

MINUTES OF THE MEETING
FINANCE AND CLAIMS
MONTANA STATE SENATE

January 22, 1977

The fourth meeting of the Senate Finance and Claims Committee met on the above date in room 331 of the State Capitol. The meeting was called to order by Senator Thiessen, Chairman who stated the purpose of the meeting was to make the entire committee aware of what had transpired in the sub-committees, and give a chance for questions in areas where concerns might have a tendency to overlap. Roll call was taken, attached. The meeting was called to order at 8:04 A.M.

Senator Flynn reported on the Institutions sub-committee. He said they are running a little behind schedule on thier visits. They would still have have to take a trip to Lewistown, and since the fog had set in they had visited Deer Lodge rather than Kalispell. He said because of the trouble the day they were at Deer Lodge they could not get into the prison, but thought there might be enough interest to include more members of the Senate. He said they were about 1/2 day behind on the visits scheduled and are up to date on the agency hearings. He said no final action has been taken as yet by the committee.

Senator Etchart said there was a little controversy on the Pine Hills request. They have put in for a request of an additional 25 people to bring them up to "snuff". Senator Flynn said he did not feel we could budget for possible government actions or the anticipation of the actions. He said the prison has several bills coming in in regard to conditions there. He said they have still not moved into the prison, the heating system of the old one is not adequate and they had been assured they would be in before winter, but were not. He said he felt it might have merit for the entire Senate to take a trip to the penitentiary. Senator Smith said he felt several should go down to compare the construction with the one in Lewistown to see if there was a possibility of the state being "ripped off" on some of these projects.

Senator Hims1 gave a report on the subcommittee on Education giving some of the areas they had covered such as the Board of Public Education, Board of Regents, Historical Society, Vo-ed, OSPI to some extent, Arts Council, etc. He said they had not finished with some of the reports and had some questions on some of them. He said they have been meeting every day and 3 to 4 hours per day and are pretty much on schedule. He said in all the years that he had been working he had never seen such a penetrating inquisition as this year. He mentioned the meetings with the University Presidents, and the preparation of those who came to present their budgets to the committee as well as the astute questioning by the Chairman South and of Senator Fasbender. He said the Chairman was a good one doing a good job and he was impressed.

Senator Regan asked what the difference was between adult

education and community education. Senator Himsl said he was under the impression that adult education-basic education was concerned with the basic reading, writing, arithmetic type of education for people who did not have a high school diploma, as differentiated from community education which has a broader scope.

Senator Stephens said he understood there was a gross misunderstanding between the committee and the university presidents. Senator Fasbender said they had understood the first day of meeting there might be a change of over 500 on student enrollment which would cost \$837,000 if figured back into the base. They had promised to supply the information the next morning, but did not. The Committee was concerned that they were aware of the drop in funding and their intention not to release the memo unless pressed to the wall. While they had some difficulty getting it out of them, the committee really wanted the information to check out the figures. Chairman South had to read the memo to get the information.

Senator Regan reported that the sub-committee on Elected Officials was on schedule, reported the good job the fiscal analysts were doing, the impossibility of the committee doing the job they were doing without them, the tremendous amount of background material they had for the committee, and the prompt action the committee received from a request made to them. She then recommended the committee look favorably on an increase of FTE's for this committee, and a budget increase.

Senator Regan reported they had not come to any conclusion on the Legislative Council budget since they still had some things to check out, had gone over the Secretary of State, Consumer council, Fiscal Analyst, Legislative Auditor, Office of the Governor, the Administrative Court system, and submitted exhibit 1 and exhibit 2 for the committee to look over. Attached. Senator Lockrem said it was difficult to draw the fine line between the duties of the Fiscal Analyst and the Legislative Auditor. He said the people serving on these committees will have to watch closely to avoid duplication of these offices.

Senator Roberts said his committee was pretty much on schedule, they had worked last evening from 4 to 6 P.M. to finish up on Labor and Industry. They have completed their recommendations for funding on Labor and Industry. Most of the week they have been hearing the bureaus on Community Affairs, and should soon finish up with the Community Affairs Department soon. He said one thing to mention was to start a new division in the Department of Administration to handle grievances and discrimination. Now it is sort of divided up between the personnel department and the board of Appeals. He said this should be handled in one agency. Bill Gosnel said that at the present time a union employee has the union to handle these appeals and the non-union employee has no one. He said Agency I is pretty much on schedule.

Senator Boylan reported that they are nearly through with the budgets on Professional and Occupational Licensing and the recommendations are completed. They are nearly finished with the Department of Agriculture, have implemented them into the pay plan, but they are short on money and are still working on it. He said the low price of cattle has not brought in the ear-marked funds to the Department of Agriculture, and it is in trouble financially. He said a lot of the ear-marked funds from Livestock is going into the public health program. He said there is one bill in the hopper to raise the tax on livestock, and that while this would help it would still become necessary to cut the services or curb some of the things the department does.

Representative Bardanouve said he was very much impressed by the work of the sub-committees, they were off and running early. He said the fiscal analysts staff has prepared a tremendous amount of background material. He said the people coming in are realizing for the first time they must have their information ready and have the proof. The committees were asking solid questions and were not heckling the departments. They asked good questions and were doing a good statesman job. He said he had several areas of concern which were:

1. He has asked LaFavor to keep a running report on every agency as to changes in FTE's on any budget so that a check can be made. Mr. LaFavor will keep a running inventory on any increases or decreases on FTE status.

2. He said the increase of 24 employees, 12 per year in the legislative auditors' office. He wanted the committee to realize this was not quite the same picture it appeared to be. Last year the state audit committee had contracted for several audits. These were not performance audits, but hired CPA audits, and while they were still in effect, hiring the people to put them out they did not contain the information they wanted when the audits were finished. He said this same money spent for a performance audit by the audit department in the state did have the information. Senator Thiessen said there are two performance audits out now, one on the milk control board and one on the Employment Security Division. He requested the people on the committee to read them and they would be able to judge the difference.

3. Bardanouve said the tremendous amount of over time that was paid to employees at the prison was of concern to him. He said in one area \$117,000 was paid in overtime, and this was not the prison, just one area of it.

4. The Governor's office is recommending a lot more employees (20) for the Pine Hills School. He said he was not sure why we needed so many medical personell, etc. for this school. We could not have that many ill boys in that type of school and did not feel we should appropriate a lot of money in anticipation of what Uncle Sam might do.

5. Silver Bow County relief bill is coming in again, this time to the tune of \$1.5 million.

6. Representative Bardanouve expressed concern over the "baling out" of contractors perhaps setting a precedence.

Representative Bardanouve said careful checking should be done on the building program where they were to be ready and moved in by a certain date and nothing happened but continued delay. He gave the example of the Center for the Aged and the new prison. He also said the increase in construction costs were taking a huge toll. He mentioned the two nursing homes that had been provided for in the last session, one being practically eliminated now since they were for a specified amount of beds and now they are down to 1/2 of that figure. He also mentioned the committees could expect a lot of pressure from the institutions with a lot of charges as to what the legislature will do to them.

John LaFavor said his impression is from the thinking of the staff position that they are better organized and hope to be able to do a better job than the last session. He said they are trying to keep the work going on the sub-committees and to have things prepared and worked out for them.

Senator Fasbender said the Long Range Building Committee does not meet until later, and that the Education Committee and the Institutions Committee will be making recommendations on priorities for the Long Range Building Committee.

Senator Thiessen and Representative Bardanouve agreed to forego further meetings if possible until the sub-committee reports are in to eliminate disrupting the work of these committees.

The meeting was adjourned.



Senator Thiessen, Chairman

ROLL CALL

FINANCE AND CLAIMS COMMITTEE

45th LEGISLATIVE SESSION 1977

Date 1/22/77

NAME	PRESENT	ABSENT	EXCUSED
THIESSEN, CH			
HIMSL, V.C.	✓		
STORY		✓	
ETCHART	✓		
KOLSTAD	✓		
LOCKREM	✓		
NELSON	✓		
SMITH	✓		
STEPHENS	✓		
FASBENDER	✓		
BOYLAN	✓		
FLYNN	✓		
MEHRENS		✓	
REGAN	✓		
ROBERTS	✓		
THOMAS	✓		

January 19, 1977

TO: John D. LaFaver, Legislative Fiscal Analyst
FROM: William S. Gosnell, Associate Fiscal Analyst *WSG*
SUBJECT: Decisions as of 1/18/77 - Elected Officials Subcommittee.

The elected officials subcommittee has taken the following action:

	<u>Fiscal 1978</u>		<u>Fiscal 1979</u>	
	<u>General</u>	<u>Other</u>	<u>General</u>	<u>Other</u>
Legislative Auditor	\$1,095,214	-0-	\$1,291,024	-0-
Legis. Fiscal Analyst	224,353	-0-	256,395	-0-
Consumer Counsel	-0-	\$146,675	-0-	\$155,065
Sec. of State (not incl. Admin. Codes)	345,470	-0-	350,855	-0-
Military Affairs	630,074	282,961	653,265	287,775

We expect to finalize legislative council, EQC, and worker's comp. division on Friday, January 21. Pending are Governor's office, commissioner of campaign finances and practices, state auditor, and civil defense.

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January 21, 1977

TO: John D. LaFaver, Legislative Fiscal Analyst
FROM: William S. Gosnell, Associate Fiscal Analyst
SUBJECT: Decisions as of 1/20/77 - Elected Officials Subcommittee.

In addition to the action taken by the subcommittee on 1/18/77 (reported 1/19/77), the following action was taken by the subcommittee on 1/20/77:

	Fiscal 1978		Fiscal 1979	
	<u>General</u>	<u>Other</u>	<u>General</u>	<u>Other</u>
Civil Defense Div. (Military Affairs)	\$75,954	\$316,268	\$92,932	\$291,274
Workers' Compensation Judge	-0-	141,931	-0-	144,306

Further, the committee recommended approval of \$57,828 in other funds for the FY-77 supplemental for the Workers' Compensation Judge.

Pending actions are legislative council, EQC, Governor's office (pending decision regarding citizens energy advisory council), commissioner of campaign finances and practices, and state auditor, plus supplemental requests for secretary of state, judiciary and administrative code.

WSG:sl