

MINUTES OF THE MEETING
FINANCE AND CLAIMS
MONTANA STATE SENATE

March 22, 1977

The thirteenth meeting of the Senate Finance and Claims Committee met on the above date in room 225 of the state Capitol as a joint meeting with the full committee with the House Appropriations. The meeting was chaired by Representative Bardanouve, with Senator Thiessen as co-chairman. The Chairman of the Agency I Human Services, Representative Bradley gave the report of the sub-committee. Roll calls are attached, the meeting was officially called to order at 8:01 A.M.

Representative Bradley said that many times the agencies with ear marked funds were not given much scrutiny, but this time they were. Exhibits I and 2 were passed out--the draft bill and the justification, and proceeded to go through it point by point.

Q, Representative Lund: Is the weights and measures the same as in the Department of Agriculture? Answer. No. This function is to test them throughout the state to check the accuracy.

Representative Moore asked what bureau the secretary was cut out of in the second paragraph. Representative Bradley answered that this brings together three programs that will be consolidated into one, and they should be able to combine for secretarial service under the Department of Community Affairs. She said House bill 680 did die and therefore there would be a cut back from what is there.

Representative Lynch asked if the Federal-State Coordinator the same as the State-Local Coordinator--that this position had been transferred from the Governor's office to the Department of Community Affairs--or just what are we talking about. Dorothy Eck said the bill they were referring to was the one that abolishes that office--the one in the Governor's office.

Senator Lockrem asked a question on the drivers program--if it would be possible to fund it from the Highway money. Representative Bardanouve asked if there could be a duplication here with the bill on drivers training which provides fees to support the program. Representative Bradley said she would check for duplication.

Under the Health Department Representative Moore asked on the additional \$300,000 to the Crippled Children's fund what it was added on to. Ans. I would have to look that up. Moore: How much is put into the use of the cleft palate program? He said they had allowed \$60,000 in the last biennium and he had requested it be at least doubled.

Senator Flynn asked if the committee had looked into the T.B. program and did they hear testimony from Galen regarding this program. Ans. Yes, this was a recommendation within the Health Department.

Representative Gerke said there seems to be conflicting evidence on Galen. No one is able to agree on this. Even the doctors do not agree. Dr. Knight says no and Dr. Higgins says long term programs must be done in Galen. On the other hand hospitals are not happy to put it into the local communities.

Senator Fasbender said it was his understanding that the Department of Administration was going to take care of the maintenance. Is it also going to be included in this budget?

Representative Lynch said in his report they had \$2 per square foot and now in Dorothy's the same. Representative Bradley said the Department pays into the Department of Administration for this amount, and it then goes into the revolving fund. The actual charge will come out of the health department budget. There was some discussion over the revolving fund, how money was to be put in and taken out, etc.

Representative Moore pursued the cleft palate funds, and asked when Curt Nichols said the amount for crippled children was \$1.1 million, what percentage went for cleft palate, and was told by Mr. Nichols that this was up to the Department. He said it was not designated how much would go to cleft palate and how much to orthopedic. Systick fibrosis was asked about, and Representative Bradley said yes, it is in and she gave the amount. Representative Bardanouve asked about the loaded paragraph on page 7 and what about the water quality planning--for what? Representative Bradley said it was a study to see what effects were on water quality by lobbying. Representative Bardanouve again expressed concern over the possibility of adding money to a department when it had already been added in before on some other program, in regard to the cleaning services. More discussion was held with questions from Representatives Lynch, Bardanouve and Gerke in regard to the maintenance and the revolving fund. Representative Bardanouve asked LaFavor's office to prepare an analysis and to give it to the committee later on.

Senator Thiessen asked about the 21.25 FTE to be added and where did they come from. Representative Bradley said they covered a whole variety of areas, sediment control, subdivision work, consumer product safety and many others.

Senator Fasbender said in the 4th paragraph it was mentioned they reduced the operation of health education and nursing bureaus. Were the nursing bureaus a duplication. Was this general fund money we spent before? Answer, Yes. Fasbender: Did you check with OSPI to see if they had an ongoing fund? Ans. Yes, we did.

Representative Bradley said they would have a minority report to give under the Labor Department. Enclosed as exhibit.

Representative Bradley said the Human rights act is a comprehensive law. This act requires conciliatory measures be taken were cause is found. This bureau has no authority and rests within the Human Rights Bureau. They are the enforcement

mechanism. There is now a staff of 8. The state funds 4.3. 8.5 CEDA are working when on contract, but are really not directly available to the Human Rights Commission. The fiscal analyst recommended the current level of spending. The minority request is for the Executive budget. In 1975 they had 102 cases, in 76, 201, and 300 are predicted for 77. They have 143 now and are well ahead of what they had last year. The current level would allow them an attorney, 2 compliance officers. They need a conciliator. The lawyer has to defend the right of the person. He receives a tremendous amount of referred work, Representatives Gunderson and Bradley signed the minority report.

Representative Lynch said the current appropriation allows 5% on workman's comp. In which areas? We had the charge in the other committee. Is there a duplication. Answer. We are sending the money over to your area. Representative Lynch wondered if 5% was enough.

Representative Bardanouve said 23 people to collect \$300,000, seemed like a lot. Rep. Marks thought the individual losses were around \$50, and Rep. Bradley agreed but felt since the Legislature had passed the laws they should fund them.

Discussion was held on the amount of FTE's added, and that it seemed like a lot. Representative Bradley said 89 of these were in Employment Security. Bardanouve wondered about some duplication of FTE's and said possibly they could have a legislative auditor take a look, and Representative Bradley said she would like to help with this.

Discussion was held on the report and recommendations for the public service commission. They said the first request was for two, and about 3 days before the hearing the budget they asked for 29 new FTE's. Because of the late request there had been no time to analyze the request, and the fiscal analyst came up with 5. Rep. Bardanouve asked if there was not a bill in to transfer some of the work to the Department of Highways. Rep. Bradley said yes, if it were still alive, and there were a number of bills in that could change around the whole budget.

Representative Bardanouve opened the hearing to witnesses, and the first one was Dan Mizner, Executive Director of the League of Cities and Towns. He spoke under the Department of Community Affairs and said the two people they work with are the two positions that the sub-committee cut out. He said they did get assistance and worked a great deal with the coordinator.

Harold Frislye, Director of the Department of Human Affairs and read a statement from Judy Carlson in regard to the value of Dorothy Ecks office and the help they have given. He also read one from the Mental Health Advisory Council and said he would urge the committee to include in the Governor's budget \$40,000 for mental health.

Doctor Knight, Department of Health, talked of the differences of opinion in the treatment of alcoholics. He talked of his of Dr. Mulling when he took over,

He told of the treatment now in Idaho, and how it could be used for comparison and guide lines in the future, and said he did not think Dr. Skinner realized what he was getting into.

Dr. Spratt spoke saying costs might not be too high if each case was simple, but he knew of one case that cost \$115,000 and another \$50,000. If you run into those high cost cases, then you needed a treatment center like Galen, or the cost would be too high. He said the philosophy would change. He told of one of the physicians who believed in surgery. He felt this was an answer to any case of cavity. The surgical cost then did go up. He said he personally did not believe in surgery. That T. B. could be cured by medication. He told of the difficulty in spotting T.B., and in some cases were only found after the patient was dead and it showed up in an autopsy report. He said in Galen they were spotting several cases among those who came in to be treated for alcoholism. Several questions were asked about the treatment for T. B., drugs, and alcoholism. They also discussed the conditions put on the institution by the Indian Bureau, since they had put money into the building they had agreed to keep it open and available for Indian patients.

Robert James, Administrator of the Central Services Division of the Department of Health and Environmental Sciences, and administrator of the sub-division program. He said there is pressure on them to supply part of the fee money collected to the local people for the work they do. Senate Bills 310 and 326 were still pending, and would affect the sub-division program. He said if one passed it would raise the fee schedule to \$25 (SB 310), but provides \$10 should be passed through to the local for their efforts. He said SB 226 would remove a great number of subdivision plats and would leave it up to the local level to administer. He said it would take about \$60,000 of revenue and they get a maximum of 55.

Representative Bardanouve asked if the budget wouldn't be smaller with less plats to supervise. He said no, that the ones they kept were the costly ones--costing \$25 to \$40 to review. The ones to go out would be in the neighborhood of \$5 per review.

Under the Labor Department, Dave Fuller, Commissioner of Labor and Industry said while they were in agreement with most of the work of the sub-committee, they were in disagreement with them on the Labor Standards Division. He said the subcommittee had given them 5 FTE's, they had requested 23. He felt that somewhere between the figures they could operate, but certainly not at 5. He told of their responsibilities and said he would like to go on record as requesting either they fund the work or repeal the laws.

Norman Grossfield, Director of the Workman's Compensation Division asked his assistant Jim Murphy to give their report. He gave out a sheet of information and discussed it, attached. He said any money not spent goes back.

Norman Grossfield then stated that in 1973 compulsory comp went into effect with 18 thousand to 36 thousand enrolled. Our rate structure let us receive many who were with private insurance companies before. He said they have been a responsible agency and did not feel they should be penalized for trying to do a good job.

Raymond Brown, Administrator of the Human Rights Division spoke briefly, his testimony attached.

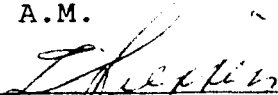
Senator Roberts asked if he was correct in stating that the figures under the biennium were appropriations by the legislature and the difference is the amendments. He was answered yes.

Grossfield said they do not have the staff to handle the present case load. He said they have 72 cases not assigned as of last week. Some have been on the waiting list since last October.

Dewayne Johnson, Administration Personnel Division said he was concerned about the budget record level for the Human Rights Division. He said more and more people were realizing this service was available and the work load will be increasing rather than decreasing. He said they are involved in the embryonic stage in Montana in dealing with the discriminatory practices. He said regardless of our good intention, discrimination does go on. He says it is not right to pass laws that are really good laws, and then to jam up the courts on grievance cases. He said the results could be tragic.--the people are going to go somewhere and ultimately they will go to the courts.

Lee Topash, member of the Human Rights Commission urged the committee grant the requested funds. He said they have set a high priority on Education, and if people are properly educated they will avoid discriminatory practices, and this will help to solve the problems. He said he felt the more people who were aware of the law, the more people would abide by it.

No further discussion was held on the budget, and the motion was made for adjournment at 10:15 A.M.


SENATOR THIESSEN, Chairman

HUMAN RIGHTS DIVISION
FACT SHEET

ACCOMPLISHMENTS

	FY 75	FY 76	Anticipated		
			FY 77	FY 78	FY 79
Case Load Actual	102	203	300	350	400
Potential ¹	97	109	125	150	175
Inquiries (low estimate)	500	750	1000	1250	1500
Workshops, talks, etc.		40	50	75	100
TOTAL	699	1102	1475	1825	2175

IN ADDITION, FY 76:

1. Developed complaint in-take and investigative procedures.
2. Sponsored EEO Affirmative Action Workshops for all state EEO Officers.
3. Held 2 in-house training sessions for staff personnel.
4. Held 2 training sessions for Commission members.
5. Conducted 5 Affirmative Action Compliance Reviews.
6. Designed, printed, distributed Human Rights Laws.
7. Designed, printed, distributed Human Rights Posters.
8. Inaugurated quarterly newsletter.
9. Procured four VISTA positions to assist (one attorney presently assisting).
10. Continued contract with EEOC - 3.5 F.T.E.'s
11. Developed contract with GETC - 2 F.T.E. (primarily handle CETA compliance).
12. Developed contract with HIA - .5 F.T.E.

	FY 75	FY 76	FY 77	Requested ²	
				FY 78	FY 79
F.T.E.	3.3	4.3	4.3	8.3	8.3
General Fund Budget	\$61,000	\$91,988	\$95,447	\$165,161	\$162,429

JUSTIFICATION

1. New Agency FY 75, not properly funded for FY 76 and FY 77
2. Fair Practices Act passed 44th Legislative Session, not funded for FY 76 and FY 77.
3. Required by law to:
 - a. Accept all complaints
 - b. Investigate
 - c. Conciliate
 - d. Prepare and hold hearings as necessary.
4. YET, not enough staff to adequately handle present case load (procedures streamlined).
 1. Backlog: 72 cases not assigned
 2. Average investigative case load: 39 (EEOC recommends 15 to 20)
 3. Attorney works 50-60 hours per week, impossible to continue, (still not current)
5. THEREFORE REQUEST 4 additional F.T.E.'S as approved in Executive Budget to:
 - a. Avoid continuing backlog, handle present and anticipated cases.
 - b. Provide necessary conciliator, legal assistance.
 - c. Information and education as required by Fair Practices Act.
 - d. Develop programs to avoid possible complaints.
6. AND continuing approval of federal funding.

1. Resolved without formal charges filed to satisfaction of charging party and Respondent thereby saving time and money for all parties.

2. LFA Recommends:	FY 78	\$105,161	FY 79	\$102,429
Executive Budget Additional Recommendations	FY 78	60,000	FY 79	60,000
		\$165,161		\$162,426

DIVISION OF WORKERS' COMPENSATION

COMPARISON OF THE DIVISION'S REVISED REQUEST AND THE
SUBCOMMITTEE'S RECOMMENDATIONS FOR THE 1977-79
BIENNIUM FROM EARMARKED AND FEDERAL AND
PRIVATE REVENUE FUNDS

	1978			1979		
	Division's Revised Request	Committee Recommen- dation	Decrease	Division's Revised Request	Committee Recommen- dation	Decrease
Administration						
Personal Services	\$ 738,637	\$ 723,841	(\$ 14,796)	\$ 752,643	\$ 738,944	(\$ 13,699)
Operating Expenses	390,686	292,588	(98,098)	369,867	263,532	(106,335)
Equipment	8,320	8,320	(-0-)	23,490	14,000	(9,490)
Sub-total	<u>\$1,137,643</u>	<u>\$1,024,749</u>	<u>(\$112,894)</u>	<u>\$1,146,000</u>	<u>\$1,016,476</u>	<u>(\$129,524)</u>
State Fund						
Personal Services	\$ 579,855	\$ 547,972	(\$ 31,883)	\$ 591,290	\$ 559,862	(\$ 31,428)
Operating Expenses	474,098	405,588	(68,510)	486,537	409,235	(77,302)
Equipment	12,829	12,829	(-0-)	13,129	13,129	(-0-)
Sub-total	<u>\$1,066,782</u>	<u>\$ 966,389</u>	<u>(\$100,393)</u>	<u>\$1,090,956</u>	<u>\$ 982,226</u>	<u>(\$108,730)</u>
Insurance Compliance						
Personal Services	\$ 259,709	\$ 242,797	(\$ 16,912)	\$ 265,370	\$ 249,256	(\$ 16,114)
Operating Expenses	85,400	69,340	(16,060)	86,319	67,636	(18,683)
Equipment	2,295	2,295	(-0-)	2,295	2,295	(-0-)
Benefits	20,000	20,000	(-0-)	22,000	22,000	(-0-)
Sub-total	<u>\$ 367,404</u>	<u>\$ 334,432</u>	<u>(\$ 32,972)</u>	<u>\$ 375,984</u>	<u>\$ 341,187</u>	<u>(\$ 34,797)</u>
Safety and Health						
Personal Services	\$ 432,098	\$ 408,953	(\$ 23,145)	\$ 441,247	\$ 418,439	(\$ 22,808)
Operating Expenses	219,474	178,301	(41,173)	225,506	179,861	(45,645)
Equipment	8,695	5,000	(3,695)	18,355	9,000	(9,355)
Sub-total	<u>\$ 660,267</u>	<u>\$ 592,254</u>	<u>(\$ 68,013)</u>	<u>\$ 685,108</u>	<u>\$ 607,300</u>	<u>(\$ 77,808)</u>
TOTAL	<u>*\$3,232,096</u>	<u>\$2,917,824</u>	<u>(\$314,272)</u>	<u>*\$3,298,048</u>	<u>\$2,947,189</u>	<u>(\$350,859)</u>

Total Earmarked and Federal and Private Revenue Funds adjusted to reflect Committee's action to increase the 1978 budget by \$30,000 for the Legislative Auditor and decrease 1978 and 1979 by \$137,235 and \$140,778, respectively, to remove the Workers' Compensation Judge budget request.

ROLL CALL

APPROPRIATIONS COMMITTEE

45th LEGISLATIVE SESSION 1977

Longday
Date *3/22*

NAME	PRESENT	ABSENT	EXCUSED
BARDANOUVE	✓		
GERKE	✓		
BRADLEY	✓		
ESTERSON	✓		
GUNDERSON	✓		
HALVORSON	✓		
HANSEN	✓		
LYNCH			
MANUEL	✓		
SOUTH	✓		
AAGESON	✓		
ELLIS			
KVAALEN	✓		
LUND	✓		
MARKS	✓		
MOORE	✓		
WOOD	✓		

Each day attach to minutes.

ROLL CALL

FINANCE AND CLAIMS COMMITTEE

45th LEGISLATIVE SESSION 1977

Date 3-21

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

DRAFT: Agencies I

	-----Fiscal 1978-----		-----Fiscal 1979-----	
	General Fund	Other Appropriated Funds	General Fund	Other Appropriated Funds
DEPARTMENT OF BUSINESS REGULATION	830,759	238,479	865,387	243,941
DEPARTMENT OF COMMUNITY AFFAIRS	1,460,030	8,927,634	1,470,957	10,075,469

The above appropriation of "Other Appropriated Funds" contains in fiscal 1978 \$217,077 and in fiscal 1979 \$217,327 from revenues generated under the provisions of 84-1847 relating to other than aviation gasoline, \$6,168,750 in fiscal 1978 and \$7,350,000 in fiscal 1979 from the revenues generated under the provisions of 84-1314 and allocated to the coal board under provisions of 84-1319(3) for local impact pursuant to 50-1807(3), and \$438,835 in fiscal 1978 and \$383,835 in fiscal 1979 from the revenues generated under provisions of 84-1314 and allocated to the department of community affairs under provisions of 84-1319(6) for county land planning pursuant to 82-3710.

DEPARTMENT OF HEALTH AND ENVIRONMENTAL SCIENCES	2,788,358	14,000,474	2,835,681	14,124,183
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Water & Waste Water Operations		<u>12,339</u>		<u>12,590</u>
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Total Department of Health & Environmental Sciences	2,788,358	14,012,813	2,835,681	14,136,773
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DEPARTMENT OF LABOR AND INDUSTRY

Workers' Compensation Division	1,013,074	2,917,824	1,013,095	2,947,189
Labor Standards Division	307,491	532,400	312,627	541,111
Human Rights Division	105,161	79,750	102,429	85,420
Board of Personnel Appeals	245,903	16,000	249,501	16,000
Employment Security Division		<u>11,377,886</u>		<u>11,701,220</u>

Total Department of Labor & Industry	1,671,629	14,923,860	1,677,652	15,290,940
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Included in the appropriation to the workers' compensation division is \$30,000 in fiscal 1978 for audits performed under the direction of the legislative auditor.

DEPARTMENT OF PUBLIC SERVICE REGULATION	767,381	16,000	782,126	16,000
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Summary: Agencies I Subcommittee Action

	-----1979 Biennium-----			
	<u>FTE</u>	<u>General Fund</u>	<u>Other</u>	<u>Total Funds</u>
Executive Budget	1,490.36	\$15,656,297	\$92,555,058	\$108,211,355
LFA Recommended Budget	1,380.99	14,758,793	72,678,177	87,436,970
Subcommittee Budget	1,466.83	15,149,960	77,881,909	92,991,869

DEPARTMENT OF BUSINESS REGULATION

Subcommittee Recommendation

		<u>1977 Biennium</u>	<u>Total 1979 Biennium</u>	<u>Percent Increase</u>
DEPARTMENT OF BUSINESS				
<u>REGULATION</u>	G.F.	\$1,570,596	\$1,696,146	8.0
	Other	<u>462,832</u>	<u>482,420</u>	<u>4.2</u>
	Total	\$2,033,428	\$2,178,566	7.1
	FTE	52.25	52.25	

The appropriation includes a new position in the weights and measures program and the reduction of another position in the consumer protection program.

The person filling the new position will have the responsibility of managing the department's educational and field enforcement efforts in the conversion to the metric system that is now beginning to take place. The new position will also have the responsibility to calibrate and monitor liquor propane gas vapor meters that are now being installed by the industry and consuming public.

In addition to the new position and the current level funding the appropriation includes \$15,500 in fiscal 1978 and \$17,500 in fiscal 1979 to purchase two new weight and measure trucks.

The centralized services program, the financial program, and milk control program are all appropriated at the current operating level.

The consumer protection program which is a consolidation of the former consumer protection, trade regulation, and private post-secondary supervision programs is appropriated at the current operating level less one FTE secretary position and \$8,000 each year of the biennium. The reduction was made on the basis that the current staffing pattern had one secretary for every 1.33 professional positions. The committee felt that the program could adequately function with two secretaries serving four professionals.

Summary

The recommended general fund appropriation is \$12,990 under the LFA and \$78,454 over the executive budget.

DEPARTMENT OF COMMUNITY AFFAIRS

Subcommittee Recommendation

		<u>1977</u> <u>Biennium</u>	<u>Total 1979</u> <u>Biennium</u>	<u>Percent</u> <u>Increase</u>
DEPARTMENT OF COMMUNITY				
<u>AFFAIRS</u>	G.F.	\$ 4,352,680 ¹	\$ 2,930,987	(32.7)
	Other	<u>19,227,758²</u>	<u>19,003,103</u>	<u>(1.2)</u>
	Total	\$23,580,438	\$21,934,090	(7.0)
	FTE	143.97	138.65	

1. Includes \$167,167 supplemental; \$103,650 for Governor's air transportation and operating deficit of state aircraft pool, \$17,500 for census redistricting, and \$46,017 for state match of federal disaster assistance funds.
2. Includes \$50,438 supplemental; \$40,188 to old west regional commission program; \$3,000 for native American talent bank, \$11,250 for purchase of wind recording equipment for airports.

The 32.7 percent decline in general fund appropriation is the result of 1) the end of local government study commission funding of \$911,700 in the 1977 biennium, 2) the termination of the task force on tribal, state and federal responsibilities, appropriated \$127,665 in the 1977 biennium, 3) moving the economic development program out of community affairs into the Governor's office, appropriated \$206,035 in the 1977 biennium, and 4) the \$167,167 supplemental appropriation.

The decline of "other funds" chiefly reflects the moving of human resources grants from an appropriated amount to non-appropriated "pass through" expenditure.

The aeronautics appropriation of "other funds" is expanded to increase the amounts for loans and grants to \$400,000 per year from the current \$200,000 and to establish an appropriation for the state aircraft pool revolving account of \$206,749 in fiscal 1978 and \$213,354 in fiscal 1979. The increase of loans and grants is contingent upon passage of H.B. 680 increasing revenue to the aeronautics fund. No new aircraft are recommended.

Human resources, planning, economic development and centralized services are affected by the department's reorganization of the district coordinators. A total of 5.5 FTE from human resources, 1.0 FTE from planning and .5 FTE from economic development are transferred to centralized services. The costs are reduced in the program losing employees and increased in centralized services. The resulting costs of the reorganized centralized services are shared proportionately by the funds that support the department. A new district coordinator requested by the department is denied.

Department of Community Affairs - Continued

The highway safety program was appropriated an additional \$100,000 per year from highway earmarked funds to support driver improvement schools directed at offenders convicted on DWI charges.

The economic development program is deleted from the DCA budget with the recommendation that it be placed in the Governor's office.

A multi-model transportation study is denied in the planning division.

The Indian affairs program is granted 1 FTE and \$35,000 per year additional for an Indian criminal justice project. This is funded by the Montana board of crime control and is being transferred to DCA from the department of justice.

To the research and information program are added 2.68 FTE in 1978; a geographer, a systems analyst, .4 FTE economist and .28 FTE research specialist as requested by the executive. The geographer will be added in fiscal 1977 by supplemental and terminated by fiscal 1979 as part of an effort to redraw census enumeration districts prior to the 1980 census.

The housing program is continued at current levels. A request for an additional accountant is denied as the expected workload does not warrant the addition.

The state -local coordinator program is not funded as duties of the state-local coordinator can be absorbed with the current staff.

The physical fitness coordinator program is to be eliminated.

Concerns of the Subcommittee

Funds appropriated for grants and loans by aeronautics should be reviewed after action on H.B. 680 is completed and the amount line-item appropriated for this purpose. The subcommittee recommends \$400,000 per year.

The department should submit plans to the full house appropriations committee for the disposal of the currently owned queen aire. The department should develop information on lease vs. purchase of additional planes and supply this to the full house appropriations committee to assist in its deliberations.

The accounting and management's systems program was established to develop and implement uniform accounting systems for cities, counties

Department of Community Affairs - Continued

and towns. The subcommittee requests that as the work becomes nearer completion the department submit to the next legislative session plans for the phase out of the program.

The transfer of economic development functions from the department of community affairs to the Governor's office is recommended in order to improve effectiveness.

Summary

The appropriation of general fund is \$353,554 below the fiscal analyst recommendation and \$1,182,022 below the executive recommendation.

DEPARTMENT OF HEALTH AND ENVIRONMENTAL SCIENCES

Subcommittee Recommendation

		<u>1977</u> <u>Biennium</u>	<u>Total 1979</u> <u>Biennium</u>	<u>Percent</u> <u>Increase</u>
Department of Health and Environmental Sciences	G..	\$ 5,318,284 ¹	\$ 5,624,039	5.7
	Other	<u>15,709,193</u>	<u>28,149,586</u>	<u>79.2</u>
	Total	\$21,027,477	\$33,773,625	60.6
	FTE	288.08	314.78	

1. This does not include remaining portions of 1972 appropriation for water pollution control construction or amounts initially appropriated to this department for alcohol services but subsequently transferred to the department of institutions pursuant to H.B. 699 of the 44th legislature.

The department's organization and role in health planning has changed following the federal health planning and resource development act of 1974. This act has resulted in the creation of a single health systems agency for Montana, a private non-profit corporation, funded directly by the federal government and with another \$52,682 of federal funds appropriated in this budget. The HSA and state will share health planning activities. Three additional FTE requested for health planning were denied as much of the planning effort will be carried out by the HSA and increases in state staff would lead to duplication of effort.

Five thousand dollars per year is appropriated to provide legal services for the board of health. This is to avoid conflicts resulting from use of department attorneys to advise the board when the department's position on an issue may be opposed to the board's.

A field representative is added to the management services program to support activities of the records and statistics bureau, the position had been added by budget amendment in the current biennium. Costs of utilities, maintenance, security and janitorial services for the Cogswell building and board of health building are included in the appropriation for the department. These will cost \$2.00 per square foot. It has been contained in the department of administration's budget in the past.

Included in the general fund appropriation were \$58,680 in fiscal 1978 and \$61,049 in fiscal 1979 to treat tuberculosis in communities absorbing the cases that would have been seen at Galen. This adds 1 FTE to the Butte tuberculosis control office.

The subcommittee included \$1,374,487 federal funds for emergency medical services. These funds have been added by budget amendments in the current biennium. This expansion includes five FTE.

Department of Health - Continued

The subcommittee added 21.25 FTE to the environmental sciences division. Most of these have been authorized by budget amendment in the current biennium. Only one of these positions, an attorney, is funded from general fund appropriations. The expanded projects employing these FTE are statewide water quality planning (Section 208) 6.75 FTE, subdivision review (earmarked funds) 3.0 FTE, consumer product safety 1.0 FTE, sediment control project .5 FTE, Logan creek study .42 FTE, safe drinking water act and additional water quality funds 8.58 FTE.

State general funds for crippled children's services are increased \$300,000 to expand the number of children served. Funds for the heart diagnostic center are increased to \$91,807 in fiscal 1978 and \$89,544 in fiscal 1979. This allows payment of rent which was not charged in the past and upgraded evaluation procedures.

"Other funds" include \$14,000,000 for food supplements under the WIC program. These funds are 100% federal. This program is anticipated to greatly expand in the 1979 biennium.

The subcommittee reduced the operation of the health education and nursing bureaus eliminating 3.5 FTE from these in accordance with executive request.

Concerns of the Subcommittee

The subcommittee hopes that work of the state health planning staff and the health systems agency will not result in duplication of effort.

The subcommittee, being aware that federal funds for emergency medical services may not continue through the 1981 biennium, requests the executive to consider the possibility of combining certain activities of civil defense and emergency medical services with a goal of reducing state costs.

Included in the funds for the agency was an additional \$300,000 from the general fund during the biennium for crippled children services. The subcommittee expressed the desire that funds not be used for agency staff expansions but for actual services to children.

The possibility of combining film libraries of OSPI and department of health should be investigated.

Summary

The general fund appropriation is \$302,355 over the fiscal analyst recommendation and \$655,605 over the executive recommendation.

DEPARTMENT OF LABOR AND INDUSTRY

Subcommittee Recommendation

		<u>1977 Biennium</u>	<u>Total 1979 Biennium</u>	<u>Percent Increase</u>
<u>Labor Standards</u>	G.F.	\$518,510	\$ 620,118	19.6
	Other	<u>139,200</u>	<u>1,073,511</u>	<u>671.2</u>
	Total	\$657,710	\$1,693,623	157.5
	FTE	16.34	40.84	
<u>Human Rights</u>	G.F.	\$187,435	\$207,590	10.8
	Other	<u>-0-</u>	<u>165,170</u>	<u> </u>
	Total	\$187,435	\$372,760	98.9
	FTE	4.33	9.83	
<u>Board of Personnel Appeals</u>	G.F.	\$401,478	\$495,404	23.4
	Other	<u>16,000</u>	<u>32,000</u>	<u>100.0</u>
	Total	\$417,478	\$527,404	26.3
	FTE	10.33	11.33	
<u>Employment Security</u>	Other	\$23,555,004	\$23,079,106	(2.0)
	FTE	612.40	701.15	
<u>Workers' Compensation</u>	G.F.	\$1,971,663 ¹	\$2,026,169	2.8
	Other	<u>7,061,880</u>	<u>5,865,013</u>	<u>(16.9)</u>
	Total	\$9,033,543	\$7,891,182	(12.6)
	FTE	160.0	160.0	
<u>TOTAL DEPARTMENT OF LABOR AND INDUSTRY</u>	G.F.	\$ 3,079,086 ¹	\$ 3,349,281	5.4
	Other	<u>30,772,084</u>	<u>30,214,800</u>	<u>(1.8)</u>
	Total	\$33,851,170	\$33,564,081	(1.2)
	FTE	914.40	923.15	

1. Includes \$7,030 general fund supplemental for social security offsets.

Department of Labor - Continued

Five compliance officers are added to the labor administration program for enforcement of labor laws. This is partially offset by sharing costs of the labor commissioner's office with the workers' compensation and employment security divisions. In the current biennium only the labor standards division and therefore the general fund participates in these costs.

One professional level position is added to the women's bureau. It is expected this will greatly improve performance of the bureau which currently only has one professional position with much time spent in administrative duties.

The employment and training council, previously budgeted in the Governor's office is transferred to the department in the 1979 biennium. This adds 18.75 FTE and appropriations of \$821,713 from federal funds to the 1979 biennium budget.

The human rights commission is expanded by 5.5 FTE. These have been employed by approved budget amendment in the current biennium.

A labor mediator is added to the board of personnel appeals.

The employment security division is increased by 89 FTE in the 1979 biennium. These are for 1) CETA funded jobs programs, 2) unemployment insurance, and 3) employment services. This expanded effort adds \$2,177,275 in federal fund appropriations to the agency. This is offset by a \$2,653,173 reduction in current level services as manpower development and training act programs were ended or phased into CETA programs.

The workers' compensation division earmarked appropriation is decreased from the previous biennium reflecting 1) \$681,949 of the earmarked appropriations went unspent in fiscal 1976 and another large reversion is anticipated in fiscal 1977, 2) one-time development costs of data processing supplies in fiscal 1976 of approximately \$139,000 were experienced, 3) \$167,711 appropriated as a transfer to the workers' compensation judge in the 1977 biennium will be appropriated directly in the 1979 biennium and therefore not appear as part of the workers' compensation appropriation. The current appropriation allows an increase of 19.5 percent of fiscal 1978 appropriation over actual fiscal 1976 expenditures after allowance for one-time data processing costs and revised treatment of workers' compensation judge appropriation.

Concerns of the Subcommittee

The duplication of effort between the safety and health program of workers' compensation and the occupational health program of the department of health should be investigated and eliminated.

The subcommittee feels the women's bureau has not performed satisfactorily. An additional professional person has been added for the

Department of Labor - Continued

next biennium to improve the bureau's output. If at the next session this has not significantly affected performance, the program should be eliminated.

Summary

The general fund appropriation is \$235,681 over the fiscal analyst recommendation and \$297,164 below the executive recommendation.

DEPARTMENT OF PUBLIC SERVICE REGULATION

Subcommittee Recommendation

		<u>1977 Biennium</u>	<u>Total 1979 Biennium</u>	<u>Percent Increase</u>
<u>DEPARTMENT OF PUBLIC SERVICE REGULATION</u>	G.F.	\$1,490,186	\$1,549,507	4.0
	Other	<u>30,000</u>	<u>32,000</u>	<u>6.7</u>
	Total	\$1,520,186	\$1,581,507	4.0
	FTE	32.0	38.0	

The appropriation includes funding for six new professional positions. The new positions are an attempt to rectify the problem of regulatory lag the department is experiencing. A minimum of 144 days elapse between the date a rate change is requested and issuance of an order by the commission. Such delays are critical especially to small companies. The additional staff may save from twelve to twenty days delay and improve the quality of review. Analysis of the department staff revealed insufficient personnel to review requests for rate increases by transportation companies and small utilities when major utility requests are pending.

The small increase in the appropriation reflects the fact that \$75,000 appropriated each year of the 1977 biennium for utility and rate consultants is not continued. The department feels its needs will be better served by staff analysts rather than outside consultants.

Summary

The recommended general fund appropriation is \$219,675 over the LFA and \$238,790 over the executive budget.