

MINUTES OF THE MEETING OF THE HOUSE APPROPRIATIONS
COMMITTEE
March 9, 1981

EDUCATION

REP. DONALDSON stated that Higher Education and Vo-Tech would not be discussed this date.

BOARD OF PUBLIC EDUCATION.

REP. DONALDSON stated that the subcommittee recommended \$2,400 modification for travel and per diem for the '83 biennium for the high school student Board member, which was formerly paid out of pocket by the Board members. He stated that one FTE for fire training center for eastern Montana was also recommended.

REP. DONALDSON moved that the committee approved the Board of Public Education budget at \$510,000 for the '83 biennium.

REP. MOORE made a substitute motion that the travel for the high school student not be approved. A representative of the Office of Budget and Program Planning stated that the student Board member's costs are paid, in part by the Student Council Association. REP. DONALDSON stated that it was currently being paid by Board members.

REP. MOORE'S motion resulted in a tie vote and failed.

The motion made by REP. DONALDSON was unanimously approved by the committee.

PUBLIC SCHOOL SUPPORT-SPECIAL EDUCATION ONLY.

REP. DONALDSON stated that the subcommittee used a 10% inflation rate on contingency (Federally mandated) for \$500,000 each year of the '81 biennium.

REP. DONALDSON moved that the committee approve \$52,232,004 for the '83 biennium for Special Education.

REP. MOORE stated that he objects to \$517,000 being added to the base figure with inflation factors. He made a substitute motion to remove the \$517,000 from the '81 base figure, for a reduction of \$1,800,000.

REP. DONALDSON, stated that by adding the costs related to the 5.3% increase in special education children, the base would increase the figure to more than the original amount recommended by the subcommittee. REP. DONALDSON added that he felt the program was not very acceptable, but that it has to be funded by Statute.

MR. CURT NICHOLS, LFA, stated that the total would be \$48,600,000

without the contingency and \$49,600,000 with the contingency, which was not included in the base.

REP. BENGTON stated that there were currently 12,990 children in special education in Montana.

REP. MOORE stated that the general fund was getting too high. He stated that in the '81 biennium the state was kept at a minimum level and that the local community would have had to levy for special education needs.

The motion made by REP. MOORE was passed with 14 members voting aye, 2 voting no and REP. SHONTZ absent.

REP. BENGTON moved that language be inserted in the bill regarding item 3 for Public School Support for audiological services, to the effect that any funds not spent will revert and may not be transferred between fiscal years. The motion was unanimously approved.

The motion made by REP. DONALDSON passed as amended for public School Support Special Education Only, in the amount of \$1,192,801. The vote was unanimous.

OFFICE OF PUBLIC INSTRUCTION.

REP. DONALDSON stated that one-time expenditures were not included in the base and that two modifications were added for consultant for gifted and talented children and a secretary, in the amounts of \$33,438 for each year of the biennium.

REP. DONALDSON stated that the position was to coordinate knowledge between school districts in 45 schools in the State. He stated that audio-visual library appropriations were mostly for maintenance and that audit costs were also included in the subcommittee recommendation.

REP. BARDANOUVE stated that a few sessions ago general fund dollars were added to purchase films. REP. DONALDSON stated that the cost of silver in making films has sky-rocketed.

REP. HEMSTAD stated that her bill for gifted and talented children would request \$250,000 on which there would be a \$10,000 limit per school district for funding.

REP. DONALDSON moved that the committee approved the subcommittee recommendation for the Office of Public Instruction for the 83 biennium at \$9,956,509.

REP. MOORE stated that he feels the staff in OPI are already capable of handling this program and moved that the committee

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delete the consultant and secretarial positions recommended by the committee.

REP. DONALDSON stated that 11 FTE were already deleted to coincide with the reduction in Federal funds and that more FTE could be dele

REP. BENGTON stated that other consultants were requested, but were denied in subcommittee.

REP. WALDRON asked why schools didn't provide different methods of teaching for students who learn in a different manner.

The motion made by REP. MOORE failed with 12 members voting no and five voting aye.

The original motion made by REP. DONALDSON passed with 14 members voting aye and three voting no.

TRANSPORTATION.

REP. DONALDSON stated that there would be a 2% increase over the coming biennium for bus transportation and that REP. ANDERSON'S bill was \$2,400,000 above the subcommittee recommendation. He added that the subcommittee recommendation was the same as that of the LFA.

REP. BARDANOUE stated that he feels the committee should wait for Senate action on the Anderson bill.

CHAIRMAN LUND stated that it could be plugged in now and raised if the Anderson bill passes or lowered to Statute, if not. He added that the subcommittee recommendation is above the present amount limited by Statute.

REP. MOORE moved that the subcommittee recommendation be approved and changed pending the outcome of the Anderson bill. REP. MOORE then withdrew his motion.

REP. BARDANOUE stated that he feels action of the committee would be compromising the Anderson bill. He made a substitute motion to plug in the current law requirement in this bill and change the amount later if need be. The motion was unanimously approved

SCHOOL LUNCH.

REP. DONALDSON stated that there was a 2% increase in FY 83 or a total increase of 16.86%. He added that the subcommittee recommendation equaled the LFA recommendation and was below the OBPP recommendation.

REP. DONALDSON stated that there was a 3-1 match with Federal funds, which included commodities. He moved that the committee approve the subcommittee recommendation for the '83 biennium for

School Lunch in the amount of \$1,538,943. The motion was unanimously approved.

REP. MOORE stated that as Federal funds were received, general funds would revert.

ADULT BASIC EDUCATION.

REP. DONALDSON stated that the subcommittee recommendation equaled the LFA recommendation and that no inflationary increase was noted in the OBPP recommendation. He moved that the committee approve Adult Basic Education, for the '83 biennium in the amount of \$254,732. The motion was approved 16-1, with REP. LORY not voting.

SECONDARY VO ED.

REP. DONALDSON stated that the subcommittee recommended \$1,500,000 with no inflationary increase, as it should be built into the school foundation itself, but only for on-going Vo-Ed programs.

REP. DONALDSON moved that the subcommittee recommendation for Vo-Ed be approved. The motion passed with 16 members voting aye and REP. BARDANOUVE voting no.

TRAFFIC SAFETY EDUCATION.

REP. DONALDSON stated that more language was needed in the bill for this budget which attaches revenue to be used for this purpose. He moved that the subcommittee recommendation for the budget be approved. The motion was passed unanimously.

ADVISORY COUNCIL VO ED.

REP. DONALDSON moved that the committee approve the subcommittee recommendation of \$188,000 in Federal funds for this purpose. The motion was unanimously approved.

STATE LIBRARY COMMISSION.

REP. DONALDSON stated that one FTE was added by the subcommittee for a coordinator for the blind and that \$20,000 was appropriated for the move to the new Justice building. He stated that net work was funded with the maximum amount of Coal Tax Funds allowed.

REP. DONALDSON stated that there was a 23.8% increase in the budget, including the pay plan, and that the subcommittee recommendation was over the LFA and under the executive recommendations.

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REP. DONALDSON moved that the committee approve for the '83 biennium, \$2,496,131 for this budget.

REP. MOORE requested that, if there were any way, the base should be backed down to \$317,000 for maintenance of effort.

MR. BRUCE SHIVELY, LFA, stated that a minimum was paid in FY 81 and that there would be minimum base in '82 for funding and that there was no way to back this down.

MR. TOM CROSSER, OBPP, stated that not all State Library functions related to LFCA funding (Library Service and Construction Act).

REP. MOORE asked if there was an alternative approach to accomplish his purpose. He was informed by the LFA that once a certain level of funding has been appropriated it can't be backed down.

The budget for the State Library was unanimously approved, as moved by REP. DONALDSON.

HISTORICAL SOCIETY.

REP. DONALDSON stated that 5.75 new FTE were added to this budget. He stated that Educational Outreach is Federally and privately funded.

MR. TOM CROSSER, OBPP, stated that the Montana College, provides historical data, which is sent to schools in Montana for students to observe and that most of the funds for this program are donated and little are Federal.

REP. DONALDSON stated that the Historical Sites Bureau will be eliminated due to lack of Federal funds for a 50-50 match. He added that changes would be needed in the '85 biennium for the Museum.

REP. DONALDSON moved that the subcommittee appropriate \$2,580,116, to the Historical Society for the '83 Biennium. The motion passed with 16 members voting aye and REP. CONROY voting no.

ARTS COUNCIL.

REP. DONALDSON stated that artists in school programs expanded to include additional 20-25 schools, of which \$26,100 was generally funded and that 200 schools participated in the program now.

REP. DONALDSON moved that the committee appropriate \$658,389 for the 83 biennium for the Arts Council. The motion was unanimously approved.

REP. BENGTON asked about the Montana Heritage Program. CHAIRMAN LUND stated that the committee would come back to this later in the session on Education.

LEGISLATIVE AUDITOR.

REP. EARL LORY stated that the subcommittee recommended that \$149,159 be added to the budget for seed money for the revolving account, from the general fund, for a revised total of \$1,008,825 in general funds.

REP. LORY moved that this amount be approved as amended. REP. BARDANOUE stated that if the agency sues us its Federal funding before an audit, it must then use general funds.

The motion as made by REP. LORY was unanimously approved.

LEGISLATIVE FISCAL ANALYST.

REP. LORY stated that the salary for the legislative branch will be mentioned in the pay plan bill in order that their salary increases be implemented on a comparable basis with other state employees. He stated that the subcommittee, therefore, withdrew salary increases from these agencies in its budget recommendations.

REP. LORY moved that the committee approve \$929,409 for the '83 biennium for the LFA. REP. MOORE stated that the LFA did revert some general funds in FY 80. MS. RIPPINGALE added that the LFA expected to do so again in FY 82.

The motion as made by REP. LORY was unanimously approved.

LEGISLATIVE COUNCIL.

REP. LORY stated that salaries were deleted from this budget also and that the revised total for the '83 biennium was \$3,602,664. He moved that the committee approve this amount as amended.

The motion was made by REP. LORY and approved with 14 members voting aye and 3 members, REP. WALDRON, MANUEL and QUILICI voting no.

ENVIRONMENTAL QUALITY COUNCIL.

REP. LORY stated that \$17,340 was deleted by the subcommittee and that the revised total for the Council was \$317,985 for the '83 biennium. He moved that this amount be approved as amended.

The motion as made by REP. LORY was approved with 16 members voting aye and REP. ERNST voting no.

CONSUMER COUNCIL.

REP. LORY stated that the fiscal year of the Council runs from January to January and that the subcommittee recommended \$460,752 in FY 82 and \$479,237 in FY 83. He moved that these amounts be approved for the Council.

REP. LORY'S motion was approved with 16 members voting aye and REP. STOBIE voting no.

GOVERNOR'S OFFICE.

REP. LORY moved that the original recommendation of the subcommittee be approved, less \$40,000 for Consultant Services for the '83 biennium.

REP. LORY stated that a change in language was needed to allow the engine in the Duke to be replaced in either year of the biennium. He stated that the subcommittee did not add dues for the Old West Regional Commission as it was not known what would happen to Federal funding for the Program. He stated that this could be line -itemed.

REP. LORY stated that Citizens Advocate was recommended at current level plus inflation and \$700 to put the phone number in telephone directories.

REP. MOORE asked how much additional funding had been approved for the Board of Visitors. REP. LORY stated that there was a \$16,021 increase in travel only.

REP. MOORE moved that the committee remove \$42,100 for the '83 biennium in Consultant Services for the Governor's office, with the intention that, if services are needed, they can be taken from other areas of the budget.

MR. DAVE LEWIS, BUDGET DIRECTOR, stated that over \$1,000,000 had already been pulled for the budget and that there was no slack. He stated that in the past, Consultant Services have averages of \$22,000 annually.

REP. MOORE stated that he feels expertise is already present in State government to advise the Governor.

REP. QUILICI stated that in tribal litigation Consultant Services are needed on an equitable bases to those hired by the tribes, over and above Legal Jurisdiction.

REP. HEMSTAD stated that expert witness funds were given to the Public Service Commission. REP. CONROY asked why Attorney General Funds could not be used for this purpose.

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The motion made by REP. MOORE failed with 10 members voting no and 7 voting aye.

REP. MOORE moved that the committee delete \$20,000 for WESTPOL dues from the Governor's budget in the '83 biennium. REP. QUILICI asked if this were over and above the \$40,000 recommended to be deleted by the subcommittee. REP. MOORE replied that it was.

REP. QUILICI stated that the subcommittee felt that WESTPOL should be deleted, but that the subcommittee also felt that the Governor should be allowed to make the cuts in his budget for the \$40,000 deletion.

REP. WALDRON stated that he feels WESTPOL organized the Western States as a solid front to prevent the loss of the Coal Severance Tax in Congress.

REP. HURWITZ made a substitute motion to consider the original motion made by REP. LORY.

REP. SHONTZ stated that he feels the Governor would prefer to make his own cuts.

REP. MOORE, in reference to WESTPOL, stated that there was a Western Council of State Governors already.

The motion made by REP. MOORE failed, with 13 members voting no and 4 voting aye.

REP. MOORE made a substitute motion to delete \$22,000 for the '83 biennium for the Board of Visitors. REP. MOORE read a report from Dr. JIM HAMMIL, Supt. of Warm Springs, who feels that the Board of Visitors is acting outside its realm in evaluating psychiatrists without a psychiatric consultant on the Board.

REP. WALDRON stated that the Board of Visitors was established by the legislature to assure discontinuance of abuse of patients in institutions.

REP. MOORE stated that there was a need for the Board of Visitors in 1975, 76, 77, 78, and 79, but that the philosophy of Institutions has now changed and that he feels expanded operations on the part of the Board of Visitors is not required.

REP. COZZENS asked who would advocate for these patients if the Board of Visitors did not.

CHAIRMAN LUND stated that the Board of Visitors were acting outside their realm in the past, but have conformed more in the '81 biennium.

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REP. SHONTZ stated that he feels travel requested for Eastern Montana is excessive and could be minimized. He stated that he feels the Board of Visitors have become a watchdog over Institutions rather than an advocate of the individual. REP. SHONTZ added that he still doesn't want to line-item budgets in the Governor's Office.

REP. MOORE stated that he feels the Board of Visitors budget needs to be reduced. REP. BARDANOUE stated that the Board is not part of the Governor's Office and is attached for administrative purposes only and that he feels that Statute may be violated by reducing travel, as the Board will not be able to make required visits. He added that the Statute may need to be changed.

The motion made by REP. MOORE passed with 9 members voting aye, seven voting no and one abstaining.

As an amendment to the motion made by REP. LORY on the Governor's Budget, REP. MOORE moved that the budget be reduced by \$18,000. The motion was passed with 12 voting aye, 3 no, and 2 absent.

REP. MOORE MOVED that the original motion made by REP. LORY be approved as amended. The motion was unanimously passed, with REP. BENGTON, and HEMSTAD absent.

REP. LORY moved that \$45,000 in FY 82 and \$60,000 in FY 83 be line-itemed for the OWRC, and that if Federal funds are cut, the appropriations will revert. The motion was unanimously approved.

The meeting recessed from 12:00 noon, until 1:00 p.m.

REP. LORY stated that the subcommittee recommended that \$4,108 for each year of the biennium for upgrades in the Commissioner of Campaign Practices Offices, which have not yet been approved. The subcommittee also recommended that .5 FTE be deleted. REP. LORY stated that the revised total for the '83 biennium for the Commissioner was \$240,458, a 20% increase. He stated that language needed to be added to provide \$700 in Contracted Services for a secretary.

REP. LORY moved that the revised total for the Commissioner of Campaign Practices be approved.

REP. THOFT asked if HB 139 would affect this, as it takes all district elections out of the general election. REP. CONROY and MOORE stated that it would not. The motion was approved, with 15 members voting aye and REPS. MOORE AND CONROY voting no.

REP. LORY stated that FTE in Judiciary should be 67.5 in FY 82

and 73.5 in FY 83. He stated that \$22,350 and \$24,000 were the actual figures for microfilming for Supreme Court Operations.

REP. LORY stated that law library acquisitions were cut by 5% for a revised total of \$150,385 in FY 82 and \$184,870 in FY 83.

REP. LORY stated that the Montana Report was reduced by \$63,000 in addition to the deletion of an editor.

REP. SHONTZ stated that there was no dollar amount in SB 300 for the Grant in Aid Program for District Courts and that it was only enabling legislation.

REP. MOORE stated that if SB 300 passes, a contingency fund must be put in.

REP. SHONTZ stated that he wanted to plug a dollar amount into this budget. REP. DONALDSON asked what the difference was between current legislation and SB 300.

REP. LUND stated that \$875,000 was appropriated between July, 1980 and December 31, 1981. He stated that the fiscal note of 3-4-81 on SB 300 proposes \$1,451,581 in Coal Tax Interest Fund, but does not contemplate unusual court costs such as in Roosevelt County.

REP. WALDRON stated that he feels it is unfair that the counties pick up costs for enforcing State Law. REP. BARDANOUE stated that this is open-end appropriation with no control.

REP. LORY stated that the total Judiciary appropriation would be \$3,047,820 in FY 82 and \$3,246,063 in FY 83.

REP. LORY moved that the committee approve the budget as amended for Judiciary.

REP. CONROY asked if Supreme Court Judges were going to handle matters instead of referring them to District Court Judges, now that there were two new judges.

REP. BARDANOUE made a substitute motion to delete two law clerks and one secretary in the Supreme Court. The motion as made by REP. BARDANOUE passed with 13 members voting aye, 4 voting no.

The original motion made by REP. LORY, passed, as amended, with 16 members voting aye and 1 voting no. (REP. CONROY).

REP. LORY stated that the subcommittee revised appropriations for the Sec. of State, Records Management Division, in the amounts of \$580,152 in FY 82 and \$632,661 in FY 83. He stated that \$100,000 was deleted in Administrative Codes and Systems Development was deleted.

REP. LORY moved that the committee approve the subcommittee recommendations for the Sec. of State, as amended, although he himself did not approve of the subcommittee recommendations.

REP. QUILICI stated that Systems Development was a modified request and that subcommittee felt that the modified requests of the Secretary of State over and above the current level were not justified.

REP. SHONTZ stated that the subcommittee felt that the Secretary of State did not give enough thought to the proposal for Systems Development prior to submitting the modified request.

REP. LORY stated that he feels many documents need to be on computer. He added that indexing of codes was deleted by the subcommittee.

REP. LORY'S motion was approved 14-3, with language to be added for the budget.

STATE AUDITOR.

REP. LORY stated that 1 FTE was deleted in the Insurance Division along with one Lektriever in the same division. He stated that the revised total was \$1,568,465 in general funds for FY 82 and \$1,615,072 in FY 83 in general funds. He added that other funds remain the same.

REP. LORY moved that the committee recommendation for the State Auditor be approved. REP. SHONTZ stated that the workload for the Securities Division had increased substantially.

REP. BARDANOUVE moved that the committee delete the consumer information program from the Insurance Division in the amount of \$17,240. The motion passed with 16 members voting aye, and REP. HEMSTAD abstaining.

REP. LORY moved that boiler-plate language be added for distribution of funds, and for revenue collected to be put in the Fireman's fund. The motion was unanimously approved, with REP. HEMSTAD abstaining.

REP. QUILICI moved that the committee delete one Investigator Examiner position in the Securities Division. He then withdrew his motion.

The meeting was recessed from 3:00 p.m. until 3:50 p.m.

REP. LORY stated that the revised totals for Contracted Services in the Department of Justice were \$37,632 and \$40,645. He added that \$1,000 annually was cut in out-of-state travel for the Forensic Science Division.

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REP. LORY stated that one FTE was deleted in the Identification Bureau in the amount of \$24,000, with support costs of \$1,000. He stated that the terminal was moved to FY 82.

REP. LORY stated that gas for the Highway Patrol was decreased to \$76,478 in FY 82 and \$103,211 in FY 83, for a total decrease of \$179,689.

REP. LORY stated that \$150,000 in general funds for LENS was moved to other funds. He stated that the subcommittee recommended that salaries of uniformed personnel be transferred to the earmarked fund in the amount of \$9,098,640 for the '83 biennium.

REP. LORY moved that the committee approve the subcommittee recommendations as amended, for the Department of Justice, with the exclusion of the Highway Patrol.

REP. MOORE made a substitute motion that \$9,098,640 in salaries for uniformed personnel in the Highway Patrol be moved from the general fund to the earmarked revenue account.

REP. SHONTZ stated that he feels this is highly inappropriate as transportation in Montana is in jeopardy and this action would be putting additional burden on Montana taxpayers.

REP. WALDRON stated that he opposed the motion. REP. BARDANOUVE stated that he opposes earmarked revenue funds for the Highway Patrol and that he feels these funds are needed for the Department of Highways for crisis situations.

REP. MANUEL asked if REP. MOORE's motion affected the Federal match. Rep. Moore stated that it shouldn't.

REP. SHONTZ stated that if Highway Patrol is placed on earmarked revenue funds, those dollars would come from the Highway Construction Division. He added that the Department of Highways would have had enough revenue dollars without raising the gas tax.

REP. SHONTZ said that some counties in eastern Montana don't use gas and use propane, thus paying no fuel tax. The Statute currently reads that the Highway Patrol salaries shall be paid out of revenue funds.

REP. BARDANOUVE stated that there were no Federal dollars for Highway Maintenance, that this was 100% State funded.

REP. STOBIE stated that in Fish, Wildlife and Parks, a slush fund was formed from other funds for gas and that he feels the Highway Patrol should have control of the funds and that the funds would not be siphoned off for another purpose.

REP. QUILICI stated that if the Patrol were generally funded it could be line-itemed. REP. SHONTZ stated that he felt the subcommittee took care of this problem.

REP. BARDANOUE asked if there were enough funds in the Highway Department budget to meet this appropriation.

MS. JANDEE MAY, LFA, stated that if uniformed salaries are funded, there will be sufficient funds, but it will be close, if revenue remains constant. She stated that if revenue dropped, there might not be enough funds in FY 83.

REP. SHONTZ asked what the total revenue estimate was for the '83 biennium.

MS. MAY stated that it was \$72,900,000 per year, but that if the estimate were more than 1% off, a shortage of funds would occur.

The motion as made by REP. MOORE passed with 10 members voting aye, 5 voting no, and 2 absent.

REP. SHONTZ moved that \$9,098,640 be taken from the general fund and placed in the earmarked account. REP. MOORE stated that he would resist the motion.

REP. SHONTZ stated that the problem exists and must be faced now rather than passing the buck.

REP. STOBIE asked if this were circumvention of the law and stated that he agreed with REP. SHONTZ.

REP. BARDANOUE stated that \$400 billion was needed for Highway systems rebuilding and that the transfer of funds recommended by REP. SHONTZ is quite proper.

REP. ERNST stated that he supported REP. SHONTZ' motion, but that he believes the cost should be borne by the user.

REP. SHONTZ stated that the problem goes beyond the highway user. The motion as made by REP. SHONTZ failed with 10 members voting no, 5 voting aye and 2 absent.

DEPARTMENT OF JUSTICE.

REP. MOORE made a substitute motion that Antitrust be reduced to \$100,000 for the biennium, at \$500,000 annually. He stated that he felt these matters should be handled by county attorneys. This is a reduction of \$229,437.

REP. QUILICI stated that county attorneys are strapped now and that the job would not get done at the local level.

REP. BARDANOUVE added that many of these cases are out-of-state.

REP. SHONTZ stated that he feels Antitrust should be on a revolving fund as intended by the last legislature. REP. WALDRON stated that by putting Antitrust on the revolving fund, the Attorney General, who needs to enforce business where no dollars are involved, would have a problem. He added that he would not support REP. MOORE'S motion and stated that county attorneys are reluctant to press charges against their electors.

The motion was made by REP. MOORE and failed, with 8 voting no, 7 voting aye, and 2 absent.

REP. STOBIE moved that the committee delete all but \$200,000 in Antitrust. The motion passed with 10 members voting aye, 5 voting no and 2 absent.

REP. SHONTZ stated that general fund dollars should revert to the general fund, and that boiler plate language was needed.

REP. LORY stated that he needed to refigure the funding for Antitrust.

REP. LORY stated that more appropriate language would be designed for severance pay for the retired investigator. REP. MOORE moved that the severance pay be approved. The motion was unanimously approved.

REP. LORY moved to approve the budget for the Dept. of Justice as amended in the amounts of \$8,741,059 general funds in FY 82 and \$8,270,733 other funds in FY 82; \$8,283,841 general funds in FY 83 and \$8,443,636 in other funds in FY 83. The motion passed with 11 members voting aye, 3 voting no, 2 members absent and one abstention.

HIGHWAY DEPARTMENT.

REP. LORY stated that the subcommittee replaced earmarked funds with a revolving fund for collections for damage repaired by the Maintenance Division. He stated that the subcommittee deleted \$4,100,000 in the Construction Division in FY 82 for Rail Planning and that \$73,562 needed to be added for each year of the '83 biennium in General Operations Division to correct an error.

REP. LORY moved that the committee approve the Highway budget as amended by the subcommittee.

REP. SHONTZ stated that he was concerned that funds were not well spent in the past and that he has reservations about passing the budget as stated. He added that the problems was in the lack of time to delve into the matter.

REP. LORY stated that language was needed in the bill for Pre-Construction Division.

REP. QUILICI stated that he feels no subcommittee will get a handle on this matter, unless it has only the Dept. of Highways and no other agencies to look at.

REP. WALDRON stated that Highways did more accounting to SBAS.

REP. SHONTZ stated that the Dept. intends to maintain two sets of books, which is not economizing. He stated that North Dakota builds highways with the same terrain at half the cost and that he feels there is a problem and that a standing committee needs to be established in the '83 session.

REP. BARDANOUVE moved to amend the subcommittee bill. REP. STOBIE stated that the Highway Committee in the House wrote a letter, asking for a Program Audit.

REP. LORY stated that boiler plate language in the bill would require the Dept. to report to the interim finance committee.

REP. LORY stated that this would require one FTE at \$39,000 for the biennium.

REP. CONROY moved that the committee delete the Conservation Education Bureau in General Operations in the amount of \$79,556, to revert to the earmarked account for Construction and that one FTE be deleted.

The motion was approved with 16 members voting aye and one member voting no.

REP. LORY'S original motion for the Dept. of Highways as amended was passed with 14 members voting aye and 3 voting no.

REP. QUILICI stated that he would like to delete 5 FTE in Right of Way, but that he is afraid the workers would be deleted and that he wanted to check this further.

DEPARTMENT OF REVENUE.

REP. LORY stated that \$150,000 needed to be added to the budget for the BN case. CHAIRMAN LUND stated that the LFA would check on the House Bill in regard to this matter and that language was needed for the counties to provide space for Appraisers.

REP. LORY stated that the revised totals for the Dept. of Revenue are \$12,579,529 in FY 82 and \$12,764,153 in FY 83.

REP. SHONTZ moved that the committee delete the last sentence on Page 8 of HB 500 language and the first two lines on Page 9.

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REP. LORY moved that the subcommittee recommendations for the Department of Revenue be approved as amended.

REP. MOORE moved that the committee change the word "should" to "shall" in paragraph 2, Page 9, of HB 500, regarding language on non-profit agency stores, (closure or conversion thereof).

REP. LORY'S motion was unanimously approved.

STATE AUDITOR.

REP. LORY moved that one paralegal or investigator FTE be deleted in the Insurance Division and that one Lektriever be deleted. He moved that the subcommittee also recommend that Consumer Education Program be deleted and that this was included in the motion, for total cuts of \$58,976.

REP. BARDANOUE moved that the Administrative Assistant position be changed to that of secretary in the Securities Division. The motion was approved with 16 members voting aye, and REP. HEMSTAD abstaining.

The meeting was adjourned at 6:29 p.m. and was set to continue at 8:00 a.m. No final action was taken on State Auditor's budget.



ART LUND, Chairman.

jc

A. LEGISLATIVE, JUDICIAL, AND ADMINISTRATIVE AGENCIES

All departments within the section A shall purchase low-band radio equipment only on an emergency basis. The department director shall certify on the purchase order the nature of the emergency.

Amounts line itemed for audits may be transferred between fiscal years.

| | --Fiscal Year 1982--- | | --Fiscal Year 1983--- | |
|--------------------------------------|-----------------------|--------------------------|-----------------------|--------------------------|
| | General Fund | Other Appropriated Funds | General Fund | Other Appropriated Funds |
| LEGISLATIVE AUDITOR | 859,666 | 861,675 | 1,266,805 | 783,425 |
| LEGISLATIVE FISCAL ANALYST | 456,224 | | 473,685 | |
| LEGISLATIVE COUNCIL | 1,970,349 | 318,200 | 2,022,408 | 42,000 |
| ENVIRONMENTAL QUALITY COUNCIL | 160,068 | | 175,265 | |
| CONSUMER COUNSEL | | 460,752 | | 479,237 |
| JUDICIARY | | | | |
| 1. Supreme Court Operations | 1,000,113 | | 987,656 | |
| | 1,065,923 | | 1,047,716 | |
| 2. Boards and Commissions | 141,182 | | 145,269 | |
| 3. Law Library | 279,969 | | 325,813 | |
| | 275,644 | | 335,543 | |
| 4. District Courts | 1,537,532 | | 1,545,622 | |
| 5. Moving Expenses | | | 31,342 | |
| 6. Moving Expenses: Rent Increase | | | 130,301 | |

| | | | | |
|--------------------|---|--|---|--|
| 7. Montana Reports | 42,000 80,000 | | 40,000 42,000 | |
| Total Judiciary | 3,100,281 3,047,820 3,000,786 | | 3,277,793 3,246,063 3,199,003 | |

GOVERNOR'S OFFICE

| | | | | |
|--|---------------|---------|---------------|---------|
| 1. Executive Office | 827,232 | 150,000 | 822,138 | 100,000 |
| 2. Mansion Maintenance | 78,986 | | 70,721 | |
| 3. Air Transportation | 160,124 | | 99,969 | |
| 4. Office of Budget and Program Planning | 648,126 | | 659,446 | |
| 5. Legal Jurisdiction | 83,248 | | 89,568 | |
| 6. Lieutenant Governor | 173,141 | | 179,332 | |
| 7. Citizens' Advocate | 65,864 | | 68,654 | |
| 8. Board of Visitors | <u>56,783</u> | | <u>60,575</u> | |
| Total Governor's Office | 2,093,504 | 150,000 | 2,050,403 | 100,000 |

Federal indirect costs reimbursements shall be reverted to the general fund.

SECRETARY OF STATE

| | | | | |
|-------------------------------------|--|--|-------------------------------|--|
| 1. Records Management | 580,152 557,047 | | 632,661 624,556 | |
| 2. Administrative Code | 141,740 | 80,000 25,000 | 146,095 | 46,095 27,000 81,000 |
| 3. Microfilming: Records Management | 85,000 | | 85,000 | |
| 4. Microfilming: Secretary of State | 35,508 | | 19,208 | |
| 5. Systems Development | <u>116,641</u> | | <u>124,310</u> | |
| Total Secretary of State | 950,936 621,892 | 25,000 80,000 | 999,169 688,756 | 27,000 81,000 |

Item 3 may be spent only if the microfilming is done at records management, the state microfilming facility. Item 4 includes two clerk positions and support costs within the secretary of state's office for document preparation. These positions will terminate June 30, 1983. Expediency of the microfilming project is important and progress on this project should be carefully evaluated by the next legislature.

Item 5 is for automation of information related to the uniform commercial code, corporations, and trademarks. It includes costs for development, data entry and equipment rental. The secretary of state is directed to contract with the information systems division (ISD) for system development if systems development and data entry can be completed by the end of the 1983 biennium. If this time frame cannot be met by ISD the secretary of state is authorized to undertake and complete this project in-house only if the time frame can be met by doing so.

A budget amendment increasing the administrative code's revolving fund spending authority in item 2 may be approved only for additional printing expenses and related supplies.

COMMISSIONER OF POLITICAL PRACTICES

| | | | |
|--|---------|--|---------|
| | 124,574 | | 124,100 |
|--|---------|--|---------|

STATE AUDITOR

| | | | | |
|---|--|-------------------|-----------------------------------|-------------------|
| 1. State Auditor | 1,569,291 | 125,000 | 1,603,859 | 150,000 |
| 2. Contracted Services: Insurance Division | <u>25,042</u> | <u> </u> | <u>27,081</u> | <u> </u> |
| Total State Auditor | <u>1,534,803</u> 1,594,333 | 125,000 | <u>1,</u> 1,630,940 | 150,000 |

DEPARTMENT OF JUSTICE

| | | | | |
|---|--|-------------------|--|-------------------|
| 1. General Operations | 12,517,789 12,617,267 | 3,710,700 | 12,219,832 12,342,543 | 3,739,316 |
| 2. Case Travel: Legal Services Division | 12,000 | | 13,000 | |
| 3. Contracted Services: Antitrust | 37,632 41,816 | | 40,645 45,161 | |
| 4. Severance Pay | 4,900 | | | |
| 5. Hearings Officer | | 5,000 | | 5,000 |
| 6. Audit | 37,000 | 4,000 | | |
| 7. Moving Costs | | 1,713 | 25,000 | |
| 8. Out-of-State Travel: Forensic Science | 1,000 1,600 | | 1,000 1,600 | |
| 9. County Attorney Payroll | 602,395 | | 602,395 | |
| 10. Transportation of Prisoners | 112,314 | | 129,115 | |
| 11. Radio Equipment | <u>32,000</u> | <u> </u> | <u>25,000</u> | <u> </u> |

Total Department of Justice

| | | | |
|-----------------------|----------------------|-----------------------|---------------|
| 13,461,292 | 3,721,413 | 13,183,814 | 3,744,316 |
| 13,357,030 | 3,894,316 | 12,905,987 | <i>no chg</i> |

Appropriated amounts within item 2 are for case-related travel only.

Any fund balance remaining within the motor vehicle account at the end of a fiscal year shall revert to the general fund.

Any collections made by the county prosecutor services program or antitrust enforcement efforts will be deposited to the general fund.

Item 4 contains \$4,900 for the biennium for severance pay of James Spall, to be paid upon his request from the county prosecutor program.

The hourly rate charged by the agency legal services program will not exceed \$30^{per hr.} in 1982 and \$35^{per hr.} in 1983.

Collections made from hearings conducted by the motor vehicle division on dealer franchises will be deposited to the general fund.

Funds remaining within the 1981 biennium appropriation for coal tax defense at June 30, 1981 are reappropriated for the 1983 biennium for the same purpose. These funds are approved for legal-related costs only.

BOARD OF CRIME CONTROL

| | | | | |
|------------------------------|---------|------------------|---------|------------------|
| 1. General Operations | 219,400 | 404,100 | 217,900 | 404,400 |
| 2. Grants | | <u>1,100,000</u> | | <u>2,100,000</u> |
| Total Board of Crime Control | 219,400 | 1,504,100 | 217,900 | 2,504,400 |

DEPARTMENT OF HIGHWAYS

| | | |
|--------------------------------|------------------------|------------------------|
| 1. General Operations Division | 7,545,871 | 7,591,008 |
| | 7,512,225 | 630,648 |
| | | 7,557,086 |
| 2. Low Band Radio Equipment | | 74,000 |
| 3. Construction Division | 118,303,305 | 118,876,162 |
| | 122,363,389 | 118,836,522 |
| 4. Maintenance Division | 36,011,400 | 37,854,616 |
| 5. Preconstruction Division | 12,435,358 | 12,198,196 |
| 6. Service Revolving Division | 2,426,004 | 2,537,543 |
| 7. Motor Pool Division | 1,036,727 | 1,160,844 |
| 8. Equipment Division | 11,369,034 | 12,113,491 |
| 9. Stores Inventory | 13,341,876 | 14,518,052 |
| 10. Capital Outlay | 570,072 | 571,153 |
| 11. Audit | <u>22,000</u> | <u>66,000</u> |
| Total Department of Highways | 207,162,085 | 207,487,503 |
| | 203,135,647 | 561,065 |

During the 1983 biennium the department of highways shall:

1. Develop and institute a comprehensive construction project planning system. This system will be the basis for:

- project scheduling,
- project monitoring,
- manpower planning,
- work measurement and evaluation,
- cash flow projections,
- long and short range construction goals, and
- budget preparation.

2. Utilize the partial funding method for construction projects.

3. Institute a cash forecasting system to minimize cash reserves.

4. Maintain a surplus of completed construction plans in order to obligate and expend the maximum amount of federal dollars available for construction during the biennium.

5. Submit to the 1983 legislature a construction workplan for the 1985 biennium which ties directly to the 1985 biennium budget request. This workplan will specify by road system or project area; projects on which a million dollars or more would be spent during the 1985 biennium, and an aggregate cost for projects with anticipated expenditures of less than a million dollars. Costs will be detailed by year, fund, and project phase.

6. Institute a maintenance management system for the maintenance division which incorporates equipment needs and usage.

7. Conduct a thorough assessment of equipment needs based on maintenance needs by geographic area.

8. Submit to the 1983 legislature a maintenance workplan which ties directly to the maintenance division budget request for the 1985 biennium.

9. Report quarterly to the legislative finance committee regarding the progress of the above mentioned items and obtain their direction for budget submission.

Should additional federal money become available during the 1983 biennium for highway construction, highway earmarked funds shall be budget amended to the extent of matching requirements.

Earmarked revenue within the equipment division will be reduced dollar for dollar by revenue collected from auction of equipment. This is contingent upon passage of SB 169.

The Helena headquarters van pool project administered by the department of highways may continue in operation and is to be operated on a self-supporting basis.

Funds may be transferred between line items 1, 3, 4, 5, 6, 7 and 8 to reflect actual personal service expense. No other transfers between line items may be made. This is not to be construed as permitting the transfer of full-time equivalent employees between programs, nor will there be an increase in the total number of appropriated full-time equivalent employees.

REVENUE

| | | | | |
|-------------------------------------|----------------|----------------|----------------|----------------|
| 1. General Operations | 12,545,915 | 1,325,313 | 12,712,253 | 1,359,671 |
| 2. Audit Costs | 16,500 | 8,500 | 49,500 | 25,500 |
| 3. Legal Fees: Director's Office | 25,000 | | 25,000 | |
| 4. Recovery Services Division | <u>197,718</u> | <u>593,153</u> | <u>199,603</u> | <u>598,807</u> |
| Total Department of Revenue | 12,785,133 | 1,926,966 | 12,986,356 | 1,983,978 |

Should the recovery services division return \$1.05 in collections per \$1.00 expensed in 1982, the appropriation in item 4 may be increased a maximum of \$16,000 general fund and \$48,000 in federal funds for fiscal 1983.

Cash within the central supply revolving account at 1981 fiscal year-end will be deposited to the general fund. Collections from liquidation of inventory during the 1983 biennium will also be deposited to the general fund.

In addition to those amounts appropriated above, there is appropriated to the liquor division funds necessary to maintain adequate inventories of liquor and wine and to operate the state liquor monopoly. The division shall deposit not less than \$13 million of liquor profits to the general fund during the 1981 biennium. During the 1983 biennium profits ~~from the liquor merchandising system~~ will not be less than 15 percent of net liquor sales and not less than ~~\$14,383,675~~^{13,000,000}. Fifteen percent of net sales exceeding ~~\$14,383,675~~^{13,000,000} will be deposited to the general fund. Net liquor sales are gross liquor sales less discounts and all taxes collected. ~~Merchandising~~ profits are defined to be net liquor sales reduced by product and freight costs and operational costs of the liquor merchandising system.

~~The 1983 biennium liquor merchandising profits~~ shall be reduced by the liquor licensing bureau appropriation and support divisions' appropriations. In addition, these profits may be reduced by an amount equal to the increase in inventory value which shall be proportionate to the annual net liquor sales increase. Remaining profits shall be distributed to the general fund.

The operational expenses of the liquor merchandising system shall not exceed 15 percent of net liquor sales. Operational expenses shall not include product or freight costs. The liquor division has full authority to determine store operating hours, numbers and locations of stores and employees and may raise or lower the liquor pricing formula. ~~Pricing formula increases shall be no greater than the mark up on June 30, 1981.~~

~~plus an amount equal to any percentage decrease in net liquor sales from the previous 12-month period rounded up to the nearest whole percent.~~

Such adjustments may be made twice each fiscal year starting July 1, 1981.

Nonprofitable state stores should be closed or converted to agency stores in an orderly manner. A non-profitable store is one that shows a net loss or is less profitable than if run at agency store status after reducing gross revenues by all state excise and license taxes and by deducting therefrom all normal operating expenses, which includes a pro rata share, based on gross sales, of central administrative office expenses.

DEPARTMENT OF ADMINISTRATION

| | | | | |
|---|-----------------------------|-----------------------|-------------------------|-----------------------|
| 1. General Operations | 4,272,616 | 14,105,932 | 4,303,118 | 14,354,837 |
| | 4,318,298 | 14,310,415 | 4,349,038 | 14,549,565 |
| 2. Communication Expense - Communications Division | | 2,970,940 | | 2,894,739 |
| 3. Insurance Expenses - Insurance Division | 175,000 | 1,789,195 | 192,500 | 1,919,888 |
| 4. Audit Fees | 15,000 | 60,000 | | |
| 5. Equipment - Duplicating Services | | 152,799 | | 61,500 |
| 6. Systems Development - Merit System | | 25,000 | | 27,100 |
| 7. Systems Development - Purchasing Division | 120,000 | | 55,500 | |
| 8. Systems Development - Teachers' Retirement System | | | | |
| | (Sys Develop) → 140,000 | | | |
| | Hlth. Ins. 20,000 | | Hlth. Ins. 20,000 | |
| | (Util) Tchr. Ret. 2,348 | | (Util) Tchr. Ret. 2,945 | |
| Total Department of Administration | 4,568,298 | 19,448,349 | 4,597,038 | 19,452,792 |
| | ⁶⁸⁵ 4,582,616 | 19,276,214 | 4,551,068 | 19,281,009 |

Non-Profitable
 Stores
 11-81

The agency shall charge those divisions not supported by general fund for legal services provided by the attorney in the central office and such income shall be deposited in the general fund.

An additional accountant is provided in the architecture and engineering division for the 1983 biennium only.

The state may continue to use its own printing facilities.

The graphic arts bureau of the publications and graphics division shall establish a separate revolving fund and shall become a self-supporting operation.

The budget office will assure reimbursement to the general fund for all management studies or systems support needs assessments provided by the consulting services bureau to non-general funded agencies if those agencies have sufficient funding available.

The board of housing and the board of investments shall operate under an earmarked fund.

As of July 1, 1981, interest generated on the \$2.5 million loan to the self-insurance fund shall be deposited to the sinking fund that loaned the funds. Repayment of the loan should occur at such time as the invested funds reach par.

All employees working under the direction of the workmens' compensation judge shall be classified.

In the local government services division, general fund is provided only for administrative support which includes six full-time employees and related support costs. Auditing services are expected to be self-supporting.

The budgeting, accounting, and reporting system (BARS), which is being implemented state-wide by local governmental entities, is expected to be completed no later than June 30, 1984.

MILITARY AFFAIRS

1. Adjutant General

| | | | |
|---------|---------|---------|---------|
| 795,281 | 680,116 | 843,969 | 738,055 |
|---------|---------|---------|---------|

2. Disaster and Emergency Services

| | | | | |
|------------------------|----------------|----------------|----------------|----------------|
| | <u>162,161</u> | <u>277,906</u> | <u>162,093</u> | <u>280,982</u> |
| Total Military Affairs | 957,442 | 958,022 | 1,006,062 | 1,019,037 |

TOTAL LEGISLATIVE, JUDICIAL,
AND ADMINISTRATIVE

| | | | | |
|--|------------|-------------|------------|-------------|
| | 43,361,500 | 236,661,562 | 44,011,738 | 237,773,896 |
|--|------------|-------------|------------|-------------|

3-9
/

LEGISLATIVE OFFICES

| | <u>1981</u> <u>Biennium</u> | <u>1983</u> <u>Biennium</u> | <u>%</u> <u>Increase</u> |
|----------------------------|--------------------------------|--------------------------------|-----------------------------|
| <u>Legislative Auditor</u> | | | |
| General Fund | \$2,870,498 | \$2,126,471 | (25.9) |
| Other Funds | | 1,645,100 | 100.0 |
| Total | \$2,870,498 | \$3,771,571 | 31.4 |
| | ===== | ===== | ===== |
| Pay Plan | | 510,960 | . |
| REVISED TOTAL | \$2,870,498 | \$4,282,531 | 49.2 |
| | ===== | ===== | ===== |
| FTE | 50.00 | 64.00 | |

Revised
(21.5)

Legislative Fiscal Analyst

| | | | |
|---------------|-----------|-------------|-------|
| General Fund | \$814,204 | \$ 929,909 | 14.2 |
| Pay Plan | | 120,032 | |
| REVISED TOTAL | \$814,204 | \$1,049,941 | 29.0 |
| | ===== | ===== | ===== |
| FTE | 14.0 | 14.0 | |

Revised
54.0

Legislative Council

| | | | |
|--------------|-------------|--------------------------|-------|
| General Fund | \$3,062,794 | \$3,992,757 ^A | 30.4 |
| Other Funds | 354,312 | 360,200 ^B | 1.7 |
| Total | \$3,417,107 | \$4,352,957 | 27.4 |
| | ===== | ===== | ===== |
| FTE | 61.83 | 57.75 | |

^A Includes 10 percent pay raise each year for a total of \$311,093.

^B Income received for sales of Montana Codes Annotated.

Consumer Counsel

| | | | |
|-------------|-----------|------------------------|------|
| Other Funds | \$802,430 | \$939,989 ^A | 17.1 |
| FTE | 4.00 | 4.00 | |

^A Includes 12 percent pay raise for a total of \$24,273.

| | <u>1981</u> <u>Biennium</u> | <u>1983</u> <u>Biennium</u> | <u>%</u> <u>Increase</u> |
|--------------------------------------|--------------------------------|--------------------------------|-----------------------------|
| <u>Environmental Quality Council</u> | | | |
| General Fund | \$278,547 | \$335,333 ^A | 20.4 |
| FTE | 4.00 | 4.00 | |

^A Includes a 10 percent pay raise for a total of \$17,348.

LEGISLATIVE AUDITOR

Additional staff, including six financial audit officers and one support staff, are included in the recommendation. This increased staff will allow the agency to provide complete audit coverage, entailing a two year span of financial activity for each agency every two years.

Revolving fund authority is recommended so that the agency may charge for the audit service.

LEGISLATIVE FISCAL ANALYST

Rental of a copier for \$2,500 in 1983 is included for session use. This expense was previously included in the feed bill.

Pre-session costs of \$23,800 are also included for 1983.

Travel expenses are less in 1983 as fewer committee meetings are held during a session year.

LEGISLATIVE COUNCIL

Personal services reflect a ten percent cost of living increase and \$22,000 for session-related overtime. Also, an additional \$50,000 is approved each year for salary adjustments. A reduction in proofreaders and terminal operators is also approved as requested.

Increased data-processing expenses, including systems enhancements, are approved.

Dues expenses of \$53,000 and \$58,000 in 1982 and 1983 respectively are approved for the National Conference of State Legislators (NCSL) and Council of State Governments (CSG). Related travel expenses are also allowed.

Additional publication expenses of \$100,00 in 1981 for the Con-Con project are allowed as well as an additional \$25,700 for the reapportionment study.

This budget is 5.9 percent more than the budget originally submitted.

ENVIRONMENTAL QUALITY COUNCIL

The budget was approved as requested with additional compensation of \$2,000 per year for board members, contingent upon the passage of HB 23.

CONSUMER COUNSEL

The budget was approved as requested, including a 12 percent increase for pay raises.

JUDICIARY

| | 1981 <u>Biennium</u> | 1983 <u>Biennium</u> | % <u>Increase</u> |
|---------------|--------------------------|--------------------------|----------------------|
| General Fund | \$4,962,765 | \$6,378,074 | 28.5 |
| Other Funds | <u>92,396</u> | <u>-0-</u> | (100.0) |
| Total | <u>\$5,055,161</u> | <u>\$6,378,074</u> | 26.2 |
| Pay Plan | | <u>807,851</u> | |
| REVISED TOTAL | <u>\$5,055,161</u> | <u>\$7,185,925</u> | 42.2 |
| FTE | 60.00 67.5 | 72.50 73.5 | |

The recommended appropriation includes \$164,700 for the Montana criminal law information research center (MONTCLIRC), which was previously funded in the crime control board.

Federally funded expenses, including data-processing costs and training costs for courts of lower jurisdiction, are also included in this recommended appropriation.

Increased contracted service fees in boards and commissions have also been allowed.

A secretary position is approved for the law library and \$158,300 in 1982 and \$194,600 in 1983 for library acquisitions. Also recommended in the library budget is \$20,000 in 1983 for Westlaw, a computer-generated research service.

Printing expenses of ~~\$80,000~~^{42,000} in 1982 and ~~\$42,000~~^{\$ 40,000} in 1983 for the Montana Reports will permit the court to become current in these publications.

Rental expenses for two additional word-processing machines (one appropriated for initially in 1981) are also included.

GOVERNOR'S OFFICE

| | 1981 <u>Biennium</u> | 1983 <u>Biennium</u> | % <u>Increase</u> |
|---------------|-------------------------|--------------------------------------|----------------------|
| General Fund | \$3,838,661 | \$4,143,907 | 7.9 |
| Other Funds | <u>801,252</u> | <u>250,000^A</u> | (68.8) |
| TOTAL | <u>\$4,648,912</u> | <u>\$4,393,907</u> | (5.5) |
| Pay Plan | | <u>446,823</u> | |
| REVISED TOTAL | <u>\$4,648,913</u> | <u>\$4,840,730</u> | 4.3 |
| FTE | 60.00 | 55.00 56.00 | |

^A Represents federal funds for administration of old west regional commission program only. Technical assistance and economic research grants as well as economic development grants and loans have been transferred to the department of commerce.

The recommended appropriation includes expenses related to maintenance of the Duke airplane and one full-time pilot. The 1982 recommendation of \$160,120 includes replacement of engines for \$70,000. The 1983 recommendation is \$99,900. The governor's travel budget has been reduced approximately 30 percent each year as a result of this new air service.

Executive Office

Two additional administrative assistants are included. Organizational dues payments of \$95,540 in 1982 and \$121,980 in 1983 are allowed. This expense includes \$105,000 for Old West Regional Commission dues for the biennium.

Additional consultant services of \$20,000 (1982) and \$22,100 (1983) are added.

Office of Budget and Program Planning

Five positions, including two administrative and three budget analysts, have been deleted from this budget as requested.

Additional data-processing expenses of \$20,000 per year are included for further systems development and enhancements.

Legal Jurisdiction

A current Missoula-based attorney is placed on contracted services and a Helena-based attorney is added (grade 17).

Board of Visitors

Travel expenses are increased 135 percent above the LFA recommendation to allow the board to make statutorily required visits to such remote areas as Glendive and Miles City.

Summary

The general fund recommended appropriation is \$420,250 more than the LFA recommendation and \$328,890 above the executive recommendation, as revised by the Schwinden administration, but \$701,253 less than the original executive recommendation.

STATE AUDITOR

| | <u>1981</u> <u>Biennium</u> | <u>1983</u> <u>Biennium</u> | <u>%</u> <u>Increase</u> |
|---------------|--------------------------------|--------------------------------|-----------------------------|
| General Fund | \$2,711,788 | \$3,225,273 | 18.9 |
| Other Funds | <u>185,908</u> | <u>275,000</u> | <u>47.9</u> |
| TOTAL | \$2,797,696 ===== | \$3,500,273 ===== | 25.1 ===== |
| Pay Plan | | <u>354,107</u> | |
| REVISED TOTAL | \$2,797,696 ===== | \$3,854,380 ===== | 37.8 ===== |
| FTE | 52.00 | 59.00 | |

The following new positions are recommended for the 1983 biennium:

1. Central payroll - one systems coordinator to coordinate the functions of all three components of the new integrated payroll/personnel/position control (P/P/P) system.
2. Administrative support - one payroll clerk.
3. Insurance - one para-legal, one investigator, and one clerk-typist to provide support to current level operations.
4. Securities - one investigator and one administrative assistant.

Data-processing expenses, including systems support of \$174,555 for 1982 and \$228,568 for 1983 are included. This expense increases 124 percent over the 1981 biennium data-processing expenses. This increase is largely due to the new P/P/P system.

Operating expenses in the insurance division increase 63 percent. This increase relates to travel expenses associated with a new consumer education program, approval of additional space and equipment for new personnel, as well as major equipment purchases. Actuarial fees have also been increased to \$10,000 per year from \$2,500 in 1980.

Two additional lektreivers are also recommended within the agency's budget.

Summary

The recommended general fund budget is \$607,800 more than the LFA recommendation and \$82,750 more than the executive budget.

COMMISSIONERS OF POLITICAL PRACTICES

| | <u>1981</u> <u>Biennium</u> | <u>1983</u> <u>Biennium</u> | <u>%</u> <u>Increase</u> |
|---------------|--------------------------------|--------------------------------|-----------------------------|
| General Fund | \$199,905 | \$248,674 | 24.4 |
| Pay Plan | | <u>33,281</u> | |
| REVISED TOTAL | <u>\$199,905</u> ===== | <u>\$281,955</u> ===== | 41.0 ===== |
| FTE | 5.0 | 5.50 | |

Included in this recommendation is \$5,990 in 1982 and \$6,280 in 1983 for increased personal services and operating expenses related to Initiative 85. This recommendation is contingent upon the court ruling the initiative constitutional.

Audit fees of \$3,000 are included in 1982.

Summary

The recommended appropriation is \$20,850 more than the LFA and \$11,540 more than the executive recommendation.

SECRETARY OF STATE

| | 1981 <u>Biennium</u> | 1983 <u>Biennium</u> | % <u>Increase</u> |
|---------------|-------------------------|--------------------------------------|----------------------|
| General Fund | \$1,195,631 | 1,310,648 \$1,950,105 | 63.1 |
| Other Funds | <u>-0-</u> | 52,000 ^A 6,000 | <u>100.0</u> |
| TOTAL | <u>\$1,195,631</u> | <u>\$2,002,105</u> | <u>67.5</u> |
| Pay Plan | | <u>182,448</u> | |
| REVISED TOTAL | <u>\$1,195,631</u> | \$2,184,553 ^{OK} | <u>82.7</u> |
| FTE | 28.17 | 1,310,648 35.17 | |

^A Income received from sales of Administrative Code Manual.

The recommended appropriation includes increased current level personal services as requested to change fourteen classified positions to exempt positions and provide merit increases of \$11,700 each year.

Records Management

Five additional positions, a corporate documents worker and a clerk, are recommended to relieve workload increases. Additional operating expenses of \$10,000 per year are also included.

Microfilming expenses of \$85,000 per year are also recommended. It is the committee's intent that these funds be used to contract with the state's centralized microfilming facility. Two clerks are also recommended to prepare documents in-house.

The committee recommends \$240,900 for systems development of corporations, uniform criminal code, and trademark information. It is the committee's intent that this expenditure be contracted out to the state's centralized service if the project can be done within the \$240,900 limit.

Administrative Code

Three additional FTE and more than \$10,000 per year in operating expenses is recommended so that indexation of the Montana Administrative Manual may be accomplished.

Summary

The recommended general fund appropriation is \$695,916 more than the LFA recommendation and \$50,184 less than the executive recommendation.

DEPARTMENT OF JUSTICE

| | <u>1981</u> <u>Biennium</u> | <u>1983</u> <u>Biennium</u> | <u>%</u> <u>Increase</u> |
|---------------|--------------------------------|--------------------------------|-----------------------------|
| General Fund | \$ 3,679,135 | \$26,570,856 | 622.2 |
| Other Funds | <u>25,368,028</u> | <u>7,460,016</u> | <u>(70.6)</u> |
| Total | <u>\$29,047,163</u> ===== | <u>\$34,030,872</u> ===== | <u>17.2</u> ===== |
| Pay Plan | | <u>3,451,284</u> | |
| REVISED TOTAL | <u>\$29,047,163</u> ===== | <u>\$37,482,156</u> ===== | <u>29.0</u> ===== |
| FTE | 507.75 | 528.35 | |

General fund increases 622 percent from the 1981 biennium. This increase of \$22.9 million is directly related to several funding changes.

1. Movement of the highway patrol off of highway earmarked funds and onto general funds: \$18,483,567.

2. Movement of several programs off of the motor vehicle account and onto general fund:

| | |
|-------------------------|--------------------|
| Crime Lab | \$ 542,207 |
| Law Enforcement Network | 933,622 |
| Law Enforcement Academy | 879,386 |
| Central Services | 638,033 |
| Data Processing | 375,225 |
| Forensic Science | <u>383,826</u> |
| Total | <u>\$3,752,299</u> |

3. The antitrust program, funded from federal funds and revolving funds is now funded from the general fund: \$339,477.

The justice department is a major user of gasoline as many of their functions require travel. The committee acknowledged that the average price of gasoline in 1980 was \$1.00 per gallon. Therefore, dollars spent in 1980 equaled gallons used. The committee, desiring current level services to continue, directed that 1980 gallonage amounts remain constant for 1982

and 1983. A price of \$1.80 per gallon in 1982 and \$2.16 per gallon in 1983 was projected and applied to gallonage amounts to determine gasoline costs.

One secretarial position was added to the legal services division. Travel was increased significantly for case-related activities. These amounts are line itemed and are to be used only for case travel.

The antitrust division was reduced by one lawyer and approximately \$50,000 a year from the agency request. The committee recommends that in-state activities become the main focus of antitrust enforcement efforts. The antitrust bureau is recommended to be transferred to the legal services division. Funding is from the general fund, any collections are to be deposited to the general fund.

Funding for the county-prosecutor services program is 100 percent general fund. The previous revolving fund is eliminated with collections deposited directly to the general fund. Fees of \$25.00 per hour in 1982 and \$30.00 per hour in 1983 will be charged.

Agency legal services is kept at current level. Charges are not to exceed \$30.00 in 1982 and \$35.00 in 1983.

The recommended appropriation for the motor vehicle division administrator is based on passage of HB 684 which transfers the responsibility of providing hearings for car dealers whose franchise is terminated from business regulations to the motor vehicle division. Five thousand dollars a year for a hearings officer and costs related to hearings is line itemed. As provided by statute, parties involved in the hearing process are to bear the cost. These collections made by the division are to be deposited to the general fund.

This division employs one FTE who is responsible for administering liability car insurance requirements as established last session. Should

proposed legislation pass which would eliminate these responsibilities, this program should be re-evaluated.

Patrol operations receives \$98,832 in 1982 to put on a highway patrol recruit school for 27 students. Seven of these students are for anticipated increases in the highway patrol. Concern was expressed over administrative travel in state cars to and from work. Such usage is to be minimized.

Eight gas efficient cars are added in 1982 to the driver licensing program. Anticipated gas consumption and related costs were decreased based on this purchase. Not recommended was \$16,000 and \$10,000 to automate and improve the driver history system. It was felt sufficient funds existed in the current level budget to accomplish this task.

Major gas increases are recommended for the field services program increasing gas costs from \$489,000 in 1980 to \$912,000 in 1982 and \$1,063,000 in 1983. Increases reflect increasing gas prices, not an increase in usage. Seventy cars a year for replacement are recommended along with other equipment needs. In 1982, \$14,000 is included to replace a base station.

Seven new patrolmen and support costs are included at an approximate cost of \$265,000 in 1982 and \$190,000 in 1983.

Four additional terminals and related costs will allow the motor vehicle registration program to automate four more counties.

Two additional forensic scientists are added to the criminal investigation lab along with support costs. The division is requested to explore the benefits of leasing lab equipment as compared to purchasing.

Communication increases of over 100 percent are anticipated for the law enforcement network system. These communication costs which may approach \$400,000 in 1982 (1980 = \$187,000) will drop to \$236,000 in 1983,

due to a recommended one time purchase of 46 terminals in 1982. Four additional terminals and support costs are included to allow four more counties onto the system.

One regional training coordinator previously funded with federal funds is added to the law enforcement academy bureau. A new charge of \$5.00 per student per regional school will be instituted. Funding is from the general fund and collection of student fees.

Major increases for staff and operating expenses are included for the identification bureau in response to the passage of the Montana criminal justice information act of 1979. One latent finger print examiner, two fingerprint technicians and one clerk are added to current staff. For the biennium, \$56,000 will allow development and automation of the bureau's records.

The forensic science division is reduced by one FTE, lab director. These responsibilities have been assumed by the present chief of the criminal investigation lab. An assistant administrator, salaried at \$36,000 is replaced with an administrative assistant with a salary of \$13,500.

Funds remaining in the coal tax defense appropriation at the end of the 1981 biennium are reappropriated for the 1983 biennium to continue the defense effort. These funds are to be spent only for costs related to the legal effort.

The highway safety program is transferred from the department of community affairs (DCA). One position is added to supply accounting and auditing services previously supplied by the centralized services of DCA. Operating costs are kept at current level.

Department of justice programs kept at current level are law enforcement services, county attorney payroll, fire marshal, criminal investigations, central services, data processing and transportation of prisoners.

BOARD OF CRIME CONTROL

| | <u>1981</u> <u>Biennium</u> | <u>1983</u> <u>Biennium</u> | <u>%</u> <u>Increase</u> |
|---------------|--------------------------------|--------------------------------|-----------------------------|
| General Fund | \$ 518,883 | \$ 437,300 | (15.7) |
| Other Funds | 1,330,720 | 808,500 ^A | (39.2) |
| Other Grants | <u>5,553,008</u> | <u>3,200,000</u> | <u>(42.4)</u> |
| Total | <u>\$7,402,611</u> ===== | <u>\$4,445,800</u> ===== | <u>(39.9)</u> ===== |
| Pay Plan | | <u>138,207^A</u> | |
| REVISED TOTAL | <u>\$7,402,611</u> ===== | <u>\$4,584,007</u> ===== | <u>(38.1)</u> ===== |
| FTE | 32.0 | 18.0 | |

^AThe federal funds noted above are the maximum amount anticipated. Therefore, the federal share of pay plan increase would be paid from available funds.

The reduction in the program's operating level is due to the anticipated reduction in federal funds.

The recommended appropriation includes 100 percent general fund support for two programs: uniform crime reporting system and the criminal justice data center. These programs required only ten percent general funding in the last biennium.

Summary

The recommended general fund appropriation is \$1,430 more than the executive recommendation. The LFA did not make a recommendation pending more information concerning the status of federal funds.

DEPARTMENT OF HIGHWAYS

| | <u>1981 Biennium</u> | <u>1983 Biennium</u> | <u>% Increase</u> |
|---------------|-------------------------------|-------------------------------|-----------------------|
| Other Funds | \$416,107,039 | \$414,649,588 | (.35) |
| Pay Plan | | <u>14,366,216</u> | |
| REVISED TOTAL | <u>\$416,107,039</u> ===== | <u>\$429,015,804</u> ===== | 3.1 === |
| FTE | 2,298.18 | 2,154.60 | |

The overall reduction in funds and FTE relates directly to the accelerated interstate project of the 1981 biennium. The reduction in funding of .35 percent is understated by approximately \$27.8 million. A new stores inventory program is anticipated for the 1983 biennium. A revolving account program which will not increase direct expenditures, adds \$13.3 million and \$14.5 million to the highway budget in revolving authority for the 1983 biennium.

Aside from internal transfers of FTE in and out of the general operations division an expanded level of FTE occurs. Funding allows for 17 additional GVW officers and related costs, 11 FTE for a microwave bureau which was transferred from the department of administration, and the continuation of the conservation and education program (one FTE) which was added through budget amendment in 1980.

The anticipated construction level decreases by 18.7 percent from last biennium as accelerated interstate funds, available this current biennium, will not be available in 1982 and 1983. Contractor payments of \$105 million in 1982 and \$101 million in 1983 are present. Coal tax improvement funds of \$8 million in 1982 and \$2 million in 1983 are included. A request for \$10 million per year in coal interest funds to resurface primary and secondary roads is not included. This issue will be brought to the legislature in a separate bill.

The maintenance division's increase is 23 percent over the 1981 biennium. Significant increases in cost of road oil products in 1980 are continued into the 1983 biennium. Staff increases by four truck drivers and one administrative officer.

The division is directed to establish a separate account for the expense of repair of damaged structures and related insurance collections.

Preconstruction activity drops eight percent in relation to accelerated interstate activities present in the 1981 biennium. Expenditures related to the rail planning unit have been removed as this unit has been transferred to the new department of commerce. Included is \$3.4 million per year for right of way purchases.

A new program, services revolving, reflects the transfer of five bureaus transferred from general operations and construction. It was felt these service bureaus: printing, photo, data processing, air pool and materials lab could better meet needs of the department if operated on an enterprise-like basis. Concern was raised that charges for these services be competitive with other state agencies and private vendors.

The motor pool is funded 100 percent from revolving funds. A current level expenditure base is reflected. A requested 4¢ rate increase to obtain the difference between depreciated and replacement value of equipment was denied.

The equipment division receives a 53 percent increase over the 1981 biennium. This increase is reflected in two areas. Major price hikes in gasoline and repair parts have significantly increased operational costs and consequently affect the rental rates which are charged to other divisions, mainly maintenance. Also, a significant equipment fleet upgrade is included. \$3,977,000 per year for equipment purchases is recommended as compared

to \$1.4 million per year in the 1981 biennium. Though a revolving fund agency, historically, approximately \$1 million per year in highway earmarked funds has been appropriated to aid in the purchase of equipment. This figure was increased to \$2.6 million in 1982 and \$2.5 million in 1983. These amounts should be offset dollar for dollar by revenue collected from auction of equipment which will be deposited to the revolving fund if SB 169 passes. The committee urges the department to consider merging this division with the maintenance division for improved efficiency.

At the suggestion of the legislative auditor and state accounting, a revolving fund will be established for inventory. A separate program, stores inventory, is established for this purpose. Revolving fund authority of \$13.3 million and \$14.5 million reflects anticipated needs.

The travel promotion bureau was transferred from the highway department to the new department of commerce.

Committee Concerns

The committee was concerned with several aspects of the department:

- inadequate justification behind budget submission,
- funding practices,
- construction levels,
- maintenance capabilities, and
- apparent inefficiencies in operational practices.

Language is included in the appropriation bill which speaks to these concerns by requiring certain expectations to be met in the coming 1983 biennium.

DEPARTMENT OF REVENUE

| | 1981 <u>Biennium</u> | 1983 <u>Biennium</u> | <u>% Increase</u> |
|---------------|------------------------------|------------------------------|-----------------------|
| General Fund | \$22,393,444 | \$25,771,489 | 13.1 |
| Other Funds | <u>4,201,139</u> | <u>3,910,944</u> | <u>(6.9)</u> |
| Total | \$26,629,583 ===== | \$29,682,433 ===== | 11.5 ===== |
| Pay Plan | | <u>3,884,598</u> | |
| REVISED TOTAL | <u>\$26,629,583</u> ===== | <u>\$33,567,031</u> ===== | 26.1 ===== |
| FTE | 733.42 | 737.92 | |

Other funds decrease slightly due to the elimination of the central supply revolving account and the revolving account within the research and information division.

FTE within the audit and accounting division increase by 1.5 FTE as a part-time cashier and a full-time bad debt collector are added.

The recovery service division, which administers the child support enforcement effort, receives three lawyers to replace private legal counsel. A savings of \$20,000 per year should be realized.

In fiscal 1980, this program returned to the state \$1.01 for every \$1.00 spent. Should this program return \$1.05 per \$1.00 of expense in 1982, the program may increase staff by four investigators with a maximum appropriation increase of \$16,000 in general fund and \$48,000 in federal funds in 1983.

The responsibilities of the legal division were expanded in 1980 with the transfer of the medicaid fraud unit from SRS. These additional four FTE (lawyer, auditor, investigator, paralegal) and related operating expenses are included within the current level.

The liquor division is again given blanket spending authorization for purchase of adequate inventories as well as operating expenses. A profit goal of \$14,383,675 for the 1983 biennium is established with a requirement that not less than \$13 million be deposited for the 1981 biennium. Costs not related to the liquor merchandising division and paid from the liquor revolving account will, dollar for dollar, reduce the \$14,383,675 profit goal. Pricing formulas may be increased but only in the event of a decrease in net liquor sales. Language within the bill details further operational expectations of the division.

The income tax division staff was increased by six FTE over the 1981 biennium. Four FTE will increase the compliance effort, checking for employer compliance and following up on delinquent accounts. Two FTE will work in the collection area. Presently over \$4 million in collections are present in backlogged cases. Ten thousand dollars per year for prosecution of tax violations is also included.

Additional travel funds were included for the corporation tax division. The majority of travel is out-of-state in high-cost areas. It is recommended that the department explore the possibility of a career ladder in order to retain corporation auditors. The department is to present its fundings to the next legislature.

The recommended operating level of the property valuation division reflects only a current level base of \$7.8 million in 1982 and \$7.9 million in 1983. A request for an additional \$5 million per year to finish reappraisal over the next four years will be presented to the legislature in a separate bill.

The central supply store which is within the operations division is recommended to be closed. Purchases are to be made from the state central supply. All cash within the revolving account at the end of fiscal

1981 is to be deposited to the general fund. Collections from the liquidation of inventory during the 1983 biennium are as well to be deposited to the general fund.

The operations division receives over \$20,000 for mailing equipment.

Through reorganization, an administrative position and a secretary are removed from the investigation division. This small division will be merged with the legal division.

Research and information staff was increased by two analysts. The committee was concerned about the efficiency of this division, identifying several developmental needs within the department which have not been met. Increased staff, equipment and operating expenses are expected to meet the department's needs.

The miscellaneous tax and inheritance tax divisions are kept at current level.

Summary

The appropriation of general fund is \$1,376,816 higher than the LFA recommendation and \$37,865 below the executive.

DEPARTMENT OF ADMINISTRATION

| | <u>1981</u> <u>Biennium</u> | <u>1983</u> <u>Biennium</u> | <u>%</u> <u>Increase</u> |
|---------------|--------------------------------|--------------------------------|-----------------------------|
| General Fund | \$ 8,898,876 | \$10,325,336 | 15.3 |
| Other Funds | <u>30,616,877</u> | <u>38,901,141</u> | <u>27.1</u> |
| TOTAL | \$39,516,753 ===== | \$49,266,477 ===== | 24.6 ==== |
| Pay Plan | | <u>3,256,533</u> | |
| REVISED TOTAL | \$39,516,753 ===== | \$52,483,010 ===== | 32.8 ==== |
| FTE | 464.9 | 508.4 | |

This recommended appropriation includes three programs transferred from the department of community affairs: local government, accounting and management systems, and research and information. These program transfers increase the agency's total budget \$2.649 million for the biennium. Of this amount \$1,139,700 is general fund.

General fund support has been eliminated in two areas: the insurance division (office operations only) and records management. Earmarked funding is recommended for the board of housing and board of investments in lieu of revolving fund authority.

Additional positions are recommended for the following divisions:

1. Central office - one attorney.
2. Architecture and engineering - one accountant for this biennium only.
3. Publications and graphics - continuation of five positions that were added by budget amendment in 1980 to establish the graphic arts bureau plus an additional graphic arts technician and a duplicating machine operator.

4. General services - one maintenance worker and one painter to cover additional buildings.
5. Purchasing division - continuation of three positions added by budget amendment in 1980 to establish the central stores operation.
6. Board of housing - continuation of one comptroller added by budget amendment in 1980 as well as two additional accounting technicians.
7. Board of investments - continuation of one systems analyst added by budget amendment in 1981 plus two portfolio managers and three security analysts.
8. Personnel division - one handicapped services coordinator.
9. Insurance division - continuation of one investigator and one legal secretary added by budget amendment in 1980.
10. Public employees retirement system - continuation of a public information officer that was added for the last biennium only. A systems analyst is also recommended.
11. State tax appeals board - one half time clerical position to replace services previously contracted.
12. Workmen's compensation judge - one law clerk is recommended instead of using consulting services.

Increased travel funds are approved for the board of investments, workmen's compensation judge, and the surplus property bureau.

A grade 17 attorney is recommended for the central office to provide agency-wide legal services. This additional position will relieve the insurance division legal staff from providing legal services to the agency as occurred in 1980 and 1981.

The upgrading of three accounting positions in the accounting division is recommended. This will allow the division to implement generally accepted accounting principles in regards to financial statements without adding more positions.

The committee requests that the graphic arts bureau in the publication and graphics division establish a separate revolving account to insure that it maintains a self-supporting operation.

Adjustment of the division's fee schedule is also recommended so that the duplicating services fund balance may be reduced to a 45-day operating reserve.

The treasury division receives additional funds to provide daily armored guard service for transferring money to local banks. This coverage is required under the existing insurance policy.

In the information systems division, continuation of general fund support is recommended for the consulting services bureau which conducts management studies and also does needs assessments for system development. The budget office may require non-general fund agencies receiving such services from this bureau to pay for the services received. These funds would be deposited in the general fund.

The general services division provides janitorial and maintenance of all buildings in the Capitol complex. The service charge (per square foot) is recommended at \$2.62 in 1982 and \$2.69 in 1983. The charge in 1983 is offset by the inclusion of the new justice building, which will generate additional income at less cost.

An automated purchasing management information system is recommended for the purchasing division at a cost of \$200,515. Funding is from the general fund. A full year's funding for supplies and equipment rental related to the system are included for each year of the biennium.

The board of housing receives increased operating expenses of \$96,600 in 1982 and \$98,600 in 1983. These increased operating expenses are related to SB 91, which would significantly increase the board's bonding authority.

Audit fees of \$75,000 have been included in the central office budget.

Maintenance of a higher level of operating expenses is recommended for the state tax appeals board due to the large number of impending appeals.

Summary

The recommended budget is \$2,070,178 higher than the LFA recommendation and \$223,970 lower than the executive recommendation. This comparison does not include the three programs transferred from the department of community affairs.

DEPARTMENT OF MILITARY AFFAIRS

| <u>Adjutant General</u> | 1981 <u>Biennium</u> | 1983 <u>Biennium</u> | <u>% Increase</u> |
|-------------------------|-------------------------|--|-------------------------------|
| General Fund | \$1,343,239 | \$1,639,250 1,735,105 | 22.0 |
| Other Funds | <u>738,796</u> | <u>1,418,171</u> 1,442,122 | <u>91.9</u> |
| TOTAL | \$2,082,035 ===== | \$3,057,421 3,177,227 | 46.8 53.6 ===== |
| Pay Plan | | <u>199,763</u> | |
| REVISED TOTAL | \$2,082,035 ===== | \$3,257,184 ===== | 56.4 ===== |

FTE 33.42 35.30

Disaster and Emergency Services

| | | | |
|---------------|--------------------|----------------------|---------------|
| General Fund | \$289,185 | \$324,254 | 12.1 |
| Other Funds | <u>494,921</u> | <u>558,888</u> | <u>12.9</u> |
| TOTAL | \$784,106 ===== | \$883,142 ===== | 12.6 ===== |
| Pay Plan | | <u>119,514</u> | |
| REVISED TOTAL | \$784,106 ===== | \$1,002,656 ===== | 27.9 ===== |

FTE 18.00 18.00

Adjutant General

The recommended appropriation for the adjutant general includes two additional positions:

1. A secretary for the administration program
2. A grounds maintenance worker for the Air National Guard facility in Great Falls.

The committee accepted the executive recommendation for repair expenses for the armories, allowing \$160,600 for this expense in the coming biennium.

The executive recommendation for utilities in the administrative program was also accepted.

An additional \$20,000 in general fund is included in the air national guard program to provide state control of this federally funded program.

Summary

The recommended appropriation for general fund is \$227,740 more than the LFA recommendation and \$105,030 less than the executive recommendation.

Disaster and Emergency Services

Additional communication expenses, related to the newly installed Horizon communications system and the LETS terminal, are included.

Summary

The recommended appropriation is \$30,790 above the LFA recommendation and \$3,050 more than the executive recommendation if grant disbursements recommended by the executive are not included.

Gov. rec. Long

39

There is appropriated from the constitutional trust fund earning account to the Department of Highways for the construction and reconstruction of highways on the federal-aid primary aid federal-aid secondary systems the following sums:

| | |
|--|--------------|
| For the fiscal year ending June 30, 1982 | \$13,000,000 |
| For the fiscal year ending June 30, 1983 | \$13,000,000 |

Seventy percent (70%) of these sums shall be allocated each year to the federal-aid primary system and thirty percent (30%) shall be allocated each year to the federal-aid secondary system. These sums shall be apportioned among the financial districts on the basis of section 60-3-205 and 60-3-206, MCA, however, the department may increase obligations in a financial district without regard to the limitations contained in 60-3-210, MCA. These sums will be utilized to match federal funds, if available, with budget amendments to be granted for any federal funds used under this program.

There is appropriated from the constitutional trust fund earmarked account to the State Treasurer the following sums:

| | |
|--|--------------|
| For the fiscal year ending June 30, 1982 | \$ 2,000,000 |
| For the fiscal year ending June 30, 1983 | \$ 2,000,000 |

The State Treasurer is hereby directed to allocate fifty-five percent of these funds to the cities and forty-five percent of these funds to the counties for distribution among them according to the formula for distribution contained in section 15-70-101-MCA. The funds so allocated shall be used only for the purpose contained in subsection (2) of 15-70-101-MCA.

3-9

SYNOPSIS OF CURRENT ANTI-TRUST ENFORCEMENT BUREAU

INVESTIGATIVE FILES

21 January 1981

1. Credit Investigation; potential tying arrangement. *Resolved.*
4. Butte Mechanical Supplier Investigation; potential violations of Montana Unfair Trade Practices Act, Sections 30-14-201 through 30-14-207, MCA. *Concluded. Referred to FTC.*
6. Anesthesiologists Investigation; potential Sherman Act Sections 1 and 2 violations. *Resolved by agreement of parties.*
8. Beer Investigation; potential market allocations, and vertical restraints in violation of Sherman Act, Section 1. *Not concluded.*
9. Chiropractic Investigation; potential Sherman Act Sections 1 and 2 violations. *Not concluded.*
10. Franchise Investigation; possible violation of Clayton Act, and Montana Unfair Trade Practices Act, 30-14-201 through 30-14-207. *Not concluded.*
11. Court Reporters Investigation; potential Sherman Act Sections 1 and 2 violations. *Concluded - no violations found.*
12. Cable T.V. Investigation; potential predatory practices and attempt to monopolize in violation of Sherman Act, Sections 1 and 2. *Concluded; complaining party sold out.*
13. Credit Unions Investigation; potential violations of Montana Unfair Trade Practices Act, Sections 30-14-201 through 30-14-207, MCA. *Concluded; no violation found.*
14. Dental Investigation; potential violations of Sherman Act, Sections 1 and 2. *Concluded. No violation found.*
15. Propane Gas Investigation; potential violations of Sherman Act Sections 1 and 2, and Robinson-Patman Act. *Concluded; no violation.*
17. Hair Stylists Investigation; potential price-fixing violations, Sherman Act Sections 1 and 2. *Concluded; agreement not to fix prices arrived at voluntarily.*
18. Newspaper Investigation, Havre; potential Clayton Act violation for tying arrangement. *Concluded with referral to complainant's private counsel.*
19. Helena Body Shop Investigation; potential price-fixing agreements in violation of Sherman Act Section 1, and Montana Unfair Trade Practices Act, Sections 30-14-201 through 30-14-207, MCA. *Concluded; agreement not to fix prices for estimates for insurance companies.*
21. Telephone Directory Investigation; potential attempts to monopolize in violation of Sherman Act, Section 2. *Concluded; matter referred to complainant's private counsel.*

22. Dental Supply Investigation; potential market, product and territorial allocations in violation of Sherman Act, Section 1. *Concluded.*
25. Office Equipment Investigation; boycott activities as potential violations of Sherman and Clayton Acts. *Not resolved.*
27. Butte Camera Investigation; potential predatory practices in violation of Robinson-Patman Act, Sherman Act Section 1, and Montana Unfair Trade Practices Act, Sections 30-14-201 through 30-14-207, MCA. *Concluded. Referred to private counsel.*
29. Hamilton Drug Investigation; potential conspiracy to divide territory and markets in violation of Sherman Act Section 1. *Concluded. No violation found.*
30. Mobile Homes Investigation; potential tying arrangements in violation of the Clayton Act. *Violation found. Referred for processing to Dept. of Business Regulation. Not concluded.*
- 30.1 Sidney Trailer Investigation; potential tying arrangements in violation of Clayton Act and Montana Unfair Trade Practices Act, Sections 30-14-201 through 30-14-207, MCA. *Not concluded.*
31. Waste Oil Investigation; potential attempt to monopolize in violation of Sherman Act Section 1. *Not concluded.*
32. Insurance Investigation; potential price-fixing as violation of the Sherman Act, Section 1. *Concluded; no violation.*
34. Montana Trust Companies Investigation; potential customer allocations as violative of the Sherman Act, Section 1. *Not concluded.*
35. Crayon Industry Investigation; price-fixing violations resulting in pro rata distribution of consent agreement payments. *Not concluded.*
38. Ophthalmology Investigation; potential violations of Sherman Act Sections 1 and 2. *Not concluded.*
39. Wreckers Association Investigation; potential boycott and monopoly activities violative of both Sherman and Clayton Acts. *Not concluded.*
42. Title Insurance Investigation; potential boycott, tying and monopolistic activities in violation of both Sherman and Clayton Acts. *Not concluded.*
43. Arco Investigation; potential violations of both Sherman and Clayton Acts. *Not concluded.*
44. T.V. Publications Investigation; potential vertical price-fixing, resale price maintenance violative of Sherman Act Section 1. *Concluded; referred to private counsel.*
46. Truckers Case; preparation for injunctive relief under Sec. 16 Clayton Act, 15 USC Sections 13, 14, 18 and 19, for illegal boycott in restraint of interstate trade or commerce. *Concluded.*
50. Water Heater Investigation; multi-district litigation; potential violations of Sherman Act Section 1 for price-fixing. *Not concluded.*
54. Restaurant Investigation; potential violations of Sherman Act Section 1. *Concluded - Supreme Court decision.*

55. Bozeman Transfer and Storage Investigation; potential bid-rigging activities violative of both Sherman and Clayton Acts. *Not concluded.*
62. Missoula Heavy Equipment Investigation; potential violations of Sherman Act Section 2, attempt to monopolize. *Concluded. No violation found.*
64. Motor Carrier Investigation; potential instance of price-fixing in violation of Sherman Act Section 1. *Concluded. No violation found.*
68. Sheet Metal and Air Conditioning; potential incidents of bid-rigging, and conspiracy to monopolize, in violation of both Sherman and Clayton Acts. *Not concluded.*
70. Real Estate Investigation; potential price-fixing activity violative of Sherman Act Section 1. *Not concluded.*
71. Hamilton Bid-Rigging Investigation; potential bid-rigging activity in violation of both Sherman and Clayton Acts. *Concluded; no violation found.*
73. Cosmetics Investigation; potential tying arrangements violating the Clayton Act and the Montana Unfair Trade Practices Act, Sections 30-14-201 through 30-14-207, MCA. *Concluded; referred to FTC and Department of Justice.*
74. Kalispell Logging Investigation; potential boycott activities in violation of the Clayton and Sherman Acts. *Concluded; referred to private counsel.*
76. Glasgow Veterinary Supply Investigation; potential resale price maintenance and vertical price-fixing in violation of both Sherman and Clayton Acts. *Concluded by agreement.*
77. Big Timber Towing Investigation; possible violations of both Sherman and Clayton Acts for attempts to monopolize, price-fix and boycott. *Concluded by agreement.*
78. Hardin Tying Investigation; potential violations of Clayton and Sherman Acts for tying arrangements. *Not concluded.*
79. Missoula Recycling Investigation; potential Sherman and Clayton Acts violations for price-fixing and market allocation. *Concluded by court injunction.*
82. Auto Repair Investigation; potential bid-rigging activity in violation of Sherman Act Section 1. *Not concluded.*
84. Garbage Contract Investigation; potential Sherman Act Section 2 violation for attempts to monopolize. *Not concluded.*
85. Helena Carpet Investigation; potential price-fixing activity in violation of Sherman Act Section 1 and Montana Unfair Trade Practices Act, Section 30-14-205, MCA. *Not concluded.*
86. Agricultural Chemicals Investigation; potential price discrimination. *Not concluded.*
87. Malting Barley Investigation; potential Sherman Act violation. *Not concluded.*

BOARD OF PUBLIC EDUCATION

| | <u>1981</u> <u>Biennium</u> | <u>1983</u> <u>Biennium</u> | <u>%</u> <u>Increase</u> |
|----------------|--------------------------------|--------------------------------|-----------------------------|
| General Fund | \$405,771 | \$510,008 | 25.69 |
| Other Funds | <u>7,646</u> | <u>-0-</u> | <u>(100)</u> |
| Total | <u>\$413,417</u> ===== | <u>\$510,008</u> ===== | <u>23.36</u> ===== |
| Pay Plan | | <u>63,328</u> | |
| REVISIED TOTAL | <u>\$413,417</u> ===== | <u>\$573,336</u> ===== | <u>38.68</u> ===== |
| FTE | 7.00 | 8.00 | |

The appropriation to the board of public education includes funds for board travel and per diem, office administration and the fire service training school.

The board of education was funded at current level plus \$2,400 to provide travel for the student representative on the board.

The fire service training school is located in Great Falls. It has been continued at current level with the addition of one FTE for a regional representative located in eastern Montana. Due to the distance involved for travel the training needs of eastern Montana fire departments would be better addressed by an eastern representative.

Summary

The general fund appropriation is \$67,636 above the LFA recommendation and \$41,210 below the executive budget.

PUBLIC SCHOOL SUPPORT (Special Education Only)

| | <u>1981</u> <u>Biennium</u> | <u>1983</u> <u>Biennium</u> | <u>%</u> <u>Increase</u> |
|--------------|--------------------------------|--------------------------------|-----------------------------|
| General Fund | \$48,260,000 | \$52,232,004 | 8.2 |

The committee recommends special education be funded to allow increases of 10 percent in fiscal 1982 and nine percent in fiscal 1983. The ceiling on state funded special education expenditures is set at \$52,232,004. The ceiling is to prevent a statewide deficiency levy for special education. The committee recommendation includes a \$1,000,000 contingency fund to address unforeseen emergencies that could occur in district special education programs.

The superintendent is allowed to contract for audiological services to a maximum of \$688,614 in fiscal 1982 and \$750,589 in fiscal 1983. It is anticipated part of this will be contracted to the department of health. This arrangement should bring savings in the future as the department of health may more efficiently carry out audiological screening.

VOCATIONAL-TECHNICAL CENTERS

| | 1981 <u>Biennium</u> | 1983 <u>Biennium</u> ² | % <u>Increase</u> |
|---------------|---------------------------|--------------------------------------|----------------------|
| General Fund | \$ 7,614,329 ¹ | \$ 9,634,294 | 26.52 |
| Other Funds | <u>4,701,486</u> | <u>5,799,825</u> | <u>23.37</u> |
| Total | \$12,315,815 ===== | \$15,434,119 ===== | 25.32 ===== |
| Pay Plan | | <u>21,476</u> | |
| REVISED TOTAL | \$12,315,815 ===== | \$15,455,595 ===== | |

¹Includes general fund supplemental of \$235,645.

²Nine percent salary increases are included in the 1983 biennium appropriation.

The committee developed a formula to determine the budgets of the five vocational-technical centers. This was in response to perceived inequities in the current budget distribution.

The main emphasis of this formula is to have a center's budget be somewhat reflective of its enrollment. Each center's budget is divided into instruction and support services. Support services are: administration, instructional support and supervision, student services, plant operation and maintenance and equipment. The support service costs are treated as fixed costs and increased with inflation factors. Instructional costs are generated by FTE enrollment. A projected number of FTE for each year of the biennium is multiplied by a calculated instructional cost per FTE for each year.

The support services cost and the instructional cost are added together to get each center's total budget.

The instructional cost per FTE is a systemwide amount. Some centers are currently above this cost and others below it. The centers that are above this cost would have reductions in their budgets while the ones

below this cost would receive increases.

It is not the committee's desire either to give an inordinate increase or drastically reduce any center's budget. This results in parameters being used to maintain reasonable budget levels at the centers. No center was appropriated an increase greater than 15 percent or lower than 10 percent each year of the biennium above their 1981 fiscal year appropriated level. Other significant features of the appropriations for vocational-technical centers are:

1. A contingency fund of \$197,400 is appropriated to the office of budget and program planning for increased enrollments.
2. Butte center receives \$50,688 general fund for a summer school program in fiscal year 1983.
3. The office of budget and program planning is appropriated \$44,000 general fund to be distributed if CETA funds utilized by the Billings center are unavailable in fiscal 1982.
4. Audit costs of \$71,000 general fund are included for the biennium.
5. The appropriation contains pay plan increases.
6. Included in other appropriated funds are federal funds, student fees and millage.

In order for the student fees to meet the appropriated fee revenue it will be necessary for student tuition to be raised from \$80 per quarter currently to \$100 per quarter in 1982 to \$120 per quarter in 1983.

The receipt of state funds appropriated to the centers is contingent upon each county in which the center resides levying 1.5 mills each fiscal year. The millage received from this 1.5 mills over \$765,101 in fiscal year 1982 and \$804,733 in fiscal year 1983 will revert a like amount

of general fund. This provides a buffer for the centers against delinquent and protested taxes that may be collected in subsequent years.

The committee allows the superintendent of public instruction to transfer funds between personal services, operations and equipment within each vocational education center or between vocational education centers. The intent is that these appropriated funds will not provide for salary increases at the vocational education centers above the state pay plan for fiscal 1982 and 1983.

Summary

The general fund appropriation is \$820,636 above the LFA recommendation and \$141,449 above the executive budget.

OFFICE OF PUBLIC INSTRUCTION

| | 1981 <u>Biennium</u> | 1983 <u>Biennium</u> | % <u>Increase</u> |
|---------------|-------------------------|-------------------------|----------------------|
| General Fund | \$3,330,997 | \$ 3,442,114 | 3.34 |
| Other Funds | <u>6,603,081</u> | <u>6,514,395</u> | <u>(1.34)</u> |
| Total | <u>\$9,934,078</u> | <u>\$ 9,956,509</u> | <u>.23</u> |
| Pay Plan | | <u>1,061,514</u> | |
| REVISED TOTAL | <u>\$9,934,078</u> | <u>\$11,018,023</u> | <u>10.91</u> |
| FTE | 165.1 | 154.1 | |

The new superintendent of public instruction submitted budget revisions to the committee. These revisions were considered in developing the offices budget.

The committee continued programs funded entirely with general fund at current level. Other programs are continued based on federal revenue estimates received from the office of public instruction. General funds are not used to replace federal funds in programs in which federal funds are decreasing. This results in an overall reduction of eleven FTE.

The increase in general fund in the 1983 biennium is quite small as:

1. Federal funds for special education administration increases from \$200,000 per year to \$300,000 per year for the 1983 biennium. This reduces general fund support needed to continue this program at current level.
2. There was a one time general fund appropriation for the purchase of a computer spent in the 1981 biennium.

General fund for a consultant and a secretary for the gifted and talented program is approved by the committee.

The audio-visual library that distributes films to school districts receives \$50,000 general fund per year of the biennium to purchase films and equipment.

Audit costs are included in fiscal year 1983 for \$50,000 of general fund.

The committee requested the office of public instruction to submit a budget organized into six programs. The six programs are chief state school officer, basic instructional skills, vocational education, financial services, administrative services and special education. Operational plans will be submitted to the office of budget and program planning for each of these programs. This will provide for a clearer picture of the office of public instruction's activity in the 1983 biennium.

Summary

The general fund appropriation is \$269,024 above the LFA recommendation and \$469,079 below the executive budget.

TRANSPORTATION

| | <u>1981 Biennium</u> | <u>1983 Biennium</u> | <u>% Increase</u> |
|--------------|--------------------------|--------------------------|-----------------------|
| General Fund | \$7,909,000 ¹ | \$9,743,695 | 23.20 |
| FTE | N/A | N/A | |

¹ Includes \$500,000 supplemental appropriation for fiscal year, 1981.

The recommendation is based upon an increase in reimbursement rates for bus transportation from 55 cents per mile plus 2 cents for each seat over 50 seats in fiscal 1981 to 60 cents per mile plus 2.5 cents in fiscal 1982 and 65 cents per mile plus 2.5 cents in fiscal 1983.

Summary

The general fund appropriation is equal to the LFA recommendation and \$219,625 above the executive budget.

ADULT EDUCATION

| | <u>1981 Biennium</u> | <u>1983 Biennium</u> | <u>% Increase</u> |
|--------------|--------------------------|--------------------------|-----------------------|
| General Fund | \$214,585 | \$254,732 | 18.71 |
| FTE | N/A | N/A | |

The state level of support for adult education continues at current level.

Summary

The general fund appropriation is equal to the LFA recommendation and \$30,732 above the executive recommendation.

SECONDARY VOCATIONAL EDUCATION

| | <u>1981 Biennium</u> | <u>1983 Biennium</u> | <u>% Increase</u> |
|--------------|--------------------------|--------------------------|-----------------------|
| General Fund | \$1,500,000 | \$1,500,000 | 0.0 |
| FTE | N/A | N/A | |

The 46th legislature appropriated 1.5 million through HB 537 in the 1981 biennium to expand secondary vocational educational funding. This amount is over and above the funds provided for secondary vocational education through the foundation program. The \$1.5 million is again recommended for the 1983 biennium.

Summary

The general fund appropriation is equal to the executive recommendation and \$276,918 below the LFA budget.

TRAFFIC AND SAFETY EDUCATION

All revenues received in the state traffic education account under provision of 20-7-504, MCA are appropriated to be distributed as provided in section 20-7-506, MCA. These revenues are collected through driver's license fees and highway patrol fines. Estimates are \$1,088,119 in fiscal 1982 and \$1,153,405 in fiscal 1983.

ADVISORY COUNCIL FOR VOCATIONAL EDUCATION

| | <u>1981 Biennium</u> | <u>1983 Biennium</u> | <u>% Increase</u> |
|-------------|--------------------------|--------------------------|-----------------------|
| Other Funds | \$156,408 | \$188,000 | 20.20 |
| FTE | 2.00 | 2.00 | |

The advisory council for vocational education is given appropriation authority for federal funds anticipated in the 1983 biennium.

In the 1981 biennium the council anticipated and received legislative authority for \$150,000 of federal funds. Additional funds became available and operating authority was obtained by budget amendment.

The council anticipates increased monitorings of state agency evaluations of vocational education. They also will be providing more technical assistance to local advisory committees with the additional funds.

No FTE will be added to the current staff.

STATE LIBRARY COMMISSION

| | <u>1981 Biennium</u> | <u>1983 Biennium</u> | <u>% Increase</u> |
|---------------|-----------------------------|-----------------------------|-----------------------|
| General Fund | \$ 679,750 | \$ 773,543 | 13.7 |
| Other Funds | <u>1,336,787</u> | <u>1,722,588</u> | <u>28.8</u> |
| Total | <u>\$2,016,537</u> ===== | <u>\$2,496,131</u> ===== | <u>23.8</u> ===== |
| Pay Plan | | <u>147,092</u> | |
| REVISED TOTAL | <u>\$2,016,537</u> ===== | <u>\$2,643,223</u> ===== | <u>23.8</u> ===== |
| FTE | 24.50 | 25.50 | |

The appropriation to the state library commission funds all current level operations. In addition, the appropriation provides \$24,447 in fiscal 1982 and \$24,420 in fiscal 1983 for a coordinator of volunteer services in the library's blind and physically handicapped program (1 FTE). This appropriation contains \$20,000 general fund to cover the costs of relocating to the law and justice building. The appropriation includes funding for membership in the Washington library network (WLN). Membership in WLN is financed with coal funds earmarked for networking.

Total funding for the state library commission increases 23.8 percent over the previous biennium. The general fund increases 13.7 percent while other appropriated funds increase 28.8 percent. The relatively slight increase in general fund is due to the use of earmarked coal funds to finance part of the state library operations. The increase in other appropriated funds reflects substantial increases in anticipated coal revenues generated pursuant to section 15-35-108 (2)(i).

HISTORICAL SOCIETY

| | <u>1981 Biennium</u> | <u>1983 Biennium</u> | <u>% Increase</u> |
|---------------|-----------------------------|-----------------------------|-----------------------|
| General Fund | \$1,032,156 | \$1,430,482 | 38.6 |
| Other Funds | <u>1,051,132</u> | <u>1,149,634</u> | <u>9.4</u> |
| Total | <u>\$2,083,288</u> ===== | <u>\$2,580,116</u> ===== | <u>23.8</u> ===== |
| Pay Plan | | <u>241,758</u> | |
| REVISED TOTAL | <u>\$2,083,288</u> ===== | <u>\$2,821,874</u> ===== | <u>35.5</u> ===== |
| FTE | 34.50 | 40.25 | |

¹ Includes \$37,488 supplemental appropriation for fiscal 1981.

The appropriation to the historical society results in a 23.8 percent increase in total spending and adds 5.75 FTE. The general fund increases 38.6 percent while other appropriated funds increase 9.4.

Spending increases are due to several modifications.

1. The historical society lost federal indirect cost revenues that had funded .75 FTE in the administration program. The indirect cost revenues funded portions of the salaries of the director, business manager, accountant, and administrative assistant. This appropriation includes \$28,842 general fund to replace the loss of indirect cost revenues.

2. The appropriation includes \$13,552 general fund for payment of trustee per diem and travel expenses.

3. The appropriation includes \$61,535 general fund to staff and operate the original governor's mansion (one FTE).

4. The appropriation includes \$116,964 general fund to add two positions (curator and cataloger) and operating costs to the museum program (two FTE).

5. The appropriation authorizes the expenditure of \$150,000 of federal/private revenues for the continuation of an educational outreach program.

6. The appropriation includes \$43,600 to fund a photographic technician in the archives program. The cost of this position to the general fund is \$32,000 for the biennium. The remainder of the costs will be funded from a revolving fund.

7. The appropriation includes \$71,989 general fund support for Montana: The Magazine of Western History. This appropriation is premised on state support of 22.1 percent of program costs.

Summary

The general fund appropriation is \$210,732 over the LFA recommendation and \$195,621 under the executive budget.

ARTS COUNCIL

| | <u>1981</u> <u>Biennium</u> | <u>1983</u> <u>Biennium</u> | <u>%</u> <u>Increase</u> |
|---------------|--------------------------------|--------------------------------|-----------------------------|
| General Fund | \$150,016 | \$201,991 | 34.6 |
| Other Funds | <u>406,786</u> | <u>456,398</u> | <u>12.1</u> |
| Total | \$556,802 ===== | \$658,389 ===== | 18.2 ===== |
| Pay Plan | | <u>28,600</u> | |
| REVISED TOTAL | \$556,802 ===== | \$686,989 ===== | 23.4 ===== |
| FTE | 4.00 | 4.00 | |

The appropriation to the arts council funds all current level operations. The administrative costs of the council and its staff are divided equally between the general fund and federal funds.

Included in this appropriation is \$40,550 general fund to finance the arts council program of local community grants.

The state grant funds are available to assist Montana communities in sponsoring performances by touring arts companies, and to match available federal funds.

This appropriation also includes \$26,100 in general funds to finance state participation in the 'artists in the schools' program. The program is currently financed by federal funds matched by local funds from participating school districts. The general fund support will permit the arts council to offer the program to an additional 20-25 schools across the state.

Summary

The general fund appropriation is \$27,081 above the LFA recommendation and \$39,404 under the executive budget.

SCHOOL FOR THE DEAF AND BLIND

| | <u>1981</u> <u>Biennium</u> | <u>1983</u> <u>Biennium</u> | <u>%</u> <u>Increase</u> |
|---------------|--------------------------------|--------------------------------|-----------------------------|
| General Fund | \$2,639,727 ¹ | \$3,042,690 | 15.3 |
| Other Funds | <u>1,206,831</u> | <u>1,025,235</u> | <u>(15.0)</u> |
| Total | <u>\$3,846,558</u> ===== | <u>\$4,067,925</u> ===== | <u>5.2</u> ===== |
| Pay Plan | | <u>546,979</u> | |
| REVISED TOTAL | <u>\$3,846,558</u> ===== | <u>\$4,614,904</u> ===== | <u>19.9</u> ===== |
| FTE | 96.05 | 98.05 | |

¹Contains \$266,288 general fund supplemental for fiscal 1981.

The appropriation to the school for the deaf and blind maintains all current level operations. The general fund increase is due to the loss or reduction of other funding sources for the school's interpreter-tutor and Title VI-C programs.

This appropriation includes \$247,900 general fund to finance 8.10 FTE in the school's interpreter-tutor program. The school received a supplemental appropriation of \$124,095 for the current year to continue the program when federal and local funds were terminated.

This appropriation includes \$52,352 in general fund to finance 1.28 FTE in the school's Title VI-C program. The Title VI program provides services to 13 multihandicapped deaf/blind children on campus and to another 11 children residing at Boulder river school and hospital. This appropriation also authorizes the expenditure of federal funds to finance two vocational education teachers in the school's education program.

E. OTHER EDUCATION

| | --Fiscal Year 1982--- | | --Fiscal Year 1983--- | |
|----------------------------------|-----------------------|--------------|-----------------------|--------------|
| | General | Other | General | Other |
| | <u>Fund</u> | <u>Funds</u> | <u>Fund</u> | <u>Funds</u> |
| BOARD OF PUBLIC EDUCATION | | | | |
| 1. Administration | | | | |
| | 79,104 | | 79,020 | |
| 2. Fire Services Training School | | | | |
| | <u>178,478</u> | | <u>173,406</u> | |
| Total Board of Education | | | | |
| | 257,582 | | 252,426 | |

The board of public education shall be provided office space free of charge in the building leased by the state and paid from the appropriation to the commissioner of higher education. The fire service training school shall be provided office, storage, and classroom space inclusive of weekend janitorial service in the Great Falls vocational-technical center at no charge.

PUBLIC SCHOOL SUPPORT

| | | | | |
|--|----------------|--|----------------|--|
| 1. Special Education | | | | |
| | 23,824,307 | | 25,968,494 | |
| 2. Special Education Emergency Contingency | | | | |
| | 500,000 | | 500,000 | |
| 3. Audiological Services | | | | |
| | <u>688,614</u> | | <u>750,589</u> | |
| Total Public School Support | | | | |
| | 25,012,921 | | 27,219,083 | |

Item 1 is for foundation and permissive support of the maximum-budget-without-a-vote for special education.

Item 2 is for emergencies that may arise in special education programs at local districts. A district's board of trustees may apply for an allocation from these funds by presenting a child study team report and an individual

educational plan for each child relating to this unforeseen expense and a current listing of programs, case loads, and related costs to the superintendent of public instruction. The appropriation in item 2 is for the biennium and the specific amounts may be transferred between fiscal years.

Item 3 is for purchase of audiological services by the office of public instruction.

Notwithstanding other provisions of law, the superintendent may not approve a maximum-budget-without-a-vote for special education which, in the aggregate, exceeds \$52,232,004 in the 1983 biennium.

Federal funds to support special education programs in excess of \$5,110,000 during the 1983 biennium shall be placed in a reserve fund and not spent until appropriated by the 1983 legislature.

SUPERINTENDENT OF PUBLIC INSTRUCTION, VOCATIONAL-TECHNICAL CENTERS

| | | | | |
|-----------------------|---------|---------|---------|---------|
| 1. Billings Center | | | | |
| a. Personal Services | 434,969 | 490,694 | 487,031 | 521,942 |
| b. Operating Expenses | 133,475 | 166,368 | 194,230 | 208,152 |
| c. Equipment | 6,288 | 7,196 | 6,454 | 7,030 |
| d. Audit Costs | 14,000 | | | |
| 2. Butte Center | | | | |
| a. Personal Services | 588,475 | 304,643 | 663,762 | 327,519 |
| b. Operating Expenses | 76,437 | 46,300 | 119,901 | 59,162 |
| c. Equipment | 14,637 | 7,513 | 14,833 | 7,317 |
| d. Audit Costs | 13,000 | | | |
| 3. Great Falls Center | | | | |
| a. Personal Services | 539,848 | 360,799 | 602,669 | 379,037 |
| b. Operating Expenses | 128,719 | 86,028 | 176,418 | 119,759 |

| | | | | |
|--|---------------|-----------|----------------|-----------|
| c. Equipment | | | | |
| d. Audit Costs | 23,449 | 15,751 | 31,182 | 18,718 |
| 4. Helena Center | | | 14,000 | |
| a. Personal Services | | | | |
| b. Operating Expenses | 898,055 | 429,643 | 990,168 | 457,023 |
| c. Equipment | 254,922 | 121,958 | 347,259 | 167,205 |
| d. Audit Costs | 38,958 | 18,642 | 44,438 | 20,412 |
| | | | 15,000 | |
| 5. Missoula Center | | | | |
| a. Personal Services | | | | |
| b. Operating Expenses | 917,631 | 526,547 | 997,856 | 576,298 |
| c. Equipment | 217,738 | 133,548 | 283,644 | 163,814 |
| d. Audit Costs | 56,276 | 32,194 | 32,102 | 18,613 |
| | 15,000 | | | |
| 6. Office of Budget and Program Planning | | | | |
| a. CETA Contingency Funds | | | | |
| | 44,000 | | | |
| b. Enrollment Contingency | | | | |
| | <u>94,510</u> | | <u>102,960</u> | |
| Total Vocational-Technical Centers | 4,510,387 | 2,747,824 | 5,123,907 | 3,052,001 |

The superintendent of public instruction may transfer funds between personal services, operations and equipment within each vocational-education center or between vocational-education centers. The intent of the legislature is that these appropriated funds will not provide for salary increases at the vocational-education centers above the state pay plan for fiscal years 1982 and 1983.

Receipt of state funds appropriated to the five technical centers is contingent upon each county in which the center resides levying 1.5 mills each fiscal year. Millage received by the centers from the 1.5 mill levy

over \$765,101 in fiscal 1982 and \$804,733 in fiscal 1983 will revert a like amount of general fund each year.

Item 6.a. is to be distributed to the Billings center if CETA funds are not available to the center in fiscal 1982.

Item 6.b. may be distributed according to the following formula to the vocational-technical centers.

Vocational Education Centers
FTE Projected Enrollment

| | <u>FY '81</u> | <u>FY '82</u> | <u>FY '83</u> |
|-------------|---------------|---------------|---------------|
| Billings | 638 | 638 | 638 |
| Butte | 426 | 426 | 426 |
| Great Falls | 596 | 596 | 596 |
| Helena | 868 | 868 | 868 |
| Missoula | 720 | 720 | 720 |

The budget director shall calculate the fiscal 1982 and fiscal 1983 contingency allocation for each center as follows:

For fiscal 1982. The fiscal 1981 actual FTE enrollment must exceed the fiscal 1981 projected FTE enrollment by six percent. The actual 1981 FTE enrollment in excess of 106 percent of the 1981 projected enrollment listed above shall be multiplied by the fiscal 1982 instructional cost per FTE of \$1,454 to determine the amount of calculated contingency allocation for each center.

For fiscal 1983. The fiscal 1982 actual FTE enrollment must exceed the fiscal 1982 projected FTE enrollment by six percent. The actual 1982 FTE enrollment in excess of 106 percent of the 1982 projected enrollment listed above shall be multiplied by the fiscal 1983 instructional cost per FTE of \$1,584 to determine the amount of calculated contingency allocation for each center.

If the calculated contingency allocations exceed the appropriation each center's allocation shall be reduced by the same percentage. Prior to the release of contingency funds by the office of budget and program planning the office of public instruction shall certify the FTE enrollment figures are accurate and any unused funds shall revert at fiscal year end.

OFFICE OF PUBLIC INSTRUCTION

| | | | | |
|------------------------------------|------------------|-----------|-----------|-----------|
| 1. Office of Public Instruction | | | | |
| | 1,683,647 | 3,220,444 | 1,708,467 | 3,293,951 |
| a. Audit Costs | | | 50,000 | |
| 2. School Transportation | 4,724,445 | | 5,019,250 | |
| 3. School Lunch | 731,494 | | 807,449 | |
| 4. Adult Education | 121,881 | | 132,851 | |
| 5. Secondary Vocational Education | <u>1,500,000</u> | | | |
| Total Office of Public Instruction | 8,761,467 | 3,220,444 | 7,718,017 | 3,293,951 |

Other appropriated funds in item 1 contains \$369,182 in fiscal 1982 and \$374,735 in fiscal 1983 for internal transfers of indirect costs. In the amount indirect costs in excess of these amounts are recovered, general fund money shall revert.

Item 5 is for the biennium.

All revenues received in the state traffic education account under provisions of 20-7-504, MCA are appropriated to be distributed as provided in 20-7-506, MCA.

ADVISORY COUNCIL FOR
VOCATIONAL EDUCATION

94,000

94,000

STATE LIBRARY

| | | | | |
|---|---------|---------------|---------|---------------|
| 1. General Operations | 335,772 | 762,494 | 417,771 | 809,245 |
| 2. Administration Program - Moving Costs | 20,000 | | | |
| 3. Library Networking Operations | | <u>77,300</u> | | <u>73,549</u> |
| Total State Library | 355,772 | 839,794 | 417,771 | 882,794 |

Item 2 is for the biennium ending June 30, 1983.

Item 3 consists of earmarked funds generated under section 15-35-108 (2)(i), MCA. These funds are appropriated for networking operations at the state library. All other funds generated pursuant to this section shall be distributed to the library federations.

MONTANA HISTORICAL SOCIETY

| | | | | |
|---|---------|----------------|---------|----------------|
| 1. Administration, Library, Archives and Museum Programs | 615,133 | 100,800 | 625,805 | 100,800 |
| 2. Historic Sites Program | 57,301 | 57,302 | 60,254 | 60,254 |
| 3. Publications Program | 35,162 | 123,944 | 36,827 | 129,812 |
| 4. Merchandising Program | | <u>285,559</u> | | <u>291,163</u> |
| Total Montana Historical Society | 707,596 | 567,605 | 722,886 | 582,029 |

Item 4 contains \$20,000 in fiscal year 1982 and \$20,000 in fiscal year 1983 for internal transfers of profits generated by the merchandising program.

MONTANA ARTS COUNCIL

| | | | | |
|-----------------------|--------|---------|--------|---------|
| 1. General Operations | 79,722 | 225,770 | 81,719 | 230,628 |
|-----------------------|--------|---------|--------|---------|

2. Local Community Grants

| | | | | |
|-------------------------------|------------------|-------------------|------------------|-------------------|
| | <u>20,275</u> | <u> </u> | <u>20,275</u> | <u> </u> |
| Total Montana Arts Council | 99,997 | 225,770 | 101,994 | 230,628 |
| SCHOOL FOR THE DEAF AND BLIND | <u>1,501,843</u> | <u>510,988</u> | <u>1,540,847</u> | <u>514,247</u> |
| TOTAL OTHER EDUCATION | 41,207,565 | 8,206,425 | 43,096,931 | 8,649,650 |