

MINUTES OF THE  
LEGISLATIVE, JUDICIAL AND ADMINISTRATIVE SUBCOMMITTEE

February 9, 1979

8:00 a.m.

Room 132

State Capitol Building

Tape Data: 6:1-3:521-end

6:2-2:0-914

Subject: Insurance Division  
Dept. of Justice

The meeting was called to order at 8:00 a.m. by Chairman Menahan. All members were present. Fiscal Analyst JanDee May was also present. Mike Young, Administrator for the Insurance Division and Ed Eaton and Les Simkins from the Budget Office were also in attendance.

The first part of the meeting was a work session on the Insurance Division. The hearings for the day were Department of Justice: Motor Vehicle Registration, Crime Lab, Law Enforcement Teletype System, Law Enforcement Academy Bureau, Fire Marshall and Identification Bureau.

DEPARTMENT OF ADMINISTRATION  
Insurance Division

The committee discussed the self-insurance reserve and the amount to be build up in the reserve. Mr. Young stated the estimate for the end of Fiscal 1980 was \$5 1/2 million and for Fiscal 1981 \$6 1/2 million including the \$2.5 million loan.

A major claim involving a large deal of money has not occurred. There are cases pending.

Representative Hand felt the reserve should be built up.

Representative Hand moved to approve the Executive budget recommendation. Senator Thiessen seconded the motion. Those in favor were Senator Thiessen, Representative Wood, Representative Hand and Chairman Menahan. The motion passed.

The committee discussed the university millage fund being used to pay fire insurance.

The Insurance Division also requests an additional FTE. The position would be a lawyer position.

Senator Thiessen moved to approve the extra FTE. All were in favor. The motion passed.

DEPARTMENT OF JUSTICE  
Law Enforcement Academy Bureau

Larry Lytle, Chief, presented to the committee a chart showing the program's schools, amount of students and weeks of instruction

for training. In 1979, the chart showed 57 schools and 78 weeks of training with 1,397 students. To maintain the level of training they are requesting two additional instructors. The budget for 1979 is \$302,845.

For Fiscal Year 1980 and 1981, they estimate 122 weeks of instruction, 1,950 students, 95 schools and a budget of \$400,842.

Local governments pay for the training of students. Mr. Lytle stated if they have to raise the fee, local government will not be able to afford to send people to the Academy for training. Presently, \$1,496 is the cost for a student for going to the school. Mr. Lytle stated they raised from \$2.70 to \$3.25 a day for mandatory schools and from \$5.40 to \$6.50 on specialized schools. He commented that they had many cancellations.

Mr. Lytle stated that under the proposal of the FA, they would have to raise the fees to generate the earmarked revenue funds to support their budget.

The FA responded in relation to the generated funds that the FA recommended \$62,000 and \$72,000 respectively. The FA and Mr. Lytle differed in the area concerning the number of schools and not the fee level. Mr. Lytle stated that the present charge generates \$30,000 a year and in order to generate \$61,958 for 1980 and \$71,189 for 1981 they would have to double the charge. The FA and Mr. Lytle agreed to meet and settle the problem.

In response to Senator Lockrem's question as to the rationale behind going into the Motor Vehicle earmarked revenue account, Mr. Kuchenbrod said that the last Legislature recommended for the Law Enforcement Academy and the Law Enforcement Teletype System to find funding other than general fund. Through the Department of Justice, they have come up with funding through the \$1.00 charge on motor vehicle registration fees.

Sheriff Dale Dye, President of the Montana Sheriff and Peace Officers Association; James Cooley, Representative of the Chief of Police Association; John Onstad, Sheriff of Gallatin County; Jim Burns, Undersheriff of Cascade County and Dave Mizner, representing Montana Cities and Towns Association each gave testimony in support of the Law Enforcement Academy budget and commented on the increase in fees and how it would cause serious problems within their budgets and for training of their people.

Mr. Mizner asked that if the increase did go into affect that funds be made available on the local level so they could still have the training.

The FA commented that her recommendation is not to increase the fees for the schools but to hold tuition costs down to keep the students coming in for training.

#### Motor Vehicle Registration Bureau

Bonnie Cochrell, Chief of the Registrar's Bureau briefly presented

to the committee what has happened to the bureau in the last couple years. Mrs. Cochrell commented that in 1976 the files in the Bureau were automated which allowed the system to be more accessible.

Mrs. Cochrell stated that they were able to free FTE through attrition, as a result of automation and reorganization in 1977. She said that the volume however, was increasing at 9% yearly. Mrs. Cochrell commented that last year they tried putting terminals out at county sites and this has eliminated duplication between the Bureau and the counties and also gives the county access to the files. Mrs. Cochrell stated they are requesting to go out to 4 other counties and set up terminal sites.

They request an additional FTE. Mrs. Cochrell asked the committee members to support the Executive recommendation for the budget.

The cost for the contracted services would be \$6,400 for the terminals.

The FA responded that last year there were 7 positions which remained vacant from October on and was told that the positions were no longer needed. She said this was the reason for the positions being deleted.

In data processing, the FA recommendation reduced \$30,000-40,000 a year. She stated that the Data Processing Bureau was moved to the Motor Vehicle Registration Bureau. The FA applied inflation factors to the 1978 base in this area.

The FA predicts \$126,000 in data processing costs for the Motor Vehicle Registration. They have anticipated spending \$178,000 in 1979 and from that amount have projected the amount for 1980 and 1981.

The FA also commented that \$3,000 will need to be put back into her recommendation for maintenance for 10 terminals.

Mrs. Cochrell stated that they have tried every cost effective measure they know. They reverted \$40,000 of savings from setting up a terminal in Deer Lodge. She commented that they are spending more at the present than what was budgeted for in the FA recommendation.

The FA responded they are requesting increases of 44% and 52% from 1978 for data processing.

#### Crime Lab

Arnold Melnikoff, Chief, explained the functions of the Crime Lab to the committee. They analyze samples from the police agencies around the state and also work with the Department of Institutions on the DWI program. The Lab is composed of the DWI section and the Criminal Investigation section.

The DWI program is funded \$40,000 from the beer tax and \$20,000 from the Department of Transportation. The program was transferred to the Department of Justice July 1, 1977. -

Lab work is required by statute to be performed for DWI persons. Each month 150 tests are performed. They also use operators to test persons. There are presently 400 operators which involve training on how to use the equipment and maintenance.

Mr. Melnikoff commented that they presently are authorized for 3 FTE but have only 2 positions filled because of insufficient funding. They do have a part-time college student working to help out.

Mr. Melnikoff commented that it is more efficient to have DWI combined with the Lab and it also helps with the costs.

He addressed the FA report comparing the program with a local clinic. He stated that the DWI program does help before the problem becomes a more serious problem.

Mr. Melnikoff commented that there is a possibility that the Federal government would cut back or eliminate hiway funds if there was not a DWI program being as it is part of hiway safety. He also said insurance companies could not distinguish between drivers and everyone's rates would therefore be raised.

The FA responded to the question of funding. She stated at the time of analysis the Department of Institutions informed the FA that the liquor money was not available for the DWI Lab. The FA commented contradictory reports in the last week have stated if money was to come to the DWI program it would have to come from the localities. She said she now is aware that Mr. Zanto from the Department of Institutions has set aside funding for the program but none of this has been made public.

#### Montana Law Enforcement Teletype System

Marlene Vaughn, Chief, explained to the committee the operations of the System. It provides training statewide, 24-hour a day technical assistance, vehicle registration information which is not accessible to law enforcement through the computer, and law enforcement with 24-hour day, 7-day a week access to the state identification bureau files.

The System operates currently with 7.05 FTE. They request the current level and the Budget Office recommends current level. The FA recommended 6.05 FTE.

Mrs. Vaughn commented on the 3% vacancy savings applied by the FA. She stated she could understand if there were vacancy savings but they are operating with the total 7.05 FTE. She stated they have part-time people on staff to help if something comes up and staff is vacant. Mrs. Vaughn stated they operate with the least amount of people they can and there are no vacancies. Even with the increase in work volume they handle it with the same staff.

The control terminal operators and the operation supervisor were reclassified in August of 1978. Those figures to cover the increased salaries were not requested in their budget. They need an additional \$10,255 to reclassify the positions.

Mrs. Vaughn asked the committee to support the Governor's recommendation for the FTE and personal services budget.

In operating expenses, 80% of the budget consists of communication lines and equipment, maintenance of equipment, rental of equipment and contracted services. The estimate for the upcoming year is \$216,000 plus for just these four categories.

The FA pointed out that at the end of 1978 there were 2.4 FTE vacancies. She stated she did realize that one of the aggregates expended in this area was almost double what was budgeted for, however, at the end of Fiscal 1978 they have a 9.3 vacancy savings.

In operating expenses, the program is requesting for supplies and materials a 142% and 150% increase from 1978 expenditures.

Travel was decreased due to several trips taken by Bob Hayes, Data Processing Manager from another program which was paid from this budget.

The FA had a question as to the amount spent as of December in contracted services. Mrs. Vaughn felt an error had been made and felt that \$21,000 was not adequate for what was needed.

The committee discussed the working of overtime without compensation.

Mrs. Vaughn commented that they are requesting in their budget modifications more terminals to be put on the system. She stated that local law enforcement in 4 agencies requested service and had to be turned down because of not having the funds to put them on. She commented that there is not a terminal at the state prison. The amount for the terminals is \$16,080 for 2 terminals for each year.

The other request under the modified level is \$4,176 each year to provide a better method of a service already being provided.

#### Fire Marshall

Bob Kelly, State Fire Marshall, gave a brief description of the functions of the Bureau.

Mr. Kelly referred the committee to state law which states there shall be 3/4 of 1% tax placed on the fire insurance premiums on fire insurance sold through the State of Montana. It has not been computed for 1978 but in 1977 the tax amounted to \$274,848. Mr. Kelly commented that the tax from 1971 to 1977 increased on an average of 12.17%. If the increases continue on the same percentage, it will bring in \$783,839 for the 1980-81 biennium.

The Fire Marshall request for the 1980-81 biennium is \$444,157. Of the tax estimated \$339,682 would remain in the general fund.

The program requests a deputy fire marshall for eastern Montana. The deputy would perform investigation and routine inspections required of the fire marshall in this area which Mr. Kelly stated has been neglected.

Mr. Kelly commented that in 1978, the Bureau accrued 754 hours of compensatory time. He stated that records show in some areas of inspection they are way behind and have had no inspections in 4 to 5 years. Mr. Kelly stated if they could have the deputy fire marshall they could do their workload and arson investigations as requested and have inspections on a 2-year basis.

Mr. Kelly addressed the use of agency owned vehicles versus motor pool. The automobiles are unmarked automobiles equipped with radios and have arson investigation kits. Mr. Kelly also commented that they are on a 24-hour call. He stated the cost breakdown for 1978 for the agency vehicles was approximately 12¢ per mile with a turnover of 101,000 miles. If they had leased from the Motor Pool it would have cost 14¢ per mile.

Mr. Kelly stated a major part of the budget is a man requested for the Glendive area which will require a budget modification. Presently, they have 8 FTE. He commented that duties of a secretary who terminated were absorbed within the office. He stated they could not continue to do this unless they had a man in the field to assist with duties. Mr. Kelly stated their priority is having the man in the Glendive area.

The Budget Office recommended the field position.

The FA increased the travel in the budget and included motor pool costs and peridium in her recommendation of \$13,600. If peridium costs were removed and they used 60% for motor pool costs it would reduce their travel to less than \$60,000 a year and Mr. Kelly said with the job they need to do it would cause serious problems.

The FA commented that Mr. Simkins and she would have to get together in the area of rent. Mr. Kuchenbrod commented that by putting all their rent into Central Services they would know what the total cost for the Scott Hart Building to be paid to the Department of Administration would be. His proposal was to then allocate it to the programs by square footage so a cost per program could be made.

There was discussion on this point.

In relation to the deputy fire marshall, the FA commented that speaking with Mr. Pentilla prior to his retirement, they had been doing a tremendous amount of work with the localities for investigation purposes. Mr. Pentilla assumed these areas would become self-sufficient and the duties would become supervisory in nature. The FA noted there are 24 special deputies

throughout the state that can be contracted with if the need arises. The FA feels the current level is sufficient.

Mr. Kelly stated as the sheriff departments are trained they have a knowledge as to whether it needs investigation or not. Mr. Kelly commented with the arson concept the workload will increase in this area. Mr. Kelly commented that the special deputies were used very seldomly.

Mr. Greely stated their second priority within the Department was to have the deputy fire marshall.

#### Identification Bureau

Mr. Fritz Behr commented on the duties of the employees within the Identification Bureau.

Mr. Behr stated approximately 500 fingerprints come into the Bureau a month. They also put out a law enforcement bulletin once a month for information for law enforcement throughout the state.

Up to August of 1978, they handled 139 latent fingerprint cases. When cases come to trial it is a matter of expert testimony. Mr. Behr stated a significant help to the criminal justice process is the fact that appearance in court is available when required. Philip Conover, Chief appeared in 6 trials last year.


Another area the Bureau is involved in is the basic and specialized schools for training at the Law Enforcement Academy of local law enforcement people in how to dust for latent prints.

Bob Kuchenbrod commented that the Department of Justice has recommended to accept the Budget Office recommendation.

Under the modified services, the program would like to withdraw the request for the high speed printer.

The meeting was adjourned at 11:35 a.m.

Respectfully submitted.

  
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William Menahan, Chairman