them to operate all of the state aircraft. (The amounts recommended for increase are in the audit reports passed out). If this recommendation is implemented by the committee, it should be the revolving account that is increased. He said they also recommend the Aeronautics Department, the Department of Highways and Department of Administration get together and supplement the state manual on travel. State employees do not know of the travel available to them or which would be the most reasonable, etc. He also said they recommend the Aeronautics Department not get any more aircraft until the pooling has been accomplished so the Department can more adequately decide what is needed.

Mr. Frisley said the Department of Community Affairs does agree with the concept of pooling. He feels non-tangibles are important and should be considered, such as comfort, safety, etc. You can not put a price on this but it is very important. He talked a little more on the comfort and felt a new plane was necessary.

Representative Marks asked him about the comfort, etc.

Mr. Frisley talked about the traveling by the Governor. When he travels he needs a pilot and a co-pilot, (not necessary for others) and in this case, we need enough seats. We need pressurized aircraft for travel above the clouds, etc.

Mike Ferguson made a few comments about the need for purchasing more aircraft. He said on our unpressurized aircraft, we can't go over the clouds of a storm when necessary because of the discomfort of the passengers.

Representative Marks asked if the Governor ever used the Queen Air? Mr. Ferguson said he does at times, but the cost of using this plane is higher than a small plane and it is not pressurized. We use the rented Duke most of the time. He said some of the reasons the Queen Air should be traded is the radio capability isn't there, and it is 10 years old now and its cost will be so high to recondition it.

Senator Stephens said he has heard many comments from around the state that they are not using the charter services to the extent that should be used. They also feel there is no coordination.

What is the problem?

Mr. Ferguson said most of the flights coming into Helena are chartered. We do not dead head across the state. He said this policy was set up 2 years ago. It does take some coordination. He did say he was only speaking of aeronautics planes. I can't talk for the other department planes. He said there has been good cooperation with the other departments.

Senator Stephens asked if they are requesting the Twin because of the capabilities you don't have now?

Mr. Ferguson said the Queen Air is an all weather aircraft, no radar or high altitude capabilities but it is a good plane. It is an old plane and we feel we need to update the equipment.

Senator Stephens asked about the single engine plane. Mr. Ferguson said they feel there is validity in the auditor's report and we will hold off on this if we can get control of the other planes in the state.

Mr. Zeier talked some more about the audit report and aircraft used. He said one of the reasons they recommend holding off on purchase of new aircraft is to determine how many they will need, what kind, etc.

Representative Gunderson said it seems to him on a new engine for the Queen Air and cost of operating the Highway Department plane, we should be looking toward one all weather aircraft and in the long run we would save money. He feels we should get rid of the Queen Air and purchase what is needed. He then asked if we ever get this pool going and more people are using it, wouldn't the cost be more feasible and do we need additional legislation to get the pool functioning?

Mr. Zeier said we addressed this specifically in the report. On page 55 we have a table of average number of people per flight and this was one of the areas we believe the Aeronautics Division needs to do more work in.

Representative Marks asked Mr. Ferguson if putting the Highway plans in the pool, do you think the two organizations can cooperate for proper scheduling?

Mr. Ferguson said according to Senate Bill 208 they do have priority use for the plane, so I don't think we would be able to use it much at all. They do cooperate with us when we need the plane for the Governor.

Representative Marks said it appears the Governor uses the plane about 20% of the time. Can the Governor not ride safely in your planes because of the lack of pressurized planes, etc.? Mr. Ferguson said no, that has never happened. In the past year, I can't think of any flight that has been cancelled. We do have good aviation equipment.

Senator Thomas asked Mr. Ferguson, what type of twin engine are you planning to purchase?

Mr. Ferguson said they want to get into a plane, either new or a good used one, that would be more economical to run than the Queen Air. It should run on approximately \$125.00 per hour.

Senator Thomas asked, if after the pooling is done, are we talking about 2 or 3 more airplanes?

Mr. Zeier said we have recommended all aircraft be pooled. He talked about the need to select the proper planes for certain flights. With pooling, the Highway planes could still be available for highway photos. The Fish and Game operate 6 aircraft; 2 of them are helicopters. They use the helicopters for game study and aerial fish plants in mountain lakes, not particularly useful for passenger service. He talked about the uses for different planes.

He said the Department of Livestock has 2 helicopters. He said what planes are owned by different departments are listed in the audit report.

With no more questions, the meeting was adjourned.

Dorothy Bradley  
Dorothy Bradley, Chairman

Nina Kosmas, Sec.