

MAY 19 1981

OF MONTANA

MINUTES OF THE MEETING OF THE APPROPRIATIONS COMMITTEE
MARCH 12, 1981

The Appropriations Committee met on Thursday, March 12, 1981, in Room 104 of the Capitol Building at 8:15 a.m. with CHAIRMAN ART LUND presiding and fifteen members present (REP. SHONTZ was absent).

CHAIRMAN LUND opened the hearing on HB 617.

HOUSE BILL 617 REP. AUDREY ROTH, sponsor, presented the bill which would appropriate \$485,000 to the Department of Natural Resources for the operation of the Reserved Water Rights Compact Commission. See written testimony, EXHIBIT 1.

Speaking as a proponent was HENRY LOBLE. He stated that Indian and federal water rights are different. In some cases, the tribes are using the date of the reservation which is longer than dates that can be used by ranchers. There are three ways of handling the large quantities of water used: (1) congressional action; (2) litigation; and, (3) negotiation. He felt negotiation is the best way and therefore the need for the funding for the commission. As chairman of the commission he explained that they are currently negotiating with three Indian tribes and two major departments of federal government. They are gathering data, which will not be wasted even if the need for litigation does arise.

LEO BERRY, Director of the Department of Natural Resources, supported the bill also. The state must determine what rights the tribes do have.

CHARLIE GRAY, Montana Water Rights Association, supported the bill. He said the Department of Interior has proposed rules providing for water code for water rights. We could then enter into negotiations at the federal level. He felt we need an on-going program.

JO BRUNNER, Women in Farm Economics, supported the bill. Her organization passed a resolution for the state to try negotiations before trying litigation.

There were no OPPONENTS.

During questions from the committee, REP. MOORE asked how much is in the earmarked revenue account at the present time. MR. BERRY said there is currently about \$300,000 and will be having fees coming in.

REP. MOORE said the fees have been coming in slowly. MR. BERRY said there is a bill that if people consolidate the filings, it is lower. Some people are waiting for that type of legislation.

REP. HURWITZ asked how the figure of \$485,000 was reached. MR. BERRY explained that there are funds in the Department of Natural Resources budget and this supplements that.

REP. DONALDSON asked MR. LOBLE who approves the final result of negotiations. The answer was that it would be similiar to interstate compacts. It must be ratified by the legislature, the tribe, and Congress.

REP. COZZENS asked if these funds are used in connection with all of the reservations. MR. BERRY replied that it is used for all seven tribes and the two federal departments.

REP. LUND asked what progress is being made with the reservations. MR. LOBLE said good progress is being made with the Departments of Interior and Agriculture. The negotiations with the tribes is progressing very slowly.

REP. BENGTON asked if the state has a handle on how much water the tribes claim. MR. LOBLE said they are encouraging the tribes to state exactly how much. One of the biggest problems is that of priority date.

REP. BENGTON asked if this \$485,000 will end the negotiations. The answer was no.

REP. MOORE moved DO PASS on HB 617. It PASSED unanimously.

HOUSE BILL 821 REP. BOB THOFT, sponsor, moved the bill be TABLED. It PASSED unanimously.

HOUSE BILL 605 REP. BOB THOFT, sponsor, presented the bill which could appropriate funds to the Department of Natural Resources to implement the soil survey plan. The department has developed the survey and mapping program. These funds would accelerate the soil survey.

Speaking as a proponent was E.M. RICHLER, a soil scientist. He felt the soil survey is needed on all of Montana's lands to help productivity. Wind erosion is a great problem. The surveys show that we need to take better care of our soil.

LEO BERRY, Director of the Department of Natural Resources, explained the objectives of the plan. He showed a plan that is currently being used and explained that the new one would be more complete.

G. A. NIELSEN, a teacher at the University, spoke in favor of the bill saying this survey would help farmers and ranchers. There are three ways this survey helps: (1) provides the basis for inventory of the types of soil; (2) defines natural types and capabilities of soil; and, (3) gets the information to those people who need it.

DON NETTLETON representing the Burlington Northern supported the bill saying he had worked on the soil survey committee. He said the program would be finished by 1999 if continued at the present pace.

PETER JACKSON, representing both himself and Western Environmental Trade Association, supported the bill.

RAY BECK, Montana Association of Conservation Districts, supported the bill. He stated that his association also helps with the funding of this program.

RICHARD RUSS said this program has worked well in Minnesota where he is employed with an experiment station.

There were no OPPONENTS.

REP. THOFT closed on the bill.

During questions from the committee, REP. MANUEL asked if the department contracts with someone or if they do the work themselves. The answer was that it is accomplished both ways. The department will not hire any additional FTEs for this project.

REP. HURWITZ asked if all former maps and surveys are useless. MR. BERRY said some of the maps are helpful but most were done in the 1800's and the information is very limited.

REP. CONROY reminded the committee that funds were given to the Forestry Department in Missoula to do some surveys. He asked if this is a duplication of services and efforts. MR. RICHLER said no because it is much too expensive to duplicate and that there is a great deal of cooperation between the agencies to see that duplication does not happen.

REP. QUILICI asked whether or not once the survey is completed, it will become outdated. MR. NIELSEN replied that the changes in the soil are very slow so the surveys will not be outdated for a long time. The old surveys are simply too broad to be of much use. They were not detailed enough to begin with.

REP. QUILICI asked if this appropriation will complete this survey. MR. BERRY replied that this program will go on until about 1999. The state started this survey with a grant from the Old West Regional Committee. If the funds are not appropriated, the program will continue but at a much slower pace.

REP. HURWITZ asked who will use this survey once it is completed. MR. BERRY replied that people who are farming improperly could use the survey and so could developers. This would help them in the areas such as saline seep problems. It could perhaps eliminate a serious natural resource problem.

REP. BENGTON asked what the demand is currently for surveys. The answer was that many people request maps and surveys before deciding to build in certain areas around the state. The surveys are very useful.

REP. STOBIE asked about areas that are not covered by the program. MR. BERRY said those areas would have to contract out to have surveys done.

The hearing on HB 605 closed.

The meeting adjourned at 10:00 a.m.

Respectfully submitted,


ART LUND, CHAIRMAN

8-10

Bureau of Mines - Eliminate Mineral Economist

	---Fiscal 1982---		---Fiscal 1983---	
	General	Other	General	Other
	<u>Fund</u>	<u>Funds</u>	<u>Fund</u>	<u>Funds</u>
Initial HB500	\$1,253,470	\$141,600	\$1,271,857	\$155,800
Reduction	<u>42,687</u>	<u> </u>	<u>43,287</u>	<u> </u>
Revised HB500	\$1,210,783	\$141,600	\$1,228,570	\$155,800

39/10

AGRICULTURAL EXPERIMENT STATION

Comparison Between 1983 Biennium Proposed Budget and 1981 Biennium Budget

	1983			1981		
	FTE		Proposed Budget *	FTE		Budget
	Faculty	Support		Faculty	Support	
Institutional Support		15.50	1,032,271		15.50	838,321
Academic Support	.65		41,466	.65		33,161
Physical Plant		5.12	554,141		5.12	364,943
Organized Research:						
D.O. Statistics	1.25	1.74	177,058	1.25	1.74	139,935
Ag Economics	7.68	6.22	723,949	7.68	5.22	550,881
Ag Education	.23	.59	36,886	.23	.59	29,055
Ag Engineering	2.62	2.19	266,570	2.62	2.19	199,848
Animal & Range	9.33	41.28	2,713,655	9.33	34.16	1,971,188
Biology	3.86	3.88	410,145	3.86	3.88	323,689
Chemistry	4.65	1.70	404,515	4.65	1.70	292,714
Home Ec	1.72	1.52	152,728	1.72	1.52	117,564
Plant Pathology	4.41	6.48	546,617	4.41	3.48	342,478
Plant & Soils	19.74	32.63	2,426,104	19.74	23.99	1,615,543
Sociology	1.69	1.64	134,718	1.69	1.64	112,568
Vet Research	11.85	18.25	1,567,094	11.85	15.68	1,109,262
Wool Lab	2.00	2.19	210,633	2.00	2.19	158,500
Central-Moccasin	2.33	5.60	386,032	2.33	3.05	214,371
Eastern-Sidney	2.44	13.40	670,442	2.44	¹⁰ 7.60	348,496
Northern-Havre	4.77	9.79	759,143	4.77	6.99	455,398
NW-Kalispell	2.33	4.88	357,941	2.33	4.08	207,901
Southern-Huntley	3.55	9.75	719,252	3.55	7.20	424,503
Western-Corvallis	3.55	3.72	305,640	3.55	3.72	232,712
W.Triangle-Conrad	2.44	3.96	303,429	2.44	1.96	165,056
LARRS-Miles City	7.32	32.00	2,155,074	7.32	32.00	1,567,062
Dir.Off.-Research			1,917,000			1,144,196
Sub-Total Organized Research	99.76	203.41	17,344,625	99.76	164.58	11,722,920
TOTAL	100.41	224.03	18,972,503	100.41	185.20	12,959,345

* Including Modifications

- Break out modified
85,000

F. HIGHER EDUCATION

For units of the university system other than the office of the commissioner of higher education, the appropriations made under the column heading "Other Appropriated Funds" are from funds within current unrestricted funds unless otherwise indicated.

All funds, other than plant funds and those specifically appropriated herein, may be spent and are appropriated contingent upon approval by the board of regents by July 1 of each year of a comprehensive program budget containing a detail of revenues and expenditures and anticipated fund balances of current funds, loan funds, and endowment funds. All movement of funds between the current unrestricted subfund and the designated subfund accounting entities shall be clearly identified in the state budgeting and accounting system.

Programs for the university budgets include instruction, organized research, public service, academic support, student services, institutional support and operation and maintenance of plant.

Included within other appropriated funds to the six institutions is the sum of \$12,488,450 in fiscal year 1982 and \$13,579,452 in fiscal year 1983 from revenues generated under the provisions of House Bill 191, 46th legislature.

--Fiscal Year 1982---		--Fiscal Year 1983---	
Other		Other	
<u>General</u>	<u>Appropriated</u>	<u>General</u>	<u>Appropriated</u>
<u>Fund</u>	<u>Funds</u>	<u>Fund</u>	<u>Funds</u>
BOARD OF REGENTS			
	23,029		25,104

COMMISSIONER OF
HIGHER EDUCATION

1. Office Administration	630,554	26,705	633,221	27,458
2. WAMI	1,491,997		1,625,272	
3. WICHE - Student Assistance	627,100	911,000	500,800	1,143,000
4. WICHE - Administrative Dues	46,300		50,000	
5. University of Minnesota Rural Dentistry	153,600		168,000	
6. SSIG	175,000	211,592	175,000	211,592
7. NDSL	<u>100,000</u>	<u> </u>	<u>100,000</u>	<u> </u>
Total Commissioner of Higher Education	3,224,551	1,149,297	3,252,293	1,382,050

COMMUNITY COLLEGES

1. Miles Community College	779,222	819,247
2. Dawson Community College	587,208	639,498
3. Flathead Valley Community College	<u>1,127,029</u>	<u>1,185,178</u>
Total Community Colleges	2,493,459	2,643,923

The above appropriation provides 53 percent of the total unrestricted budgets for the community colleges that shall be approved by the board of regents.

BUREAU OF MINES

1,210,783	141,600	1,228,570	155,800
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AGRICULTURAL EXPERIMENT STATION

1. Agricultural Experiment Station	4,448,576	2,275,276	4,570,687	2,359,167
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2. United States Range Station		<u>901,926</u>		<u>927,288</u>
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Total Agricultural Experiment Station				
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4,448,576	3,177,202	4,570,687	3,286,455
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COOPERATIVE EXTENSION SERVICE

1,714,510	1,561,193	1,677,118	1,685,545
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FORESTRY AND CONSERVATION
EXPERIMENT STATION

500,773		594,407	
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MONTANA STATE UNIVERSITY

1. Instruction

11,154,286	7,716,610	10,990,888	7,936,509
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2. Organized Research

412,098	285,092	419,429	302,870
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3. Public Service

5,159	3,569	5,017	3,623
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4. Academic Support, Student
Services & Institutional Support

5,580,112	3,860,358	6,003,155	4,334,873
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5. Operation and Maintenance
of Plant

2,174,812	1,504,549	2,285,575	1,650,411
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6. Scholarships and Fellowships

392,782	271,729	431,975	311,929
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7. Audit Costs

<u>18,840</u>	<u>13,035</u>	<u>6,170</u>	<u>4,455</u>
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Total Montana State University

19,738,089	13,654,942	20,142,209	14,544,670
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UNIVERSITY OF MONTANA

1. Instruction

9,129,729	5,552,861	9,096,667	5,795,822
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2. Organized Research

220,080	133,856	222,794	141,951
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3. Public Service

100,589	61,180	102,605	65,373
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4. Academic Support, Student
Services & Institutional Support

4,899,936	2,980,227	5,180,245	3,300,525
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5. Operation and Maintenance
of Plant

2,370,108	1,441,542	2,507,881	1,597,864
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6. Scholarships and Fellowships	394,307	239,825	416,972	265,669
7. Audit Costs	<u>19,820</u>	<u>12,055</u>	<u>6,490</u>	<u>4,135</u>
Total University of Montana	17,134,569	10,421,546	17,533,654	11,171,339

EASTERN MONTANA COLLEGE

1. Instruction	3,038,598	1,608,220	2,913,439	1,754,287
2. Public Service	22,797	12,065	22,155	13,340
3. Academic Support, Student Services & Institutional Support	2,201,727	1,165,294	1,984,834	1,195,140
4. Operation and Maintenance of Plant	1,039,378	550,105	1,049,692	632,058
5. Scholarships and Fellowships	130,359	68,994	125,640	75,652
6. Audit Costs	<u>7,283</u>	<u>3,855</u>	<u>14,114</u>	<u>8,498</u>
Total Eastern Montana College	6,440,142	3,408,533	6,109,874	3,678,975

NORTHERN MONTANA COLLEGE

1. Instruction	1,864,846	761,974	1,845,530	822,103
2. Public Service	6,376	2,605	6,388	2,845
3. Academic Support, Student Services & Institutional Support	877,010	358,345	943,010	420,070
4. Operation and Maintenance of Plant	440,490	179,984	451,192	200,986
5. Scholarships and Fellowships	86,263	35,247	82,950	36,950
6. Audit Costs	<u>13,977</u>	<u>5,711</u>	<u>4,539</u>	<u>2,023</u>
Total Northern Montana College	3,288,962	1,343,866	3,333,609	1,484,977

WESTERN MONTANA COLLEGE

1. Instruction	778,796	372,131	767,282	391,353
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2. Academic Support, Student Services & Institutional Support	645,051	308,224	676,244	344,918
3. Operation and Maintenance of Plant	343,219	164,000	354,136	180,628
4. Scholarships and Fellowships	32,118	15,347	33,035	16,850
5. Audit Costs	<u>4,440</u>	<u>2,122</u>	<u>13,038</u>	<u>6,650</u>
Total Western Montana College	1,803,624	861,824	1,843,735	940,399

MONTANA COLLEGE OF MINERAL
SCIENCE AND TECHNOLOGY

1. Instruction	1,766,672	1,165,595	1,822,810	1,202,082
2. Organized Research	23,912	15,776	26,265	17,321
3. Academic Support, Student Services & Institutional Support	906,491	598,075	1,156,466	762,650
4. Operation and Maintenance of Plant	631,925	416,925	673,885	444,405
5. Scholarships and Fellowships	100,090	66,037	104,423	68,863
6. Audit Costs	<u>10,168</u>	<u>6,707</u>	<u>10,169</u>	<u>6,706</u>
Total Montana College of Mineral Science and Technology	3,439,258	2,269,115	3,794,018	2,502,027

Funds appropriated to the colleges and universities in all items except audit costs may be transferred between items within a fiscal year through budget amendment approved by the board of regents.

TOTAL HIGHER EDUCATION

65,460,325	37,989,118	66,749,201	40,832,237
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DEPARTMENT OF HEALTH AND ENVIRONMENTAL SCIENCES

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	1981 <u>Biennium</u>	1983 <u>Biennium</u>	% <u>Increase</u>
General Fund	\$ 5,542,073	\$ 6,133,084	10.7
Other Funds	<u>30,576,904</u>	<u>35,454,951</u>	<u>16.0</u>
TOTAL	<u>\$36,118,977</u> =====	<u>\$41,588,035</u> =====	<u>15.1</u> =====
Pay Plan		<u>1,910,718</u>	
REVISED TOTAL	<u>\$36,118,977</u> =====	<u>\$43,498,753</u> =====	<u>20.0</u> =====
FTE	304.43	274.35	

Health Planning & Resource Development: This program is responsible for health planning efforts and administering the certificate of need law. The department requested and the committee concurred with the reduction of 1.0 FTE planner and one part-time position for a total of 1.25 FTE reduction.

Management Services: General fund for the central service function remains at the same percentage level as in fiscal 1980. The division's total expenditure authority rises at the rate of anticipated inflation. However, with the reduction of public health service (314)(d) funds, the department should have less federal funds to administer and a subsequent reduction of administration costs. The department requested and committee concurred in a reduction of a 0.4 FTE mailman in fiscal 1983 due to the consolidation of all health functions within the Cogswell building.

Communicable Disease Control: This program was reduced by 1.0 FTE bureau chief as requested by the department. An additional \$5,000 general fund was added for the purchase of emergency biologicals such as rabies vaccine. The committee recommends federal authority totalling \$124,000 for the biennium and 1.5 FTE per year for an education program aimed at reduction of health risks such as smoking.

Laboratory Division: The department requested and the committee concurred in a reduction of FTE from 28.5 to 19.0. The department maintains that the same work can be performed with a fewer number of staff. To compliment this, the committee recommends the purchase of equipment totalling \$81,600 over the biennium. The committee recommends an increase in general funds for the microbiological lab due to the loss of approximately \$137,000 federal (314)(d) funds. This lab performs the public health services of the department and is the primary reference lab in the state. The committee reduced general fund for the chemistry lab because the primary users are interdepartmental EPA (environmental protection agency) projects. These projects ^{shall}~~should~~ pay for their lab services.

Facilities and Manpower: The department requested and the committee concurred in a reduction of 1.7 FTE which include part-time secretarial staff and a part-time training officer. Reduction of the part-time training officer is a result of a federal training program increasing. General fund is recommended to increase approximately \$70,000 per year because of a 25 percent decrease in the federal matching rate for medicaid licensing. Previously, the federal government paid all of the licensure and inspection costs of medicare facilities. Federal funds for emergency medical service grants were \$221,302 in fiscal 1980 and are expected to be \$464,421 in fiscal 1982 and \$188,602 in fiscal 1983.

Food and Consumer Safety: The department requested a reduction of 5.0 FTE due to the loss of 314(d) funds. The committee concurred with reducing 4.0 FTE. These positions include a fish and wildlife biologist, sanitarians and secretarial staff. It is anticipated that the sanitarian workload can be contracted out to local sanitarians. The committee retained 1.0 FTE, to allow the mosquito control program to continue.

Solid Waste Management: This bureau contains three programs: junk vehicles, solid waste management, and hazardous waste. The committee recommends the junk car and solid waste programs stay at current level. The hazardous waste program was not funded as the federal government will totally fund the program unless the state wants the program. If the state runs the program, the state must pay 25 percent of the cost.

Air Quality: This program has a general fund maintenance of effort level equal to the amount of general fund spent in the prior year. The committee recommends that the general fund level be kept at the amount budgeted in fiscal 1981, \$246,750. In fiscal 1982 general fund of \$35,512 is included to study the Scobey area air quality. This study is to determine the effects of the Canadian power plant once its operations begin. The Canadian government has agreed to abide by U.S. standards, but the air quality must be monitored to determine if the power plant meets U.S. standards.

Occupational Health: The committee recommends this program return from its current level of 6.0 FTE to its general fund base level of 3.65 FTE now that the Butte radiation study is complete. For fiscal 1982, the committee included \$131,708 of federal authority and 2.0 FTE for contracts with HUD and veteran's administration for radiation checks in prospective home purchases in the Butte area. In fiscal 1983 the FTE level returns to 3.65 because no federal funds are certain at this time.

Water Quality: The water quality bureau budget is maintained at current level. A modified request for one additional FTE to implement newly developed non-point source pollution regulations is accepted, in principle, by the committee. However, the committee recommends this program be absorbed by the current water quality management program by rearranging this program's current priorities.

Committee will clarify this language

Subdivision Bureau: This program is funded entirely from revenues derived from assessments against subdivision plots to review the adequacy of drinking and waste water systems. The committee recommends this program reduce its expenditure level and 2.0 FTE to operate within the amount of revenue projected to be available in the 1983 biennium.

Environmental Administration: This program provides administrative and fiscal support for the department's environmental programs. It is recommended to remain at current level.

Legal Division: The committee recommends this program be funded entirely from its revolving account with fees paid by the other health department programs which use the legal services. One additional lawyer is authorized. It is the intent of the committee that if this position is not filled within the legal division that it may not be transferred elsewhere in the department.

Health Services: The committee recommends three additional FTE per year and approximately \$764,000 federal spending authority to continue the improved pregnancy outcome program. This program was begun by budget amendment in fiscal 1980. The functions of the nursing bureau have been combined into the health services division during departmental reorganization.

Dental Bureau: The base level dental program remains at the current level of 3.0 FTE. Two FTE and \$433,000 federal authority over the biennium is recommended for a statewide dental education program and community fluoridation programs.

DEPARTMENT OF LABOR AND INDUSTRY

	<u>1981 Biennium</u>	<u>1983 Biennium</u>	<u>% Increase</u>
<u>Employment Security Division</u>			
General Fund	---	---	---
Other Funds	<u>\$26,539,515</u>	<u>\$30,388,420</u>	<u>14.5</u>
TOTAL	<u>\$26,529,515</u> =====	<u>\$30,388,420</u> =====	<u>14.5</u> =====
Pay Plan		<u>4,046,777</u>	
REVISED TOTAL	<u>\$26,529,515</u> =====	<u>\$34,435,197</u> =====	<u>30.0</u> =====
FTE	701.40	695.90	
<u>Worker's Compensation Division</u>			
General Fund	\$ 1,832,228	\$ 1,575,285	(14.0)
Other Funds	<u>7,494,227</u>	<u>9,673,803</u>	<u>29.0</u>
TOTAL	<u>\$ 9,326,455</u> =====	<u>\$11,249,088</u> =====	<u>20.6</u> =====
Pay Plan		<u>984,609</u>	
REVISED TOTAL	<u>\$ 9,326,455</u> =====	<u>\$12,233,697</u> =====	<u>31.1</u> =====
FTE	164.00	188.30	
<u>Personnel Appeals Division</u>			
General Fund	\$545,079	\$641,110	17.6
Other Funds	<u>15,004</u>	<u>16,000</u>	<u>6.6</u>
Total	<u>\$560,083</u> =====	<u>\$656,110</u> =====	<u>17.3</u> =====
Pay Plan		<u>75,210</u>	
REVISED TOTAL	<u>\$560,083</u> =====	<u>\$732,320</u> =====	<u>30.7</u> =====
FTE	9.00	9.00	

	<u>1981 Biennium</u>	<u>1983 Biennium</u>	<u>% Increase</u>
<u>Human Rights Division</u>			
General Fund	\$176,765	\$251,505	42.3
Other Funds	<u>174,274</u>	<u>148,532</u>	<u>(14.8)</u>
Total	<u>\$351,039</u> =====	<u>\$400,037</u> =====	<u>13.9</u> =====
Pay Plan		<u>49,230</u>	
REVISED TOTAL	<u>\$351,039</u> =====	<u>\$449,267</u> =====	<u>27.9</u> =====
FTE	8.00	8.00	
<u>Labor Standards Division</u>			
General Fund	\$701,668	\$899,516	28.2
Other Funds	<u>196,192</u>	<u>49,577</u>	<u>(74.7)</u>
Total	<u>\$897,860</u> =====	<u>\$949,039</u> =====	<u>6.0</u> =====
Pay Plan		<u>107,739</u>	
REVISED TOTAL	<u>\$897,860</u> =====	<u>\$1,056,832</u> =====	<u>17.7</u> =====
FTE	17.00	16.00	
<u>Labor Administration</u>			
General Fund	---	---	---
Other Funds	<u>\$712,374</u>	<u>\$853,738</u>	<u>19.8</u>
Total	<u>\$712,374</u> =====	<u>\$853,738</u> =====	<u>19.8</u> =====
Pay Plan		<u>86,246</u>	
REVISED TOTAL	<u>\$712,374</u> =====	<u>\$939,984</u> =====	<u>31.9</u> =====
FTE	11.75	13.00	

Employment and Training Division

General Fund	---	---	---
Other Funds	<u>\$2,295,309</u>	<u>\$2,399,910</u>	<u>4.6</u>
Total	<u>\$2,295,309</u> =====	<u>\$2,399,910</u> =====	<u>4.6</u> ===
Pay Plan		<u>362,443</u>	
REVISED TOTAL	<u>\$2,295,309</u> =====	<u>\$2,762,853</u> =====	<u>20.4</u> =====
FTE	26.00	30.00	

Employment Security Division: This division is funded at current level. The department withdrew its request for an additional 49.0 FTE because the anticipated work load has not yet materialized. The department requests and the committee concurs in a reduction of 5.5 FTE and \$5,235 in operating expenses in fiscal 1983 which reflect the consolidation of the centralized services.

Worker's Compensation Division: The committee recommends that this division be substantially increased. Contracted services are increased for

Labor Administration:

Commissioner's Office. One FTE deputy director is recommended to be added to the commissioner's office. This additional position does not increase the total FTE level as it is transferred from the employment security division. Except for this change, this budget is recommended to stay at current level.

Centralized Services. The department has requested to combine the financial central service functions from the department of labor administration, worker's compensation, and employment and security division. Due to the complex funding situation, the department does not anticipate this reorganization will occur until fiscal 1983. The department projects will this will result in a reduction of 4.5 FTE in fiscal 1983.

Employment and Training Division: The committee recommends adding federal spending authority totalling \$216,000 over the biennium and 4.0 FTE per year for the state occupational information coordinating committee. This committee coordinates the department of labor, office of public instruction, SRS, and the governor's employment and training council with regards to information for those agencies who plan and advertise employment and employment-related training programs.

Labor Administration:

Commissioner's Office. One FTE deputy director is recommended to be added to the commissioner's office. This additional position does not increase the total FTE level as it is transferred from the employment security division. Except for this change, this budget is recommended to stay at current level.

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DEPARTMENT OF SOCIAL AND REHABILITATION SERVICES

	1981 <u>Biennium</u>	1983 <u>Biennium</u>	% <u>Increase</u>
General Fund	\$ 85,649,469 ¹	\$113,953,388	33.0
Other Funds	<u>45,610,564</u>	<u>49,892,289</u>	<u>9.4</u>
TOTAL	\$131,260,033 =====	\$163,845,677 =====	24.8 =====
Pay Plan		<u>6,295,004</u>	
REVISED TOTAL	\$131,260,033 =====	\$170,140,681 =====	29.6 =====
FTE	1,039.66	1,119.96	

¹ Includes \$3,954,606 supplemental for medicaid to cover increased spending and provide for full accrual of all medicaid obligations.
Includes \$425,000 for grant-in-aid.

Assistance Payment: Assistance payments include the aid to families with dependent children (AFDC) program, supplemental security income (SSI) payments, food stamps, and commodities.

The largest program is AFDC. The subcommittee recommends raising the family payment standard to 55 percent of the poverty in fiscal 1981. The number of AFDC families has grown and the subcommittee budgeted for 7,230 families per year. The case load may be above 7,000 in fiscal 1981 for the first time since fiscal 1975.

Title IV-A will be used to pay day care for AFDC families. The payment goes to the family rather than the day care provider. Using IV-A puts 65 percent of the cost on the federal government. Counties will pay about six percent or \$81,789 in the 1983 biennium. This procedure results in general fund savings of about \$886,000 for the 1983 biennium.

SSI and food stamps are continued at current level.

The commodities program has expanded. The federal government will pay 75 percent of the costs for administration of the Indian and nothing for non-Indian programs. The Indian reservations will pay the remaining 25 percent of the administration costs on reservations. General fund of \$123,548 is recommended for administration of the non-indian commodity program. The non-indian portion primarily serves state institutions.

FTE are expanded as 4.2 field staff are moved from the administration program to help monitor the AFDC and food stamp programs to reduce errors.

Funding for a management information system is recommended. Funds have been appropriated for this project for at least the last two bienniums. SRS started the project planning phase in the 1981 biennium. SRS assured the subcommittee that the project will be complete in fiscal 1984. A federal grant pays 90 percent of the project costs.

Social Services: The social service program supports both county and state staff including part of county director's salaries, foster care, day care for child protection and the WIN program, legal services for indigents, family planning contracts with the department of health, subsidized adoption, spouse abuse, child abuse prevention, and training grants to the universities.

Administration of this program and a federal funded child abuse program added by budget amendment in the 1981 biennium is continued at current level.

Spouse abuse is increased \$3,000 a year to \$75,000.

Day care rates are raised a dollar per day for fiscal 1982 and \$.50 cents a day for fiscal 1983. Sliding scale day care is being discontinued.

This program failed to address the financial disincentive for working parents to leave welfare and its cost was increasing rapidly.

Title XX funds will not be used for AFDC day care in the 1983 bien-nium. The committee recommends this change as: 1) New Title XX day care regulations are not clear and appear to be costly to implement and monitor; 2) Title XX funds are capped while Title IV-A which is not capped can be used for day care. Shifting Title XX funds to pay day care would require a like amount of general fund to pick up cost of other programs the subcommittee funded with Title XX.

Subsidized adoption is increased \$45,000 in fiscal 1982 and \$90,000 in fiscal 1983. This program provides financial help so families can adopt groups of children or handicapped children. The cost per child is less than foster care payments.

Foster care is increased 10 percent a year above the expenditure rate for fiscal 1981. The recommended foster care home payments are as follows:

	<u>Fiscal 82</u>	<u>Fiscal 83</u>
Foster Home 0-12	220	245
Foster Home 13-up	275	300

Eligibility Technicians: This program is the county staff who determine eligibility for AFDC, food stamps, medical assistance and other income maintenance programs. The FTE increased 68.8 positions above current level for a total of \$326.81 FTE. SRS believes the additional staff is necessary to handle the increased number of households using food stamps and the increase in AFDC case load.

Administration and Support: As the agency requested, six field supervisor positions are transferred to other programs. Two FTE are added, one is transferred from another bureau to do data processing and the other is a manual writer.

A new high speed printer and two word processing devices are recommended. These should allow SRS to increase work processing staff effectiveness 30 percent.

Medicaid: Medicaid benefits are appropriated as shown below:

	<u>FY80</u>	<u>% Change</u>	<u>FY81</u>	<u>% Change</u>	<u>FY82</u>	<u>% Change</u>	<u>FY83</u>
Cash	58,829,462	21.4	71,393,175	15.5	82,450,127	9.5	90,307,518
Accural	<u> </u>	<u> </u>	<u>3,954,606¹</u>	<u>10.0</u>	<u>4,350,000</u>	<u>10.0</u>	<u>4,785,000</u>
TOTAL	\$58,829,462	28.1	75,347,781	15.2	86,800,127	9.6	95,092,518

¹Supplemental

Cash for medicaid benefits will increase 33 percent from the 1981 to the 1983 biennium. The medicaid expenditures increased faster during fiscal 1981 than appropriated by the 1979 legislature. However, by not making a partial accural at year end the agency has enough cash to cover the increased expenditures and avoid program cutbacks required in HB 483 of the 46th session.

Medicaid accural procedures have been a problem for monitoring cost control and expenditures for several years. Therefore, the subcommittee makes two separate appropriations for medicaid, one for cash, the other for accurals. Language almost identical to that included last biennium is in the bill. It requires SRS to limit the amount, scope and duration of medicaid services provided if appropriated funds are not sufficient to provide medicaid for all eligible persons.

Nursing homes comprise about half the medicaid benefit budget. The subcommittee adopted a statement of intent for SRS to develop a better formula for establishing nursing home rates. The subcommittee would like the full appropriations committee and senate finance and claims committee to endorse this statement. It is as follows:

STATEMENT OF LEGISLATIVE INTENT

During the 1983 biennium, the department of social and rehabilitation services will conduct the research and develop procedures prior to July 1, 1982, necessary to determine the advisability of:

1. Reimbursing the lesser of the aggregate of upper limits for cost centers in a facility or actual audited cost to which would be added an incentive amount for containing costs within a target range.

2. Setting the upper limits in each cost center according to reasonable number of staff, hourly cost of staff, and cost per patient for other operating costs.

3. Establishing the reasonable number of staff in cost centers associated with medical care according to data from assessments of patient care required in each facility, which assessments will be performed routinely by facility professionals and randomly audited by independent professionals.

4. Establishing the reasonable number of staff in cost centers associated with routines of daily living according to standards based on generally accepted professional advice and/or comparisons among Montana facilities having common characteristics, which characteristics have been defined through research to correlate significantly with the number of staff present.

5. Establishing the reasonable hourly cost of staff and cost per patient day for other operating costs in each cost center according to comparisons among Montana facilities having common characteristics, which characteristics have been defined through research to correlate significantly with those costs.

6. Maintaining the limitation principles for property costs established for the 1983 biennium.

The department will use the following work plan to do the research and development and will be prepared to work with the legislative finance committee staff and provide the legislative finance committee with periodic progress reports.

	<u>WORK ELEMENT</u>	<u>COMPLETION DATE</u>
COST REPORT		
1.	Design revised nursing home cost report specifying cost data according to intended control centers.	Completed
2.	Distribute revised nursing home cost report forms to participating facilities so that cost information for fiscal years ending in calendar year 1980 will be reported on the new form.	In Progress
3.	Facilities return completed cost reports within three months of the close of calendar year 1980.	April 1, 1981
4.	Desk or field audits of all 1980 cost reports completed.	October 1, 1981
PATIENT ASSESSMENT		
5.	Evaluate alternative patient assessment instruments, coordinate evaluations with the State Dept. of Health and Environmental Sciences and select version to be employed in Montana.	May 1, 1981
6.	Pilot implementation of patient assessment instrument in selected participating facilities, make final revisions in instrument and produce instruction manual.	August 1, 1981
7.	Design forms management procedures and computer processing requirements for processing monthly submission of patient assessment data.	October 1, 1981
8.	Revise nursing home reimbursement rules to require participating facilities to submit monthly patient assessment reporting forms.	October 1, 1981
9.	Distribute patient assessment report forms to participating facilities so that each month, beginning with October, the Department will receive assessment data.	October 1, 1981
10.	Design patient assessment audit procedures and time study.	October 1, 1981

General fund is appropriated for a program called "buy-in." This pays the medicare premiums for people who would otherwise use the medicaid program. It grew considerably during the 1981 biennium and general fund of \$679,250 in fiscal 1982 and \$747,175 in fiscal 1983 is recommended as the agency requested.

Administration of the medicaid program is increased 2.81 FTE. One is for the health underserved rural areas, HURA, and 1.80 is field staff transferred from the administration program. These field staff are to provide better implementation of rule changes and hopefully reduce the error rates.

The cost of processing medicaid claims has increased from \$663,358 in fiscal 1980 to \$981,636 in fiscal 1982. The contract for rate review decreased from \$375,361 in fiscal 1980 to \$57,173 in fiscal 1982.

Audit and Program Compliance: Contract audits for nursing homes are expanded \$468,140 for the biennium. This will allow the audit staff to do the less complex audits of food stamps, developmentally disabled providers and aging service programs.

Vocational and Visual Rehabilitation:

1. Administration - These two programs have three sources of federal funds which are decreasing or increasing slower than inflation. Previously only one federal fund "Section 110" was matched. This match was 20 percent. For the biennium the subcommittee recommends approximately \$700,000 more general fund for administration than the 20 percent match requirement. Even with this increase FTE were reduced 12 percent or 14 positions. Language is included in the bill directing SRS to make administrative economies and maintain direct services to clients.

A hot-line is added to allow veterans to call toll free. This cost is \$7,195 for the biennium.

The subcommittee feels veterans' affairs needs to improve their work load measurements. The program is to report quarterly to the legislative finance committee on their workload system and statistics.

Developmental Disabilities Division (DDD): In the 1983 biennium DDD received a 49.6 percent increase in general fund from the 1981 biennium. Community based services were continued. Expand community based services were \$1,885,163 and \$100,000 was to increase wages for community group home workers. The committee also recommended that the regional trainer become FTE instead of contracted employee.

Developmental Disabilities Planning and Advisory Council (DDPAC): Other funds increase due to more federal funds becoming available for developmental disability planning in the 1983 biennium.

Language in the appropriation bill states a maximum of 35 percent of total available funds can be used for program administration and 65 percent for grants.

Aging Services: Administration costs of this program are maintained at current level. General fund pays 25 percent of the administration.

Federal funds for grants are projected to remain constant at the fiscal 1981 level of \$3,136,501 per year. General fund to match these federal funds are \$188,428 per year. The general funded information and referral program which was \$100,000 per year in the 1981 biennium is increased to \$110,000 in fiscal 1982 and \$121,000 in fiscal 1983.

The subcommittee included language in the bill to require any area agency on aging which contracts with SRS to hold open meetings according to Title 2, Chapter 3, MCA.

DEPARTMENT OF COMMUNITY AFFAIRS

The department of community affairs has been dismantled. The majority of DCA is being placed in the newly created department of commerce. The chart below shows the new location for each division that existed in department of community affairs. Please refer to the respective departments for the subcommittee report.

<u>New Arrangement</u>	<u>Former D.C.A.</u>
Department of Commerce	Aeronautics Division Community Development Indian Affairs Coal Board County Printing Board
Department of Administration	Director/Central Services Research and Information Local Government Services
Department of Justice	Highway Traffic Safety
Department of Social and Rehabilitation Services	Community Services
Terminated by House Bill 23, Duke, (governor's plan) transferred to governor's office.	Air Pool

B. HUMAN SERVICES

	--Fiscal Year 1982---		--Fiscal Year 1983---	
	General	Other	General	Other
	<u>Fund</u>	<u>Funds</u>	<u>Fund</u>	<u>Funds</u>
DEPARTMENT OF HEALTH AND ENVIRONMENTAL SCIENCES	3,057,925	17,344,312	3,075,159	18,110,639
	3,085,102	17,368,421	3,101,138	18,127,463
DEPARTMENT OF LABOR AND INDUSTRY				
1. Labor Administration		430,137		423,601
2. Labor Standards	438,303	31,377	461,213	18,200
3. Personnel Appeals	318,604	8,000	322,506	8,000
4. Employment & Training		1,187,396		1,212,514
5. Human Rights	122,355	75,657	129,150	72,875
6. Employment Security		15,056,962		15,331,458
7. Worker's Compensation	<u>806,399</u>	<u>4,685,371</u>	<u>768,886</u>	<u>4,988,432</u>
Total Department of Labor and Industry	1,685,661	21,474,900	1,681,755	22,055,080

In item 5, general funds shall revert in the amount other appropriated funds exceed the amounts shown for each fiscal year.

The division of workers' compensation will study performance factors which measure the division's operational effectiveness. The intent is to determine if the workers' compensation division budget should be based on performance measurements rather than expenditure limitations. This study shall be presented to the governor and the legislative finance committee by August 1, 1982.

DEPARTMENT OF SOCIAL AND REHABILITATION SERVICES

1. General Operations	21,199,903	23,384,217	23,584,030	24,172,714
2. Medicaid State Institutional Reimbursements	3,134,021		3,369,523	
3. Medicaid	53,530,911			
4. Medicaid Accrual	4,350,000		4,785,000	
5. DCA - Community Services		1,128,474		1,206,884
Total Department of Social and Rehabilitation Services	82,214,835	24,512,691	31,738,553	25,379,598

Within other appropriated funds in item 1 is \$175,000 for the biennium for the operation of the developmental disabilities policy advisory council. Any federal money received above this amount may be spent only to improve direct client services as recommended by the council and approved by the SRS director.

The department is encouraged to utilize medicaid funds to support community services for the developmentally disabled where the use of such funds is cost effective in providing services in the least restrictive environment. The department may use any savings generated from the developmentally disabled budget to develop additional community services.

The director shall reorganize the vocational rehabilitation and visual service programs to effect administrative economies and maintain direct benefits to clients within the appropriations herein provided. At least fifteen percent of federal funds available for vocational rehabilitation shall be expended for the blind.

The governing body of any area agency on aging which contracts with SRS shall conduct its business in open meetings as required by Title 2, Chapter 3, MCA.

When federal funds for health underserved rural areas, Indian health services and certification surveys by the health department decrease or end, there is to be no request for state funding of these services.

The department may use general fund appropriated in item 3 together with matching federal funds to augment item 2. The department shall fully match the appropriation in item 2 at the maximum allowable federal rate with federal medicaid funds.

Item 3 is a biennial appropriation for cash expenditures made from June 1 to July 30 of each fiscal year. There is to be no accrual made at fiscal year end under item 3.

Item 4 is only for medicaid accruals. There is to be no cash expenditures made against this appropriation during fiscal 1982, 1983 or 1984. A unique responsibility center and appropriation number shall be established in the statewide budgeting and accounting system to account for this appropriation.

By August 1, 1982, the department shall identify all optional services by specific type provided under the medicaid program. The identification shall include the number of recipients, cost per optional service and the impact of not funding each option.

If appropriated funds are not sufficient to provide medical care for all eligible persons, the department shall use the following priorities in keeping expenditures within appropriations:

- (1) limit the increases in reimbursement paid per service for medical care to no more than 10 percent for each fiscal year of the 1983 biennium to the maximum extent feasible; and
- (2) limit amount, scope and duration of medical services provided.

The payment standard for families under the aid to families with dependent children program (AFDC) shall all be an equal percentage of the poverty index according to family size. The payment standard for a family size of two shall not exceed \$258 in fiscal 1982 and \$280 in fiscal 1983.

Item 5 may be merged into the department of social and rehabilitation's organization structure or transferred to another state agency by approval of the governor's office. The legislative finance committee is to be informed of any interagency transfers. The appropriation authority must be accounted for by a unique appropriation number in the statewide budgeting and accounting system.

Because of the uncertainty in federal funding, the department should anticipate receiving the level of federal funding for AFDC, Medicaid and Title XX calculated in the appropriations until funds at the federal level are allocated.

TOTAL HUMAN SERVICES

86,958,421	63,331,903	36,495,467	65,545,317
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3-10

DEPARTMENT OF ADMINISTRATION

	<u>1981 Biennium</u>	<u>1983 Biennium</u>	<u>% Increase</u>
General Fund	\$ 8,898,876	\$ 9,225,336	3.7
Other Funds	<u>30,616,877</u>	<u>38,941,141</u>	<u>21.2</u>
TOTAL	<u>\$39,516,753</u> =====	<u>48,166,477</u> =====	<u>21.9</u> =====
Pay Plan		<u>3,256,533</u>	
REVISED TOTAL	<u>\$39,516,753</u> =====	<u>\$51,423,010</u> =====	<u>30.1</u> =====
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 \$2.639 million for the biennium. Of this amount \$1,139,716 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.

DEPARTMENT OF ADMINISTRATION

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210

DEPARTMENT OF ADMINISTRATION

Original Subcommittee Rec.:

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General Fund	\$ 8,898,876	\$ 9,225,336	3.7
Other Funds	<u>30,616,877</u>	<u>38,941,141</u>	<u>27.2</u>
Total	<u>\$39,515,753</u> =====	<u>\$48,166,477</u> =====	<u>21.9</u> =====
Pay Raise		<u>3,256,533</u>	
REVISED TOTAL	<u>\$39,515,753</u> =====	<u>\$51,423,010</u> =====	<u>30.1</u> =====
		\$ 47,684,613	

Identification of DCA Program:

Three DCA programs were transferred to the department of administration which overstates the increase in funds for both general and other funding. The chart below identifies these costs and removes them from the above figures.

	<u>General Fund</u>	<u>1983 Biennium Other</u>	<u>All Funds</u>
Total Subcommittee Rec.	\$9,225,336	\$38,941,141	\$48,166,477
DCA Transfers:			
1. Local Government	(340,374)	(1,196,061)	
2. Accounting & Management	(549,299)	-0-	
3. Research & Information	<u>(250,043)</u>	<u>(303,972)</u>	
Total DCA Program Costs	<u>(\$1,139,716)</u> =====	<u>(\$1,500,033)</u> =====	<u>(\$2,639,749)</u> =====
Total Budget Less DCA Transfers	<u>\$8,085,620</u> =====	<u>\$37,441,108</u> =====	<u>\$45,526,728</u> =====

Subcommittee Rec. Without DCA Programs:

	<u>1981 Biennium</u>	<u>1983 Biennium</u>	<u>% Increase</u>
General Fund	\$ 8,898,876	\$ 8,085,620	(9.1)
Other Funds	<u>30,616,877</u>	<u>37,441,108</u>	<u>22.3</u>
Total	<u>\$39,515,753</u>	<u>\$45,526,728</u>	<u>15.2</u>
Pay Raise (without DCA)		<u>2,916,520</u>	
REVISED TOTAL	<u>\$39,515,753</u> =====	<u>\$48,443,248</u> =====	<u>22.6</u> =====

General Fund

General fund decreases \$813,256 or (9.1 percent) from the 1981 biennium. This amount is highly understated as over \$1,693,000 of general fund expenditures in the 1981 biennium was moved onto revolving funds for the 1983 biennium. If this previous general fund commitment is removed from the 1981 biennium, a true general fund comparison can be made:

	<u>1981 Biennium</u>	<u>1983 Biennium</u>	<u>% Increase</u>
General Fund	\$8,898,876	\$8,085,620	(9.1)
General Fund Moved to Other Funds	<u>(1,693,182)</u>	<u> </u>	<u> </u>
New Total	\$7,205,694	\$8,085,620	12.2

The actual general fund increase is \$879,926 or 12.2 percent before pay raises.

The subcommittee recommendation was \$900,096 more in general fund than recommended by the LFA. The majority of this difference is explained below.

Information Systems Division \$355,087

Previously general funded, LFA recommended funding from a revolving account. The committee maintained funding from the general fund.

Purchasing Division \$200,515

An automated purchasing management system and related operating expenses were recommended by the committee.

State Tax Appeals Board \$ 80,600

Operating expenses were increased due to impending appeals.

Accounting Division \$190,454

Additional data processing costs were projected as well as maintenance of SBAS system by consultants.

Audit Fees \$ 15,000
\$841,656

Other Funds

Major modifications recommended by the subcommittee above the LFA recommendation include:

Investments Division

Five new positions were added. \$ 233,920

General Services

A major increase in the mechanical contract occurred. 358,218

Communications

An automatic switcher was recommended. 300,000

Insurance

Two additional positions were added. 60,612

Computer Services Division

New teleprocessing lines were added. 122,828

Major Equipment Purchases

Computer Services 111,500

Publications and Graphics 214,299

TOTAL \$1,401,377

DCA Programs - Transferred to Department of Administration

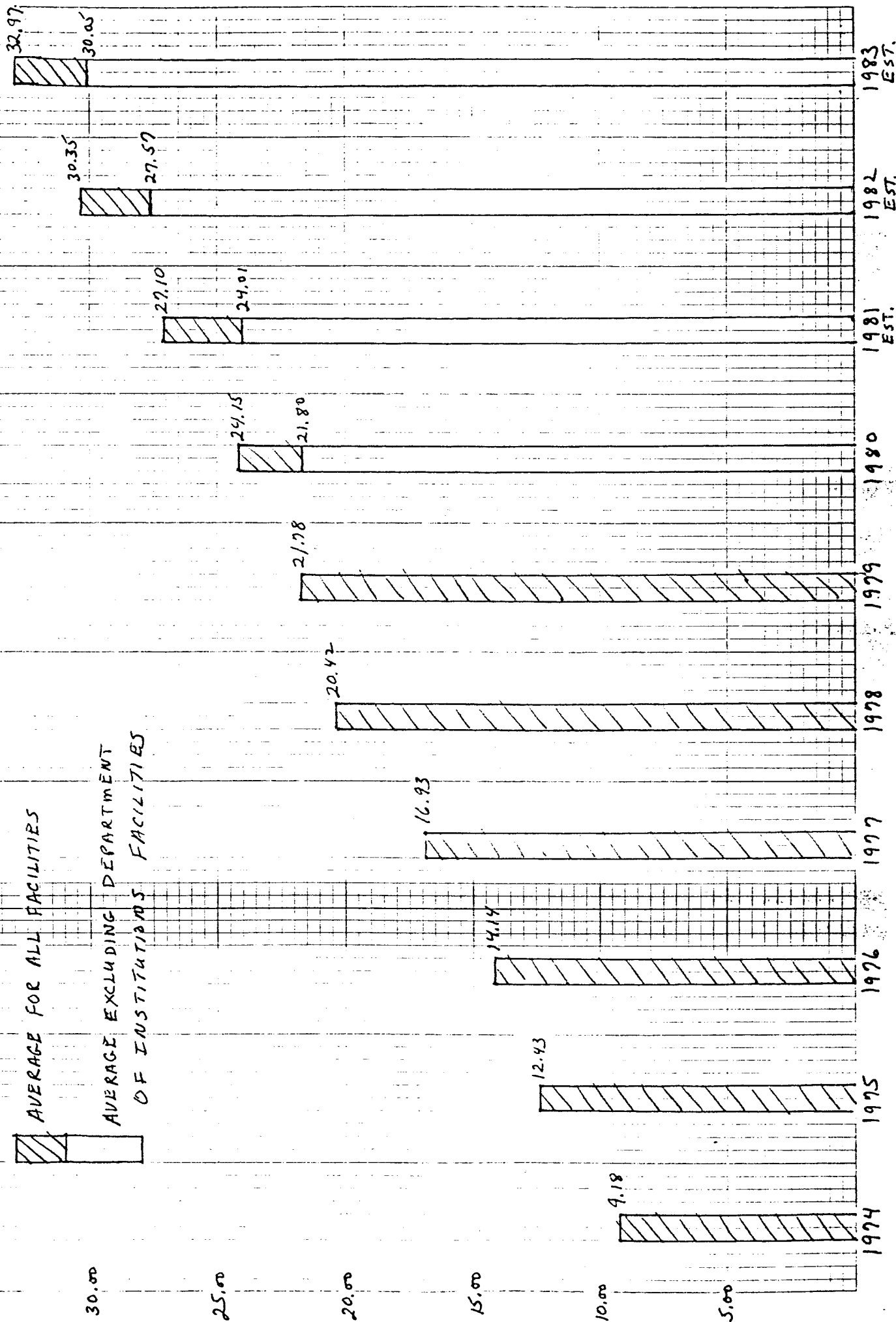
	-----1983 Biennium-----					
	LFA Recom.*		Subcommittee Recom.		Difference	
	<u>Gen. Fund</u>	<u>Other</u>	<u>Gen. Fund</u>	<u>Other</u>	<u>Gen. Fund</u>	<u>Other</u>
Local Gov't.	\$1,568,044		\$ 340,374	\$1,196,061	(\$1,227,670)	\$1,196,061
Acc't. & Mgmt.	562,633		549,299		(13,334)	
Research	<u>246,813</u>	<u>280,814</u>	<u>250,043</u>	<u>303,972</u>	<u>3,230</u>	<u>23,158</u>
Total	<u>\$2,377,490</u>	<u>\$280,814</u>	<u>\$1,139,716</u>	<u>\$1,500,033</u>	<u>(\$1,237,774)</u>	<u>\$1,219,219</u>
	=====	=====	=====	=====	=====	=====

* Without Pay Raise

AVERAGE
PAID TO NURSING
HOMES

AVERAGE FOR ALL FACILITIES

AVERAGE EXCLUDING DEPARTMENT
OF INSTITUTIONS FACILITIES



1983
EST.

1982
EST.

1981
EST.

1980

1979

1978

1977

1976

1975

1974

3-1-80

SRS

8-10

Community Mental Health Centers
Personnel for FY81

	<u>FTE</u> <u>Administrative</u>	<u>\$</u>	<u>FTE</u> <u>Clinical</u>	<u>\$</u>
I	16.0	223,151	26.50	637,707
II	24.50	342,803	48.0	1,034,586
III	34.85	477,407	44.48	792,493
IV	18.75	271,713	30.75	669,811
V	<u>19.95</u>	<u>225,869</u>	<u>32.90</u>	<u>590,094</u>
TOTAL	114.05	\$1,540,943	182.63	\$3,724,691

The above figures are salaries only and do not include employee benefits.
The employee benefits vary by type of employee.

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all the obligations of the department relating to operation and maintenance of a tram and railway under a contract entered into June 15, 1946, and a supplemental agreement entered into March 30, 1950, between the Montana state park commission and Link Brothers, Concessionaires.

Section 12. Authorization of geothermal development at Warm Springs state hospital. The department of institutions is authorized to enter into contracts for the development of geothermal energy research facilities at Warm Springs state hospital. No facilities may be constructed or modified without the express approval of the department of administration.

Section 13. Severability. If a part of this act is invalid, all valid parts that are severable from the invalid part remain in effect. If a part of this act is invalid in one or more of its applications, the part remains in effect in all valid applications that are severable from the invalid applications.

Section 14. Effective Date. This act is effective on passage and approval.

AN ACT APPROPRIATING MONEY TO VARIOUS STATE AGENCIES FOR THE BIENNIIUM ENDING JUNE 30, 1981; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Section 1. Title. This act may be cited as the "General Appropriations Act of 1979".

Section 2. Definitions. For the purposes of this act, unless otherwise stated:

(1) "Agency" means each state office, department, division, board, commission, council, committee, institution, university unit, or other entity or instrumentality of the executive branch, office of the judicial branch, or office of the legislative branch of state government.

(2) "Approving authority" means the governor or his designated representative for executive branch agencies; the chief justice of the supreme court for judicial branch agencies; appropriate legislative committees for legislative branch agencies; or the board of regents for the university system.

(3) "University system unit" means the board of regents, office of the commissioner of higher education, the university of Montana at Missoula, Montana state university at Bozeman, Montana college of mineral science and technology at Butte, eastern Montana college at Billings, northern Montana college at Havre, western Montana college at Dillon, the agricultural experiment

station with central offices at Bozeman, the cooperative extension service with central office at Bozeman, or the bureau of mines and geology with central office at Butte.

Section 3. Budget amendments. The approving authority may approve a budget amendment to spend funds that were not available for consideration by the legislature but have become available from a source other than the state's general fund or earmarked revenue fund and other than receipts to the state from the United States government made available under provisions of P.L. 94-488, the federal Revenue Sharing Extension Act or any extension or modification of that act. Each budget amendment shall be submitted to the budget director and the office of legislative fiscal analyst.

A budget amendment may be approved to spend money in the earmarked revenue fund only if the approving authority certifies that an emergency justifies the expenditure.

A budget amendment may be approved for a time period greater than one fiscal year but not to exceed the biennium ending June 30, 1981. Budget amendments for greater than one fiscal year shall itemize planned expenditures by fiscal year.

Section 4. Amendment procedures. (1) In approving a budget amendment, the approving authority shall:

- (a) certify specific additional services to be provided as a result of a higher expenditure level;
- (b) certify that no other alternative is available to

A-17

HB 483

provide the additional services;

(c) certify that the additional proposed services have not been considered and rejected by the legislature;

(d) certify that no commitment, implied or otherwise, is made for increased future general fund support;

(e) specify criteria for evaluating the effectiveness of the additional services provided.

(2) The additional funds are appropriated contingent upon total compliance with all budget amendment procedures.

Section 5. Budget requests. Sufficient funds are appropriated in this act to enable each agency to submit its budget request to the budget director and the legislative fiscal analyst pursuant to the time schedule established in 17-7-112(1), MCA. If any agency fails to submit its final, complete budget request by the deadlines established in 17-7-112(1), the expenditure authority herein granted shall be reduced or rescinded by the budget director unless the agency director certifies that an emergency situation has precluded a timely budget presentation and the budget director approves an extension not to exceed 30 days.

Section 6. Detailed budget information. Within ten days after the legislature convenes in regular session, the budget director and the legislative fiscal analyst shall mutually exchange expenditure recommendations by object of expenditure to the second level of detail and by funding source detailed by

A-18

HB 483

treasury fund. This information shall be filed in the respective offices and available to members of the legislature and the general public.

Section 7. Expenditure limit. Expenditures may not exceed appropriations.

Section 8. Other appropriated funds. Unless otherwise indicated herein, the appropriations made under the column heading "Other Appropriated Funds" are from funds within the earmarked revenue fund, the federal and private revenue fund, or the revolving fund that accrue under provisions of law to the expending agency.

Section 9. Operating budgets. Expenditures may be made only in accordance with operating budgets approved by the approving authority. The respective appropriations are contingent upon approval of the operating budget by July 1 of each fiscal year. Each operating budget shall include expenditures for each agency program detailed at least by personal services, operating expenses, equipment, benefits and claims, transfers, and local assistance.

Section 10. Access to records. No funds appropriated by this act may be expended for any contract, written or oral, for services with a nonstate entity for services to be provided by the nonstate entity to members of the public on behalf of the state unless such contract contains a provision allowing access to those records of the nonstate entity as may be necessary for legislative

audit and analysis purposes in determining compliance with the terms of the contract. Each such contract may be unilaterally terminated by the state, and each contract shall so provide, upon refusal of the nonstate entity to allow access to records necessary to carry out the legislative audit and analysis functions set out in Title 5, chapters 12 and 13, MCA.

Section 11. Reduction of appropriation. In the event of a shortfall in revenue, the governor may reduce any appropriation by not more than 15% except appropriations for:

1. payment of interest and retirement of state debt;
2. the legislative branch;
3. the judicial branch;
4. public schools; or
5. salaries of elected officials during their term of office.

Section 12. Severability. If any section, subsection, sentence, clause, or phrase of this act is for any reason held unconstitutional, such decision shall not affect the validity of the remaining portions of this act.

Section 13. Reversion. Notwithstanding other provisions of law, the unexpended balance of each appropriation shall revert to the fund from which it was appropriated at the end of each fiscal year unless otherwise provided in this act.

Section 14. Other funds to offset general fund. The approving authority shall decrease the general fund appropriation

of the agency by the amount of funds received from other sources in excess of the appropriation provided in this act unless such action is expressly contrary to state or federal law, rule, or contract or the approving authority certifies that the services to be funded by the additional funds are significantly different from those for which the agency has received an appropriation.

Section 15. National conference of state legislatures. Agencies may participate in the activities and programs of the national conference of state legislatures within existing appropriations.

Section 16. Totals not appropriations. The totals shown in the act are for informational purposes only and are not appropriations.

Section 17. Appropriations. The following money is appropriated only for the purposes shown for the respective fiscal years:

A. LEGISLATIVE, JUDICIAL, AND ADMINISTRATIVE AGENCIES				
		Fiscal year 1980	Fiscal Year 1981	
		Other	Other	
		General Appropriated	General Appropriated	
LEGISLATIVE AUDITOR	Fund	Funds	Fund	Funds
		1,378,859	1,496,317	
State agencies partially or totally funded by federal money shall, based upon a percentage of completion of an audit				

contracted or conducted by the legislative auditor, transfer an amount to the legislative auditor as reimbursement for the costs of audit associated with the federal funds. The costs of audit and amount to be transferred shall be determined by the legislative auditor, based upon actual costs incurred and available funds. The money transferred shall be deposited by the legislative auditor into the general fund as reimbursement to the general fund for costs of audits of such federally funded programs, unless such a transfer is specifically prohibited by federal law.

Based upon a percentage of completion of each audit of the respective programs and at the request of the legislative auditor, nongeneral fund and nonfederal fund revenue received by the following agencies shall be transferred to the legislative auditor. The amount to be transferred shall be determined by the legislative auditor and, upon transfer, deposited in the general fund as reimbursement for audit costs. Such transfers during the biennium may not exceed:

Public Employees' Retirement System	10,600
Teachers' Retirement System	8,500
Department of Administration,	
Computer Services Division	12,000
Investment Division (2 audits)	

3-10

HB 0417

HB 0483

all the obligations of the department relating to operation and maintenance of a tram and railway under a contract entered into June 15, 1946, and a supplemental agreement entered into March 30, 1950, between the Montana state park commission and Link Brothers, Concessionaires.

Section 12. Authorization of geothermal development at Warm Springs state hospital. The department of institutions is authorized to enter into contracts for the development of geothermal energy research facilities at Warm Springs state hospital. No facilities may be constructed or modified without the express approval of the department of administration.

Section 13. Severability. If a part of this act is invalid, all valid parts that are severable from the invalid part remain in effect. If a part of this act is invalid in one or more of its applications, the part remains in effect in all valid applications that are severable from the invalid applications.

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AN ACT APPROPRIATING MONEY TO VARIOUS STATE AGENCIES FOR THE BIENNIIUM ENDING JUNE 30, 1981; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE.

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(2) "Approving authority" means the governor or his designated representative for executive branch agencies; the chief justice of the supreme court for judicial branch agencies; appropriate legislative committees for legislative branch agencies; or the board of regents for the university system.

(3) "University system unit" means the board of regents, office of the commissioner of higher education, the university of Montana at Missoula, Montana state university at Bozeman, Montana college of mineral science and technology at Butte, eastern Montana college at Billings, northern Montana college at Havre, western Montana college at Dillon, the agricultural experiment

station with central offices at Bozeman, the cooperative extension service with central office at Bozeman, or the bureau of mines and geology with central office at Butte.

Section 3. Budget amendments. The approving authority may approve a budget amendment to spend funds that were not available for consideration by the legislature but have become available from a source other than the state's general fund or earmarked revenue fund and other than receipts to the state from the United States government made available under provisions of P.L. 94-488, the Federal Revenue Sharing Extension Act or any extension or modification of that act. Each budget amendment shall be submitted to the budget director and the office of legislative fiscal analyst.

A budget amendment may be approved to spend money in the earmarked revenue fund only if the approving authority certifies that an emergency justifies the expenditure.

A budget amendment may be approved for a time period greater than one fiscal year but not to exceed the biennium ending June 30, 1981. Budget amendments for greater than one fiscal year shall itemize planned expenditures by fiscal year.

Section 4. Amendment procedures. (1) In approving a budget amendment, the approving authority shall:

- (a) certify specific additional services to be provided as a result of a higher expenditure level;
- (b) certify that no other alternative is available to

A-17

HB 483

provide the additional services;

(c) certify that the additional proposed services have not been considered and rejected by the legislature;

(d) certify that no commitment, implied or otherwise, is made for increased future general fund support;

(e) specify criteria for evaluating the effectiveness of the additional services provided.

(2) The additional funds are appropriated contingent upon total compliance with all budget amendment procedures.

Section 5. Budget requests. Sufficient funds are appropriated in this act to enable each agency to submit its budget request to the budget director and the legislative fiscal analyst pursuant to the time schedule established in 17-7-112(1), MCA. If any agency fails to submit its final, complete budget request by the deadlines established in 17-7-112(1), the expenditure authority herein granted shall be reduced or rescinded by the budget director unless the agency director certifies that an emergency situation has precluded a timely budget presentation and the budget director approves an extension not to exceed 30 days.

Section 6. Detailed budget information. Within ten days after the legislature convenes in regular session, the budget director and the legislative fiscal analyst shall mutually exchange expenditure recommendations by object of expenditure to the second level of detail and by funding source detailed by

A-18

HB 483

treasury fund. This information shall be filed in the respective offices and available to members of the legislature and the general public.

Section 7. Expenditure limit. Expenditures may not exceed appropriations.

Section 8. Other appropriated funds. Unless otherwise indicated herein, the appropriations made under the column heading "Other Appropriated Funds" are from funds within the earmarked revenue fund, the federal and private revenue fund, or the revolving fund that accrue under provisions of law to the expending agency.

Section 9. Operating budgets. Expenditures may be made only in accordance with operating budgets approved by the approving authority. The respective appropriations are contingent upon approval of the operating budget by July 1 of each fiscal year. Each operating budget shall include expenditures for each agency program detailed at least by personal services, operating expenses, equipment, benefits and claims, transfers, and local assistance.

Section 10. Access to records. No funds appropriated by this act may be expended for any contract, written or oral, for services with a nonstate entity for services to be provided by the nonstate entity to members of the public, on behalf of the state unless such contract contains a provision allowing access to those records of the nonstate entity as may be necessary for legislative

audit and analysis purposes in determining compliance with the terms of the contract. Each such contract may be unilaterally terminated by the state, and each contract shall so provide, upon refusal of the nonstate entity to allow access to records necessary to carry out the legislative audit and analysis functions set out in Title 5, chapters 12 and 13, MCA.

Section 11. Reduction of appropriation. In the event of a shortfall in revenue, the governor may reduce any appropriation by not more than 15% except appropriations for:

1. payment of interest and retirement of state debt;
2. the legislative branch;
3. the judicial branch;
4. public schools; or
5. salaries of elected officials during their term of office.

Section 12. Severability. If any section, subsection, sentence, clause, or phrase of this act is for any reason held unconstitutional, such decision shall not affect the validity of the remaining portions of this act.

Section 13. Reversion. Notwithstanding other provisions of law, the unexpended balance of each appropriation shall revert to the fund from which it was appropriated at the end of each fiscal year unless otherwise provided in this act.

Section 14. Other funds to offset general fund. The approving authority shall decrease the general fund appropriation

of the agency by the amount of funds received from other sources in excess of the appropriation provided in this act unless such action is expressly contrary to state or federal law, rule, or contract or the approving authority certifies that the services to be funded by the additional funds are significantly different from those for which the agency has received an appropriation.

Section 15. National conference of state legislatures. Agencies may participate in the activities and programs of the national conference of state legislatures within existing appropriations.

Section 16. Totals not appropriations. The totals shown in the act are for informational purposes only and are not appropriations.

Section 17. Appropriations. The following money is appropriated only for the purposes shown for the respective fiscal years:

A. LEGISLATIVE, JUDICIAL, AND ADMINISTRATIVE AGENCIES

Fiscal year 1980	Fiscal year 1981	Other
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General Appropriated	General Appropriated	Other
Fund	Fund	Fund

LEGISLATIVE AUDITOR

1,378,859	1,496,317	
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State agencies partially or totally funded by federal money shall, based upon a percentage of completion of an audit

contracted or conducted by the legislative auditor, transfer an amount to the legislative auditor as reimbursement for the costs of audit associated with the federal funds. The costs of audit and amount to be transferred shall be determined by the legislative auditor, based upon actual costs incurred and available funds. The money transferred shall be deposited by the legislative auditor into the general fund as reimbursement to the general fund for costs of audits of such federally funded programs, unless such a transfer is specifically prohibited by federal law.

Based upon a percentage of completion of each audit of the respective programs and at the request of the legislative auditor, nongeneral fund and nonfederal fund revenue received by the following agencies shall be transferred to the legislative auditor. The amount to be transferred shall be determined by the legislative auditor and, upon transfer, deposited in the general fund as reimbursement for audit costs. Such transfers during the biennium may not exceed:

Public Employees' Retirement System

10,600

Teachers' Retirement System

8,500

Department of Administration,

Computer Services Division

12,000

Investment Division (2 audits)

C. NATURAL RESOURCES AND BUSINESS REGULATION

All legislative audit appropriations in this section are biennial appropriations.

	--Fiscal Year 1982---		--Fiscal Year 1983---	
	General	Other	General	Other
	<u>Fund</u>	<u>Appropriated Funds</u>	<u>Fund</u>	<u>Appropriated Funds</u>
DEPARTMENT OF AGRICULTURE				
1. Centralized Services	106,606			
	116,708	598,149	107,220	602,190
2. Legislative Audit Fee	10,102			
3. Rural Development Program		34,960		35,714
4. Hail Insurance Unit	1,650	935,112	1,660	937,585
5. Crop and Livestock Unit	47,500	13,900	56,069	13,900
6. Transportation Unit	73,916	50,000	73,383	50,000
7. Wheat Research & Marketing		551,759		578,457
8. Environmental Management Division	246,103	671,912	251,816	684,368
9. Plant Industry Division	<u>420,577</u>	<u>456,886</u>	<u>362,681</u>	<u>466,043</u>
Total Department of Agriculture	916,556	3,312,678	852,829	3,368,257

All indirect cost assessments received from Old West Commission grants must be deposited in the general fund.

DEPARTMENT OF COMMERCE

1. Director's Office	121,432	126,249
2. Centralized Services	270,105	274,427
Legislative Audit		50,000
Moving Expenses	39,900	

3. Aeronautics Division		798,363		861,883
4. Administrative Support - Economic Development	27,399	86,808	19,194	101,558 104,558
5. Business Assistance Bureau	85,579	130,000	89,504	130,000
6. Economic Development Grants	59,000	235,000		
7. Board of Housing		470,496		490,281
8. Travel Promotion Programs	600,000	100,000	700,000	200,000
9. Coal Board		9,487,789 9,314,904		11,485,408 11,306,975
10. Rail Planning Program	60,119	5,794,329	39,056	3,548,582
11. Community Development Program	229,415	3,893,881	236,180	4,043,553
12. Indian Affairs Program	81,505		82,950	
13. Business Regulation and Licensing Administration	132,598	237,906	141,220	253,460
14. Weights and Measures Program	361,229		344,183	
15. Financial Program	537,070		554,076	
16. Milk Control Program		234,856 224,856		244,127 234,127
17. Consumer Protection Program	83,684		84,879	
18. Board of Architects		22,797		23,290
19. Board of Athletics		3,251 3,799		3,269 3,778
20. Board of Barbers		19,547		20,523
21. Board of Chiropractors		11,948		12,352
22. Board of Cosmetologists		91,586		93,216
23. Board of Dentists		28,676		30,039
24. Electrical Board		59,983 55,983		57,186
25. Board of Hearing Aid Dispensers		4,898		5,045
26. Board of Horse Racing		207,302 208,000		216,103 216,790
27. Board of Massage Therapists		3,604		3,845
28. Board of Medical Doctors		65,930		68,116

29. Board of Morticians	11,766	12,383
30. Board of Nursing	129,491	129,866
31. Board of Nursing Home Administrators	17,556	17,875
32. Board of Optometrists	11,790 11,711	12,287 12,207
33. Board of Osteopathic Physicians	778	832
34. Board of Pharmacists	77,966	79,832
35. Board of Plumbers	60,330	61,273
36. Board of Professional Engineers and Surveyors	94,386	97,102
37. Board of Public Accountants	119,112	110,192
38. Board of Real Estate	248,160	251,586
39. Board of Veterinarians	17,451	18,088
40. Board of Water Well Contractors	17,565	18,209
41. Board of Psychologists	9,447	10,575
42. Board of Sanitarians	4,461	4,711
43. Board of Private Investigators	3,737	3,770
44. Board of Landscape Architects	6,048	6,419
45. Board of Speech Pathologists and Audiologists	6,813 6,765	7,189 7,142
46. Board of Radiologic Technologists	7,682	7,893
47. Board of Podiatrists	1,063	1,106
48. Board of Physical Therapists	4,477	4,669
Total Department of Commerce	2,257,598	2,291,242
	23,084,827 23,081,028	23,014,132 23,010,354

The director's office and centralized services will be operated from a revolving account with all earmarked and federal accounts assessed a pro rata share of the total expenses. The revolving account is to be initiated

with a loan from one of the accounts under the department's supervision and operated on a full accrual basis and in accordance with generally accepted accounting principles.

The department is authorized to reorganize its current organization structure only after receiving approval from the office of budget and program planning and review by the legislative finance committee.

Included in the weights and measures program appropriation for fiscal 1982 is \$5,000 to be available for expenditure only if the cost of a new truck and trailer exceeds \$30,000.

Coal impact grants are to be granted to local government units only to remedy a situation directly resulting from coal development. The local government unit must be making a bona fide local effort to provide for its own needs through normal financing channels (taxes, service fees, or bonds). The coal board shall not authorize grants, except planning grants, to any local government unit whose property tax mill levy is less than 90 percent of the average mill levy of comparable local government units. Comparable communities will be selected by the coal board.

DEPARTMENT OF FISH, WILDLIFE AND PARKS

1. Centralized Services Division		
	3,326,752	3,450,737
2. Legislative Audit		
	45,000	
3. Purchase of Cessna 180		
	54,210	
4. Ecological Services Division		
	737,558	752,821
5. Fisheries Division		
	2,268,826	2,205,376
6. Enforcement Division		
	2,835,342	2,849,438
7. Game Damage		
	65,000	65,000
8. Wildlife Division		
	2,988,479	3,078,708

9. Recreation and Parks Division	581,865	1,409,484	622,029	1,484,724
10. Conservation Education Division		947,796		968,509
11. Administration		<u>432,626</u>		<u>436,658</u>
Total Department Fish, Wildlife and Parks	581,865	<u>15,146,137</u> 15,111,073	622,029	<u>15,327,035</u> 15,291,971

Included in the centralized services appropriation is revolving account authority of \$1,075,833 in fiscal 1982 and \$1,183,417 in fiscal 1983. The revolving accounts must be operated on a full accrual basis and in accordance with generally accepted accounting principles.

An additional \$500,000 per year is authorized in centralized services for the purpose of providing expenditure authority for federal and private funds that previously required budget amendments. Funds spent under this authorization must be accounted for separate from regular operations.

The Helena based pilots shall be delegated enforcement responsibilities when not required for air transportation purposes.

The administration division appropriation includes:

- a) \$80,000 per year for transfer to the department of livestock for predator control;
- b) \$25,000 per year for the department to begin training to initiate the conservation officer concept within the department. A progress report on this effort must be made to the 1983 legislature.
- c) \$24,000 per year for uniforms or distinctive clothing for all field personnel outside of the enforcement division.

DEPARTMENT OF STATE LANDS

1. Central Management Program	737,169	250,464	717,917	246,317
2. Legislative Audit	15,000			
3. Reclamation Program	472,068	6,891,152	489,750	7,399,632
4. Land Administration Program	236,259		222,991	
5. Resource Development Program		574,934		468,043
Total Department of State Lands	1,445,496 1,460,496	7,716,550	1,430,6 1,430,658	8,113,992

The other funds appropriations for the central management program provides for salary and expenses of the northern powder river environmental impact statement team. The eight FTE approved for the team will continue only as long as federal funds are available to provide support.

DEPARTMENT OF LIVESTOCK

1. Centralized Services	73,320	219,962	75,820	227,460
2. Legislative Audit	3,250	9,750		
3. Diagnostic Laboratory Program	294,894	306,839	304,754	316,700
4. Disease Control Program		636,605		635,757
5. Milk and Egg Program	176,096	11,500	183,023	12,000
6. Inspection and Control Program		1,576,968		1,611,730
7. Predator Control Program		278,863		295,881
8. Rabies and Rodent Control Program	65,563	15,000	60,621	15,000
Total Department of Livestock	613,123	3,055,487	624,218	3,114,528

DEPARTMENT OF
NATURAL RESOURCES

1. Centralized Services Division	1,059,202	758,243	1,051,051	801,551
2. Legislative Audit	8,400	21,600		
3. Oil and Gas Regulation Division		689,798		693,932
4. Conservation District Supervisor Division	211,853	89,500	212,877	89,500
5. Water Resources Division	2,113,669	2,285,516	2,123,736	2,313,221
6. Forestry Division	4,029,305	1,887,964	3,871,654	1,889,399
7. Energy Divison	425,945	3,242,757	430,225	3,502,341
8. Facility Siting Division	<u>208,705</u>	<u>1,500,000</u>	<u>213,189</u>	<u>1,000,000</u>
Total Department Natural Resources	8,057,079	10,475,378	7,902,732	10,289,944

Included in the facility siting division appropriation of other funds for fiscal 1982 is \$500,000 resource indemnity trust fund interest to continue the appropriation of HB 908 of the 1979 legislature. The appropriation allows continuation of studies for the possible construction of a MHD engineering test facility in Montana. Expenditure of these funds is limited to the original appropriation.

The forestry division general fund appropriation for fiscal 1982 includes a \$180,000 biennial appropriation to acquire and upgrade fire fighting vehicles and equipment for distribution to nine county cooperative fire districts. The districts will have the responsibility to operate and maintain the equipment.

Section 85-1-403 MCA requires the Daly Ditch to be abandoned by December 31, 1982. The fiscal 1982 general fund appropriation for the water resources division includes \$29,000 to facilitate the transfer of the ditch to a local water users association.

Included in the oil and gas regulation division appropriation is \$65,000 each year of resource indemnity trust fund interest for the purpose of repairing and plugging abandoned oil and gas wells.

PUBLIC SERVICE COMMISSION

1. General Operations	1,184,442	19,310	1,195,975	19,310
2. Legislative Audit	7,000			
3. Special Audit	<u>50,000</u>	<u> </u>	<u> </u>	<u> </u>
Total Public Service Commission	1,241,442	19,310	1,195,975	19,310

The appropriation in item 3 will continue the audit and any litigation related to commission docket no. 80.8.55. The appropriation may be spent only for determining the original cost of Montana Power Company's hydro-electric properties or litigation related thereto.

TOTAL NATURAL RESOURCES
AND BUSINESS REGULATION

15,128,159	62,960,815	14,919,683	63,396,244
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the transportation unit. Approximately 50 percent of the rail related workload directly benefits the grain producing industry. Fifty thousand dollars of wheat research and marketing funds are appropriated each year for support of the transportation unit.

General fund support of the centralized services division has been increased to offset an anticipated decline in federal and private revenues. In past years administrative support charges have been levied against old west regional commission grants and general fund appropriations have been reduced by a like amount. There is some question as to whether old west funds will continue in the 1982-83 biennium. If old west grants are eliminated indirect charges will also cease creating a shortage in central services as no positions will be eliminated. The general fund appropriation has been increased \$48,458 over the 1982-83 biennium to replace the federal funds. It is the intention of the subcommittee that if the old west funds do continue all administrative charges should be levied and all collections be deposited in the general fund.

DEPARTMENT OF COMMERCE

	1981 <u>Biennium</u>	1983 <u>Biennium</u>	% <u>Increase</u>
General Fund	\$ 2,783,602	\$ 4,548,840	63.4
Other Funds	<u>30,921,441</u>	<u>46,468,581</u>	<u>50.3</u>
Total	<u>\$33,705,043</u> =====	<u>\$51,017,421</u> =====	<u>51.4</u> =====
Pay Plan		<u>1,124,910</u>	
REVISED TOTAL	<u>\$33,705,043</u> =====	<u>\$52,308,331</u> =====	<u>55.2</u> =====
FTE	164.16	151.83	

The new department of commerce is a consolidation of the former department's of business regulation, professional and occupational licensing, the rail planning and travel promotion units of the highway department, the board of housing, the governor's office of commerce and most of the department of community affairs.

The recommended appropriation is essentially the executive proposal with the exception of the business regulation department.

Most of the FTE reduction results from consolidating the director's offices and central services of the business regulation, community affairs and professional licensing departments.

Centralized services and the director's office will be operated on a revolving account with earmarked and federal funds assessed a proportional share of the cost of administration and support.

Federal economic development grant funds (EDA 304) are anticipated to be available for fiscal 1982 only. EDA funds must be matched by a 25 percent state contribution. Grants are made to communities as seed money for economic development projects. A general fund appropriation of \$59,000 will match \$235,000 of federal EDA funds in fiscal 1982.

Travel Promotion

The travel promotion unit was previously funded with highway earmarked funds. The executive proposes to shift the funding to the general fund at a biennial cost of \$1.6 million. The recommendation is for a biennial appropriation of \$1.3 million of general fund and requires the tourist industry to provide \$300,000 of private funds over the biennium.

Coal Board

The coal board is appropriated its full share of the estimated coal severance tax. Language is included requiring that impact grants be given only to local government units that are trying to provide for their own needs.

Consumer Protection

Consumer protection staffing has been reduced from 6.5 FTE to 3 FTE. It is the recommendation of the committee that the emphasis of the bureau be to address major consumer problems rather than minor complaints.

Milk Control

A butterfat tester is eliminated from the milk control division. Milk control will contract with the department of livestock for butterfat testing in the future. Currently both the milk and egg bureau of the department of livestock and the milk control division of business regulation have field staff collecting milk samples. Under the new arrangement the number of milk samples will be increased from eight to 12 per year per producer at a cost savings of approximately \$9,500 per year.

The appropriation consolidates the former business regulation and professional licensing departments into one division reducing administrative expenses \$74,587 per year.

Rail Planning

The rail planning unit is appropriated \$8,961,786 over the biennium of federal railway improvement funds to match Burlington Northern funds to rehabilitate key sections of the former Milwaukee Road. The federal government provides 80 percent of the cost to repair approved rail projects.

DEPARTMENT OF FISH, WILDLIFE AND PARKS

	<u>1981 Biennium</u>	<u>1983 Biennium</u>	<u>% Increase</u>
General Fund	\$ 1,057,296	\$ 1,203,894	13.9
Other Funds	<u>30,653,676</u>	<u>30,403,044</u>	<u>(.8)</u>
Total	\$31,710,972 =====	\$31,606,938 =====	(.3) =====
Pay Plan		<u>2,977,298</u>	
REVISED TOTAL	\$31,710,972 =====	\$34,584,236 =====	9.1 =====
FTE	495.11	439.12	

The subcommittee recommendation will reduce 55.99 FTE from the currently authorized level.

The FTE reduction is listed below:

Centralized Services	10.00 FTE
Ecological Services	17.68 FTE
Fisheries	2.00 FTE
Law Enforcement	3.99 FTE
Wildlife	5.33 FTE
Recreation & Parks	.93 FTE
Conservation Education	9.12 FTE
Administration	<u>6.94 FTE</u>
	55.99 FTE

The large reduction in ecological services reflects positions conducting various research projects supported by federal and private funds. Previous to the 1981 biennium these positions were authorized by budget amendment. The division will be allowed to add additional positions by budget amendment in the 1983 biennium as federal and private funds become available.

The reductions within the department are recommended in order to keep operating expenses within the revenues expected from the current license fee structure.

Centralized Services

Centralized services is authorized \$2,259,250 of expenditure authority over the biennium to operate the vehicle and warehouse revolving accounts. These funds duplicate expenditures in the other division budgets and overstate actual expenditures by the above amount. An additional \$500,000 per year of federal and private funds is included in the appropriation to provide a pool of expenditure authority to be used to finance one-time studies and projects which formerly required budget amendments.

Staff reductions include one secretary, six positions in the accounting bureau, one position in the licensing bureau and two support positions in the warehouse and in maintenance.

The appropriation authorizes sufficient data processing funds to phase out the special license preference system as the fish and game commission has directed.

Ecological Services

The recommended budget will continue all regular employees including four members of the core environmental impact statement team. Funding to support the core team includes \$30,000 of earmarked funds each year to insure that the positions will be retained between studies financed by outside sources.

Fisheries Division

The fisheries division is recommended at current level with the exception of two FTE to be reduced in the 1983 biennium. Both positions are fish hatchery laborer positions that will be reduced through retirements. The workload at the state hatcheries has been shifted due to initiation of a new, more efficient hatchery at Lake Kooconusa. Operating expenses are the executive recommendation.

Law Enforcement Division

The law enforcement division will be able to fill five currently vacant warden positions with the proposed appropriation. Nearly four FTE will be reduced which represent part-time game herder and enforcement trainee positions.

An additional \$62,000 was added to the current level operating expenses each year to provide sufficient fuel to enable wardens to be in the field at all times. The subcommittee also recommends that the two pilots based in Helena be given enforcement duties when not actively preparing for flight or flying.

Game damage funds of \$65,000 per year are recommended to reduce the impact on landowners of wildlife foraging for food in severe winter situations.

Wildlife Division

The recommendation eliminates 5.83 part-time and temporary FTE and adds a .5 FTE researcher position previously accounted for in the enforcement division. The deleted positions are primarily summertime temporary positions that aid biologists in collecting research data. No funds are recommended for continued operation of the game bird farm but the regular employees of the farm are to continue with emphasis on live trapping and transplanting.

Parks and Recreation Division

The parks and recreation division recommendation will operate the division at nearly the current level. Approximately one FTE part-time laborer position will be reduced by the recommendation.

The appropriation anticipates a change in the law allowing up to 50 percent of fishing access site earmarked revenues to be used for the maintenance and operation of fishing access sites. The recommendation anticipates using 40 percent of the fishing access funds for operations. Many of these sites have previously been neglected because operating funds were not available.

Conservation Education Division

The subcommittee recommendation reduces 9.12 FTE from the currently authorized level.

The positions to be dropped are those of a writer, audio-visual technician and film production supervisor, three secretaries, a print-shop employee and 2.12 part-time positions.

The effect of these reductions will be a reduction of wildlife related presentations at summer camps, and curtailment of the production of documentary films.

The appropriation provides for an information officer in each of the seven regional offices, publication of Montana Outdoors and operation of the department print shop.

Administration Division

Eight FTE are recommended for the administration division. The recommended positions are those of the director, deputy director, three secretaries, two attorneys and a land agent. Positions of associate director, special projects coordinator, planning coordinator, a secretary and .44 FTE part-time positions are not recommended.

Line item appropriations include \$80,000 per year appropriated for transfer to the department of livestock for predator and rodent control,

\$24,000 per year for distinctive clothing and uniforms for all field employees and \$25,000 per year to initiate the conservation officer concept within the department.

DEPARTMENT OF LIVESTOCK

	<u>1981 Biennium</u>	<u>1983 Biennium</u>	<u>% Increase</u>
General Fund	\$ 990,646	\$1,237,341	24.9
Other Funds	<u>5,361,832</u>	<u>6,170,015</u>	<u>15.1</u>
Total	<u>\$6,352,478</u> =====	<u>\$7,407,356</u> =====	<u>16.6</u> =====
Pay Plan		<u>849,646</u>	
REVISED TOTAL	<u>\$6,352,478</u> =====	<u>\$8,257,002</u> =====	<u>29.9</u> =====
FTE	137.12	127.95	

The subcommittee recommendation eliminates 9.17 FTE. Five of the eliminated positions are backtaggers and technicians related to the brucellosis eradication effort of the past four years. The department appears to have brucellosis under control and the few remaining infected herds are identified. Two FTE are reduced from the inspection and control division in fiscal 1983. These positions were added in fiscal 1981 to process brand re-record documents. This effort should be completed in fiscal 1982.

The appropriation for the predatory animal control program and rabies and rodent control program have been modified to reflect the department's reorganization of these functions. The reorganization has allowed a reduction of 3.17 FTE and elimination of duplication between the livestock and agriculture departments. The department of livestock will contract with the department of agriculture in the 1982-83 biennium for rodent eradication and control services.

The rabies control effort will be absorbed by the disease control division of the department of livestock at little or no additional cost.

DEPARTMENT OF NATURAL RESOURCES

	<u>1981 Biennium</u>	<u>1983 Biennium</u>	<u>% Increase</u>
General Fund	\$11,533,701	\$15,959,811	38.4
Other Funds	<u>15,096,740</u>	<u>20,765,322</u>	<u>37.5</u>
Total	\$26,630,441 =====	\$36,725,133 =====	37.9 =====
Pay Plan		<u>2,817,223</u>	
REVISED TOTAL	\$26,630,441 =====	\$39,542,356 =====	48.5 =====
FTE	404.48	438.73	

The subcommittee recommendation adds 39.6 FTE while reducing 7.35 FTE for a net FTE increase of 34.25. New or reduced FTE are shown below by division.

Oil and Gas Regulation Division

- added one statistician to develop a system to automate oil and gas well logs.

Water Resources Division

- added 12 FTE to man expanded high plains weather modification project,
- eliminated two FTE dam safety inspector positions,
- eliminated 3.35 FTE working on the Daly ditch as it will be abandoned by January 1, 1983.

Forestry Division

- added three FTE to add five million board feet to the annual timber harvest,
- added back one FTE previously transferred to the communications pool,
- added 1.5 FTE to supervise brush reduction on private lands,

- added 13.6 FTE to expand timber stand improvement program,
- added two FTE to operate the recently completed contained seedling greenhouse.

Energy Division

- added 11 FTE to conduct various energy conservation related projects which are supported entirely with federal funds,
- eliminated two FTE in the fuel allocation office,

Facility Siting Division

- eliminated 3.5 FTE establishing a core staff for the division.

Central Services Division

A major staff realignment is required by the recommended appropriation. A net increase of 11.5 FTE results from properly assigning individuals to central services previously reported as FTE in other divisions. These positions have central services responsibilities. Other division FTE levels were reduced a like amount.

Oil and Gas Regulation Division

An additional position is added for the 1983 biennium to automate all oil and gas well log information. Resource indemnity trust fund interest is appropriated at \$65,000 each year to repair and seal abandoned oil and gas wells to prevent polluting of ground water caused by the collapse of well casings.

Conservation District Supervision

Conservation district supervision is recommended to continue at the current level. \$100,000 of general fund is included each year of the biennium to be transferred to local conservation districts.

Expanded programs are recommended in a number of areas shown below:

- a) The new containerized seedling greenhouse has been completed and will be operated at a biennial cost of \$182,001 of earmarked funds.
- b) The communication technician previously transferred to the now disbanded communications pool is added back plus replacing equipment at a biennial cost of \$94,209.
- c) Three FTE are added to expand sales of state timber by 5 million board feet annually at a biennial cost of \$108,089.
- d) 13.6 FTE are recommended at a biennial cost of \$887,822 of earmarked funds for timber stand improvement.
- e) The hazard reduction program for private lands is recommended to be expanded by 1.5 FTE at a biennial cost of \$76,111 of earmarked funds.
- f) \$180,000 is appropriated to provide fire fighting equipment for nine county cooperative fire districts.

Energy Planning Division

The energy division is recommended at current level with the following exceptions: 1) elimination of two FTE in the fuel assistance bureau, 2) alternative energy development grants are increased to \$3.5 million over the biennium, and 3) addition of 11 FTE all federally funded to continue the energy extension service, western sun solar commercialization and geothermal commercialization projects.

Facility Siting Division

The facility siting division is recommended to include seven core staff positions all supported by the general fund. An additional \$1,000,000 of spending authority per year of earmarked funds is included in anticipation of requests for environmental impact statements on major power generation facilities.

The appropriation also includes \$500,000 of resource indemnity trust funds interest to continue the appropriation of HB 908 of the 1979 legislature.

PUBLIC SERVICE COMMISSION

	<u>1981 Biennium</u>	<u>1983 Biennium</u>	<u>% Increase</u>
General Fund	\$1,967,591	\$2,437,417	23.8
Other Funds	<u>91,739</u>	<u>38,620</u>	<u>(57.9)</u>
Total	<u>\$2,059,330</u> =====	<u>\$2,476,037</u> =====	<u>20.2</u> =====
Pay Plan		<u>313,148</u>	
REVISED TOTAL	<u>\$2,059,330</u> =====	<u>\$2,789,185</u> =====	<u>35.4</u> =====
FTE	39.00	44.00	

The recommended appropriation will add five FTE, four professional staff and one clerical position. The additional staff is recommended to improve the capability of the commission to effectively analyze public utility rate increase proposals. Even with the proposed increase the Montana public service commission will have a smaller professional staff than most of the surrounding states yet the commission has greater responsibilities. Montana is the only western state whose public service commission has responsibility over municipal water and sewer charges.

A biennial appropriation of \$50,000 is included to provide funds for litigation if necessary concerning the determination of the original cost of certain hydroelectric properties of the Montana Power company. The 1979 legislature appropriated \$200,000 to audit the Montana Power company rate base. The auditors have determined that the base is \$15.8 million too high. Montana Power company officials initially agreed to amortize the base reduction over ten years. The Montana Power company board of directors later turned down the agreement and plan to oppose any rate base reduction.

DEPARTMENT OF STATE LANDS

	<u>1981 Biennium</u>	<u>1983 Biennium</u>	<u>% Increase</u>
General Fund	\$ 2,465,987	\$ 2,891,154	17.2
Other Funds	<u>7,543,998</u>	<u>15,830,542</u>	<u>109.8</u>
Total	\$10,009,985 =====	\$18,721,696 =====	87.0 =====
Pay Plan		<u>451,642</u>	
REVISED TOTAL	<u>\$10,009,985</u> =====	<u>\$19,173,338</u> =====	91.5 =====
FTE	62.62	73.62	

The 11 FTE increase includes eight positions that are part of the Northern Powder river environmental impact statement team. These positions were previously added by budget amendment and will continue only as long as federal funds provide support.

Four additional regular positions are recommended and .5 FTE previously authorized will be eliminated as it is now a part of the NPREIS staff.

The large increase in "other funds" is related to federal strip mine reclamation funds being available for reclamation of abandoned mine spoils. More than \$6 million will be available each year of the biennium to reclaim abandoned strip mines. These funds were also available in the 1980-81 biennium but were unexpended in fiscal 1980 because the projects identification developed slower than expected. The department hopes to begin contracting for reclamation in the 1982-83 biennium.

Payments in lieu of taxes for state lands in qualifying counties are appropriated \$235,000 per year. This amount should fully fund the state tax liability.

160
11

NATURAL RESOURCES AND BUSINESS REGULATION
SUBCOMMITTEE

	-----FY '82-----		-----FY '83-----	
	<u>General Fund</u>	<u>Other</u>	<u>General Fund</u>	<u>Other</u>
<u>Department of Agriculture</u>				
<u>Central Services</u>				
- Reduce audit included twice	10,102			
<u>Department of Commerce</u>				
<u>Central Services Travel</u>	3,000		3,000	
<u>Economic Development Div.</u>				
- Reduce 1 FTE primarily responsible for EDA grants	18,716		18,716	
- Reduce EDA grants	59,000	235,000		
<u>Indian Affairs</u> - Miscell. Exp.	2,490		1,329	
<u>Department of Natural Resources</u>				
<u>Conservation Districts</u>	100,000		100,000	
Conservation districts will be receiving \$480,000 and \$550,000 in fiscal 1982 and fiscal 1983 respectively if HB 223 passes. This money was previously earmarked for alternative energy grants.				
<u>Water Resources Division</u>	75,000		75,000	
Reduces funds for dam and spillway repair from \$225,000 per year to \$150,000 per year. Previous appropriations were \$75,000 per year.				
<u>Forest Resources</u>				
County cooperative agreement expenses. (Will be available Monday.)				
<u>Energy Division</u>				
<u>Institutional Building Grant Studies.</u>	169,420		169,420	
This reduction would reduce the state match for the institutional building grant program. 1979 legislature appropriated resource indemnity trust funds for the match. Local government buildings (schools and hospitals) receive federal energy retrofit grants as a result of studies conducted under this program. This is the one energy program the Reagan administration has not marked for reduction. There is some question whether the federal government is going to continue to provide retrofit money.				

	-----FY '82-----		-----FY '83-----	
	<u>General Fund</u>	<u>Other</u>	<u>General Fund</u>	<u>Other</u>
Alternative Energy Development Grants		600,000		900,000
<p>This would reduce alternative energy development and demonstration grants to \$1,000,000 per year. Current staff probably could administer grants at this level. Additional grant money will require additional staff.</p>				
<u>Facility Siting Division</u>		500,000		
Continuation of HB 908				
<p>If the study is not continued the remainder of the appropriation would revert to the resource indemnity trust interest account at the end of fiscal 1981. The reversion would be about \$450,000.</p>				
<u>Department of State Lands</u>				
<u>Central Services</u>				
- Doubled up on legislative audit.	15,000			
<u>Reclamation</u>				
- Reduce 1 new hardrock mine inspector.	21,105		21,105	
<u>Public Service Commission</u>				
Eliminate one of the four new rate analyst positions.	17,620		17,620	
TOTAL	\$491,453	\$1,335,000	\$406,190	\$900,000

VISITORS' REGISTER

HOUSE

AGGREGATIONS

COMMITTEE

BILL

HB 674

Date _____

3-11-81

SPONSOR

FABREGA

[illegible]

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

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

STANDING COMMITTEE REPORT

3-12-

19 81

MR. SPEAKER:

We, your committee on HOUSE APPROPRIATIONS

having had under consideration HOUSE Bill No.

A BILL FOR AN ACT ENTITLED: AN ACT TO APPROPRIATE \$485,000
TO THE DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION FROM
THE WATER RIGHT ADJUDICATION ACCOUNT OF THE EARMARKED
REVENUE FUND FOR THE OPERATION OF THE RESERVED WATER RIGHTS
COMPACT COMMISSION.

Respectfully report as follows: That HOUSE Bill No. 617

DO PASS