

THE MINUTES OF THE MEETING OF THE JOINT APPROPRIATIONS  
SUBCOMMITTEE ON NATURAL RESOURCES  
February 16, 1981

The meeting was called to order by CHAIRMAN STOBIE on February 16, 1981, at 8:00 a.m. in Room 431 of the Capitol.

Roll call was taken and all members were present but SENATOR STIMATZ and SENATOR BOYLAN.

WITNESSES from the DEPARTMENT OF BUSINESS REGULATIONS appeared to present the DEPARTMENT OF COMMERCE and other revisions.

GARY BUCHANAN, DIRECTOR OF BUSINESS REGULATIONS and one of the reorganization team that put together the Department of Commerce, presented the subcommittee with a chart to show what Business Regulations is. (EXHIBIT A)

MR. BUCHANAN said that if the program is successful, they will be working themselves out of a directors position and call for the dismantling of the Department of Community Affairs and reducing of the Department of Business Regulations to a division under the Department of Commerce. This would mean changing the Department into a division and the divisions into bureaus.

MR. BUCHANAN said that he would present the three components of the now division of Business Regulation. The first is the Milk Control Bureau. The response to the grade 15 position, they said they would like to retain this position, but change it to a grade 11. The loss of this position would mean a regression of the program. The FTE, grade 11, would be an Assistant Director. They currently have 3 FTEs, grade 11, and one FTE, grade 13, and need a fourth FTE, grade 11, to take care of the milk program at all times in the Milk Program. Mr. Ross was the Assistant to Mr. Kelly and Mr. Kelly retired, therefore Mr. Ross was doing Mr. Kelly's job and the auditing work is getting further and further behind.

EVERTT TUDOR, Chief of Milk and Egg in the Department of Livestock, said they could contract this service and with the four men in the field and added travel they could pick up the added samples. They would have to pick up samples twice each six months from the producers, along with the routine inspection. They are asking \$4,500 for some additional butterfat testing equipment. The milk control division would buy this equipment, and this is on a contract basis. It would be used to check water in the milk.

CONSUMER PROTECTION:

The reduction to 3 FTEs is too much of a reduction. MR. BUCHANAN suggested going back to ground zero to look at it. He presented EXHIBIT B going back to six people with a budget proposal of \$148,737. The budget purposed is now under the LFA proposal. He stated they do need the attorney position.

The new description of the Bureau is with more emphasis on serious protection areas.

EXHIBIT C explains the FTEs and estimation of cost in the new consumer protection program. 3 FTEs would make it an impossibility to run this department.

MR. DISNEY stated that the cost for 1981 is projected at \$152,000, closing out June of last year, recovering and complaint, either cash refunds or returns to the complainers was in excess of \$200,000. MR. DISNEY, ADMINISTRATOR OF CONSUMER AFFAIRS DIVISION, stated he believes the county attorneys will get more actively involved. It was stated that Consumer Affairs can be involved in anything that is considered deceptive.

The said they will abolish the current directors position in the Department of Business Regulations and move it to a business status. They recommend there be a division administrator in the Business Regulation (EXHIBIT D).

EXHIBIT E is the administrative support of this Division for 1982 and 1983. It is in the context of the new Department of Commerce and represents the final component of 1982 and 1983 of Business Regulation.

REPRESENTATIVE STOBIE and GARY BUCHANAN said that the administrator also has some work load.

DEPARTMENT OF COMMERCE:

CHART A moves from three to one department. Governor Schwinden's address gave the reasons for this. It will give the business person one department to relate to.

The Department of Business Regulation and Occupational Licensing were the smallest department in the state. There is an anti-business image and they said they would like to work on this.

PROFESSION AND OCCUPATIONAL LICENSING is moving to a bureau level.

BUSINESS REGULATION is moving intact to a bureau level.

AERONAUTICS is moved intact to the Department of Commerce.

CENTRALIZED SERVICES is consolidation of the existing divisions of Centralized Services.

ECONOMIC DEVELOPMENT will consolidate with the existing Economic Development. They would like to take these and rework them.

The TRAVEL PROMOTION BUREAU would be transferred from the Department of Highways. Only the tourism and maps would be moved.

SENATOR SMITH asked them to bring in a list of their complete functions.

Another move from Highways is rail transportation planning.

Finance related industry to be moved, will be, staff to Coal Board and Board of Housing. These will go to the Department of Commerce.

THE DIVISION OF COMMUNITY DEVELOPMENT transfers intact to the Department of Commerce.

INDIAN AFFAIRS is in the Department of Commerce and this move is a judgement move.

EXHIBIT F, proposed allocation of function of Department of Community Affairs. This chart shows the transfers and abolishments of the Boards and Divisions.

In reference to the various buildings being scattered all over town, GARY BUCHANAN said they hope to move everything into one building by moving DCA out. There is a separate allocation for moving expenses.

REPRESENTATIVE COZZENS asked about the various transportation divisions and why there couldn't be one transportation unit. MR. BUCHANAN said that this is very possible. They would like to have the flexibility to move this if federal monies are not available.

#### EXECUTIVE SESSION:

In reference to the field officers in Fish, Wildlife and Parks, REPRESENTATIVE HEMSTAD asked permission to invite these people into February 17th's meeting. A MOTION was made to do this. MOTION PASSED.

#### DEPARTMENT OF REGUALTION:

SENATOR SMITH made a MOTION to maintain and abide by the committee's original decision in regards to Consumer Protection. MOTION PASSED with REPRESENTATIVE MANUEL voting NO.

MILK CONTROL:

Discussion regarding the auditor's position was held. The total was 11 FTEs last session and was taken down to 9 FTEs and then down to 7 FTEs and they put it back to 8 FTEs. REPRESENTATIVE MANUEL said that since it is the producers that pay for this, that he would hate to see this position cut.

BOB ROBINSON said the examiners' job is to go out and examine the processing plants and make sure the producers get paid for the quality of milk they produce.

They are asking for an administrator, lead auditor and four grade 11, examiners.

Milk testing would mean eliminating 1 FTE. The \$10,000 for this is in the Executive budget.

MOTION was made by SENATOR BOYLAN to allow the approval of the OBPP budget recommendation for travel expense in the milk control division. MOTION PASSED.

MOTION was made by SENATOR BOYLAN that the \$4,500 additional money be allowed for the testing equipment.

After discussion and what the equipment actually does, SENATOR BOYLAN withdrew his motion.

REPRESENTATIVE MANUEL MOVED to add a grade 11 auditor to the Milk Control Division. MOTION PASSED with one NO by REPRESENTATIVE STOBIE.

The meeting opened on NATURAL RESOURCES: JIM WILLIAMS, of the Executive Office, restated the departments' demands as stated in their testimonies.

OIL AND GAS COMMISSION:

REPRESENTATIVE COZZENS made a MOTION that the request for 21.01 FTEs for 1981 and 1983 and compensation for the Board Do Pass. MOTION PASSED.

OPERATIONS:

JIM WILLIAMS talked to the request of the Department and said the total would be \$185,000 under line item 2800.

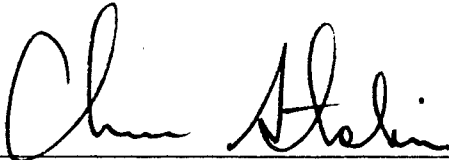
THE MINUTES OF THE MEETING OF THE JOINT APPROPRIATIONS Page 5  
SUBCOMMITTEE ON NATURAL RESOURCES  
February 16, 1981

REPRESENTATIVE COZZENS made a MOTION to adopt \$185,672 for  
FY 82 and \$189,343 for FY 83. LINE ITEM 2100 thru 2800.  
MOTION PASSED.

CONSERVATION DISTRICT:

There was some discussion on the FTEs in this department and  
the expense of water reservation.

A motion was made to adjourn the meeting at 11:43 a.m. and  
to continue at 8:00 a.m. the following day.



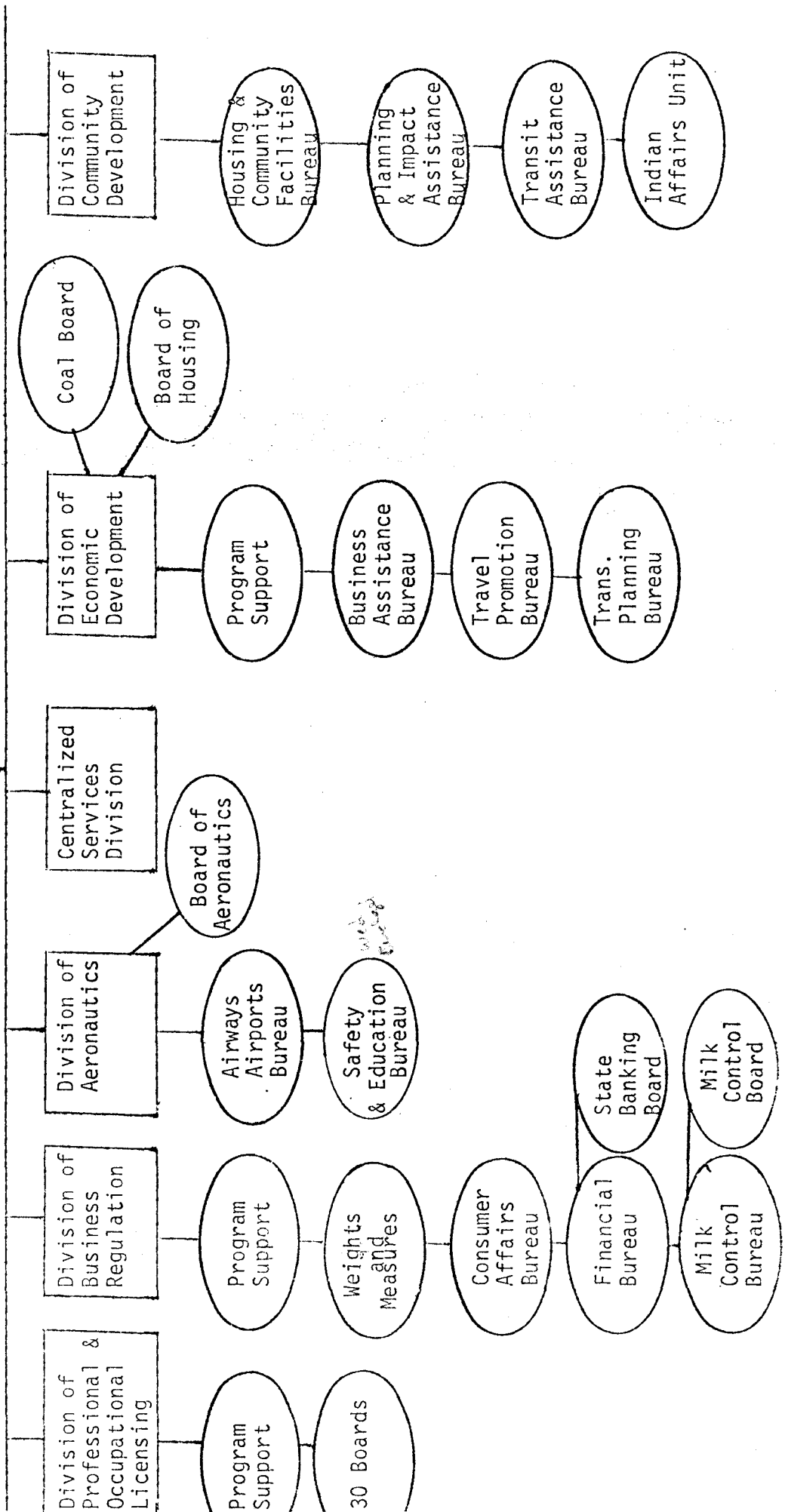
---

CHRIS STOBIE, CHAIRMAN

lmw

DEPARTMENT OF COMMERCE

DIRECTOR'S OFFICE



CONSUMER PROTECTION PROGRAM - 06 - DEPARTMENT OF BUSINESS REGULATION

1982

	Actual FY 1980	6.5	Estimated FY 1981	6.5	7.5	Schwinden Admin. Original Proposal	6.5	Leg. Fils. Analyst	6.5	Post Hearing Proposal
FULL TIME EQUIVALENT										
Personal Services	107,085		133,534		152,869	134,272		145,274		128,088
Operating Expenses	<u>14,929</u>		<u>19,242</u>		<u>24,343</u>	<u>18,473</u>		<u>15,830</u>		<u>20,649</u>
Total Operating Costs	<u>122,014</u>		<u>152,776</u>		177,212	152,745		161,104		148,737
Transfers	<u>175,115</u> *		<u>0</u>		<u>0</u>	<u>0</u>		<u>0</u>		<u>0</u>
TOTAL PROGRAM	297,129		<u>152,776</u>		177,212	152,745		161,104		148,737
General Fund	118,621		139,476		172,990	148,523		161,104		148,737
Earmarked Revenue Fund	<u>178,508</u> *		<u>13,300</u>		<u>4,222</u>	<u>4,222</u>		<u>0</u>		<u>0</u>
TOTAL FUNDING	<u>297,129</u> *		152,776		177,212	152,745		161,104		148,737

\* Through mutual agreement with LFA, the Department agreed to transfer \$175,115 to the General Fund from the earmarked reserve account. This money was collected over a period of years through a \$5 fee collected by the Department of Revenue under a miscellaneous wholesale and resale licensing plan. The money was then transferred to the Unfair Practices Act earmarked revenue account for enforcement and administration of the Act. The money has now been totally transferred to the General Fund and the program is now funded by the General Fund. Total Operating Costs for 1980 were \$122,014.

B

	Judge Administration Proposal	7.5	Schwinden Administration Original Proposal	6.5	Legislative Analyst	6.5	Post Hearing/ Proposal	6.0
FULL TIME EQUIVALENT								
Personal Services	152,952		134,355		157,186		128,171	
Operating Expenses	<u>26,024</u>		<u>20,174</u>		<u>17,093</u>		<u>22,508</u>	
Total Operating Costs	<u>178,976</u>		<u>154,529</u>		<u>174,279</u>		<u>150,679</u>	
Transfers	0		0		0		0	
TOTAL PROGRAM	178,976		154,529		174,279		150,679	
General Fund	174,707		150,260		174,279		150,679	
Unmarked Revenue Fund	<u>4,269</u>		<u>4,269</u>		<u>0</u>		<u>0</u>	
TOTAL FUNDING	178,976		154,529		174,279		150,679	



	Actual FY 1980	Estimated FY 1981	Requested FY 1982	Requested FY 1983
FULL TIME EQUIVALENT	6.50	6.50	6.0	6.0
Personal Services	107,085	133,534	128,088	128,171
Operating Expenses	<u>14,929</u>	<u>19,242</u>	<u>20,649</u>	<u>22,508</u>
Total Operating Costs	<u>122,014</u>	<u>152,776</u>	<u>148,737</u>	<u>150,679</u>
Transfers	<u>175,115</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL PROGRAM	<u>\$297,129</u>	<u>\$152,776</u>	<u>148,737</u>	<u>150,679</u>
General Fund	118,621	139,476	148,737	150,679
Unmarked Revenue Fund	<u>178,508</u>	<u>13,300</u>		
TOTAL FUNDING	<u>\$297,129</u>	<u>\$152,776</u>	<u>148,737</u>	<u>150,679</u>

Bureau Chief

Chief Investigator/  
Liason Officer

Investigator

Attorney II

Complaint Specialist

Secretary



DEPARTMENT OF BUSINESS REGULATION

CONSUMER PROTECTION PROGRAM - 06

	1981 Estimated	1982 Requested	1983 Requested
Contracted Services	\$ 1,438.00	\$ 1,727.00	\$ 1,849.00
Supplies and Materials	\$ 1,759.00	\$ 1,808.00	\$ 1,893.00
Communications	\$ 5,427.00	\$ 5,699.00	\$ 6,009.00
Travel	\$ 1,965.00	\$ 4,565.00	\$ 5,234.00
Buildings	\$ 5,937.00	\$ 6,537.00	\$ 7,210.00
Office Equipment	\$ 51.00	0	0
Dues, Subscription, Training	\$ 313.00	\$ 313.00	\$ 313.00
Total Operations	\$ 16,890.00	\$ 20,649.00	\$ 22,508.00
Total Programs	\$149,424.00	\$148,737.00	\$150,679.00
Funding			
General Fund	\$145,266.00	\$148,737.00	\$150,679.00
E.R.A.	\$ 4,158.00		
	\$149,424.00		

Division of Business Regulation

Administrative Support

	FY 82	FY 83
Personal Services:		
Adm - 19/9	30,368	30,368
Lawyer - 17/4	23,035	23,035
Secretary II G 8/7	<u>11,413</u>	<u>11,413</u>
	64,816	64,816
Benefits @ 19.7%	12,769	12,769
Total Personal Services	<u><u>\$77,585</u></u>	<u><u>\$77,585</u></u>

Operations

Contracted Printing	100	100
Insurance & Bonds	50	53
Division Audit	<u>6,500</u>	<u>153</u>
	6,650	
Supplies & Materials	350	372
Communications	1,090	1,047
Rent	2,250	2,457
Maintenance	675	1,286
Other Expenses	11,315	5,615
Equipment	<u>1,100</u>	<u>-0-</u>
Total	<u><u>90,000</u></u>	<u><u>83,200</u></u>

1971-1972 ANNUAL REPORT - (1971-1972) SPECIALIST

This position would serve as a model capacity, which would involve investigative, and educational duties for the Consumer Protection Agency, and also perform administrative and supervisory duties in directing the activities of the Private Post-Secondary Education Act.

General Duties: Performs complex professional investigation work in enforcing laws, rules, and regulations enacted by the State of Montana. Also would perform duties in directing the activities of the Private Post-Secondary Education Act.

Supervision Received: Works under general guidance and direction of an administrative supervisor.

Supervision Exercised: Exercises supervision over clerical personnel.

Major Duties and Responsibilities:

1. Administration, maintenance, and financing of Proprietary Post-Secondary Educational Institutions.

- A. Reviews, investigates and acts upon license applications.
- B. Directs maintenance of administrative records.
- C. Coordinates promulgation of administrative licensing criteria.
- D. Develops rules for administration of law and negotiates reciprocal agreements with other states.

This individual will be responsible for all activity which falls under Private Post-Secondary Education Act.

In addition this person will have the following duties:

- 11. Investigate and analyze consumer protection complaints as they are assigned by the Administrator or their supervisor.
- 12. Investigation and resolution of complaints would be accomplished via letter inquiries, phone, or personal on-site inspections if necessary.

- B. Collects evidence and writes reports on findings.
- C. Would testify in court, or investigative type hearings.
- D. Interviews and investigates reported violators of the various laws relating to the Consumer Protection Agency.

III. When the permits, this individual would assist in educating consumers of the state in regard to consumerism.

- A. Prepare "Consumer Alert," a preventative measure to protect consumers from deceptive and unfair business practices.
- B. Prepare news releases for the media in regard to accomplishments of the program. For example, large recoveries, special projects, etc.
- C. Assist the Administrator, when necessary in conducting consumer educational programs.
- D. Responsible for planning public service spots using radio and TV to inform the public of all items available to public.

## JOB DESCRIPTION - CHIEF INVESTIGATOR

General - Duties - Perform supervisory and complex professional investigation work involving laws, rules, and regulations enacted by the State of Montana.

Supervision Received: Acts under general guidance and direction of an administrative supervisor.

Supervisory Responsibility: Exercises supervisory control over professional and clerical personnel.

Essential functions and responsibilities assigned to this position:

- A. To promptly and efficiently investigate, and analyze legitimate consumer complaints, trying to complete these actions within 30 days.
  1. Assign investigations and work to other investigative personnel
  2. Review investigations performed by other personnel.
  3. Prepare reports on investigations via administrative or legal division.
- B. To conduct thorough and prompt investigations in regard to alleged violations of the Unfair Practices Act, primarily "Sales Below Cost," Title 51, Chapter 1, R.C.M. 1977. These investigations would be handled solely by this person.
- C. Enforce the Fair Credit Reporting Act.
  1. Conduct investigations and analyze each problem filed.
- D. To utilize enforcement provisions of the consumer laws in eliminating unfair and deceptive business practices.
- E. Assist the Administrator in the following areas:
  1. Development, interpretation, evaluation and administering laws, regulations, and policies of the Consumer Division.
  2. Interview personnel
  3. Preparation of memoranda affecting Consumer Affairs Division.

4. Educate Montana consumers so that they make good decisions in their transactions in business concerns. Assist in educating consumers of the state in proper consumer habits.
5. Settles claims and complaints of the public against business establishments of non-compliance with consumer laws.
6. City consumer education program.
7. Develop a working relationship system with all county attorneys.
  1. Coordinate and work closely with each county in an effort to give Montana consumers complete protection, e.g. Regional consumer education workshop.
  2. Regularly visit county attorney's offices in major county's to assist C.A. in consumer related matters. Be available 1-2 days per month to physically visit with county attorney.
8. Be aware of, and keep abreast of all Federal Trade Commission rules, so the public has an advisory and reference system to the appropriate Federal Agency for assistance.
  1. Will handle the public through our own process whenever possible.
  2. If necessary, the public will be referred to Federal Agencies.

POSITION - COMPLAINT ANALYST/SECRETARY III

GENERAL DUTIES: Performs a variety of secretarial and clerical duties of considerable difficulty and some routine administrative duties for Consumer Affairs staff. Initially analyzes consumer complaints and distributes them to appropriate staff member.

SUPERVISION RECEIVED: Works under general supervision of an administrative superior.

SPECIFIC DUTIES:

MAIL: Opens mail and distributes to Consumer Affairs staff. Each new complaint is analyzed. If additional information is needed, drafts letter requesting it. New complaints are distributed to appropriate staff member. Complaints are logged in and reviewed every two weeks.

Proprietary School Bureau - Typing and filing of all correspondence; setting up files for schools and agents and miscellaneous; stamp and route mail received; take and transcribe dictation (dictaphone); ordering of supplies and duplicating; answering of telephones (answer questions in regard to licensing procedure and law).

Processing application - when application is received, check if all licensing material is received. If it is, date it, record check, make copy of check for file, write receipt, make sure recorded in proper places, and then turn into Centralized Services. Type up licenses and permits (dates come from bonds). If all of application isn't received, date, note and turn over to supervisor. Process all terminations.



SPECIFIC DUTIES (CONTINUED):

TELEPHONE: Receives calls from consumers, determines if complaint falls within our jurisdiction. Asks specific questions to determine validity of complaint. Sends out complaint form if appropriate. Refers and advises consumer if complaint is not within our jurisdiction. Receives calls from other state agencies, e.g., Citizens Advocate, Consumer Counsel, etc. Responds to these calls with advise to consumer.

LETTERS: Takes and transcribes dictation from Consumer Affairs staff. Composes letters for staff signature. Is responsible for files, letters and complaints. In handling complaints against out-of-state business, contacts Better Business Bureau of Consumer Protection Agency in that state for necessary information.

MISCELLANEOUS DUTIES: If complaints against schools are received, process and turn them over to supervisor; take minutes of Advisory Council Meetings; end of the year statistics (updated records kept throughout year); mailing every 3 months of licensed schools and agents (updated list each time a school or agent is licensed or terminated) to high school counselors.

Make files and index cards up on companies and schools. Be aware of how to record mail received, logging in of complaints, reviews, statistics, ordering of supplies and duplicating. When legal secretary is gone, have knowledge of her duties for Consumer Affairs Division.

PROPOSED ALLOCATION OF THE FUNCTIONS  
OF THE DEPARTMENT OF COMMUNITY AFFAIRS

