

MINUTES OF THE MEETING
FINANCE AND CLAIMS COMMITTEE
MONTANA STATE SENATE

March 10, 1979

The eleventh meeting of the Senate Finance and Claims Committee was held on the above date in Room 104 of the State Capitol Building. The meeting was held as a Joint Senate Finance and Claims, House Appropriations Committee with a report from the subcommittee on Agency II to the Committees of the Whole.

ROLL CALL was taken for each House, and all members of the Senate Committee were present except Senator Lockrem.

The meeting was called to order by Representative Bardanoue, Chairman of the House Appropriations Committee who said this was the first subcommittee of five which make up the contents of the House Bill 483. House Bill 483 is the basic bill which we will operate under. He said Representative Rex Manuel and Fiscal Analyst Bob Robinson would report for this subcommittee. He announced the meeting would be over at 11 a.m. since there were other subcommittees meeting at that time to wrap up their reports. He said departments could appeal at least once. If there was time at this meeting, or at the House Hearing, if they found they could not live with their budget they would have a chance to explain why. The subcommittee has worked long and hard, and this is the best bill we could come up with.

Two handouts were given. One was the bill, the other was the explanation for the subcommittee recommendations. These were gone through by Representative Manuel by department, the recommendations of the bill given, then questions were asked by the committee of the Chairman of the subcommittee or a department representative who was present.

Representative Manuel explained that the subcommittee had in mind to go along with the Governor's recommendation not to hire or rehire more FTE's, but there were some modifications. Previously we could not tell how many FTE's had been added during the interim. Our recommendations are sort of in between the Governor's budget and the LFA recommendations.

AGRICULTURE: Representative Manuel explained that the reason for the general fund money to the hail insurance program for the first time was to utilize the administrator in the winter for other department business when he is not busy in the hail insurance business.

Representative Marks: In regard to the Old West Regional funds, is that the total of the 5 states? Answer, yes.

Representative Marks: Would it be possible to use the commission on a part-time basis rather than fund it year around? Answer, Representative Manuel: The commission's functions require year around staff.

Representative Kvaalen: How much of our wheat money goes in here? \$505,000. It is administered through the Department.

Senator Aklestad: Is this appropriation for the biennium or for each year? Answer, Manuel: each year.

Representative Bengston: The Old West, out of Billings commodity office - no FTE and on a contract basis. Does the Billings office contract with the Old West Region or how does it operate? Representative Manuel: The Department of Agriculture gets a certain amount to pass through for the office and the Billings office handles it through a contract.

Representative Marks: It is funded through the Governor's office? Representative Manuel: No, through the Department of Agriculture. Representative Marks: Why? Answer: This is new. Representative Marks: Is this handled through dues or fees? Answer: It is through both but is part of the commission dues paid by the state.

Gordon McOmber, Department of Agriculture: This contract was formerly handled out of state, our Department now administers the Old West Regional Commission grants. There are 2 grants. One is for the office in Tokyo, the other for the office in Billings. We keep 6% of this money for administration, and the rest is passed through. By contracting, we eliminate FTE's.

Senator Aklestad: Does the Western Wheat Association have anything to do with the office in Tokyo? Gordon McOmber: They work together. No money in it, and no FTE's.

Representative Bardanouve closed this section, and proceeded to the next.

BUSINESS REGULATION: Representative Manuel explained the sub-committee appropriations that will be in the bill, and questions were asked.

Representative Moore: In the bill, why would the other funds column decrease so much from the '79 to '81 biennium? Representative Manuel: The milk control -- that is all from "other funds" and then we didn't use the butterfat testers, and this was a big amount.

Representative Hurwitz: Last biennium they were appropriated a lot of money for butter testing machines. This expenditure is not an on-going expense so it reflects this biennium as a decrease.

Senator Regan: You stated, on the last lines, "included in the milk program appropriation is \$10,000 each year for hearings examiners and legal fees". Do they have an attorney over there? Two attorney's were given. Were they added this year? Answer: Not in this year.

Representative Ellis: Where does the fees from the Weights and Measures go? Bob Robinson: Go back to the general fund. It was approximately 60% of the operations that were replenished in the general fund.

DEPARTMENT OF FISH AND GAME: After an explanation of the budget recommendations for the bill, Representative Manuel answered questions.

Representative Bardanouve: At the present time there is listed 473 FTE. It was 500. Why the big drop off? Representative Manuel: Fish and Game have so many partial FTE's. On the current level -- actually it is hard to tell since it depends on what time of the year the current level is being taken in.

Question: What do you mean by High Level? \$37,000? In answer to Senator Regan's question Representative Manuel said one high level attorney costs \$37,000. That is a lot of money, but it is a lot less than what they were paying for contracted services.

The question was asked as to the six member core and supporting these positions for a short time. Representative Manuel said this was done to put a little security in the jobs. The department would have a little more flexibility to keep the people on as needed. There was some haggling between the analyst and the Department on this--about how they work and the appropriation. We appropriated by a program, but also tied it back to the division and gave them the flexibility to use it back and forth.

Representative Manuel explained that the subcommittee had written in that the magazine "Montana Outdoors" has only unbiased articles, and also to make it self sustaining.

Question, Senator Regan: There was an interim study and Representative Scully had a bill on legal services. Is the bill alive or what? Answer: It is in the Senate. Regan: We told our agencies, in effect, don't ask for an attorney because you are not going to get one until we find out what happens to the bill. We did not put any attorneys in. This may be an exception. In the next paragraph on the employees, you hire 6 employees and then do not have them do anything?

Representative Manuel: This is the core staff. On the private grants and contracts, they write the statements. They are the core people, the people who really run this. They would be eliminated if no federal grants came in. Historically, they are kept busy all the time, but it could happen that they were not busy for a month. They could not afford to lose them.

Representative Bardanouve: How many in the core? Representative Manuel: six.

Representative Menahan: It looks like about \$600,000 to regulate the parks. Are we going to make some effort to fix up the parks or abandon them? Representative Manuel: We have put in some money for taking care of them. Menahan: We are going to have to have materials in them. Some of the latrines are unsanitary, garbage cans don't get dumped etc., and they say they don't have enough money. Other states have nice parks. In Montana, we might as well send them to the dump for picnics and recreational use. Representative Manuel: The Legislature does not like to put general fund money into them. We marked out all the earmarked funds we could, from fishing licenses, etc. to help maintain the parks. Any more maintenance would have to come out of the general fund. Representative Menahan: If we are bringing in all the tourists they say, can't a little of this

money go back into the parks? Representative Manuel: At times the parks are heavily used. A person based there to collect the fees would cost the Department too much money. It would probably be maintained better.

Representative Marks: The attorney. You have one full time attorney on; what is the other one going to do? Representative Manuel: This is a high level position where trial experience is needed.

Representative Marks: What is their involvement? Representative Hurwitz: Boundary disputes for one thing. Marks: What is the big deal about boundaries that we need such a high powered attorney? Representative Manuel: There are boundary disputes that would cost the state a lot of money, and some of them are watched by other states, and set a sort of precedence.

Representative Bardanoue: What about this bill of Scully's on the lawyers pool? What is its condition? Senator Story: It is in the State Administration Committee. We have not acted on it yet. It would put a temporary hiring freeze on.

Mike Koehnke, office of Budget and Planning, said the position in question was not new. They had had the attorney, Woody Wright as a staff attorney, and had contracted out the court cases. The last major dispute was taken to the Supreme Court. Involved in these border disputes were Indian disposition, water rights, titles on state land, etc. He said they thought it better to hire an attorney than to contract them.

Representative Bardanoue: How does the cost compare? Mike Koehnke: The attorney also writes the impact statements -- Representative Marks: On the staff attorney, would it save the Department money? Mike Koehnke: It saves them money. It is \$37,000 less for the attorney to be hired than contracted. We paid \$1,000 per month and then when a month would go by with nothing for him to do, it cost us \$1,000, and then maybe the next 2 or 3 months it would be \$3,000 or \$4,000.

Representative Bardanoue: I should have mentioned to the committees that Mr. Koehnke helped the subcommittee in their work.

Representative Moore: How many law enforcement people do they have now? Answer: 93 wardens, 86 biologists.

Senator Etchart: Going back to the core on the environmental impact team. Does it address only environmental issues, or economic ones also? Representative Manuel: Only environmental. Senator Smith added that in regard to the Poplar River - they have done work there where damage was a concern.

Senator Himsl: On this bottom line - is this increase in personal services anticipating the salaries for the next biennium or what? Representative Manuel: It is based on what they are making now - on the old pay plan. Any wages that are added will have to be appropriated to the budget office and prorated to the Departments.

Senator Himsl: But what basis was this established on? Bob Robinson: Personal services was based on the salary for 1979. To any extent that it is changed it will have to show up in the final budget figure.

Senator Regan: Is longevity included? Mike Koehnke: no.

Representative Bardanouve: Severance pay? Mike Koehnke: No. Vacation time? Answer: No. The Department cannot pay overtime, and there are no pay plan or salary increases in the bill.

Representative Manuel: Some agencies have a different benefit percentage.

Representative Moore: Do you put this language in the bill?

Representative Manuel: No, the one handout is the bill, the other is our explanation which will also be used on the floor as an explanation.

Senator Aklestad: How does the Fish and Game account for 1975 FTE down, but personal services up \$1 million? Why? Bob Robinson: Part of the increase is from everyone moving out one step with the pay plan. CETA employees are most of the positions that are down and these are low paid positions.

Senator Aklestad: You mean they kept on the high level people and got rid of the ones who were doing the work? Bob Robinson: It would take additional budget amendments to put on CETA positions on the summer jobs. At that time the FTE goes up for the summer. The budget amendment takes care of that.

Mike Koehnke: The 6.8 million was the appropriated actual funds. If vacant for 1/2 year, the cost savings reverted back to the proper fund. Representative Manuel: The 7 million was the money appropriated, not what was actually spent.

Representative Bengston: On the parks and recreational area, what number represents the acquisition? Mike Koehnke: Acquisition is different. It would be in the Long Range Building Budget.

Senator Etchart: Vacancy savings? Representative Manuel: There is none in here.

Representative Hand: The basic part is for parks? Representative Bardanouve: The general fund is for maintenance and operation only. No general fund money for operation of the Fish and Game. The old concept of Fish & Game has no general fund money.

Senator Smith: As the Fish and Game acquired more land they have not kept up with the money to maintain the upkeep. Representative Bardanouve: They have expanded the base but not the money.

Representative Hand: Was there any place in this budget where money could be available for acquisition of land? Bob Robinson: There was some coal money for land acquisition. After buying the Rosebud

Battlefield this amount is about depleted.

Representative Ellis: In regard to "Montana Outdoors" - just what do we expect to get out of this paragraph? It doesn't say anything.

Answer: We just wanted to have them stop writing articles that would antagonize farmers and ranchers. The policy is to make for friendlier relations between them, and the articles aren't following that policy.

Representative Bardanouve: I did not approve of somewhat censoring the magazine. I am a rancher-farmer. If I cannot defend myself I do not feel the magazine should be censored.

Senator Smith: In this area we felt they should have some control. For example, there was an article which was critical of spraying noxious weeds, yet they came into the committee and asked for more money to create better rancher-farmer relationships. We thought they didn't have their act together.

Representative Ellis: You say make the magazine self sufficient. That means advertising. This sentence doesn't say so - in fact it doesn't say anything.

Senator Thiessen: Isn't there some fund variation here on the operations? Representative Manuel: They don't have general fund money in this and the personal services. Actually what they get out of licenses and fee revenue - if they don't get it they can't spend it. Senator Thiessen: But the operations were increased, and equipment was down. \$1.6 million to be spent between the two years.

Bob Robinson: The appropriation is based on the actual expenditures of '78. They spent \$11,541,000; they were appropriated nearly \$13 million. \$800,000 of that was more than they had money available. The appropriations were more than the money available. In the appropriated figure for 1979 - they probably will not have the money to reach that level.

Senator Thiessen: What is the percentage increase of '79? Bob Robinson: We kept it at the current level - most of the rest was up 6% which is standard inflation. Representative Manuel: They operate on a priority basis.

STATE LANDS: Representative Manuel said this is a small agency and a very well run agency. The reason for the big jump in the 1981 biennium is the \$11,079,557 in grants for reclaiming abandoned mines.

Representative Bardanouve mentioned that the legislative auditor said the state may not be getting enough out of their oil royalties. No one is checking the private oil leases to see that the state gets its money. The added income would more than pay for the position.

Senator Smith: In regard to the last paragraph of the explanation which said, previously counties with more than six percent state land were allocated approximately 80% of the amount assessed, the law says it should be funded for a particular amount, and that is what we did.

Question: On the new mines - are we planning to open new mines?
Mr. Barry, State Department of Lands said we will probably open more mines. There are approximately 10 permits pending now. Representative Bardanouve: Are these new inspector positions to cover these new mines? Mr. Barry: Yes. That is the minimum number of inspectors we will need.

Representative Yardley: The \$11 million. Is that strictly coal mining? Mr. Barry: That is the priority. This is a 35¢ a ton, and these funds come out of that tax. It must be used by the Federal Strip Mining Act: 1. Coal claims reclaimed first. 2. Then go into other kinds of reclamation for hard rock mining, etc.
Representative Yardley: I was given the understanding they were being reclaimed voluntarily. Mr. Barry: 200 acres in the Colstrip mine area that is not reclaimed. Sand Coulee area, etc., must be addressed first.

Senator Story: Do you have an estimate as to how many acres will be reclaimed by this money? Mr. Barry: First we have to get the regulatory program approved. We have not been spending a lot of time on investigations since we must have the funds available. It would be a 15 to 18 year program.

Senator Thiessen: These applications: are they all for the new coal mines? Mr. Barry: The applications I referred to are all for coal mines. There are applications for other mines, but these are coal.

Representative Moore: In the state funding, one FTE was funded by federal money, the clerical one. Representative Manuel: The clerical position was a mag card operator. Bob Robinson: Previously the Department had this position on general fund. They got the accelerated soil survey and they used federal funds to support it. Now the grant is gone, and they still need the clerical help - it was one that was on the staff before but temporarily on federal funds. Jim Williams, OBPP said this was 1/2 coal mine funds and 1/2 general funds.

Representative Bengston: Going back to the "in lieu of taxes", is every county eligible or just counties with 6% to the school foundation program, or what? Senator Ed Smith: Is it 6% or more? There are 7 counties involved - Daniels has 24%, Beaverhead 16%, etc.

Representative Hand: The money comes from the use of the land, especially grazing, since there are no revolving funds in the state lands, the money goes into the school foundation program.

Senator Aklestad: Said what is handled out of the grazing fees, oil leases, etc., goes into the I & I part of the foundation program.

Representative Wood: How many thousand acres is there of unclaimed land? Mr. Barry: I don't have the figures with me, but the thousands

of acres would be throughout the history of mining. Many acres from the past.

LIVESTOCK: Representative Manuel said this was also a small well run agency. There were a lot of earmarked funds which were charged by the livestock people to take care of the operations. He said 6 more FTE were recommended. He also said the lab is used about 1/2 by the general public.

Senator Thiessen said the FTE and the brand computerization was not clear to him, and Bob Robinson said the department is trying to automate its brand recordings. When stock is transferred, they now have people in there trying to do it by hand. Some states have computerized their brands already, and it seems to be working. It will follow a brand through various sales or moves, and right up to the market. SBAS works with the financial operations. This is a program that follows the brands only.

Senator Regan: If you are putting them on a computer why so many people? Isn't it more efficient on a computer than to have all the people handling them? Instead of hand drawing the brands - it seems to me we should be dropping FTE's. How many people are recording brands now? Bob Robinson said the brands are being recorded, the bill of sale is picked up at a county line crossing, there is a deputy recorder here in Helena, and he thinks some clerical help, but the balance of the records have to be kept in the 18 branch offices in the state - the 18 markets. This should save manpower later since you will not need all this at the markets.

Senator Regan: So you should have less employees than before.
Representative Manuel: You don't change this in just a month. This is a very conservative department. When they get the work done, I will assure you, the manpower will go down. The difficulty now seems to be in getting the brands on the computer.

Representative Moore: How many veterinarians? Bob Robinson: In the diagnostic lab, 3 vets; disease control, Dr. Glosser, two other and they have 3 U.S. Department of Agriculture vets housed with them.

Representative Moore: Did they create another vet in the Department this year over last year? Answer: In the diagnostic lab there was one provided, but it was not filled because we did not have the money.

Senator Regan: The diagnostic lab - is it in conjunction with the state agency? Bob Robinson: It is in conjunction with the lab in Bozeman.

Representative Hand: In the experiment station at Bozeman - the need for an electron microscope -- is it in this program?

Representative Bardanouve: It is in the MSU budget - a total cost of \$369,000.

DEPARTMENT OF NATURAL RESOURCES: Representative Manuel explained that the FTE are down, CETA is not included in the budget and they are done with the forest inventory positions. He said the dam safety positions are of concern to the subcommittee. A lot of these dams were built with federal or state money, and they haven't done anything with them for years and years. If one dam up by Lima failed it could take out Clark Canyon, which would start a chain reaction which could cause a lot of damage in heavily populated areas. Since the Idaho dam burst, the federal funds have been supplied and these would be paid by federal funds. Other new positions are due to the energy crunch, a lot of drilling has to be done; and the helitack fire fighting team - they are used to put out a lot of fires quickly. They drop on the fires and put them out quickly - especially rural fires - and if you wait to get conventional equipment to the area, you may have a major fire with a major expense. The Clark McNary forestry funds may be cut, but at the present time it looks like an increase over the amount of fires we have now.

Representative Moore: In regard to the 6.5 FTE transferred from the Governor's office - what funds are used for these? Representative Manuel: These 6 are funded from the general fund money. The other 6 are funded by federal money.

Representative Manning: How many were transferred from the lieutenant governor's office? Bob Robinson: 6 were transferred over. Then more money became available and they have 6 more. Representative Bardanouve: Why not pay the 6 with Federal funds? The 6 are to do special work. Ted Doney answered that the 6.5 were transferred by the Governor's executive order in July. It was field officers and was funded with general fund money.

Senator Aklestad: They are going to evaluate our energy needs, or what? Ted Doney: the 6 federal people are to develop and implement the state energy plan which would consider modification for public buildings savings for gas in automobiles, state buildings, energy conservation in general.

Senator Aklestad: A portion of these people are going to be out checking on new well sites? Ted Doney: No. That is in the 4 FTE added to the oil and gas regulation.

Senator Thiessen: This timber task force - this used to be under the Legislative Council. Representative Bardanouve said they had felt it was more compatible with the foresters since they were legislators working with the forests. I don't think we have to worry about them working, salaries, etc. The language in the bill will make it plain they are there for administrative purposes only. This is just transferred from the Legislative Council to the forest service.

Senator Thiessen: This does create a problem. A legislator is supposed to be apart from the agencies and departments. Representative Bardanouve: The subcommittee just felt they would get a lot more use out of it, since the Legislative Council was not familiar enough to know what trips were necessary, etc. I will have Mr. LaFaver

look into this,

Representative Bengston: In regard to the 6 FTE in rural fire protection, can you explain more of that? Representative Manuel: the people who are stationed in the counties would take care of the work there and maintain the vehicles. This would be done right in the counties.

Senator Himsl: Would you elaborate on the small increase dealing with timber? Representative Manuel: They worked with the state timber inventory to see what they had. \$160,000 was appropriated for this survey.

Senator Himsl: The state has an inventory on the forest resources? Ted Doney: This was the forest inventory program. They inventoried forests on state and private lands. The forest service is doing the federal forests, and they will be completed this year.

Senator Himsl: Is this any relation to the school of forestry program? Are they with the library? Ted Doney: They will use the data and then research on second growth? Representative Hurwitz: This has nothing to do with the inventory. It will be second growth.

Representative Moore: In the 1975 legislature money was put in to finance the start; in 1977 it was increased for this biennium. It was started with a lot of CETA help? Yes.

Representative Ellis: Did you give them legal counsel? Representative Manuel: None. They have one in their department. Representative Ellis: They contracted service? Representative Manuel: We looked this over and Mr. Doney said they really didn't need this any longer. Mr. Doney: I terminated it last fall. It will now be on an hourly basis. Senator Smith: We found out that some months the attorney drew \$1,000 and had no work, then other months he worked and we paid him \$3,000 or \$4,000. We thought it was a poor way to handle it, and made these changes.

Representative Bengston: What about the \$38,000 each year to conduct a water quality non-point pollution study? Is this the same as the SCS, or in their budget? Representative Bardonoue: This is an on-going thing we got into.

Representative Bengston: Are they not in conjunction with the Federal studies or what - the 208 studies. Bob Robinson: That is not finalized in the budget. It is a grant from the Department of Health. This Department, in turn, will distribute it to the conservation districts to generate the information. Mr. Doney: It was decided that the 208 studies should be conducted on a local level, the district should take care of them on the local level, the Department of Health and the EPA get the SCS to do it.

Representative Waldron: In regard to the new 208 - we jerked the funding on them. Senator Aklestad: We okayed the regular and jerked the extra. Mr. Doney said this was contingent on the funding to the Board of Health.

Representative Kvaalen: On the rural fire protection program - how many people all together? You are adding 6, how many of them before? Bob Robinson: One in each participating county. Mr. Isaacs said there are around 6 or 7. It sort of sluffs off into the forest area. They are also working on machinery.

Representative Hurwitz: Some men are kept in Missoula. Old army equipment is worked over and provided free to the rural counties for use as fire fighting equipment.

Representative Bardanouve: Why additional man power? Representative Manuel: This is old equipment that must be made over for a different use. They do this in Missoula. The others would be used to maintain the equipment as well as have other duties.

Representative Hurwitz: These 6 people coordinate and train the rural fire fighters. Help get the new counties started, and they are really trainers.

Representative Bengston: How many counties are involved? Representative Manuel: 6 new ones. Representative Bardanouve said the state is responsible for fires across Montana.

Mr. Doney: The county, at its option, can contract with the state forester to take over the fires in their counties. We refurbish machines and train people in the counties.

Representative Kvaalen: Is it self supporting? Mr. Doney: No. Money comes in from the federal government, no general fund money.

Senator Thomas: Is there training involved? Answer, yes. Senator Thomas: Is there any duplication with the firemen? Answer: No, that is city fires.

Representative Hurwitz: When the fire gets too large for the counties to handle, the state sends in help.

Representative Bengston: Can the counties participate if there is no state land? Ted Doney: State and private forest and grass lands adjoining in their county.

Representative Bardanouve: Can you explain a little more about the helitack fire fighting crew? Senator Smith: It was pointed out it was a lot quicker to go up with a small crew and put it out under 2 acres. If waiting, it would have a lot more acres involved.

Representative Kvaalen: Would this replace the smoke jumpers? Senator Smith: No, this would only be used on small fires.

PUBLIC SERVICE COMMISSION: They had requests in for 24 new positions. The subcommittee put in some bills to relieve them of some of these duties, but do not know how the bills have fared. We did grant CETA receptionist. After looking this over, we decided this was much

better than a \$12,000 a year person having to attend to this duty.

Representative Waldron: Did you include a maintenance contract with the purchase of the system 6? Representative Manuel: It is included.

Representative Moore: You say two cars are authorized - are they big ones, or what? Representative Manuel: We specified the amount they can spend. Bob Robinson: We have specified about \$7,000 each year for 2 vehicles. The ones being replaced have over 100,000 miles, and they should get about 20 miles to the gallon rather than 11.

Representative Manuel said if there were any vacancies, positions should be transferred to utility rates if possible. They work with the high electric rates.

Representative Moore: Does the personal services include the salaries of the commission? Answer: Yes. Representative Bardanouve said there is a bill in the legislature to increase their salaries. He said this was House Bill 886 and was passed by a 95-0 vote. It gave them 5 exemptions, the fiscal note did not accompany it and would probably be another \$10,000 in 1980 and \$5,000 in 1981. The idea would put the three attorneys on a 5-year contract. The first year it would be highest, the second year less, and the third year they would be back up to the pay plan. The public service commission was the only elected officials that were overlooked. This will give them a little more leeway to keep attorneys who have some expertise.

PROFESSIONAL AND OCCUPATIONAL LICENSING: Representative Manuel said there was a lot of sunseting on this board. We will recommend that the abstractors be eliminated. This budget will have to be adjusted according to what goes through the Senate. It is all earmarked funds.

Representative Bardanouve: I see they have appropriated \$125,000 more, but dropped the FTE. Representative South pursued the question saying a couple positions were eliminated, but the money was up. Bob Robinson said this was the same thing that happened in Fish and Game. They budgeted closer to \$500,000. With the turn-over and the vacant positions, they did not spend it. The budget amount is probably more than they will spend. Representative Manuel said the personal services figure is accurate. This recommends what is authorized, not what was used.

Representative Waldron: What about vacancy savings? Representative Manuel: There was the Governor's hiring freeze on this. Bob Robinson said this would be very hard to figure. The 35 FTE were apportioned out to each board. They might work on one board for a couple of hours and then go to another board. To take a vacancy savings, you had to assign it to one board, and this could not be done.

Representative Manuel: The medical board has an increase of \$10,000 and \$15,000 in '81. This is through the EMT. (Emergency Medical Technicians). The medical board received all funds from EMT program. We requested the board to transfer to another account since they are over-funded.

Ed Carney, P.O.L. said he would have to apologize; at the time the budget was prepared we were just getting into this and the first transfer in fiscal '78 amounted to about \$9,000. All the board of medical examiners does is collect \$35 applications and put it into the account. \$32.50 goes to the Department of Health when the person is trained to carry out the training and examination program. It is really a pass through. They take \$2.50 for the administration.

Representative Bardanouve asked if the Departments had protests or comments.

BUSINESS REGULATION: Kent Kleinkopf said his department was not planning on protesting. He said he would like to thank the subcommittee for a job they feel was done very well. They responded in a very responsible manner.

LIVESTOCK: Mr. Greenfield said his department does not plan on protesting. They would like to thank the committee, the fiscal analyst and the budget office for their good work.

NATURAL RESOURCES: Mr. Doney said his department does not plan to protest. They think they were treated very fairly. He said he would like to bring one thing to their attention. The Natural Energy Act passed last fall. The Carter administration proposal calls for revamping energy. A new program would provide grants to put in conservation measures in their buildings. It would require the state to put in a 50% match to administer the program. He will send a memorandum to the Governor and he will decide. It will cost \$300,000 in the next biennium or we will lose \$4 million in federal grants for the schools and hospitals if we do not participate. Another part is the utility program. The utilities to advise and help put into homes - the state would have to come up with \$120,000 - the federals will do this for us if we don't participate in it. In this part there would be no loss of funds.

Representative Bardanouve: If the Governor recommends the program, and if he wants it included, then I would like to have him communicate with the legislature in a message.

Senator Himsl: On the National Energy Act, we had testimony that it had not been approved yet. Ted Doney: It is in the current Congress. There is no doubt that what it will be funded - there is no opposition. Senator Himsl: Do we anticipate it will be here? Ted Doney: I think the money could be appropriated contingent on the federal money.

PUBLIC SERVICE COMMISSION: Mr. Opitz said they plan to protest. The subcommittee did a good job of understanding and helped with their needs. They did request 24 additional FTE. The commission does not have one auditor to audit the Mountain Bell. He said the termination of the CETA employee (a three month training program) left a lawyer, an engineer and an economist to answer phone, etc., all at much higher pay. He said he has \$500 to last until July 30 - there is a Mountain Bell hearing, satellite hearing - the only way he can see is to go on leave without pay to try to meet the expenses.

Representative Kvaalen: I would like to question putting more money

into the consumer counsel and no FTE. Representative Bardanouve to Representative Menahan: 'How does the consumer counsel compare now? Representative Menahan: They gave them a supplemental. They are now coming in with a bill - 294. We were going to handle that through the subcommittee, but it was decided to send it through as a bill. Representative Bardanouve: I would prefer that it be handled through the subcommittee.

Mr. Fitzpatrick: The consumer counsel was asking for a contingency fund. There was some question as to whether it was legal, so it was drafted into a bill.

DEPARTMENT OF PROFESSIONAL AND OCCUPATIONAL LICENSING: Mr. Carney said he had one other comment. While he was unable to speak for the various boards, as he saw them from working with them, the other area is professional area of engineers and land surveyors. The discrepancy between the amount provided and the amount needed could become a problem area.

Senator Himsl: I think there is a misconception as to the sunset. There was no idea they were to be terminated. They were to be reviewed, not terminated. They have reviewed 14 under the audit committee, and as a result they are now beginning to function. They should either perform or be buried. The 14 bureaus that have been reviewed have taken a look at themselves. They cannot just protect themselves, they must protect the public and many are putting on public members now. Their expenditures rise to the level of their income. Many of the boards will ask for an increase of assessment to their members.

Bob Robinson: Maybe you could make recommendations to the subcommittee that should have something done with because of the increase in new activity. Isn't it true that these boards are based on the fees charged the members? Mr. Carney: They have latitude to raise or lower fees within legislative guidelines. Any raise of those fees would have to be approved by the Legislature.

Senator Himsl: On land surveyors - Mr. Carney is right - they are going to have to generate more money. Regardless of what we budget now they will probably have to come in for a supplemental budget.

Representative Bardanouve: The bill is already in. Senator Himsl: But there is not enough to cover what he is talking about. There is \$55,000 this year in the recommendation and \$50,123 for next year. Representative Bardanouve: The bill in the House does not increase the fees for land surveyors and engineers.

OFFICE OF BUDGET AND PLANNING: Mr. Bousliman: The OBP is pleased with the subcommittee report.

Announcements were given for Institutions subcommittee to meet in Room 108 11 a.m., Education in 104, 11 a.m.

The meeting adjourned.



Senator Himsl, Chairman

ROLL CALL

SENATE FINANCE AND CLAIMS COMMITTEE

46TH LEGISLATIVE SESSION 1979

Date 3-10-79

NAME	PRESENT	ABSENT	EXCUSED
SENATOR HIMSL	✓		
SENATOR STORY	✓		
SENATOR AKLESTAD	✓		
SENATOR LOCKREM		✓	
SENATOR ETCHART	✓		
SENATOR NELSON	✓		
SENATOR SMITH	✓		
SENATOR BOYLAN	✓		
SENATOR REGAN	✓		
SENATOR FASBENDER	✓		
SENATOR THIESSEN	✓		
SENATOR THOMAS	✓		
SENATOR STIMATZ	✓		

VISITORS' REGISTER

HOUSE

COMMITTEE

7. L

Date _____

NSOR

[illegible]

IF YOU CARE TO WRITE COMMENTS, ASK SECRETARY FOR LONGER FORM.

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Missouri River Basin Commission

Suite 402 • 10050 Regency Circle • Omaha, Nebraska 68114

Millard W. Hall
Chairman
John E. Acord, Montana
Vice-Chairman

"A Presidential State-Federal River Basin Commission"

February 22, 1979

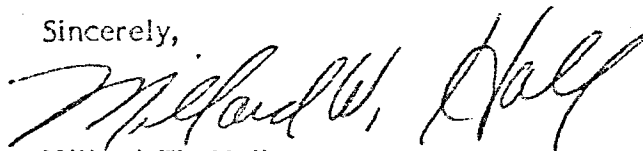
Dear Missouri Basin State Legislator:

I am pleased to provide for your use and reference the Missouri River Basin Commission's "1979 Priorities Report," which sets forth the Commission's top priority water and related land resources programs.

Priorities included for FY 1980 are directed primarily toward securing appropriations for programs which the Commission has previously recommended for agency budgeting. Fiscal year 1981 priorities are programs that we hope agencies will include in their upcoming budget submittals. Priorities for fiscal years 1982-83 are provided to permit agencies to plan in advance for budgeting these important programs during that time frame. Each of the programs recommended in the Priorities Report is currently a part of the Commission's regional water resources plan.

The Commission feels that this year's Priorities Report should be carefully considered and its recommendations followed by the basin States, the Federal administration, and the Congress as they program and fund water resources programs during the coming year. To this end, the Commission Vice Chairman and I plan to actively promote the implementation of these recommendations at both the agency and congressional levels. I am asking you to join us in supporting these high-priority program recommendations.

Sincerely,



Millard W. Hall
Chairman

MWH/vlc

Enclosure

COMMISSION MEMBERS

Colorado, Iowa, Kansas, Minnesota, Missouri, Montana, Nebraska, North Dakota, South Dakota, Wyoming; Department of Agriculture; Department of the Army; Department of Commerce; Department of Energy; Environmental Protection Agency; Department of Health, Education and Welfare; Department of Housing and Urban Development; Department of the Interior; Department of Transportation; Yellowstone River Compact Commission; Big Blue River Compact Administration.

APPROPRIATIONS - FINANCE AND CLAIMS

Joint Subcommittees

AGENCY II

NATURAL RESOURCES AND BUSINESS REGULATION

CHAIRMAN

Manuel, Rex (D)
Hand, Bill (D)
Hurwitz, Burt (R)

VICE CHAIRMAN

Smith, Ed (R)
Boylan, Paul (D)
Stimatz, Larry (D)

Gal 3/10

Fish and Game
State Lands
Livestock
Agriculture
Natural Resources
Professional and Occupational Licensing
Business Regulation
Public Service Regulation

Sub. Robinson

AGENCIES II

	Fiscal 1980		Fiscal 1981	
	General	Other	General	Other
	<u>Fund</u>	<u>Appropriated</u>	<u>Fund</u>	<u>Appropriated</u>
		<u>Funds</u>		<u>Funds</u>
DEPARTMENT OF AGRICULTURE				
Centralized Services	68,632	286,450	80,393	251,804
Hail Insurance	1,600	106,885	1,650	108,809
Crop & Livestock Reporting	36,317	13,500	43,477	13,900
Wheat Research & Marketing		505,987		510,419
Transportation	81,414	13,500	81,593	13,900
Environmental Management	178,750	709,990	180,547	612,152
Plant Industry	<u>307,683</u>	<u>365,119</u>	<u>301,726</u>	<u>343,154</u>
Total Department of Agriculture	674,396	2,001,431	689,386	1,854,138
Included in the centralized service appropriation is \$132,242 in fiscal 1980 and \$106,613 in fiscal 1981 of Old West Regional Commission grants to be administered by the department.				
DEPARTMENT OF BUSINESS REGULATION				
Centralized Services	103,115	38,138	103,442	38,259
Weights and Measures	267,080		272,891	
Financial Division	466,313		450,840	
Milk Control		211,982		214,602
Consumer Protection	<u>92,234</u>	<u>31,078</u>	<u>92,922</u>	<u>31,307</u>
Total Department of Business Regulation	928,742	281,198	920,095	284,168

	Fiscal 1980		Fiscal 1981	
	General Fund	Other Appropriated Funds	General Fund	Other Appropriated Funds
DEPARTMENT OF FISH AND GAME				
Fish and Game ERA 02131		8,227,503		8,336,509
Fish and Game FPRA 04522		3,066,174		2,846,415
Snowmobile Fuel Tax ERA 02017		188,114		193,123
Coal Tax Acquisition and Operation ERA 02036		80,908		79,089
State Parks Misc. 02204		216,742		219,016
State Parks ERA 02205		386,920		399,195
Motorboat Certificate ERA 02206		36,161		36,258
Snowmobile Registration ERA 02207		40,000		40,000
Fishing Access Site Acquisition and Operation ERA 02305		75,778		80,467
State Parks FPRA 04186		105,345		107,376
Motorboat Safety FPRA 04820		45,804		26,913
Disaster Assistance 04941		100,000		
Montana Outdoors		245,013		251,167
General Fund	492,290		492,106	
Total Department of Fish and Game	492,290	12,814,462	492,106	12,615,528

Department expenditures for out-of-state travel are not to exceed \$30,000 each year of the biennium.

Funds for an additional staff attorney are included in the centralized services budget. It is the intent of the legislature that the department utilize this position for regular legal advice and normal trial responsibilities. Funds are also included for contracting legal services in cases requiring a specialist.

The department is authorized to establish a core environmental impact statement team. Expenditures of earmarked funds for support of the team shall be used only when federal and private funds are not available.

Forty thousand dollars is appropriated each year in addition to normal inflationary increases to insure full operation of all fish hatcheries.

Funds appropriated to the department for the publication of Montana Outdoors shall be used only for printing of fair, objective and unbiased articles concerning the fish, wildlife and recreation resource. The department is also encouraged to take the necessary action to make Montana Outdoors financially self-sustaining.

The legislature developed the department appropriation by operating division as follows.

	<u>1980</u>	<u>1981</u>
Centralized Services	2,210,776	2,139,433
Ecological Services	966,696	914,396
Fisheries	2,143,374	2,076,962
Enforcement	2,410,772	2,417,200
Wildlife	2,555,788	2,588,111
Parks and Recreation	1,925,052	1,856,461
Conservation Education	721,803	738,726
Special Staff	198,015	199,340
Administration	174,476	177,005
	<u>13,306,752</u>	<u>13,107,634</u>

The department shall allocate its appropriation by division as above. Should an emergency situation arise, the department may adjust the allocations between divisions only after notifying the budget office of the governor and the legislative finance committee.

The appropriation authorizes 33.31 new FTE's in fiscal 1980 and 28.17 in fiscal 1981. Only 6.91 FTE's shall be considered permanent staff. The remaining new positions result from grants and contracts the department has received and shall be eliminated at the end of the contract period or June 30, 1981.

	<u>Fiscal 1980</u>		<u>Fiscal 1981</u>	
	<u>General Fund</u>	<u>Other Appropriated Funds</u>	<u>General Fund</u>	<u>Other Appropriated Funds</u>
DEPARTMENT OF STATE LANDS				
Central Management	572,018	350,273	579,547	54,922
Reclamation	390,075	5,245,096	389,803	6,234,013
Land Administration	193,282		196,393	
Resource Development		<u>422,016</u>		<u>422,328</u>
Total Department of State Lands	1,155,375	6,017,385	1,165,743	6,711,333

The inventory of state lands having recreation potential will be completed and terminated by June 30, 1981.

	Fiscal 1980		Fiscal 1981	
	<u>General Fund</u>	<u>Other Appropriated Funds</u>	<u>General Fund</u>	<u>Other Appropriated Funds</u>
DEPARTMENT OF LIVESTOCK				
Central Services	51,755	207,023	52,234	208,938
Disease Control		598,224		585,696
Diagnostic Laboratory	228,163	228,163	231,904	231,904
Milk & Egg	135,519	13,000	136,141	13,000
Inspection & Control		1,234,032		1,262,027
Predator Control		192,912		196,709
Rabies & Rodent Control	<u>47,446</u>	<u>15,000</u>	<u>48,063</u>	<u>15,000</u>
Total Department of Livestock	462,883	2,488,354	468,342	2,513,274

Funding for one FTE and related expenses to automate record systems for the disease control and inspection and control programs shall not be considered as an ongoing expense beyond the 1980-1981 biennium. General fund support for the diagnostic laboratory shall not exceed 50 percent of total expenses unless the services directly affecting public health are significantly increased.

DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION

Centralized Services	948,497	222,016	968,520	227,369
Conservation District Supervision	175,714	119,500	176,476	120,000
Oil and Gas Regulation		417,891		419,342
Water Resources and Planning	1,617,769	918,902	1,627,245	1,469,661
Forest Resources	1,910,705	1,992,803	1,937,229	1,987,943
Energy Planning	<u>325,108</u>	<u>1,833,558</u>	<u>328,151</u>	<u>1,880,498</u>
Total Department of Natural Resources and Conservation	4,977,793	5,504,670	5,037,621	6,104,813

Two full-time positions are added in centralized services to administer and audit federal pass-through funds. These positions will be eliminated when federal funds supporting the positions cease.

The conservation district supervision program is appropriated \$38,000 each year of the biennium to conduct a water quality non-point pollution study in cooperation with the health department and conservation districts. No positions are to be added by the department with these funds.

No general funds are authorized for capital outlay or capital equipment for the Daly Ditch irrigation project.

Included in the 1980 forestry division appropriation is a biennial appropriation of \$14,960 for expenses and membership dues for the Western States Legislative Forestry Task Force. The funds are to be administered by the forestry division and used only for expenses incurred by task force members.

The forest resources program is appropriated \$60,000 each year of the biennium for forest fire suppression. The department is authorized to incur expenses for fire suppression beyond the \$60,000 appropriation and request funds for reimbursement by a supplemental request in the event of a serious fire season.

All positions in the energy program authorized to administer and develop the Montana Energy Conservation plan shall continue only so long as federal funds supporting the positions are available. The energy division will not expend general fund money for development of energy demand projections or estimates.

	Fiscal 1980		Fiscal 1981	
	General Fund	Other Appropriated Funds	General Fund	Other Appropriated Funds
PUBLIC SERVICE COMMISSION	<u>890,415</u>	<u>18,900</u>	<u>880,528</u>	<u>19,310</u>
Total for Public Service Commission	890,415	18,900	880,528	19,310

The appropriation committee recommends that as vacancies occur in the transportation division, the positions be transferred to the utility division for utility rate analysis if possible.

	Fiscal 1980		Fiscal 1981	
	General <u>Fund</u>	Other Appropriated <u>Funds</u>	General <u>Fund</u>	Other Appropriated <u>Funds</u>
DEPARTMENT OF PROFESSIONAL AND OCCUPATIONAL LICENSING				
Centralized Services		116,921		118,652
Abstractors		5,142		5,161
Architects		12,425		12,771
Athletics		1,852		1,978
Barbers		19,956		20,109
Chiropractors		6,819		7,030
Cosmetologists		70,308		70,724
Dentists		25,573		26,032
Electricians		45,866		46,205
Engineers & Surveyors		50,200		51,213
Hearing Aid Dispensers		2,996		3,001
Horse Racing		113,226		120,242
Landscape Architects		5,953		6,254
Massage Therapists		2,594		2,619
Medical Examiners		100,108		103,003
Morticians		9,191		9,102
Nursing		115,342		112,439
Nursing Home Administrators		14,857		15,078
Optometrists		8,666		8,840
Osteopaths		629		638
Pharmacists		63,896		65,211
Plumbers		41,522		42,082
Private Investigators		2,863		2,906
Podiatrists		1,018		1,064
Psychologists		4,545		4,774
Public Accountants		52,412		54,042
Radiologic Technologists		7,665		7,627
Real Estate		177,728		182,000
Sanitarians		2,033		2,080
Speech Pathologists & Audiologists		6,079		6,179
Veterinarians		13,235		12,867
Water Well Contractors		12,039		11,863
Total Department of Professional and Occupational Licensing		1,113,659		1,133,786

AGENCIES II SUBCOMMITTEE

1981 Biennium

	<u>FTE</u>	<u>General Fund</u>	<u>Other Funds</u>	<u>Total</u>
Executive Budget	1,216.37	\$19,547,105	\$59,851,494	\$79,398,599
LFA Recommendation	1,232.88	18,608,328	59,118,975	77,727,303
H.B. 145	1,255.12	<u>19,235,715</u>	61,476,410	80,712,125

The following table compares authorized FTE positions by department over two bienniums. Although committee FTE are higher than both recommendations, there are less authorized positions than in the previous biennium.

	<u>Fiscal 1978</u>	<u>Fiscal 1979</u>	-----Fiscal 1980-----			-----Fiscal 1981-----		
			<u>Exec.</u>	<u>LFA</u>	<u>Committee</u>	<u>Exec.</u>	<u>LFA</u>	<u>Committee</u>
Fish & Game	500.30	473.45	464.65	489.61	501.76	464.65	488.36	496.12
Lands	67.87	54.87	61.62	73.22	62.62	61.62	61.72	62.12
Livestock	136.00	134.79	130.12	132.12	134.12	130.12	134.12	136.12
Agriculture	84.44	83.39	92.96	89.33	90.96	92.84	88.96	90.12
Nat. Resc.	510.72	463.86	347.06	344.98	343.98	347.06	344.98	343.98
Bus. Reg.	55.25	55.25	50.00	53.25	53.00	50.00	53.25	53.00
P.S.C.	38.00	38.00	39.00	38.00	39.00	39.00	38.00	39.00
P & O Lic.	<u>35.56</u>	<u>35.56</u>	<u>31.08</u>	<u>33.32</u>	<u>33.32</u>	<u>31.08</u>	<u>23.49</u>	<u>33.32</u>
	1,428.14	1,339.17	1,216.49	1,253.83	1,258.76	1,216.37	1,232.88	1,255.12

The other fund category is greater than recommended primarily because of committee approval of fish and game and agriculture department requests that were not contained in the original budget submissions.

Department of Agriculture

	1979 Biennium	1981 Biennium	% Increase (Decrease)	
General Fund	\$1,527,834	\$1,363,782	(10.7)	
Other Funds	<u>2,356,737</u>	<u>3,855,569</u>	<u>64.0</u>	
Total	\$3,884,571	\$5,219,351	34.4	
	FY-78 Actual	FY-79 Approp.	FY-80 Approp.	FY-81 Approp.
FTE	84.44	80.24	90.96	90.96
Personal Services	\$1,157,859	\$1,279,963	\$1,439,970	\$1,445,925
Operating	414,423	364,680	605,763	649,096
Equipment	20,338	20,347	179,935	23,973
Other	<u>255,349</u>	<u>325,272</u>	<u>450,159</u>	<u>424,530</u>
Total	\$1,847,969	\$1,990,262	\$2,675,827	\$2,534,524

in house ATTORNEY
The appropriation authorizes 10.72 additional FTE to the department. An environmental protection agency grant is providing support for all but .5 new positions. The department has been informed that the positions are not to be state funded jobs and will be terminated with the end of federal support.

The other .5 FTE is an in-house attorney. This position will provide day-to-day legal counsel and freight rate testimony services. Half of the funding for the position is general fund and half from the E.P.A. grant.

10.72 FTE
The general fund reduction is due to earmarked revenues and federal grants being assessed for administrative support services. The large increase in other funds partially results from financing support services but is mostly due to the E.P.A. grant. The grant authorizes \$640,000 in fiscal 1980 and \$536,000 in fiscal 1981. In the 1979 biennium the E.P.A. provided \$90,000 per year.

Att. Nev.
For the first time the department has been authorized to administer old west regional commission grants. The appropriation authorized \$132,242 in fiscal 1980 and \$106,613 in fiscal 1981 in the other funds category. This money is to operate the commission's office in Billings and an agricultural commodities promotion office in Tokyo. This responsibility was formerly handled in Nebraska.

\$ 9,000 To GEN. Fund.
The appropriation will appropriate general fund to the hail insurance program for the first time. This will allow the department to use the services of the hail administrator in the winter months when hail activity is slight.
Jack Gunderson

Department of Business Regulation

	1979 Biennium	1981 Biennium	% Increase (Decrease)
General Fund	\$1,760,830	\$1,848,837	5.0 ✓
Other Funds	<u>640,381</u>	<u>565,366</u>	<u>(11.7)</u> ✓
Total	\$2,401,211	\$2,414,203	.5

	FY-78 Actual	FY-79 Approp.	FY-80 Approp.	FY-81 Approp.
FTE	55.25	55.25	53.00	53.00
Personal Services	\$ 786,060	\$ 927,919	\$ 875,871	\$ 876,093
Operating	243,790	284,375	304,737	295,570
Equipment	<u>35,805</u>	<u>21,701</u>	<u>29,332</u>	<u>32,600</u>
Total	\$1,065,656	\$1,233,995	\$1,209,940	\$1,204,263

All FTE's reduced from the current level were in the milk control program. Two butterfat tester positions and .25 FTE secretarial position that had never been filled were eliminated.

The appropriation provided \$15,000 in fiscal 1980 for staff training in auditing and security of electronic fund transfer systems. Montana will cooperate with other northwestern states in the training program. *Cost \$45,000.00*

The weights and measures program is appropriated \$26,000 in fiscal 1980 and \$29,000 in fiscal 1981 to purchase three weight trucks.

Staff reductions in the milk control division eliminated positions that had not been used in the past. The committee believes that proper butterfat checking can be accomplished with the current staff or by contracting using the appropriated funds. Also included in the milk program appropriation is \$10,000 each year for hearings examiners and legal fees. *already have 2 Attorney-*

Department of Fish & Game

	1979 Biennium	1981 Biennium	% Increase (Decrease)	
General Fund	\$ 945,694	\$ 984,396	4.1	✓
Other Funds	<u>24,875,845</u>	<u>25,429,990</u>	2.2	✓
Total	\$25,821,539	\$26,414,386	2.3	
	FY-78 Actual	FY-79 Approp.	FY-80 Approp.	FY-81 Approp.
FTE	500.30	473.45	501.76	496.62
Personal Services	\$ 6,877,306	\$ 7,729,368	\$ 8,123,815	\$ 8,058,645
Operating	3,677,204	4,992,226	4,475,572	4,323,141
Equipment	701,916	240,309	412,664	428,371
Other	<u>284,581</u>	<u>258,279</u>	<u>294,701</u>	<u>297,477</u>
Total	\$11,541,007	\$13,220,182	\$13,306,752	\$13,107,634

The department is appropriated \$853,194 in fiscal 1980 and \$491,199 in fiscal 1981 to administer federal and private grants and contracts. All approved agreements require the department to conduct research on wildlife species and habitat. Additional FTE's to administer the agreements total 26.4 in fiscal 1980 and 21.26 in fiscal 1981. None of these positions are to be continued by department funds once the contracts expire.

An additional 6.91 FTE are authorized as ongoing positions. The parks program is authorized 5.91 of the new positions each year to operate and maintain parks and recreation areas acquired in the 1979 biennium. The other full-time position is a high level staff attorney to provide normal legal counsel and most trial work needed by the department. The new position will cost slightly in excess of \$37,000 per year for personal services and related operating expenses. The total biennial expense for the position is \$37,000 less than the department had budgeted for contracted legal services of this type.

The appropriation language limits department out-of-state travel to \$30,000 per year, a \$13,656 cut from fiscal 1978 expenditures.

The appropriation includes language approving the establishment of a six member core environmental impact statement team. Federal funds supporting this staff are included in the current level appropriation. This language allows the department to support these positions with other department funds for a short period in the unlikely event that federal funds do not materialize.

An additional \$40,000 per year was added above the current level to insure that the department has sufficient funds to operate all fish hatcheries and distribute the fish.

not needed
F&G
19/00/00
By

The appropriation is recommended to be allocated by operating division. Language is included allowing the department to make adjustments in emergency situations after informing the Governor's budget office and the legislative finance committee.

Department of State Lands

	1979 <u>Biennium</u>	1981 <u>Biennium</u>	% Increase (Decrease)	
General Fund	\$2,266,039	\$ 2,321,118	2.4	
Other Funds	<u>1,043,580</u>	<u>12,728,718</u>	<u>1,119.7</u>	
Total	\$3,309,619	\$15,049,836	354.3	
	FY-78 <u>Actual</u>	FY-79 <u>Approp.</u>	FY-80 <u>Approp.</u>	FY-81 <u>Approp.</u>
FTE	67.87	54.62	62.62	62.12
Personal Services	\$ 872,264	\$ 869,474	\$ 960,670	\$ 953,407
Operating	507,890	314,245	5,731,215	6,440,694
Equipment	48,706	230,344	35,875	37,975
Other	<u>287,210</u>	<u>235,115</u>	<u>445,000</u>	<u>445,000</u>
Total	\$1,716,070	\$1,649,178	\$7,172,760	\$7,877,076

Two additional FTE are added each year with state funds. Federal and private funds will support an additional six FTE in fiscal 1980 and 5.5 in fiscal 1981.

Four new mine inspector positions are added to administer federal strip mine reclamation regulations. Federal funds have been made available to support these positions.

Another federally funded position has been added to administer more than \$11,000,000 in contracts for reclaiming abandoned strip mines.

The U.S. department of the interior has committed \$11,079,557 over the biennium to reclaim abandoned mine spoils. This accounts for the huge increase in the other funds appropriation.

The two additional state financed positions are an auditor-investigator and a clerical position. The auditor will review producing unit agreements to insure that the state is receiving proper royalties. The clerical position was previously supported by a discontinued federal contract.

General fund money for payments in lieu of taxes were increased from \$190,000 per year to \$215,000 per year. Previously, counties with more than six percent state land were allocated approximately 80 percent of the amount assessed.

\$70,000 (rev'd)

Department of Livestock

	1979 Biennium	1981 Biennium	% Increase (Decrease)
General Fund	\$1,121,499	\$ 931,225	(17.0)✓
Other Funds	<u>4,253,356</u>	<u>5,001,628</u>	<u>17.6</u> ✓
Total	\$5,374,855	\$5,932,853	10.4

	FY-78 Actual	FY-79 Approp.	FY-80 Approp.	FY-81 Approp.
FTE	136.00	134.79	134.12	136.12
Personal Services	\$1,891,386	\$2,034,202	\$2,124,781	\$2,144,519
Operating	616,066	696,140	771,960	786,297
Equipment	65,473	31,431	42,496	38,800
Other	<u>10,350</u>	<u>10,000</u>	<u>12,000</u>	<u>12,000</u>
Total	\$2,583,275	\$2,771,773	\$2,951,237	\$2,981,616

Six new FTE are recommended by the appropriation. Two of the new positions are added to increase the scabies surveillance effort in southeast Montana and South Dakota. The South Dakota cattle markets will pay all the expenses of the inspector placed in that state to insure that their cattle are properly dipped and tested. The other inspector will expand surveillance for scabies infected being shipped into Montana.

One FTE is added to automate brand recording and disease related information. *10 yr program = Computer*

Two FTE file clerk positions are added in fiscal 1981 only to process brand re-recording information required every decade.

One FTE is added to handle bill of sale administration required by the passage of Senate Bill 68.

Only one FTE, the bill of sale clerk, is recommended as an ongoing position. All other new positions will terminate at the end of the biennium or when funding ceases.

General fund support for the diagnostic laboratory is recommended at 50 percent of total expenses based on the current workload. Previously the general fund supported 60 percent of the operation. This adjustment is responsible for the reduction in general fund appropriation.

Electron Microscopy

Department of Natural Resources and Conservation

	1979 Biennium	1981 Biennium	% Increase (Decrease)
General Fund	\$ 9,931,212	\$10,015,414	.8✓
Other Funds	<u>12,132,927</u>	<u>11,609,483</u>	(4.3)✓
Total	\$22,064,139	\$21,624,897	(2.0)

	FY-78 Actual	FY-79 Approp.	FY-80 Approp.	FY-81 Approp. <i>ca</i>
FTE	510.72	463.86	343.98	343.98 <
Personal Services	\$ 5,874,197	\$ 6,323,023	\$ 5,204,745	\$ 5,214,076
Operating	3,760,509	3,206,860	4,152,568	4,326,643
Equipment	380,084	245,744	233,150	209,715
Other	<u>890,769</u>	<u>1,337,040</u>	<u>892,000</u>	<u>1,392,000</u>
Total	\$10,905,559	\$11,112,667	\$10,482,463	\$11,142,434

The appropriation reduces the department's authorized FTE by 166.74. CETA and forest inventory positions, authorized in the 1979 biennium, are no longer included.

New positions in various program total 30.42 FTE.

1. Two FTE added to central services to audit and administer YCC and YACC jobs programs. These positions will terminate when federal support ceases.

2. Three FTE dam safety inspectors are added in the water resources program. One current level position was eliminated. These positions will continue only as long as the federal dam safety funds are available.

3. Four FTE are added to the oil and gas regulation program. Two field inspectors, one lab aide and one secretary are added in an attempt to keep up with increased drilling activity in the state.

4. Authorized 12.5 new FTE in the energy division. Six FTE are federally funded and 6.5 FTE were transferred from the lieutenant governor's office. The federally supported positions will continue only as long as federal funds are available.

5. Authorized 8.92 FTE in the forestry division because of an increase in federal Clark McNary forestry funds. The positions include adding 6 FTE's to the county rural fire protection program. The remaining 2.92 FTE's will be apportioned among the helitack fire fighting team, the Rogers mountain lookout, and one FTE to inventory all state and county fire equipment.

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Main & upgrade
Dan

The appropriation has eliminated funds for retained legal counsel as very little service was provided in the past.

Funds totaling \$14,960 for the biennium are included to provide for dues and expenses of the legislative timber task force.

Funds to maintain state water project facilities are also included. Seventy-five thousand dollars of general fund money is included each year for this purpose. Cooney dam is also designated to receive \$500,000 of federal funds in fiscal 1981.

The small increase in general funds over the biennium is due to the discontinuance of the timber inventory program and the replacement of \$122,056 of general fund by an increase allocation of federal forest money.

The decrease in other funds results from the creation of an agency account to manage slash and brush disposal bonds.

Public Service Regulation

	<u>1979 Biennium</u>	<u>1981 Biennium</u>	<u>% Increase (Decrease)</u>	
General Fund	\$1,668,617	\$1,770,943	3.7	
Other Funds	<u>32,000</u>	<u>38,210</u>	<u>3.8</u>	
Total	\$1,700,617	\$1,809,153	3.7	
	<u>FY-78 Actual</u>	<u>FY-79 Approp.</u>	<u>FY-80 Approp.</u>	<u>FY-81 Approp.</u>
FTE	39.00	38.00	39.00	39.00
Personal Services	\$647,801	\$710,858	\$721,637	\$723,256
Operating	166,687	160,158	162,804	168,337
Equipment	<u>12,856</u>	<u>-0-</u>	<u>24,874</u>	<u>8,245</u>
Total	\$827,344	\$871,016	\$909,315	\$899,838

The appropriation continues the current level of operation with the addition of one FTE. The new position is a receptionist position that was previously a CETA position. This was the commission's highest priority of twenty-four new positions requested.

Sufficient funds are included to pay the full expenses of legal advertising and printing. Previously legal advertising expenses had been abated and printing expenses were covered by credits from the department of administration.

The commission is also authorized to purchase their presently leased "System 6" word processing machine. The purchase price is \$200 more than two years' lease payments.

Two cars are also authorized to be purchased over the biennium.

An expansion of gas pipeline safety inspection was authorized by increasing contracted services \$5,000 per year. The additional funds will allow cathodic inspection beyond master meters.

Department of Professional and Occupational Licensing

	<u>1979 Biennium</u>	<u>1981 Biennium</u>	<u>% Increase (Decrease)</u>	
Other Funds	\$2,064,430	\$2,247,446	8.9	
	<u>FY-78 Actual</u>	<u>FY-79 Approp.</u>	<u>FY-80 Approp.</u>	<u>FY-81 Approp.</u>
FTE	35.56	35.56	33.32	33.32
Personal Services	\$394,785	\$ 544,929	\$ 520,768	\$ 521,783
Operating Expenses	399,138	430,206	474,688	491,084
Equipment	3,163	6,550	5,070	5,960
Transfers	<u>77,000</u>	<u>88,571</u>	<u>113,133</u>	<u>114,960</u>
Total	\$874,086	\$1,070,256	\$1,113,659	\$1,133,787

The department is authorized 2.24 FTE less than the 1979 biennium. These positions were eliminated in the hiring freeze. A transfer of 1.6 FTE from board responsibility to a central cashier function is authorized as recommended by the legislative auditor.

The individual board budgets are sufficient to allow all boards to fully carry out their responsibilities.