

APPROPRIATIONS - FINANCE & CLAIMS

SUB-COMMITTEE: HUMAN SERVICES

JANUARY 22, 1979 - CAPITOL ANNEX

The meeting was called to order at 8:10 a.m. by Chairman, Steve Waldron with the following members present:

Chairman, Steve Waldron
Senator Gary Aklestad
Representative Bill Hand
Representative Robert Marks
Senator Pat Regan
Senator Pete Story

Others present were: C. D. Getz, visiting; Martin T. Mangan, Deputy Director of DCA; Harold Fryslie, Director of DCA; Larry Elison, Governor's Office; Lori Elison, visiting; Patricia Sarvis, visiting; Tom Kotynsky, Great Falls Tribune; Randal E. Mills, Lee Newspapers; Bill Hanson, SPI; Dean Zinnecker, Montana Association of Counties; Dan Mizner, Montana League of Cities and Towns; John F. Patten, visiting; Mike Ferguson, Administrator of the Aeronautics Division; Curtiss Nichols, LFA, and Carolyn Doering, Executive Budget Office.

At the beginning of the meeting Chairman Waldron handed around a summary of the Beech King usage. This was for the subcommittee's reference.

Representative Bardanouye clarified a statement which he gave to the press. He does not want the subcommittee to think he is covering up any investigation of the Aeronautics Division. He is concerned with the subcommittee completing their schedule. If it seems necessary that the probe continue perhaps a separate committee could be appointed.

Larry Elison, representative of the Governor's Office spoke in regards to the report on the Aeronautics Division investigation. He pointed out to the subcommittee that if there has been a delay, it is his fault. Mr. Elison wants to make sure that the report is completed before it is released. He does not want to release it portion by portion. He believes there is work left on the report including analysis of the data and recommendations. After the report is completed, he is recommending at this point in time to turn the report over to the Legislative Auditors. The Auditors will then report to the Legislature. The reason for turning over the report to the Legislative Auditors is to relieve suspicion from the in-house investigation. Because there has been hints of a cover-up, the Governor's Office wants an impartial party to confirm their findings. Mr. Elison's involvement has included making some interviews and helping with recommendations. All persons

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in the report will be given an opportunity to verify their portion of the report. All discrepancies will be cleared up before the report is released.

Representative Marks expressed some concern with bringing in the Legislative Auditors, if there appears to be nothing wrong in the report. He reminded Mr. Elison that several people are under suspicion at this point in time and as soon as they can be released from that suspicion the better.

AERONAUTICS BUDGET

Curt Nichols, LFA, briefly explained the duties of the Aeronautics Division. Their duties include giving loans and grants, maintaining state owned airports, operating some beacon systems and running small education programs. The major concern with this division is that the Air Transportation Pool is being run at a deficit. There is a Supplemental Budget this session to cover this deficit. Several alternatives were mentioned to alleviate the deficit situation. Increasing the use of the planes, implementing the law by consolidating some planes and pilots or disbanding the pool and selling all assets were some alternatives mentioned. It was expressed that contracting for planes would be less expensive than the Air Pool as it is operating now.

Mr. Mike Ferguson, Administrator of the Aeronautics Division, did not feel they could charge more for the plane time or they would be above privately charged rates. Mr. Ferguson felt that the only way the division would be brought out of the deficit would be for Legislature to mandate more guidelines, including a definition of personnel use and departmental use of aircrafts. Representative Marks requested a copy of Mr. Ferguson's recommendations. Mr. Ferguson also pointed out the high cost of renting hangars for their planes. It is two to three times higher to rent from the Fish and Game and Highway Department than to rent a private hangar.

There was considerable discussion on the Highway Department's plane, the Aero Commander. The general feeling was that it is not used in a cost effective manner. One suggestion was that Legislature mandate that the plane be sold immediately and the Highway Department use the pool. Chairman Waldron appointed Representative Marks and himself to a subcommittee of the subcommittee which is to meet with both the Fish & Game Chairman and the Highway Department to find a solution to the problems there. (i.e. the Aero Commander, reluctance of the Fish & Game to turn over pilots and planes.)

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The Aeronautic's Budget was interrupted so Mr. R. Dean Zinneger, Montana Association of Counties, and Mr. Dan Mizner, Montana League of Cities and Towns, could testify on behalf of the Community Development Program within DCA. (the Field Assistants Program) They both feel it is an important program and helps the counties and towns coordinate their own programs. It serves as a liaison. Dave Wanzenreid, Field Assistant in DCA, informed the subcommittee that there are more than enough requests to keep him busy. Another field assistant would also have more than enough to keep him busy.

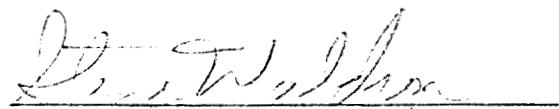
AERONAUTICS SUPPLEMENTAL BUDGET

This supplement is due to the deficit in the Aeronautics Division for the fiscal years 1977 and 1978. \$45,221.84 is for the Governor's flight time in 1977. This part of the deficit will not be in future supplements. The Governor is now allocated funds to pay for flight time. The policy just changed in the last legislature. The other \$80,604.15 is from the division deficit. The deficit was taken care of in the division by borrowing the amount from another account within the division. If the supplement is not funded the deficit would eventually come out of the Airport Loan Program. The concern was expressed that if supplemental budgets were approved, it would be like giving the Aeronautics Division a blank check on expenditures, instead of operating in the fixed budget given them. It was noted that if the Air Pool was implemented properly, there would be no need for a supplemental.

A time for a work session was discussed. Wednesday night will be considered.

The meeting was adjourned at 10:00 a.m.

Respectfully submitted:



Steve Waldron, Chairman
Approved

HSP: bes