

MINUTES OF THE MEETING  
FINANCE AND CLAIMS COMMITTEE  
MONTANA STATE SENATE

March 13, 1979

The thirteenth meeting of the Senate Finance and Claims Committee met at 8:15 a.m. on the above date in Room 104 of the State Capitol as a joint meeting with the House Appropriations to continue the hearing on House Bill 483.

ROLL CALL: All members present with the exception of Senator Lockrem.

The report of the subcommittee on Agency I Human Services was given by Rep. Steve Waldron, Chairman of the joint subcommittee.

Rep. Waldron introduced the members of the subcommittee, members of the fiscal analysts' office and budget office who had worked with the subcommittee. He said they had had 51 meetings as of now, and that Curt Nichols, fiscal analyst, had been the one who helped them from the fiscal analysts' office. The committee had a division on the coal board, and no decision was made on this. He then went through the explanation of the bill. Copy enclosed.

Some comments in addition to the narrative were: We are overmatched on Title xx so every dollar we cut back on Title xx we cut back on general fund money. We thought there was a better way of helping the vets with the 3/4 million dollars and did not fund it. It is all general fund money and the committee thought maybe there was some way of giving greater service with this money.

Rep. Waldron said they had inquired into the question about Indian jurisdiction, and Mr. Larry Elison, said in answer to a question as to whether the funding had covered the initial purpose - we did not do precisely what we had wanted to do. There has been some confusion about what was expected, and we are going to have some problems which are probably going on beyond the life time of all of us. There are problems in regard to Fish and Game. Taxes, revenue, water rights, etc. All of the agencies of state government are struggling with these problems, and in some instances, they are going to have to go to the courts; in some congressional action. We do not feel we had the expertise to solve these problems and were to employ expert legal counsel in Indian jurisdiction problems. We would hope to employ such a staff. We advertised nationally, and were unable to get some such person. We thought \$30,000 - people in the east were talking about \$60,000. The people with this expertise are not many, and demand a very high price. We found some lawyers in the state who had some experience in the problem area. They were young and we have done this; we have compiled the background material and they will accumulate the cases. Some of the cases we are now working on. One is the Namen case out of Flathead Valley; Groff v. the State of Montana; gross proceeds on the coal tax, the Dillon case, the one with the Crows where they say no one on the reservation has to pay income tax and the one in Wolf Point in regard to buildings that were built on reservation land. By getting the information together we can see what can or has been done on a specific problem on Indian affairs, by having a consistent policy.

Senator Thiessen: Where are the documents - the original treaties we have with the Indians here in Montana? Mr. Elison: We have copies; the originals are kept in Washington.

Senator Etchart: What has been done in Southeastern Montana on the water rights suit with the BIA? Mr. Elison: Mostly monitoring so far.

Bob Cochrane, supervisor here, working with the Department of Revenue said we are on call, but not actively involved.

Rep. Marks: This committee in the Legislature thought this was where the emphasis was to be placed. Water rights was a big thing. Are we going to go another biennium and give them money but have nothing done on the water rights? Mr. Elison: I did not think it was the most important. It was the Indian jurisdictional problem we worked on. The water law problem is such an immense one. We have such a few dollars we can never do a lot. We will help and be helpful. Mostly, the attorneys involved in water laws are coming from the Department of Revenue and the Department of Natural Resources.

Senator Himsel: On the Namen case - the state did not participate in that, did they? Mr. Elison: That case was already in progress. They received \$10,000 for legal help to help the retained attorney work on it. We did help on that case.

Rep. Menahan: For those of us who are not in the areas that have the water right fights, etc., why do we have to pay for it? Mr. Elison: It is such a vital case. It will affect the total revenue income for the state of Montana; it has a tremendous impact on the entire state.

Senator Smith: On the Wolf Point area, isn't Biggs a part of your staff? Mr. Elison: Yes. They said they are getting some assistance from this individual. A lot of their information came out of South Dakota and Colorado.

Senator Smith: Is your office getting background material and coordinating material with these people? Mr. Elison: We are working with them, getting information, and they help us with information. We are trying to use all these resources. We are doing all we can, but we do have limited manpower and limited resources.

Rep. Yardley: Does this fit into the Governor's office or somewhere else? Mr. Elison: It is a policy committee. It includes members of agencies from the Governor's office and the Attorney General. It is in the Governor's office because there is a lot of policy determination that will grow out of each case.

Rep. Bardanouve: Apparently we touched a sensitive nerve in recommending elimination of the field assistants' program. Rep. Waldron: The field assistance program was not operating very well and the committee realized that. Dave Wanzenried was eliminated.

Rep. Moore: Why do we need to waste several thousand dollars of federal funds on a 55 mile per hour safety program?

Rep. Waldron: If we don't use it someone else will. We cut out a lot. It is a job program probably.

Senator Himsel: Why is this in the Highway? Rep. Waldron: It was set up under this program because nobody trusts the highway department. This is our part of their required program; if we don't have it they will jerk the highway funds. It is required.

Rep. Marks: Speaking as a member of the subcommittee: This Indian Affairs Program is one that concerns me a little bit. We looked at the expenditures for the program. Almost all of it was spent on travel. Going to meetings seems to be the main thing. It has been bounced around a lot, taken out of the Governor's office, it was put back, etc. they have taken a drastic cut because they have lost their federal funds.

Rep. Bardanouve: In regard to the facilities and manpower in the EMS program. I have heard complaints about the service provided by the Emergency Medical Service, that it primarily delays cost by examination of paramedics out in the boondocks. EMS people in Helena could not get out and examine them. If they can't examine them they can't deliver the program.

Rep. Waldron: We looked at this. They have overcome a great expansion since they started.

Rep. Marks: They started with the one FTE. A lot of people with volunteer ambulance programs in the communities. They lost interest because they came in and made the local volunteer so much time and the people could not do it. They lost them, because they could not comply.

In answer to questions on the drop in FTE's the subcommittee did not replace those who had been caught in the Governor's hiring freeze, they asked that the deputy director slot be filled.

Rep. Marks: I have a question on Environmental Health. There was a request from the Department for some 208 money to the water control bureau, passed through to the SCS for their technical assistance. \$600,000 to inventory the non-point pollution. The committee did not act on this or fund it. There will be a request. At the time the committee acted on it we did not have the time and the information to work it out.

Rep. Moore: There was \$100,000 for nuclear radio activity in the Butte area.

Rep. Waldron: The executive approved a supplemental of \$78,000 for this area. There is a high level of radio activity in Butte. The slag coming from the chemical plant seems to be the source. It was used for streets, etc. It breaks down into a gas and then breaks down again into micron sized particles. You breathe these.

Senator Himsel: Could you give me your justification for the \$100,000 for an inventory for lakes that was given to the Universities? They have been studying Yellow Bay on the Flathead Lake for 25 years - why all this study?

Rep. Marks: This also concerns a number of other lakes around the state. It is Federal grant money. This would allow them to go as far as the federal funds last. Georgetown Lake is one that is heavily fished, and needs some study.

Rep. Menahan: Are they going to study Georgetown Lake? Rep. Marks: It is up to the Department which ones will be on the high priority list. Georgetown Lake is one of them.

The question was asked if under the handicapped children of Montana, any money was given to the cleft palate. Rep. Waldron: The health department had some additional money and they put it in. They put it in a contract to comprehensive development center in Missoula - about \$26,000 a year. We looked at the handicapped children's services: the CDC came to us, also doctors in their concern over lowering of federal funds, and we decided to allow them \$13,000 in general fund money for the first year of the biennium to help them in the transition from the higher level of federal funds available in the current biennium. CDC came back and said they needed \$17,000 additional money to continue at the same level of service.

Rep. Bardanouve asked about the radio activity program and said he did not understand about licensing such material. Does this mean licensing radio active slag? Answer: Yes. Rep. Bardanouve: You mean you give a contractor a license to use the slag?

Rep. Marks: This should just be a study. It should not be a control agency, just a study, in a regulatory agency.

Senator Thomas: Did you have some money for crippled children in the children's services? Rep. Waldron: The only thing we dropped out was the \$26,000 a year that was federal money.

Labor and Industry: Rep. Moore: The Human Rights is under the Department of Labor for administrative purposes only? Rep. Waldron: Yes.

Rep. Yardley: In their activities now the Human Rights are underfunded; what is your rationale for cutting them? Rep. Waldron: Our rationale was just to save general fund money.

Rep. Marks: This was rather a controversial project because of the nature of their activities. The last time we took action I visited with people from the commission and we set a policy. They felt they would be able to get along with it.

Rep. Yardley: I understand they have no place to put things, there are boxes all over the place, etc. Rep. Marks: Then they should have filed a complaint. Rep. Yardley: One person did. For two years they have said they will have a hearing. Rep. Marks: The people on the commission said they have management problems.

Senator Egan: This program is probably underfunded, if you expect them to get the job done. There was a proposal to attach the civil rights to the labor department. What you see before you is a compromised budget. Quite frankly, this is the best we could get - they deserve more.

Rep. Marks: After the last meeting the people from the commission said they would make it work. Rep. Waldron: We could not make any more cuts without making a serious mistake.

Rep. Menahan: In regard to the SRS budget - during the interim there was some hanky-panky in this department. There was an instance of someone going skiing and using the money, positions shift, etc., but do we say this is all in the past and go from there, or do we say this is our pet project and go ahead that way? Rep. Waldron: There has been some very poor management here. We chewed out Colbo and the department heads for problems such as DD, foster care, etc. It was unanimous with the committee that there is a potential to straighten out these problems. A lot of the problems that have been ironed out can be attributed to the current administrator. You have problems with the county directors. They are hired by the counties, but the position is in the state. There are agency feuds. This is a huge agency, but we think they have made some improvement in that area, too.

The question was asked about an error on the increases in day care rates shouldn't it be 30¢ per day per year? Agreement.

Rep. Bardanoue said there are two bills in this same area. Senator Regan said she was disappointed in the way it is written up. In stating foster parents and foster group homes of not less than 7 1/4% and 6 3/4% in '81, it sounds like a contest. If you are going to address day care you address foster care - you have to take them both together.

Rep. Bardanoue explained that the committee and especially the fiscal analyst was under a lot of pressure since they were still meeting at 7:30 last evening.

Senator Smith: Is the directive clear this time? Last time we set a flat increase of 6% for foster care and foster homes. The institutions are the only ones that received it. Yellowstone is the one that got the increase.

Rep. Waldron: The institutions came in and said we need an increase and they gave it to them. Then they looked at the budget and there was no money left for the smaller ones. I checked with Norma Vestry. Keith has promised to see that it will not be done again.

Senator Smith: Is it line itemed? Rep. Waldron: Yes, it is on page 1 where it says "of not less than" in the first paragraph.

Senator Regan: It is my idea that we have funded the medical program as requested by the executive.

Rep. Bardanoue: I will commend the director of the department. There has been a change of management in that department.

Senator Himsel: On the computer eligibility system - there is a computer terminal in each county. Is the eligibility going to be determined in a central office or what?

Rep. Waldron: The terminals are already located. We junked it and

put in the MIMS system.

Rep. Bardonouve: You say "not more than 8" FTE hired in re: nursing homes, and the next paragraph you eliminate 15. How do you eliminate 15 and hire 8? Senator Regan: They are 12 originally; 12 on board. We looked into this and felt it would be a compilation of people under Mr. Colbo. We dropped 4 of the 12 so there are only 8. In addition, there were 15 dropped during the hiring freeze.

Rep. Bardonouve left the room for a time and Senator Himsel took over the chair.

Rep. Manuel: Was there any concern about the subsidized adoption program? Could it be an expensive program in future years?

Rep. Waldron: We looked at this and it looked like we are only having to subsidize for a few months. It is a good program, and it is working well.

Rep. Yardley: What was the reason for dropping the legal services?

Rep. Waldron: We have provided them with \$200,000 a year which is quite a drop. There was \$100,000 in general fund money taken out.

Senator Smith: You say not more than 8 FTE are to be added for screening. Do we now screen to know what people to send out and put into nursing homes, etc.? Rep. Waldron: This is general fund money. It is a team approach and a contract to provide a doctor, nurse, and social workers. The screening is done because they can work with alternatives for people.

Rep. Menahan: What is the reason for the 8 people? We almost have the institutions empty, why should we need more people? Rep. Waldron: These are people who would handle those who might be able to go into a nursing home, out of the hospital, to work with the doctor, and to check on them.

Rep. Manuel: On the Developmental Disabilities Advisory Council - what is the rationale for not funding it? Rep. Waldron: They got additional federal money - we just took out the general fund money. We felt the money could be used for direct service rather than to attend a council.

Rep. Bengston: We realize in the advisory council a lot of cuts were made. Last biennium \$18,000. We need some sort of match to be eligible for federal money - about \$38,000. Some of this can be in-kind services but that much is very difficult. I find it difficult to ask for an appropriation when we are trying to cut. In the bill, you have language that no flow through money go to the Montana Advocacy Program. The department would be allowed to set up some of its programs. Most of the money that goes into the advocacy program is federal money, the only state money is the match. Then you are setting priorities for the council. I am not sure just what we are trying to do.

Rep. Waldron: The money that goes into direct service in the DD program can be used to match. We can get the \$150,000. On the advocacy program, the committee felt it should not put money into a group that could wind up suing us for it.

Rep. Moore: On the Medical Assistance program - how much is general

fund money? There is 34% in general fund. We are overmatched by about \$22 million. I tried to get a handle on this whole program - it is costing the state huge amounts of money. Answer: \$65.2 million for nursing care. The \$125.2 includes the \$65.2 and the 105.5 is the current biennium; it was increased by about \$10 million.

Senator Stimatz: Title xx and general fund is the same? Rep. Waldron: The title xx is a 75-25 match. We have the 25 match, and a little over it. There is no more title xx money available. Every time we put money into this we are overmatched by \$3.5 million per year. \$7 million for the biennium. The committee tried to lower the Title xx fund within reason. Title IV money is spent on a 35-65 match with more restrictions. Title IV requires about 12% more on a local match.

Senator Regan: On 4-A money - we had a lot of trouble on day care. About 30% will be funded by 4-A. When you break it down it should not be burdensome on any counties. It is about \$30,000 statewide, which is insignificant.

After a 10 minute break the committee reconvened. Rep. Waldron: There was concern on the part of Rep. Bengston in regard to the advocacy program. They get separate federal funding.

Rep. Wood: Is there some discretion on where the money goes? Rep. Waldron: You do have some discretionary money and it has to go for that type of activity. The only restrictions the committee put on was it could not go to the advocacy program.

Rep. Manning: On veterans' affairs - why did you eliminate the two secretaries in the veterans' affairs? Rep. Waldron: The savings will be about \$20,000 a year is all.

Curt Nichols: In the reductions made by the committee - the secretaries were about \$7,000 a year, about \$600 dollars a year to the Board of Veterans' Affairs, and loss of one person in Missoula, about \$13,050.

Rep. Manning: Did you look into the possibility of what might be done to make these contract services legal? Was there a possibility that this could be done?

Rep. Waldron: The wording in the contract would have to be changed considerably. Essentially, the secretaries were worked fulltime instead of 1/2 time and were paid below the minimum wage.

Senator Regan: We have done an extensive amount of work on this. It is not our intent to deny service or fund them improperly. The action the committee has taken is correct. The \$50 a month allowance recommended in the legislative audit and the chairman of the board had taken action on this just before we met. We had an extensive meeting with the board, they will be working with the SRS to place the veterans on a broader base statewide with less money. The money that was in this was \$720,000. You are looking at a lot of general fund money for delivery of services. When you look at it, you are not getting the services you should be getting. They are going to meet with Colbo. I would like the opportunity to work with them and perhaps we can come up with something to give the auditor or they are in trouble.

Rep. Hurwitz: There are 10 field officers with 10 secretaries scheduled throughout the state. The field operator travels in small towns. You might find a notice in the post office that says the state vet man will be there. They act as the legal representative for about 5 programs. They advise on deaths, service disability claims - a sort of go-between for the veterans and the federal veterans on claims.

Mr. Jack McGlynn spoke for the veterans. He said he was asking for the veterans to have a chance. He said they are not paid lobbyists; they give their time for nothing. He said the board only meets 3 or 4 times a year and every time they meet it takes money that could be used to travel to the communities to meet with and help with the problems of the veterans in smaller areas. He said the real meaning he got out of the subcommittee was that they would like them to go on welfare. They ask for a lot of information we would have to research and we do not have the time or the people for this.

Mr. John Sloan, National Service Officer at Ft. Harrison spoke. He said they have accepted 17,000 powers of attorneys to act for veterans. They are payrolled and paid by their national organization; Dave Armstrong is the area director. He said the American Legion has a lot of people they represent also. He said the V.A. regulations are pretty complex, and he has represented them in government, supreme court, U.S. Senate and in Congress. If the professional people need help, certainly the common people, G.I. Joe, needs a lot of help. We are proud of our service, he said. He said in the LFA report on page 760 it says "Payment for two part-time secretaries for the DAV and VFW at Ft. Harrison is not included in the recommendation." He objected to the conclusion of the report that this service work was not needed. He said with 100,000 veterans in the state there is more need for service work than there ever was in the past. If the contracts are illegal, why don't they rewrite them? Robert Durkee, State Adjutant, veterans organization, also objected to the statement that they were paying the secretaries 1/2 of what they were worth. He said they are in competition in this market, that this amount is less than 1/2 of what the secretaries are receiving, and that they receive benefits and retirement.

Thomas A. Mahan, individual, and a member of the DAV and the VFW said he had helped to author the contract that was in question. He had worked with the Governor's Board of Examiners, and the Attorney General on this. He said every department of the state has been involved in it. If this contract is illegal, we will offer our services to rewrite it.

Rep. Moore: I don't understand what this is all about. Rep. Waldron: In the audit report that went to the Veterans' Affairs Board, it was recommended that they rewrite the contract, it was illegal. They totally ignored the audit report. They have done nothing to straighten out this problem. They did nothing until this subcommittee started to work on it. The minutes of the Board meeting ignored the report, and the chairman of the Board, very much to his credit, wrote a letter and ordered the accountant to stop paying it.

Rep. Moore: Can we, in the legislature, get it straightened out?

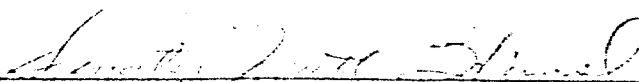
Rep. Waldron: I think we did. Rep. Moore: Not by just jacking it. We do have a Veterans' Affairs Office in Helena.



Senator Himsl: This is a joint hearing. The recommendations go to the Appropriations Committee in the House for that committee to review, then to the floor of the House. There is plenty of opportunity for review. After the House, it comes to the Senate Finance and Claims Committee and then to the Senate floor.

Mr. McIntosh: There are two points I would like to bring out. The veterans are not required to join our organization. The WWII veterans are 55 and more and more they will require services. There is no doubt that we really need the secretaries.

The meeting was adjourned until 7 P.M. this day.

  
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Senator Himsl, Chairman

MINUTES OF THE MEETING  
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MONTANA STATE SENATE

March 13, 1970

The fourteenth meeting of the Senate Finance and Claims was held at 7:30 p.m. on the above date as a joint hearing with the House Appropriations Committee, Chairman Bardanouve presided. Roll call for the Senate is attached. The meeting reconvened at 7:34 for the purpose of hearing testimony from the agencies and departments who had not had the opportunity from the morning meeting, Saturday meeting and Monday meeting.

SRS: Keith Colbo, director of the SRS, said they had some concerns with the decisions of the subcommittees recommendations, and explained them. He said: 1. Child care; a. foster care, and b. day care costs. Recommendations by the subcommittee were below those of the executive and the agency. The difference was not so significant, but the concerns are that in the next 2 years SRS is going to have considerable problems addressing this problem. 2. Medicaid. Specifically, medicaid fraud abuse. There is a 90-10 program that will allow them to get into the fraud field. We feel it is important that the state of Montana covers this particular area. We would ask for the committee to spend about \$90,000 here.

Representative Bardanouve: You know there are bills in the House on increasing the foster care and the day care programs. The joint committee will have a lot more knowledge after hearing the bills.

Mr. Bousliman: I would endorse what Keith Colbo has said, and there is a provision that has not been made. The money for the transfer of people from Boulder to Eastmont, etc. I don't think it is in the budget for the institutions.

John LaFavor: The costs are provided in the Eastmont budget. They will reimburse to medicaid, and there would just have to be a bookkeeping adjustment with SRS. Mr. Bousliman: And added spending authority.

Joe Mazurik: He gave out a sheet called "Achievement Place Fact Sheet" attached. He said this live-in teaching program has not been funded despite being recommended by the fiscal analyst. There had been criticism that it had a chronic low population. He said they had a large turnover, it took some time to get it started, their average for this year was 5.5. There are 6 girls in the home. He said they have community support, and are cost effective. He said the only alternative is Mountain View--the cost there is about \$56 a girl, the cost of the achievement place is about \$34.52 per girl for 4; 29- for 5; and \$25 for 6. He said the average number of girls for the year is just above 5. They have continued to graduate girls

and get them back into their families. It costs about 1/2 the cost of any other program in the state.

Representative Bardanoue: This is for young people who are on probation in Lewis and Clark County, but not really bad kids. They have centers in Billings and in Butte. It is principally from juvenile probation and welfare department that they get their referrals. It is mostly funded with Title XX money.

Karen Northey, Florence Crittenton Home, Helena, said the foster care allotment helped the girls to have some assistance while in the home. Some need to get away from their home area where they can think on their own and receive council. In the home she is allowed to continue her schooling. Sometimes at home the girls cannot make their own decisions on their babies. Here they can. We now need to increase to \$630 per month which is really still minimal. A year ago we put in a rate increase for \$500 a year. The cost at the home at this point is a little over \$700 a month. We don't have a high rate of donations at this home. We are dealing with girls that might be considered bad girls--not popular for donations like little children.

Joe Loess, Social Service Research, Welfare Department, Helena, said he would like the joint committee to know how much we need the home, even though it's had a low occupancy rate in the past, I am not sure what we would do with the girls we place there. The occupancy rate going up is certainly no manipulation as was suggested. The girls that are there are there because they need to be there.

Neil Haight, Montana Legal Services Association, said they receive part of their funding from Title XX. It was recuded this year. The federal money has been increased, the state has decreased. The budget as appropriated for 2 years is about 1/2 the cost of living increase. Apparently it was cut because \$1.5 million was federal money. It is not so. Right now it is \$710,000. \$200 from the state would make it \$900. The federal restrictions of how we spend our money--we are not able to spend it the way we might want to. We will have to close at least 2 offices if we don't get the money. We would certainly appreciate having it put back to the traditional level. We provide several legal services for the poor people. Our objective is to make the system work for everybody. One of the biggest things we do is to give a psychological boost to our people.

DEPARTMENT OF HEALTH: Dr. Knight, Department of Health said he would like to talk about the necessity of licensing slag that was radioactive, the 208 water control program, and the health services division, and would have different people present the testimony.

Larry Lloyd, chief, Occupational Health Bureau, Health and Environmental Sciences, said he wanted to talk about the committee's failing to recommend funding for radioactive material licensing. The law says that the state shall license radioactive material. Many sources are under out regulation at this time. We have re-

searched these sources in the past and try to keep them under control. What is bringing the point to bear at the time is that we have a licensing area, now it is a licensing quandary. There is only one way to completely regulate radioactive materials and that is by licensing. We have two applications to use the slag now. This could be an economic hardship for some of the contractors using this. The question is, is it licensable, or a public health and safety program. By licensing the material, there is a control over the use of the product, and if dangerous, can protect the health of the population, rather than have it on roads, avenues, streets, etc. It might be dangerous when used in concentrated amounts in a city for streets, but perfectly safe on an interstate highway for example.

Sandra Muckelston, DHES, said the failure to fund the licensing will probably put the department in an untenable position. The material cannot be used without a license, we do not have the money to license it, yet the law mandates the Department to administer a licensing program.

Steve Pilcher, DHES, talked about the Water Quality Bureau, and gave out a water quality management planning fact sheet, attached. He said the funding was reduced for this program. He said this is 208 planning, it involves a comprehensive look at Montana water problems. He said the money would be used out in local areas.

Senator Story: Are you asking for more general fund money? Pilcher: No. The \$544,000 would include the same amount of general fund money. We could increase the money because it is available to us as federal funds with a 75-25 matching ratio. The communities would provide the match-in-kind for the program.

Senator Smith: You were talking about run-off. If you find pollution, do you tell me to quit farming or what? Pilcher: No. The Montana Association of Conservation Districts would inventory and assist the agriculture people with non-point pollution problems. They would be asked to recommend a program that would work at the local level. The supervisors would sit down with you to work this out and make known the available programs that would be available to you to solve it.

Dr. Anderson, administrator of the Health Services Division, said the Health Service Program was selected for a priority budgeting system. We volunteered for this. Every time we come up we get an 80% level. We are being discriminated against. It is not fair to the agency. His second point was the role of the nursing bureau. It provides support for rural nurses. To hire nurses that reside in the community will be difficult to do. We started out with 6 1/2 positions, the LEA budget says 5 1/2 (- 1 secretary), the subcommittee now says 4 positions. If our role is to do what was set for us--then if you restored the 1/2 time nurse--she is the prime person to organize the work, and third,--a late breaking event--we have just learned we have been lowered \$46,000 in the family planning service. Maybe it is cleared up, but feel we should know before we leave here what it is.

Susan Nybo, Family Planning Program, said what they thought had been the subcommittee recommendation has been reduced by \$45,000. The reason was--they put in the grant money, and the general fund money was left out. Family Planning is one of the mandated programs under Title XX. 90-10 requirement.

Mike Morris, Comprehensive Development Center, Missoula, said in the request to shift funds from SRS to the Health Department a problem developed. They have a contract with DD which is affected. The subcommittee had given the handicapped children \$13,000 above the governor's amount. It was not the subcommittee's intention to cut their funds, but they do need \$17,000 for the program for 1981. It is the transfer of the contract from SRS, and \$17,000 for the program in 1981.

Bob Biggerstaff, Water Control. We have been approached to do an inventory on agricultural land on a non-point source of water pollution. We would rather have it than for someone to come in and do it for us. This program would orientate itself toward education. These funds are for contracts and would be used to help districts to prioritize their problems and to deal with the problems.

Ole Ulin, administrator of Conservation District. This is pass-through money. It compliments the SCS budget. We have a very great interest in this, and we believe the state agencies and conservation districts are the best ones to do the work, rather than leave it to the Feds. I would urge you to let us use the federal funds so that we can keep this in local control.

Representative Wood: I would like to ask a question about the licensing of nuclear materials. I can't see how it would help the situation to license it.

Dr. Knight: The only mechanism of control is licensing. If it is checked and proven safe to be used without endangering the public health or safety, it could then be licensed and used. If we don't license, there is no way anyone could use the material. If we can license its control, possibly it could be used on interstates or airports, for instance.

Representative Bardanouve: Why is it so necessary to use it? Isn't there other things available for use that are not so dangerous?

Dr. Knight: The economic factor is involved. Slag is about \$1.50 per ton and the other aggregate can be about \$13 to \$14 per ton. The slag is much the cheapest to use for an asphalt aggregate.

DEPARTMENT OF LABOR: Dave Fuller, Commissioner, said he felt he should apologize to the committee for not asking for more money. He felt the subcommittee was one of the fairest in his opinion that they had ever had. We may have one problem with the employment security program and CETA positions. I would like the sub-

committee to be aware we might have to come in for additional money.

COMMUNITY AFFAIRS: George Bousliman, Director, Budget and Planning Program, said that mainly he was pleased with the budget, but did have one area of concern,--the field assistance program. He said they had provided for 5 or 5 1/2. We think it is necessary that we have 2 or 3 at least. These people are necessary to provide training and assistance to cities and towns.

Harold Fryslie, DCA, said in the main they are satisfied, except they are making an appeal for the field assistance program. Previously it was 6.5 FTE human resource program. It was the federal poverty program throughout the state. They were put in to do what they could in the local level throughout Montana so that the cities and counties are served by the program. He said he believed they were putting together a program with the counties and cities and the personnel division in the state government to develop and formalize a program to present the needs of local governments to the governor and his staff and to other agencies as well. Two people would not keep the Glendive office open, but if you want it open we need 3 or 4 people. It would be about \$9,000 in general funding. -- \$101,000 to keep the Glendive office open.

Dan Mizner, League of Cities and Towns: In 1979, a law was passed. We were to get together with the Department of Administration to determine the extent of cost to local governments to provide fire service to cities where buildings belonging to the state are within the cities and towns. We did get together, and we put together a recommendation. The cities did not create the problem of building the buildings in cities and towns. The LRB has built some high rise buildings in towns. Regardless of how much money is spent downtown, it does not add money to the cities and towns. The cities and towns still have to pay for the fire protection.

Dave Hunter: City of Helena. I worked with the League of Cities and Towns to make some estimation on the cost of providing fire service where there are state buildings. We think \$679,729 is a fair figure, with the exception of the City of Anaconda. We think the money is important--it is not important where it is so long as it is there for them to use. The state should recognize its responsibility for the service it receives. All new federal buildings will be built by a private contractor and rented out. That keeps it all on a tax roll. The federal government recognized that their facilities create a problem to the cities and towns. We think you should have each city sit down and come up with the cost of providing this service. In Anaconda, the Department of Administration has looked at those facilities in the city. There is no consideration given to Galen or Warm Springs. The volunteer fire departments can handle most, but in some cases they have called the Anaconda Fire Department, and left the city virtually without fire protection. We think perhaps 1/10 of the

cost for Anaconda would be reasonable for those facilities out of the city.

Representative Bardanouve: If we took every home out of Helena that is occupied by a Capitol Complex employee, every agency, and every hamburger joint that is here because of the Capitol, and every business man's home built because of trade from the Capitol Complex--what would really be left in Helena?

Dave Hunter: Those same facilities would be in some other city in the state, and they would have the same problems in that city.

Discussion was held on whether the SRS building was built by a private contractor--Mr. Dave Lewis, Department of Administration, said this was built by a bond issue, and the bonds were being retired by rent paid by SRS.

Bill Craig, Mayor of Missoula, said much of the state owned complex is not in the city limits, the legislature refuses to let them annex, and the downtown people who pay for the fire service are mill workers who pay a property tax for fire service but get no benefit from having the state buildings located there.

Sam Gesko, Bozeman, city manager, said they need the money and the state needs the fire protection. He said there are three 11-story buildings, and no fire protection in them. What they have to do is to haul the hoses up the stairs, and then quite often find the students have jammed the water sources with paper and debris.

Statements of those requesting money for fire protection for the state buildings was concurred in by Art Korn, Butte; Al Sampson, Missoula; Larry Grahl, Billings; V. Erickson, Missoula; Al Thelen, City Manager, Helena; and Ken Lindstrand, Great Falls.

Dan Mizner said the report was turned into the Legislative Council in January, and the figures will back them up.

Dave Lewis, Department of Administration, said they had compiled the figures as requested by the last legislature, that it was an estimated cost, and it was based on what we assumed the taxable property would be. This could be subjected to change.

There were no comments on the Legislative Auditor, Legislative Fiscal Analyst, EQC, Governor's Office, Secretary of State.

DEPARTMENT OF JUSTICE: Mike Greeley, Attorney General, said that basically they were pleased with their budget. He handed out a sheet listing the original requests, the subcommittee recommendations, and the difference. He said they were relatively satisfied, and in most cases the cuts were appropriate. There were some areas, however, that did need to be addressed, and others would address some of them, he would later address one.

Bob Hechenbrod, Administrator of the Central Services Division,

A.G., Department of Justice, said they had gone through the budget ins and outs, and could not possibly see how they could manage, besides the short funding in the regular budget by over \$100,000 for the biennium, if Senate Bill 184 passes they would need the money for the mailers! He said the FY 80-81 FTE quota should be based on the 79 figures and they were not.

Mr. Greely said there was a problem with the Motor Vehicle Division--these bureaus have over 300 people in them. It has a personnel management person, and these people are in direct contact with the public. If the legislature approves the proposal, we will need a civilian in charge of the program, and he will be the one who does this and makes the transition.

Mr. Greely said, on the Forensic Science, they were asking for a modification of their crime lab in Missoula. He said it was not enough to know someone committed a murder, you had to prove by scientific evidence that it was so, and this lab did need to be updated.

Mr. Greely discussed the Anti Trust Bureau. He said he would suggest the committee eliminate the general fund request if they should so decide, basically they have the grant available, and need the authorization to use it. It is basically an anti-inflation program. It is crucial to stop wide collar crime in Montana. He would urge the committee to use this money. He said he would be happy to work with the committee to put into it a sunset to end the program if it was not paying its own way by the specified time.

Representative Waldron: Under the Motor Vehicle Registration Program, the committee had recommended go from \$129,000 to \$104,000. Why would the printing cost go down? Answer: They have suggested they will go down--the figures we have worked out, it will not go down. This is a recommendation of the sub-committee.

Jan Dee: In talking to Bud, from the Motor Vehicle Registration Program, Mr. Greely had said the cost would go down as monthly license plate tabs are purchased every other year.

Mr. Greely: That doesn't mean we don't mail--Every year you mail out either a license plate or a tab.

There was further discussion on general fund money for the fiscal years of '80 and '81. Also that the bill to raise fees had run into some rough going in the House. It was also mentioned that it might not be legal to switch all of the highway patrol salaries to general fund since they were quite certain the law says Highway Patrolmen shall be paid from earmarked money. That is also a part of the safety program, and this could run into trouble. It was decided it should be looked at.

Mr. Bill Groff, Department of Revenue, gave out an explanation of where they were short in the budget, and Mr. John Clark ex-



plained the cuts that the subcommittee had made in their funding. He explained the confidential nature of some of the data information they needed to research, and said they did not want to submit it out, since it would endanger the privacy of the taxpayers and citizens of the state. He said the budget recommended by the fiscal analyst is disastrously low and loses money for the state of Montana.

Representative Waldron asked if some of the work had not been sent to Taiwan in the past. Mr. Groff said they had done so at one time, it was too big a load for Missoula, and they could get it back from Taiwan sooner. They no longer send any there.

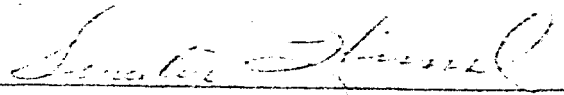
Bill Groff: By putting back the first five figures, you will be getting back more than you put in. He said they were hurting in the audit department, and that they were losing more in a day from interest than anyone could realize. He said if you have a million dollars worth of checks sitting in the mail over the weekend, and it takes several days to get through them, the interest really adds up. He said they are not able to do the job with what the committee has appropriated, and that he wanted it recorded. He does not want the office staff reprimanded next biennium for what the legislature did not let them do.

Discussion was held on the late notices sent out by the Department of Revenue and the cost it put on the counties by not getting the taxes back in time. (property taxes)

Representative Waldron: My county commissioner is going wild over this late notice deal. Groff: I will go through it with you.

Dave Lewis: There are 23 bills alive in both houses. If these are approved, I will want to come back for adjustments.

The meeting adjourned at 10:00 p.m.

  
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Senator Himsl, Chairman