

MINUTES OF THE MEETING
FINANCE AND CLAIMS
MONTANA STATE SENATE

April 9, 1977

The twenty-ninth meeting of the Senate Finance and Claims met in the State Capitol, Room 331 on the above date. The roll call was taken and the meeting was called to order at 8:10 a.m., by Senator Thiessen, Chairman.

Senator Thiessen said they had received information that the Sour Dough Cattle Company had sold out at a tremendous profit since this court ruling and now this court award would come on top as a large bonanza. He wondered if there might be some way to appeal the case and would like to put it into a sub-committee to study it and report back.

Motion by Senator Flynn, seconded by Senator Boylan to put HB 554 into subcommittee to see if we have to pay this amount. Voted, passed, unanimous. Subcommittee members will be Senator Roberts, Chairman; Senators Stephens and Flynn.

HOUSE BILL 145 was opened for the recommendations from the subcommittee to cut the amount on the appropriations to balance the budget.

Agency I was taken first and Senator Roberts said their first recommended amendment would be page 18, line 8, under the Department of Business Regulations. It would change the figures to \$838,759, \$779,349 and \$813,191. This is the deletion of three bank examiners that we felt we might be able to get along without. They were not in the recommendation of the executive budget. They have 14.7 examiners now and the ratio is much higher than that of North Dakota or Idaho. Some of the work is also being done by Federal examiners, and we felt there was some overlap here.

Senator Himsel was concerned about the possibility of not giving the protection they should be. He said they are only examining 90% now, and this would cut it down to 70%. Senator Smith felt with the economy in the condition it is we should not take a chance and then have any trouble that might result because we did not have enough examiners. Senator Regan said she felt with 14.75 now - 12 examiners for 103 banks and two years to do it in.

Motion by Senator Roberts to accept the amendment. Voted, passed, roll call vote attached.

Senator Roberts said the other amendment is on page 16, line 18. Department of Community Affairs. He said right now the Division is housed in DCA and was set up to handle the program where you sell the bonds and make money available for them. He said he thought the proposal was going to be signed into law, and would

be financed in the Department of Administration. He said it would amend page 15, not 16, following line 17 by a new paragraph. Board of Housing. General fund '78 - \$35,067; other funds \$42,686. In '79 general fund -0-; other funds \$79,008.

What it will do is save us about \$50,000 from what is in HB 145 now. We are shifting the funding from this function into the bonds themselves that are sold. Cost of Administration is picked up and included in the bonds that will be sold.

Page 18, line 10. The new general fund figures for the first year general fund \$1,405,748. General fund '79 \$1,412,256.

We have left general fund money in the Board of Housing. They will not sell another bond issue until January 1978. This gives them money to operate until the next bond issue. From then on it will be picked up by the bond procedures.

Motion by Senator Roberts to vote on the amendment. Voted, passed, unanimous. 8:31 a.m.

Motion by Senator Regan that on page 17, line 23, we remove \$50,000 each year from the National Guard budget each year. This is money in the general fund and was to be used for maintenance. We are going to put it in Long Range Building. We will simply be transferring it from here to Long Range Building.

Motion was voted, unanimous, 8:34 a.m.

The Department of Revenue came under scrutiny of the subcommittee. Senator Regan said because of the large budget they have, she said they had considered some cuts and Mr. Groff was rather persuasive. There was \$30,000 each year for two years for a research program that he wanted to expand. In the property tax division, \$136+ thousand and in 1979 a similar amount. The fiscal analyst did not feel this was really money that they needed. A reflection of the previous budget. The total cut will be \$332,594. Page 15, line 16. \$167,688 in 1978 and \$165,906 in 1979. Moved amendment by Senator Regan. Voted, passed, unanimous. 8:37 a.m.

Page 15, line 21, the merit system after line 21. There will be two new figures inserted in the other fund money. The addition is \$174,023 and \$178,664 for a total additional of other funds of \$352,687.

Senator Regan moved the amendment. Voted, passed, roll call. 8:38 a.m.

HOUSE BILL 700 failed. It is mainly a fund transfer. They had budgeted without it. It is a deletion in personnel. Page 15, line 17, reduces the general fund by \$100,000 in each of the two years of the biennium. We also reduced a modified form of Senator

Lockrem's amendment to reduce 10 FTE and \$100,000 per year and are providing a provision to charge the merit system for data processing. In other funds, line 18, \$30,040 in 1978 and \$50,337 in 1979.

Senator Regan moved the amendment. More discussion was held. They took out a total of 17 FTE and added 10 new ones. The removal was 8 in one year and 9 in another year. The \$332,000 is to come out of this. We are taking another \$100,000 in general funds and adding a small amount for the classification work they do in the merit system and the AEO system we have to have. A reduction in Department of Administration personnel division of over \$500,000.

John LaFaver said the amendment on the merit system council should have served to reduce the other line item. To reduce the Department of Administration in the other funds -- earmarked account. The net effect is 10 FTE.

Amendment moved by Senator Regan. Voted, unanimous. 8:44 a.m.

Addition to other funds, page 15, result of Senate Bill 401. Should save you money in the long run in 1978 add \$296,706 and in 1979 add \$313,048. Line 17. I am inserting a new line coal building fee funds. The net effect of our amendments is a reduction to the general fund of over 1/2 million dollars.

Agency II was reported by Senator Boylan as to where they tried to get some cuts. He said much of his agency committee was in regard to earmarked funds and in removing general fund money they were removing matching money. He said Representative Manuel had felt they had scalped it all they could in the main committee. The other one is SRS and a lot of this is guess work. We do not know how many are going to be moved, etc. He said a lot of the SRS is Federal matching funds and title 20 funds. If we take money out they will have to come in for a supplemental.

Page 22, section 15, line 19. Strike \$1,492,376 and \$1,097,841 and insert \$195,000 and \$1,297,376. General fund \$245,000 and in the last column \$1,052,841. Put in some language also that would say all earmarked energy proceeds should be deposited in the general fund. This is to facilitate an amendment in HB . The net effect is just a transfer of funds.

Senator Boylan moved the amendment. Voted, 9:52 a.m. unanimous. Passed.

Page 24, section 17, line 1. Strike \$296,055 and \$305,566 and insert \$63,656 and \$58,430. Line 24 strike \$44,601 and \$46,332 and insert \$41,670 and \$42,160. This transfers money into administration from licenses.

Senator Boylan moved the amendment. 8:51 a.m. Further discussion. It would add \$15,000 more in the Professional Occupational Licensing, page 23, line 10. \$15,000 more was in the rental services program

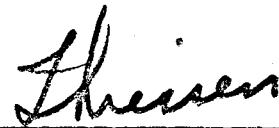
in 1979. They have to negotiate their rent and forgot to put it in when they made up the budget.

The motion was voted on, passed, unanimously. 8:52 a.m.

Senator Lockrem asked Curt Nichols about the Department of SRS. They have a revolving account of money. The balance was up somewhat this year. In discussing this, the carryover was about \$956,000 - about \$1.2 million this year. Could the year-end balance possibly be plugged into it? Dave Lewis, Governor's Office of Budget and Planning said they have already used the money and so would like to go through it with the analyst.

There was discussion in regard to the \$300,000 that would go to putting a person on board and training them before the other one retires. This was in regard to the Board of Nursing, page 24, line 19. It amounts to 1/4 FTE. The Committee added \$900,000 for one-half of the year only. It takes additional money. It is because of the time ending of the fiscal year.

ADJOURNMENT: Meeting adjourned.



SENATOR THIESSEN, CHAIRMAN

ROLL CALL

FINANCE AND CLAIMS COMMITTEE

45th LEGISLATIVE SESSION 1977

Date 4-9-77

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

SENATE COMMITTEE

FINANCE AND CLAIMS

Date 4-9-77Bill No. 145Time 8:24

NAME

YES

NO

Himsl, V.C.

ab

✓

Story

✓

Etchart

✓

Kolstad

Lockrem

ab

Nelson

✓

Smith

✓

Stephens

✓

Fasbender

Boylan

✓

Flynn

✓

Mehrens

ab

Regan

✓

Roberts

Thomas

ab

✓

Thiessen, Chairman

Secretary

Chairman

Motion:

Roberts L. Jones

SENATE COMMITTEE

FINANCE AND CLAIMS

Date _____

Bill No. 145Time 8:38

NAME _____

YES

NO _____

Himsl, V.C. _____

✓

Story _____

ab

✓

Etchart _____

✓

Kolstad _____

✓

Lockrem _____

✓

Nelson _____

✓

Smith _____

✓

Stephens _____

✓

Fasbender _____

✓

Boylan _____

✓

Flynn _____

✓

Mehrens _____

ab

Regan _____

✓

Roberts _____

✓

Thomas _____

ab

Thiessen, Chairman _____

✓

Secretary _____

Chairman _____

Motion: Merit System - Regan