

MINUTES OF THE MEETING
FINANCE AND CLAIMS COMMITTEE
MONTANA STATE SENATE

March 13, 1979

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 \$58 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 Bardanouve: 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 LFA 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 breakfasting event--we have just learned we have been lowered \$46,000 for 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 \$46,000. 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 \$4.50 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 \$8,000 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 Bardanoue: 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 Greely, 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 Kuchenbrod, 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 allow them to spend 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.



Senator Himsl, Chairman

ROLL CALL

SENATE FINANCE AND CLAIMS COMMITTEE

46TH LEGISLATIVE SESSION 1979

Date 9-13-79

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 APPROPRIATIONS COMMITTEE

BILL _____

Date 3-13-79 P.M.

SPONSOR _____

NAME	RESIDENCE	REPRESENTING	SUPPORT	OPPO
Larry Lloyd	Helena	DHES		
AC Knight	" "	" "		
SP MacElstern	Helena	DHES		
Al Hunter	Helena	DHES		
BOB REDPATH	✓	✓		
Ben Jones	✓	Dept. SRS		
G L BOUSLIMAN	✓	OBPP		
Dan Worschell	-	DCA		
Dennis Lopez		MPC		
Cheryl Hillman	Helena	Family Teaching Center Achievement Place		✓
Scott McCreath	Helena	" "		✓
Deborah	"	" "		✓
Van 1st	"	OBPP		
Bill (Pitt)	Helena	PSC		
Rag P Harmon	Helena	Assoc for PD		
Linda Halvick	Yonkers	"		
Wynn Craig	Helena	Dept of Rev -		
Bill Hall	✓	Dept of Rev		
Jim Clark	Helena	Dept of Rev		
AL Sampson	Missoula city	Missoula Fire Chief - Dept of		
Leikson	Missoula, Mont	Santa Fe Fireman's Assoc Dept of Edm		
LARRY GRAHL	Billings	City of Billings	"	
SAM GESKO	BOZEMAN	CITY OF BOZEMAN	"	

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

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

VISITORS' REGISTER

HOUSE

COMMITTEE

BILL

Date 3-13-79 Rm

ONSOR

NAME	RESIDENCE	REPRESENTING	SUPPORT	OPPO
EN LUNDSTERN	Great Falls.	City of Great Falls	HB 210 ✓	
Joe Zwick	Montana Fire Chief	Butte, Butte, Mont.	HB 210 ✓	
ART KORN	1416 50 WASH. ST. MONT MT ST VOL FIRE ASSOC	MT ST VOL FIRE ASSOC	HB 210 ✓	
P. O. KILLEEN	HELENA MONTANA	CITY OF HELENA	HB 210 ✓	
Bob KIRKENDALL	HELENA	DEPT OF JUSTICE		
Ben Wale	"	D H E S		
John Anderson	"	"		
Norman Sylva	"	"		
Stephen Taylor	"	"		
Ed May			✓	
Clair May	Helena	St. Law Lib		
Mike Abley	Helena	Supreme Court		
Karen Nathey	Helena	Florence Cullen Home		
Joe Ross	Helena	Le C County Welfare	HB 334 ✓	
Walter HIRSH	HELENA	HELENA AMHERST	HB 334 ✓	

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

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

PUBLIC SERVICE COMMISSION: 1227 11th Avenue • Helena, Montana 59601
Telephone: (406) 449-3007 or 449-3008

Gordon Bollinger, Chairman
Clyde Jarvis
Thomas J. Schneider
James R. Shea
George Turman

March 9, 1979

FACT SHEET

MONTANA PUBLIC SERVICE COMMISSION REQUEST FOR A ONE-TIME APPROPRIATION OF \$300,000

The Montana Public Service Commission will request from the Montana Legislature a one-time appropriation of \$300,000.

WHY THE REQUEST?

On February 21, 1979, the Montana Supreme Court unanimously upheld a Public Service Commission rate order which had been challenged by the Montana Power Company.

In its decision, the Supreme Court held that the PSC had the power and even the duty to investigate a \$15.7 million investment by Montana Power, which the Commission, in its order, found questionable. This \$15.7 million is currently in Montana Power's rate base. (Rate base is the Company's investment upon which it earns a return.)

The \$15.7 million represents the difference between the value of electric plant assets as determined by the FPC and the PSC in a 1944 proceeding.

Because of these differences in value of electric plant Montana Power maintains two sets of books, one for the Montana PSC for ratemaking purposes, and one for all other financial purposes.

WHY DOES THE PSC NEED \$300,000

TO INVESTIGATE THIS INVESTMENT?

In the PSC order which Montana Power took to the Supreme Court, the Company was ordered to secure an independent accounting firm to investigate the propriety of the \$15.7 million. The Supreme Court, however, held that the Commission did not have the power to order such an audit. Therefore, it is up to the Commission to investigate this investment, which Montana Power Company told the Supreme Court would cost \$300,000.

The Commission staff cannot perform this investigation:

-- There are only seven professionals on the professional utility staff, and they are responsible for handling all rate cases. They do not have the time to investigate this investment.

-- The investigation will be extensive and difficult. Much of the relevant information will have to be obtained from files located in Washington, D.C.; many of the witnesses who testified in the original 1944 hearings are no longer available; records are at least thirty years old and are incomplete.

-- The staff must be available to the Commission to assist in analyzing the information obtained from the investigation.

-- The Supreme Court indicated that the Commission has only "one shot" at investigating this investment. It must be done right the first time.

-- Nationally recognized legal and accounting experts are required for the investigation because of its importance and complexity.

REVENUE EFFECT

Montana Power has the opportunity to earn, after taxes, approximately \$1,570,000 on the \$15.7 investment. MPC's customers therefore pay approximately \$3.14 million per year because this amount is in the rate base:

\$1.5 million x 10% (approximate rate of return)
x 2 (federal and state taxes) = \$3.14 million

Pile

WATER QUALITY MANAGEMENT PLANNING
FACT SHEET

From: Water Quality Bureau, Department of Health and Environmental Sciences

Subject: Statewide (208) Water Quality Management Planning in Montana

Situation: The State Department of Health and Environmental Sciences needs additional spending authority to aid in completion of a statewide water quality management plan. Without this authority to use available federal funds adequate assessment of existing problems, consideration of alternatives for control, and public participation will not be available for preparing a good statewide plan. Montana does not presently have a comprehensive plan for controlling water pollution.

Background:

1. The Federal Water Pollution Control Act Amendments of 1972 established far reaching goals for maintaining and improving the quality of our nation's waters. Section 208 of that act outlined a program for areawide wastewater treatment management planning to be performed by the states. This planning provides support to the "Public Policy of the State" in Section 75-5-101 which states:

"75-5-101. Policy. It is the public policy of this state to: (1) conserve water by protecting, maintaining, and improving the quality and potability of water for public water supplies, wildlife, fish and aquatic life, agriculture, industry, and recreation, and other beneficial uses; (2) provide a comprehensive program for the prevention, abatement, and control of water pollution."

2. In 1975 Governor Judge designated four local agencies of the State to do water quality management planning for their specific areas. This planning covers about one-third of the area of the State and the initial plans are being finalized. The Department of Health and Environmental Sciences is responsible for reviewing the plans and recommending certification to the Governor. Their grants are received directly from EPA.

3. In 1976 Governor Judge designated DHES as the agency to conduct the planning for the remainder of the State. An initial grant of \$540,000 was obtained from EPA. To date a draft plan has been completed which provides an initial inventory and assessment of water quality problems and partially evaluates alternative control measures. The work to date also points out the need for more detailed assessments in some areas, the need for greater public involvement in the plans and a more detailed evaluation of alternatives and economics of the alternatives.

WATER QUALITY MANAGEMENT PLANNING
FACT SHEET

Page 2

4. A second grant of \$593,000 was received in January, 1979, for continuation of the program.

5. The present approved level of Federal spending authority for this program is \$142,827 which aids in funding the portion of staffing of the Water Quality Bureau (WQB) which is involved in water quality management planning. Funding for this is at a ratio of 75 percent Federal to 25 percent State with the State match being provided by the WQB general fund budget. This program is closely integrated with the State's ongoing water pollution control program.

6. Additional spending authority (budget modification) of \$300,000 Federal funds for FY 80 and \$210,000 for FY 81 is being requested. This money would be utilized for contracting with others - much of it with local agencies within the Statewide 203 planning area.

Consideration:

1. DHES believes that the control of nonpoint source pollution (mainly sediment) can best be done at the local level and about half of this funding would go to local agencies. For example, we have a contract with the Lewis and Clark Conservation District to assist them in their new control program. It is proposed to continue this project. Another contract has been signed with the Five Valleys District Council headquartered at Missoula to assess the problems in their area and propose a management plan. It is also proposed to have a similar contract with a local agency in the Milk River area. Funding assistance is also proposed to the conservation districts to enable them to provide better planning. These local agencies would provide the 25 percent match through in-kind services.

2. Contract work by the State Bureau of Mines and Geology to learn more of the effects on groundwater by saline seeps is also proposed. Very little has been done to investigate the overall effect that saline seep may be having on groundwater, although there are reports of domestic wells becoming unfit for use within several saline affected areas. Existing data are totally inadequate to assess and document the extent to which seeps are affecting groundwater supplies. The Bureau of Mines and Geology would provide the match through in-kind services.

3. Other studies proposed are a finalization of the stormwater assessment being performed by a private consultant, a study to provide information on the effects of dewatering on some of the State's higher quality streams, biological monitoring to provide information on the quality of many of Montana's waters, development of subsurface sewage disposal guidelines, development of a

WATER QUALITY MANAGEMENT PLANNING
FACT SHEET

Page 3

water quality index so different streams can be compared, and funding assistance to the Conservation Districts Division of DNR&C so they can assist local conservation districts in their planning responsibilities.

Summary:

1. Additional information of Montana's water quality, an assessment of its problems, a review of alternatives, good public input and a good comprehensive plan for water quality management are needed by the State. This can be provided with the assistance of Federal funds available to the State.

2. Authority for the additional expenditure of Federal funds of \$300,000 for FY 80 and \$210,000 for FY 81 is requested. These funds would be utilized entirely by contracts with other agencies and consultants. No additional State funding above current level is being requested due to this modified budget.

3. Two other programs are closely tied to the water quality management planning program and the 208 plans. They include:

- A) Municipal Construction Grants - This program provides federal financial assistance to communities that are building new or improved wastewater treatment plants. Montana receives approximately \$20 million per year for this purpose. Federal regulations state the project must conform to any waste treatment management plan approved under section 208 of the act.
- B) The Rural Clean Water Program - This program will provide cost-share and technical assistance to private landowners and operators to install best management practices in project areas which have critical water quality problems resulting from agricultural activities and which have an approved agricultural portion of a 208 plan.

The majority of funds requested in our modified budget would assist local areas in competing for these funds.



	<u>1980</u>	<u>1981</u>
Research	45,679	40,732
Inheritance Tax	10,380	8,953
Investigations	2,750	2,750
Audit & Accounting	17,858	17,242
Operations	14,845	15,615
Property Tax	<u>177,000</u> <u>200,000</u>	<u>177,000</u> <u>200,000</u>
Total	<u>291,512</u> <u>268,512</u>	<u>285,292</u> <u>262,292</u>

TO: LAURY M. LEWIS, ACTING DIRECTOR

FROM: JOHN M. CLARK, ADMINISTRATOR *JmC*
RESEARCH AND INFORMATION

SUBJECT: RESEARCH AND INFORMATION DIVISION BUDGET

During the last two months I have struggled to understand what the Legislative Fiscal Analyst is trying to do with the budget I submitted for my Division. The only thing which seems clear is that we will be mortally hurt if his proposal, even as it has been supplemented by the joint subcommittee, is adopted. In the sequel I will discuss two areas in which the cuts have been simply too deep and reflect a naive misunderstanding of what the Division requires in order to function.

PERSONAL SERVICES

When I calculate the salaries and benefits for the 7.5 F.T.E.'s which are cut from the budget, the maximum amounts I get are \$91,936 in FY 80 and \$93,883 in FY 81. The proposal coming out of the subcommittee is \$110,595 in FY 80 and \$111,323 in FY 81. This means that there is a vacancy savings factor of nearly \$20,000 hidden in each year. Given the magnitude of the personnel cuts and the fact that we will still be required to provide programming support for the mass appraisal system, there is simply no way that I can conceive of allowing any of the remaining positions to be vacant long enough to allow savings of that size to accrue. I submit that the Division must be appropriated at least \$604,510 in FY 80 and \$604,829 in FY 81 for personal services.

The Legislative Fiscal Analyst's Office arbitrarily cut 1.5 F.T.E.'s in data entry operator positions. This amounts to \$13,389 in FY 80 and \$13,672 in FY 81. I believe there is ample justification for adding these back even though it is likely that they will not be filled a full twelve months of the year because of the dreadful nature of the work. On Friday, March 9, we had 15,600 income tax returns backlogged for punching even though we have had our staff working overtime. The reason is simple; we have had a great deal of difficulty finding qualified people although the situation seems to be changing now.

There are three reasons why it is to our advantage to have our own staff to punch income tax returns, liquor inventories and property tax data.

1. The work is quite specialized and is handled most accurately by a staff which constantly practices it. Hence we get a better product.
2. There is much better security if it is handled by our staff. We have tighter control of the operators.
3. It is cheaper. The Department of Administration hourly rates are substantially higher and while some private contractors can meet our rates, their work has proved disastrously inaccurate.

Thus, in the long run, it is much more economical to give us the authority to hire enough operators for peak periods and let attrition take its toll during slow times. It is not my policy, nor has it been the policy of my predecessors, to keep staff on duty when there is no work.

Adding the 1.5 F.T.E.'s back brings the personal services budget to:

<u>FY 80</u>	<u>FY 81</u>
\$617,899	\$618,501

I feel that this would give us the added flexibility which we should have in order to serve the Department's needs.

OPERATING EXPENSES

After the subcommittee added back the \$65,000 each year in order to allow us to continue to lease equipment we are now using, the proposal is more than \$20,000 short of the request in each fiscal year. It appears to me that the bulk of this came out of the money requested for contracted services. The largest share in this category was earmarked for computer time for our own use.

We are at the beginning of a program in which we will use the ATMS (Automated Text Management System) to store and edit the documentation for the systems which we build and maintain. Up-to-date documentation is absolutely essential for it allows any operator or programmer to step in and quickly grasp the workings of a complex system. Without it, a system is virtually useless. (If you think I exaggerate, ask Mary Craig about her

experiences with the infamous Withholding Tax System.) We had also hoped to utilize the computer to aid us in scheduling our jobs.

I'll find it ironic if this money should be trimmed away. We have finally gotten some individuals trained on ATMS and some of the rent money granted us by the subcommittee pays for computer terminals for them. Without the \$20,000, we won't be able to turn on the terminals nor will the individuals be able to utilize their training.

I must add that doing these things by using the computer is, ultimately, far more efficient than typing documentation every-time a change is made in a computer program. The storage and retrieval are much less time and space consuming. Thus, I feel amply justified in asking that at least \$20,000 more be added for operating expenses in each fiscal year.

	<u>FY 80</u>	<u>FY 81</u>
Operating Expenses	\$190,115	\$189,282

In summary, here are base figures below which I do not feel we can provide current level services.

	<u>FY 80</u>	<u>FY 81</u>
Number (F.T.E.)	44.5	44.5
Personal Services	\$617,899	\$618,501
Operating Expenses	190,115	189,282
Equipment	<u>250</u>	<u>0</u>
TOTAL	\$808,264	\$807,783

This will be extremely tight; it offers no breathing room. However, at least it isn't the death sentence that has been recommended. (It's more like two years on Devil's Island, but, at least, there's hope of surviving.)

DEPARTMENT OF REVENUE
INHERITANCE TAX DIVISION

PERSONAL SERVICES

Vacancy Savings

Because of the small number of employees and the fact that the average employee in the Inheritance Tax Division has been with the Division 10-1/2 years, a vacancy savings is highly unlikely to occur during the 1980-81 biennium. The amount allocated for vacancy savings by the Legislative Fiscal Analyst should be restored.

OPERATING EXPENSES

No provision has been made by the LFA for the triennial mailing required in the Unclaimed Property area under Section 70-9-301. The estimated cost of this mailing is approximately \$5,000.00.

No provision has been made during F.Y. 1981 for the biennial micro-filming which has been completed by this office every two years since 1955. The estimated cost of this microfilming is approximately \$3,500.00. The only alternative to not microfilming would be to invest in twelve legal-size filing cabinets and secure additional space.

	<u>1980</u>	<u>1981</u>
Pers. Serv.	5380	5453
Triennial Mailing	5000	
Biennial Microfilm		<u>3500</u>
	<u>\$ 10,380</u>	<u>\$ 8953</u>

PROGRAM TRANSFER
1 F.T.E.

Within the Child Support Enforcement Bureau there is a position of Parent Locator (Administrative Aide II.) This position is responsible for location of absent parents for the purpose of collection of child support. An average of 75 cases are closed per month by this position. (This figure is derived from monthly activity reports.) Therefore over a 12-month period, approximately 900 cases will be closed.

The Child Support Enforcement agency is required by federal law to provide interstate location services; therefore, we handle out-of-state as well as in-state requests. Referring again to the monthly report, approximately 50 of the 75 cases closed per month by this position are out-of-state requests. And, as may be assumed, the parent locator in this office requests the assistance of many out-of-state parent locate services in return.

Reviewing the payment records of January, 1979, a total of 916 case payments were made through the Child Support Enforcement program. This represented a monetary figure of \$114,626.14. From this figure we estimate an average payment of \$125.14 per case. Multiplying this figure by the number of cases closed by this one F.T.E. per year (900), a sum of \$112,626 is reached. This figure is, of course, the maximum that could be collected per year.

It is obvious that this F.T.E. is important to the Child Support Enforcement program.

Approx. \$11,000 each year, incl. benefit.

1980

11,000

1981

11,000

FTE

(Child Support)

AUDIT & ACCOUNTING DIVISION

In this division no add-backs were made by the subcommittee to the LFA recommended budget for current level services. The critical cuts are in Personal Services where \$40,000 was cut. This includes elimination of one payroll F.T.E. transferred from the liquor division. With no significant vacancy savings present in the last two years of operation in this program these personal service cuts represent a cut of 3.5 F.T.E. in addition to the payroll clerk. The 3.5 F.T.E. would most likely be the liquor auditor position, a one-half F.T.E. from cashiering and two F.T.E. from accounting.

With these cuts the division:

- a) Would be unable to provide other than selective store audit,
- b) Would be able to provide only normal processing of cashiering and payroll documents. Cashiering would be unable to handle any peak workloads including income tax receipts and payroll would be unable to do pay increases and terminations on a timely basis.
- c) Would not be able to stay current even with the normal accounting workload and eventually SBAS reports would truly not be worth the paper they're printed on.

	<u>1980</u>	<u>1981</u>
Personal Services	\$ 17,858	\$ 17,242

OPERATIONS DIVISION

The Operations Division needs the return of \$12,500 in Fiscal Year 1980 and \$13,330 in Fiscal Year 1981 in the area of Personnel Services. In Fiscal Year 1978 we overspent in this area \$9775 to keep the mailroom operating. This was done because of a recommendation by the Legislative Auditors Office to process mail more expediently. This year the volume of mail handled will reach the amount estimated for Fiscal Year 1981; an increase of 35% in one year.

An additional \$500 in Fiscal Year 1980 and \$400 in Fiscal Year 1981 is needed for communications. The telephone rates just recently increased by 11%. Without this increase, the Supply Section will not be able to function as most of their ordering has to be done by telephone. Postage rates were recently increased and are scheduled for an additional increase in May of this year. The Personnel Section is required to mail out copies of all personnel policies promulgated by the State Personnel Division to all the liquor stores, assessor offices and appraiser offices.

Travel still needs an additional \$400 in Fiscal Year 1980 and \$435 in Fiscal Year 1981. The Supply Section was forced to move at the beginning of this year because the Department of Administration took over the old liquor warehouse. As a result of this relocation and the location of the new liquor warehouse, travel has increased 20 miles per day.

The equipment budget needs \$1445 in Fiscal Year 1980 and \$1450 in Fiscal Year 1981. We thought this had been resolved during our presentation to the subcommittee. The fiscal analyst assumed that we had already purchased some of the equipment because of its physical presence when in actuality it was on loan for demonstration purposes because our equipment had broken down. Without the new equipment, the mailroom will cease functioning.

Without these increases the Operations Division will not be able to function. If the Operations Division cannot perform adequately, it will severely hamper the work of all the other divisions.

	<u>FY 1980</u>	<u>FY 1981</u>
Personnel Services	\$12,500	\$13,330
Communications	500	400
Travel	400	435
Equipment	<u>1,445</u>	<u>1,450</u>
TOTAL	\$14,845	\$15,615

MOTOR FUELS TAX DIVISION

An additional point of clarification is needed as there is dual funding for travel costs, because some audits are cost reimbursable by the companies audited. These travel costs have been estimated at 7,200 for at least the past 4 years, just to assure the spending authority will be there if it is used. In FY 78 and FY 79 years only \$1,119 and \$1,754 have been used, and this became the basis for determining how much travel to cut. So if cuts are made we would ask that they be made from the revolving fund where the excess travel spending authority really is. We may only spend from that revolving fund monies that are collected for those audits. The excess spending authority is requested to avoid the costly budget amendment process every time the actual expense exceeds that requested.

The Motor Fuels Tax Division concludes that the recommended funding of the Legislative Subcommittee on Appropriations is acceptable if the bottom line recommendation remains the same and the revolving fund appropriation for out-of-state travel does not exceed \$1,500 each year of the biennium. Otherwise, this Division needs, at a minimum, an additional \$5,700 each year of the 1980-81 biennium.

The appropriation subcommittee has recommended a budget of \$6,532,132 for the property assessment division for 1980. The recommended budget is \$324,588 less than the 1979 budget for the division. The recommended spending level is less in all three major areas (personal services, operating expenses and equipment) than the anticipated expenses for the current fiscal year.

I am sure members of the committee are aware that tax rolls and consequently tax bills were late in many areas of the state last year. This caused extra expenses for local governments including interest charges for borrowing money because taxes could not be collected on time. Although much of the problem last year was the result of the reappraisal effort, the underlying problem is lack of sufficient personnel and funding to complete the job on time. In the current year, 1979, the same problems exist and tax rolls will probably be late in a few counties although not as late as last year. The executive budget did nothing to solve this problem in that no new positions were requested for the assessors or appraisal offices. It should be noted that except for the addition of 12 new positions for the computer appraisal system 4 years ago, which has now been reduced to 8 positions, the division has exactly the same number of employees as it had in 1973. The work load has increased and the division simply cannot keep up with the volume of work with the existing staff.

Although this is not the time to expand state government, it is improper to curtail the operation of a division which has not contributed to the increase in government employment during the past five years. It is especially wrong considering the defeat of the initiative to return the assessment function to local control. The voters of the state expressed a preference for state assessment administration. The legislature should feel an obligation to continue this state function at at least a minimal level.

Operating expenses recommended for 1980 are \$1,147,713 or \$338,687 less than recommended in the governor's budget. They are also \$166,856 less than the 1979 budget. It is unrealistic to expect the division to operate on this level considering the fact that more than half of the operating expenses are for printing, data processing and communication (postage) and cannot be reduced. In fact, inflation will force the division to create vacancy savings so that personal services money may be used to cover operating expenses.

At this time we feel it is imperative to have the personal service budget increased by \$177,000 to account for losses attributable to vacancy savings and the deletion of part-time help which is necessary in the spring of every year to complete the tax rolls. This will establish the 1980 budget at a level of \$6,708,852, still less than the 1979 budget, but a level that will allow the division a chance to comply with its obligations to provide a tax roll on a timely basis to local government.

The division realizes that a budget at this level will require cutting the number of personnel employed to cover operating expenses, but it will allow the cuts to be made by the division in a rational manner to cause the least disruption in services provided.

STATE
OF
MONTANA
DEPARTMENT OF JUSTICE
CENTRAL SERVICES DIVISION
303 Roberts Building, Helena, Montana 59601 (406) 449-4900

DEPARTMENT OF JUSTICE
1981 BIENNIUM BUDGET

Program	FY 1980			FY 1981		
	Department	Sub		Department	Sub	
	Requested	Committee		Requested	Committee	
	Less Step	Increases	Recom Diff	Less Step	Increases	Recom Diff
Legal Services	452,824	424,948	(27,876)	449,483	407,880	(41,603)
Escheated Estates	22,280	-	(22,280)	22,280	-	(22,280)
Cnty Pros Services	223,208	189,409	(33,799)	221,248	189,836	(31,412)
Antitrust Bureau	171,289	-	(171,289)	176,243	-	(176,243)
Leg Serv Asst Pool	no recommendation			no recommendation		
Coal Tax Defense	250,000	250,000	-	250,000	250,000	-
Motor Veh Admn	39,898	-	(39,898)	40,573	-	(40,573)
Patrol Operations	640,544	569,196	(71,348)	653,002	536,494	(116,508)
Driver Licensing	1,508,076	1,382,161	(125,915)	1,430,059	1,343,521	(86,538)
Field Services	6,115,938	5,426,014	(689,924)	6,245,599	5,706,770	(538,829)
Reg of Motor Veh	1,601,060	1,426,033	(175,027)	1,645,128	1,419,485	(225,643)
Cnty Atty Payroll	450,220	450,220	-	450,220	450,220	-
Crime Lab	235,410	228,753	(6,657)	221,956	213,359	(8,597)
LETS	340,973	342,009	1,036	363,679	363,215	(464)
Academy	431,444	380,040	(51,404)	435,632	385,661	(49,971)
Fire Marshal	219,566	194,887	(24,679)	216,202	196,763	(19,439)
ID Bureau	73,535	67,667	(5,868)	74,627	68,686	(5,941)
Forensic Science Div	219,506	-	(219,506)	251,637	-	(251,637)
Central Service Div	316,758	266,128	(50,630)	323,109	267,614	(55,495)
	13,312,529	11,597,465	(1,715,064) (13%)	13,470,677	11,799,504	(1,671,173) (12%)

ADDITIONAL FUNDS NEEDED:

	FY 1980	FY 1981
<u>Legal Services:</u>		
Secretary	GF 13,241	GF 13,241
Legal Fees	GF 5,294	GF 5,443
Attorney Compensation	GF 19,500	GF 27,300
Total	38,035	45,984

DEPARTMENT OF JUSTICE
1981 BIENNIIUM BUDGET
MARCH 13, 1979
Page two

ADDITIONAL FUNDS NEEDED CONT'D:

	<u>FY 1980</u>	<u>FY 1981</u>
<u>Motor Vehicle Division</u>		
Administrator	ER 38,908	ER 39,265
<u>Highway Patrol Operations</u>		
Contracted Services	ER 13,900	ER 13,900
<i>B. C. S. R.</i>		
Gas & Maintenance of Vehicles	ER 14,000	ER 16,000
Total	<u>27,900</u>	<u>29,900</u>
<u>Registrar of Motor Vehicles</u>		
Data Processing Costs	ER 41,000	ER 43,000
Mailers	ER 47,000	ER 47,000
Printing	-	ER 38,000
Total	<u>88,000</u>	<u>128,000</u>
<u>Forensic Science Division</u>	ER 219,506	ER 251,637
<u>Antitrust Bureau</u>		
	GF 20,000	GF 20,000
	FF 125,000	FF 110,000
	RA <u>26,289</u>	RA <u>46,243</u>
	<u>171,289</u>	<u>176,243</u>

Department would suggest a sunset clause for Antitrust Bureau.

DEPARTMENT OF JUSTICE
1981 BIPENNIAL BUDGET
MARCH 13, 1979
Page three

ADDITIONAL FUNDS NEEDED CONT'D:

	<u>FY 1980</u>	<u>FY 1981</u>
<u>County Prosecutor Services</u>		
Salaries	GF 15,015	GF 15,015
Incorrect Base	ER 7,482	ER 8,464
Automobile	ER 5,200	
Total	<u>27,697</u>	<u>23,479</u>

Thompson
Subject: Achievement Place Fact Sheet

To: Joint Sub-Committee on Human Services

Program Overview: Achievement Place is an active Social Learning and Treatment model staffed 24 hours a day, 7 days-a-week, by a trained professional staff of 2 Teaching-Parents and a full-time Assistant. The program provides long-term, live-in teaching and counseling in a community-based, residential setting. Youth, ages 12 - 17, who have been identified as Youth in Need of Care or Youth in Need of Supervision and their families are eligible for voluntary participation.

Program Objectives: The program offers opportunities for up to 8 youths at a time to receive instruction, practice and feedback in using positive, adaptive behaviors necessary for successful participation in the family and/or community setting. The Achievement Place teaching and counseling philosophy centers around the use of four basic social skills:

1. Following Instructions in a Positive Manner;
2. Appropriate Responses to Criticism from Adults and Peers;
3. Control over Social Behavior when under Emotional Stress;
4. Rational Problem Solving.

Program History: The Helena Achievement Place program has begun its fourth year of operation in the community. 28 youths have participated in the program in its first three years of operation. The original staff is still managing the program. The Teaching-Parents have undergraduate and graduate degrees, and they have been certified by the national Achievement Place Project as Achievement Place Teachers and Program Managers. They have 5 years of experience in direct-service treatment using the Achievement Place model.

Evaluation Results:* "Program professionally organized." "Staffed by two very competent, professional people." "Teaching-Parents work as a competent, professional team with sincere concern for youth." "Home is warm and well organized with a genuine family feeling." "Staff has done an extremely fine job in developing a successful program for youth." "Overall rating is satisfactory."

Cost-Per-Day Figures**

Program	Type	Cost-Per-Day	Length of Stay
Warm Springs Adolescent Unit	Institution	\$78.00	Varies
Mountain View School	Institution	\$58.03	9 months
Pine Hills School	Institution	\$43.81	9 months
Montana State Prison	Institution	\$29.00	1 year
District Youth Guidance Homes	Community-Based	\$21.57	145 days
Aftercare Group Homes	Community-Based	\$20.40	140 days
Helena Achievement Place	Community-Based	\$26.30 (with average of 6 youths)	9 - 12 months

* Annual Evaluation of May 1978. Accomplished by Dr. Ron Sexton, Director of the Montana Teaching-Family Program. The Helena Achievement Place is the only community-based program in the state to be staffed by certified Achievement Place professionals. The Annual Evaluation is based on national standards developed at the University of Kansas and at Boys Town, Nebraska

** Source: Group Home Association Newsletter, Oct/Nov 1978

Bozeman

CITIES THAT HAVE PARTICULAR FIREFIGHTING PROBLEMS INVOLVING STATE PROPERTY

ANACONDA	BILLINGS	GLENDIVE
HELENA	GREAT FALLS	MILES CITY
LEWISTOWN	KALISPELL	BOZEMAN
MISSOULA	WOLF POINT	WIBAUX
WHITE SULPHUR SPRINGS	LIMA	BAKER
HARLOWTON	FORT BENTON	BIG SANDY
FORSYTH	GRASS RANGE	SCOBAY
SUPERIOR	TWIN BRIDGES	BOULDER

FISCAL YEAR 1979
FIRE AND POLICE PROTECTION COSTS

CITY OF BOZEMAN, MONTANA

	<u>Police</u>	<u>Fire</u>
Salaries	\$479,689.00	\$419,472.00
Operations	<u>75,798.00</u>	<u>40,720.00</u>
Total Allocation	<u>\$555,487.00</u>	<u>\$460,192.00</u>

Police - $\$555,487.00 \div \$18,735.00 = 29.65$ mills

Fire - $\$460,192.00 \div \$18,735.00 = 24.56$ mills

63.50 Total mills - General Fund

54.21 Total Police and Fire requirement

9.29 Remainder for other City functions

\$479,689.00 Police salaries

419,472.00 Fire salaries

\$899,161.00 Total Police and Fire salaries

$\$899,161.00 \div \$18,735.00 = 47.99$ mills

63.50 Total General Fund mills

47.99 Police and Fire salary mill requirement

15.51 Mills remaining for Police and Fire operations and for all other General Fund requirements

BOZEMAN FIRE DEPARTMENT

	<u>1975</u>	<u>1976</u>	<u>1977</u>	<u>1978</u>
Total Calls	185	172	191	217
Calls to University	27 - 14.6%	24 - 13.9%	22 - 11.5%	25 - 11.5%
Other Tax Exempt Calls	13 - 7.0%	15 - 8.7%	9 - 4.7%	6 - 2.7%
Total Tax Exempt Calls	40 - 21.6%	39 - 22.6%	31 - 16.2%	31 - 14.2%

FIRE STATION NO. 2 (University District)

Maintenance Costs - FY 79	\$ 5,200.00
Personnel Costs - 8 firefighters	128,000.00
Engine 1 - 1971 pumper	30,000.00
Engine 4 - 1974 tanker	16,000.00

TABLE I

State property in relation to mill values of selected Montana cities

Town	Mill Value ¹	Taxable Value of State Property ²	% Increase if State property were included
Anaconda	5,421,000	28,800	.5%
Billings	85,747,210	2,901,000	3.4%
Boulder	671,622	1,042,000	255.2%
Bozeman	18,293,968	9,878,000	54.0%
Butte/Silver Bow	51,964,415	1,355,000	2.6%
Columbia Falls	3,254,313	256,000	7.9%
Deer Lodge	2,668,577	1,175,000	44.0%
Dillon	3,624,942	1,357,000	37.4%
Glasgow	4,901,715	502,800	10.3%
Glendive	6,312,563	151,000	2.4%
Great Falls	57,990,557	506,000	0.9%
Havre	9,092,032	1,846,000	20.3%
Helena	28,662,000	3,511,000	12.3%
Kalispell	12,667,121	110,400	0.9%
Lewistown	6,126,886	432,900	7.1%
Livingston	6,663,992	40,400	0.6%
Miles City	9,104,068	534,000	5.9%
Missoula	36,231,137	7,505,000	20.7%

(1) 1977-78 Taxable Valuation.

(2) This figure is 12% of the insurance value of all state buildings listed in, Schedule of State Properties as of July 1, 1977, prepared by the Insurance and Legal Division of the State Department of Administration. The figure includes all state buildings in each locale because there was no way to determine whether specific buildings were inside of city limits.

Land value and the value of building contents are not included in this figure.

TABLE III

Tax savings to local citizens if the State paid property taxes for
the purpose of fire protection.

<u>Town</u>	<u>Current mill value</u>	<u>Mill value with State property</u>	<u>Current levy for Fire services</u>	<u>Levy if State property were included</u>	<u>Resulting mill deduction</u>	<u>Cost to the State</u>
Anaconda	5,421,000	5,449,800	54.6	54.3	0.3	1,564
Billings	85,747,210	85,643,210	24.5	23.7	0.8	68,754
Boulder	671,622	1,713,522	22.7	8.9	13.8	9,274
Bonanza	18,293,953	23,171,953	22.1	14.4	7.7	142,243
Butte/Silver Bow	51,964,415	53,319,415	18.4	17.9	0.5	27,255
Columbia Falls	3,254,313	3,510,313	7.1	6.6	0.5	1,590
Deer Lodge	2,553,577	3,313,577	4.5	3.1	1.4	3,543
Gillon	3,524,942	4,931,942	12.7	9.2	5.5	12,484
Glasgow	4,901,715	5,404,515	13.8	12.5	1.3	6,275
Glendive	6,312,553	6,453,553	15.6	15.3	0.3	12,310
Great Falls	57,990,557	59,495,557	23.2	23.0	0.2	11,533
Great Falls	9,092,032	10,928,032	30.9	25.7	5.2	47,442
Hayre	28,662,000	32,173,000	16.7	14.9	1.8	52,313
Helena	12,657,121	12,777,521	26.9	26.7	0.2	2,947
Kallispeil	6,126,886	6,559,786	22.0	20.5	1.5	8,874
Lewistown	6,663,992	6,704,392	20.9	20.8	0.2	840
Livingston	9,104,068	9,638,068	30.1	28.5	1.6	15,219
Miles City	36,231,137	43,726,137	24.4	20.2	4.2	151,501
Missoula						
						310,522

TABLE IV

Comparative costs to the State of Montana for fire protection services in selected Montana cities.

	Taxable value of State property	Average fire insurance, premium	Fire insurance savings due to City fire protection ²	Cost to State if they paid their share through taxes	Cost to State if they paid through contract ³
Anaconda	28,800	283	283	1,564	458
Billings	2,901,000	28,517	28,517	68,754	46,154
Boulder	1,402,000	10,243	10,243	9,274	16,578
Bozeman	9,878,000	97,100	97,100	142,243	157,159
Butte/Silver Bow	1,355,000	13,320	13,320	24,255	21,558
Columbia Falls	256,000	2,516	2,516	1,690	4,073
Deer Lodge	1,175,000	11,550	11,550	3,643	18,694
Gillon	1,357,000	13,340	13,340	12,484	21,590
Glasgow	502,800	4,943	4,943	6,275	8,000
Glendive	151,000	1,484	1,484	2,310	2,402
Great Falls	506,000	4,974	4,974	11,638	8,050
Mayre	1,346,000	12,146	18,146	47,442	29,370
Helena	3,511,000	35,513	35,513	52,313	55,860
Kalispell	110,400	1,085	1,085	2,947	1,755
Lewistown	432,900	4,255	4,255	8,874	6,887
Livingston	40,400	397	397	840	643
Miles City	534,000	5,249	5,249	15,219	8,496
Missoula	7,505,000	73,774	73,774	151,601	119,405
	33,490,300	326,699	326,699	563,356	527,113

¹ Based on the State's current fire insurance premium of 11.8 cents per \$100 of valuation. Because the rate is registered for coverage statewide it is not possible to determine city-by-city premium rates.

² Based on the assumption that, on the average, premiums would double if city fire protection was not provided. estimate was provided by the City of Helena's insuring agent.

³ In the most current payment to City of Helena fire insurance company provided by the company. The contract rate is \$10.01 per \$100 of taxable valuation.

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OCT 5 1978

DEPT. OF ADMINISTRATION
CITY OF HELENA

*Dept. Adm.
MG/MG/L*

3 October 1978

Lawrence E. D'Arcy, Deputy Director
Department of Administration
Capitol Complex
Helena, Montana 59601

Re: Particular Firefighting Problems for State Owned
Buildings

Dear Mr. D'Arcy:

Pursuant to the provisions of Section 82-3310.2, R.C.M. 1947, the State Fire Marshal has made a determination that particular firefighting problems are presented to local communities where state owned buildings are located by virtue of the fact that the state does not pay for the fire protection services it receives from the locality.

I support the position taken by Mr. Kelly and the cities. The presence of a state institution can cause a severe drain on the fire protection resources of the community and in many instances requires that additional manpower or equipment be added at local expense.

This is a severe problem that must be addressed by both the department and the next legislative session.

Very truly yours,

MIKE GREELY
Attorney General