

MINUTES OF THE MEETING
FINANCE AND CLAIMS COMMITTEE
MONTANA STATE SENATE

March 28, 1981

The 30th meeting of the Senate Finance and Claims committee was called to order by Chairman Hims1 at 8:00 a.m. in room 108 of the Capitol Building. Roll call was taken and all members were present except Senator Thomas.

CONSIDERATION CONTINUED ON HOUSE BILL NO. 500:

MOTION NO. 13: Senator Dover said he would like to go back to Judiciary. He would move to put in the two law clerks (previously discussed under #5). This would be a \$34,479 per year increase.

Senator Aklestad: How many law clerks in 1979? Dover: Ten. Aklestad: This will bring us to how many? Dover: Fourteen. Senator Keating: This will be the two per judge.

The question was called, the motion voted and passed, on a roll call vote of 10 to 5.

Secretary of State: Senator Dover said he had some amendments under this section, that were ready.

MOTION NO. 14: Senator Dover: I would move this in two parts. The first one is the indexing of the codes. The administrative codes are made up all the time and are not indexed. I would like to amend by striking the \$7,740 on line 3 and \$46,095 and increase the first year to \$35,915 and the second year to \$35,785, and would move the motion. In answer to a question as to why that was not in the budget, Senator Dover said they had a real hassle in the committee and we really cut his budget and now others have come in and said this is really necessary.

The question was called, the motion voted and passed unanimously.

MOTION NO. 14: This would be on page 10, following line 3 to insert "3", Systems Development and the figures \$111,500 and \$88,500 which would be an increase of \$200,000. The other one is the language that goes with it, and says if he can't do it our way in time, he can do it his way. This is the records that are in constantly. The cost is up front and in a matter of six years or so it should be paying off.

Senator Van Valkenburg: I would speak against this motion. I assume you have all read or heard about the argument with the Secretary of State and our subcommittee. Largely, it revolved around another appropriation he asked for and the committee

MINUTES
FINANCE AND CLAIMS COMMITTEE
March 28, 1981
Page two

was supportive of the need to have the microfilming and this particular project, but as we held the hearing we continued to get more and more....or less and less cooperation from the agency head in terms of how to approach accomplishing these things. It culminated one day with the agency heads berating the fiscal analyst to where Representative Lund had to stop him from abusing the staff. After that he got even more adamant in approaching the microfilming in the way we suggested. He insisted that it had to be done in-house even though there is a central microfilming service and the people there are trying to accommodate him on a one day service. When the committee stated that it would be done through the central services, if the money were appropriated he then withdrew his request. At one point he told us it had to be tied to the computer. Now apparently they don't have to be tied together. He still wants it done in his office instead of the central services division. I guess what the bottom line for me is, is that the Legislature has got to get his attention. I don't think we will get his attention and establish a working relationship unless we hold the line.

Senator Keating: The subcommittee did make a tour of the Secretary of State's bungalow. It looks like the inside of a submarine. The retriever is old, and by hand. People are cramped in. Records are all way behind. It is difficult for me to see how they can do the job. I agree, we had a disagreement, but it does not alter the fact we need some streamlining for the benefit of the state, not for the secretary himself. He is required to have answers to business, requiring a corporation license within two weeks, or ten working days on certain questions relating to new corporations or dissolving old ones. Their equipment is so antiquated, but even though we were angered, we will realize this needs something done. You could computerize without microfilming, but not the other way around. I think we should computerize the office for the business of the state.

Senator Himsel: This does do that? Keating: Yes.

Senator Johnson: The thing that blew me away was the state can lose so much by not keeping up with the records. For example, in applying for a license there are ten days or two weeks. In December they had it down to fourteen days. No way they are going to make compliance. Realistically anyone could apply and by law they would be given that license because they cannot meet the time frame.

MINUTES
FINANCE AND CLAIMS COMMITTEE
March 28, 1981
Page three

Senator Haffey: I would like to ask a question of one of the committee members. The computer will be tied into the central services? It will be tied into it. That is what part of the scrap is about. You will have terminals and computerize files, Senator Keating answered. Haffey: On site? Is it sufficient? Keating: They will be on CIBIS.

Senator Himsl: Does anyone really know what this thing really does? Is it tied into the state?

Terry Cohea: There were two proposals. Originally it was in-house by the Secretary of State. Intelligent word processing. That would not tie into the state computer. LFA said insufficient. The committee came up with an alternative. It would be done with ISD and tied into the computer.

Senator Dover: That is what this will do. Cohea: There would be a terminal in the office upstairs and in the Department of Administrations computer files and centralized services.

Senator Van Balkenburg: If it is \$24,000 difference and we went up and did it in the Secretary of States office, do we end up doing a supplemental?

Barbara, LFA: The Secretary of State came back with a revised number reduced about that, \$24,000. This amendment is a revised request for a systems development. There isn't a great deal of difference in the original.

Senator Aklestad: Is he going to be tying in with the state with this system? Van Valkenburg: We don't know.

MOTION NO. 15: Senator Regan: I would like to amend the motion by striking the last sentence in this offered amendment. If he can't meet it by ISD the secretary is authorized to do it only if he can meet it.

The motion was voted and passed unanimously.

Back to the original motion, as amended was voted and passed. Senators Regan and Van Valkenburg voting no.

MINUTES
FINANCE AND CLAIMS COMMITTEE
March 28, 1981
Page four

MOTION NO. 16: This adds \$30,578 the first year and \$20,178 the second on page 10, line 14. The purpose of this is for a liktriever, \$10,000 the first year and travel for the consumer education of \$4310 each year and an investigator grade 11 is \$15,068.

Barbara, LFA: This identifies modification requests as received by the subcommittee.

Senator Dover: House Bill 385 is a new bill that is going through, and we are not considering it at all. They asked for some funding and it is the same as the rest, we are not putting anything in.

Senator Regan: What is the investigator? Cohea: The insurance requests an additional investigator to work the insurance forms and investigate for consumers. They have two on staff now.

Senator Regan: My experience with them was satisfactory. If the one to study insurance....is not the consumer investigator a new project? I teach consumer education, and I should be sympathetic to this. As I understand this it is to have someone travel out to senior citizens and explain forms to them.

Senator Dover: Travel, etc. we are putting \$4,310 for consumer education and travel.

Senator Himsl: The proposed amendment would put back \$4,310, \$,310 in first and second year, \$15,868 and \$15,868 and the \$10,000 for the liktriever. That is what we are talking about.
Dover: Yes.

Senator Himsl: I am disturbed about the consumer travel. Were you convinced it was necessary?

Senator Regan: It looks like they said 1/2 loaf is better than none. If you add the first two together and divide by 2. I would probably favor the other.....to strike the consumer travel and education. I am not convinced we need it.

Senator Story: Why did not the original subcommittee do it?
Dover: We did.

Senator Van Valkenburg: This budget modification was thrown in the last day. It had not been heard by the budget people or the analysts. I am not sure they have had time to look at and analyze it yet.

MINUTES
FINANCE AND CLAIMS COMMITTEE
March 28, 1981
Page five

MOTION NO. 17: Senator Regan moved to delete the consumer education and travel.

MOTION NO. 18: Substitute motion by Senator Aklestad to take out travel and also the investigator position and leave in the liktriever.

The substitute motion was voted and passed.

MOTION NO. 19: Senator Dover moved to vote on the motion #16 as amended.

It was voted and passed with Senator Van Valkenburg voting no.

MOTION NO. 20: Senator Dover said he had some new language on page 18, line 2. Crime lab. This would insert following line 2, the words "Salaries as established for the forensic science division may not be altered or combined during the 1983 biennium to recreate the position of director of forensic services, which was specifically abolished by the legislature, or any other position which functions as a pathologist's assistant."

Senator Regan said the original language set in concrete and language established. We have had assurances from the Justice Department and this would allow them some flexibility.

Senator Dover moved the amendment. Senator Regan said this language was agreed upon by the Department of Justice and they seem to feel they can live with it.

The question was called, voted and passed with the vote unanimous.

Senator Dover passed out a letter attached as Exhibit A, 3/28. He said they had written to Mr. Wicks. We have been very concerned that we don't have proper planning. For the future as well as really good figures to go by from the past. The committee asked for one in the last session and this time they couldn't say much as to what had been done. They didn't seem to know what had happened or what will happen. Mr. Wicks thinks it might be too strong a language. We wrote this letter and we would like to leave the language in the bill as strong as it is and leave it up to the interim to determine it.

MINUTES
FINANCE AND CLAIMS COMMITTEE
March 28, 1981
Page six

Senator Himsl: The language on page 14, that they should do all those things. His request was that they be allowed to report quarterly to the finance committee as an alternative. I don't think that request is really unreasonable. I don't see how they can get it all done in two years. If that is a firm commitment, I don't know if it is possible.

Senator Dover said the letter is to clarify the intent. We go on to explain it is not going to be done in two years and the committee and they report back in two years as to how they are coming along.

Senator Aklestad: Will that mandate them to do this in the bill in two years?

Senator Dover: On the top of page 16 there are some lines that work with the finance committee to see how they are coming on the program.

Senator Haffey: I think that is fine what Senator Dover said. When I first read this without the benefit of Mr. Wicks explanation.....I read through it and related it to the mandated things on page 14, I thought, and do now, that the budget requests were a direct function of a total system for two years and if the letter says no, I don't think we should say it should.

Senator Smith: If they get their books in order it shouldn't take them very long. I would think they would have some sort of on-going system like any other business.

Senator Stimatz: We had a joint meeting at the beginning of the year, they outlined their program there. They have moved people and should know what they are doing by now, as far as records go.

Senator Haffey: That is how I read the bill before input by Wicks. After having the input and finding out that other states have warned him that it cannot be done in two years.....that is his input.

Senator Boylan: I think this is the first time that budget has been really looked at since Bill Bertsche was here. There has not been done much since then. This time the analyst got on it and really got into it.

MINUTES
FINANCE AND CLAIMS COMMITTEE
March 28, 1981
Page seven

Senator Regan: I have two concerns. First, the subcommittee. In looking at his budget and discussing the various sections with the agency, have they themselves requested any different changes in personnel to bring about the effects you are talking about. In the administration, have they asked for anything to beef it up or something to bring it about?

Senator Dover: I realize Mr. Wicks is new. We were not given any changes as to how, just that he would get the job done.

Senator Regan: At the top of page 16, line 3. I realize how much we want to work at budget amendments. The language in line 3 needs some modification, if you read it.

Senator Dover: Perhaps we should say budget justification.

Senator Regan: We can frown two years from now.

Senator Van Valkenburg: In answer to the first question of Senator Regan, the department has no additional personnel. They did not request any. Second, some of these things have been accomplished. The partial funding of projects and the like. In response to Senator Smith's concern about getting the job done, the budget office and the department indicate that it is not responsible to try and accomplish it within the biennium. The experience in other states is such that money will be wasted and money is at \$1 million to \$3 million of.... effort gone for naught if we try to implement it too quickly. As to why something that is a mental process takes that long, they swear up and down that it does. I do not have the background to know. The department has offered an amendment, essentially it would take them off the hook, in terms of completing it during the biennium. The department feels it is absolutely necessary, so that a lot of money is not wasted. There is, from what I have heard, some changes going on in the Highway Department. There is a new Governor and a new Director. For reason of courtesy, I am willing to vote for their amendments. I will so move.

MOTION NO. 21: Senator Van Valkenburg moved the amendments on page 15, line 25, which would give them the leeway to give a time table for what could not be met in the next biennium.

Senator Himsl: They will come in, in possibly two years from now and what will have been done?

MINUTES
FINANCE AND CLAIMS COMMITTEE
March 28, 1981
Page eight

Senator Aklestad: I agree with Senator Stimatz. These mandates might be tough. If it doesn't get done, I am sure they will not go to jail. I think it is good we try to get them into a business manner and get something done. I think it is commendable to Jan Dee and the committee that they came up with this.

Senator Dover read the letter the subcommittee had written to Mr. Wicks.

Senator Smith: I would like to make the comment to Senator Van Valkenburg that I am sure we all read the article when the Highway Department lost over \$1 million because they did not have their records up to date to submit for federal money. In most instances a new director and they will clean it up. Next time a new one and they say it isn't their fault, they are new, but they will clean it up.

Senator Himsl: I don't know what status this letter has in relationship to the appropriation bill.

Senator Regan: You put it in the bill like a law and then take it away like it shouldn't be there.

Senator Himsl: I have a problem too, in looking at this objectively. If you were in their position and you saw this was an order that came with the appropriation bill and that you shall do these things in two years, I wonder what you would do with the resources to comply. I would try to comply and other things would go by the wayside just to get the good plan. I think the idea is good, but how can it be done and not sacrifice something else.

Senator Regan: Perhaps we should consider conferring with someone from Mr. Wicks office. To arrive at a realistic course for the two years and the rest of it they would have to show some progress for and modify the language in the bill. I think it should be addressed like you mean it, not put it in the bill and then write a letter that says on the A.T. we really don't mean it.

Senator Aklestad: There is a few things in here we should pull out. The subcommittee heard all the information once.

Senator Dover: Can we put this off until Monday and we will go over it with Jan Dee and see the Highway Department.

Senator Himsl: I think we all want this done, but in a way that is reasonable and productive. Not just to get it done.

MINUTES
FINANCE AND CLAIMS COMMITTEE
March 28, 1981
Page nine

Senator Smith: I think also consider the powers the Legislative Finance Committee has. I think you are asking them to do things they do not have the power to do.

This motion was delayed pending further information.

MOTION NO. 22: Senator Van Valkenburg said he had some amendments on the energy conservation program in the Highway Department. He said the subcommittee had recommended this. The House committee took it out and moved it into the construction program. The energy conservation program is a program that was started up during the last biennium. It made a savings of \$500,000 on gasoline. They received a National award for doing it. I don't think the \$45,000 in the construction program makes that much difference there. If we can educate some highway drivers to save fuel they would make much more savings for the state in that regard.

Senator Dover: I would like to support the amendments. It is money that would make money. It just puts someone in charge to get the job done.

Senator Smith: Isn't there any common sense within that department? You don't have to be a 6 year old to know it costs more to drive a truck than a pickup.

Senator Dover: If you ever ran a crew you wonder why they don't have a head on in the morning. I am sure the department has the same problem.

Senator Boylan: The supervisor should have enough guts and power to see that they do it. You don't need an energy education to tell them what to do when they don't listen, use the boot.

Senator Keating: You don't need to juggle figures. I would move to delete line 22, page 16.

SUBSTITUTE MOTION: Senator Regan moved to strike the word "not", page 16, line 22 as a substitute motion.

Senator Himsel: You are in effect, saying the education program will be funded automatically, and there is no additional money.

MINUTES
FINANCE AND CLAIMS COMMITTEE
March 28, 1981
Page ten

Senator Smith: It is earmarked money. Etchart: How much money? Keating: \$40,000 in expenses, in expense or the support to make it function. They save \$495,000 in gas.

Senator Keating: It is a specific program and obviously it works. As it will save some money, let them do it and the money is in there.

Senator Hims1: We are not putting money in the budget, we are simply recognizing it is in their budget and they will have to find the money. It is done completely within the Highway Department. The money is there, we just give them the permission.

The motion was voted and passed, with Senators Smith and Nelson voting no.

Department of Revenue: Senator Van Valkenburg: On the pages we passed out yesterday with the three, of having our names on the proposed amendments, on page 2 of that amendment there is the language to the Department of Administration on Health Insurance.

MOTION NO. 23: Page 21, following line 22, it would say no more than \$9,000 on a consumer health education program. This is an attempt to show people that maybe they don't need to go to the hospital, but can see the doctor in his office instead. The state program is really in poor fiscal condition right now. The state is not out the money now, Blue Cross is out the money. The premiums are not enough to pay the losses. With the contract to be renewed, the premiums will be increased. They are saying Blue Cross will have to put some money in here. Senator Van Valkenburg then said he would move the amendments.

Senator Aklestad: I don't know why we should have to lead everyone around by the hand. If we just knocked out a lot of the stuff it would help.

Senator Hims1: The \$1,000 is in the premium program or what?

Senator Van Valkenburg: We appropriate general fund money.

Senator Hims1: This is money generated from the allowance of 60 and \$70 a month? Van Valkenburg: It is general fund money appropriated to administrate the program in the Department of Administration Personnel Division. I am not proposing to add money. I am saying that \$9,000 can be spent for this health education program.

MINUTES
FINANCE AND CLAIMS COMMITTEE
March 29, 1981
Page eleven

Senator Dover: Lots of testimony to verify as very definitely bad off in saving of medical costs and in insurance premiums. Now there would be \$18,000 to do this education. We felt if such a good think the company has shared in it with other groups we felt they should share with us now. We gave them \$9,000 and the company gives them \$9,000 too.

Senator Johnson: I don't understand why the \$9,000 is sitting in the Department of Administration. Why not in the Health Department?

Senator Van Valkenburg: The Health Department does not have anything to do with the health program.

Senator Johnson: Who puts it to work? Van Valkenburg: Probably the carrier will do the education.

Senator Hims1: The whole program is under the Department of Administration. It involves Blue Cross, Etna, etc. They have some sort of program to use the money.

Senator Johnson: If they do such a great job, why? Hims1: They are not doing such a great job. We will have to do something in that area.

Senator Johnson: You think the Health Department of the Department of Administration will carry out the program to have an impact on this? Dover: Yes. Jan Dee, LFA: They will probably use some private consultants. In some of the counties that has had a lot of success and they will probably have to contract out this expertise.

Senator Van Valkenburg: I made a mistake on the general fund. This is a revolving account.

Senator Hims1: That is what I thought. It comes out of the fund where commitment payments are made.

The question was called, the motion voted and passed with Senator Aklestad voting no.

MOTION NO. 24: Senator Dover said he would like to amend line 23, page 19. We would insert 9, Emergency Task Force Funding. Senate Bill 300 and another from the Governor on funding the district courts. Last session we authorized the funding of the courts but you did not fund them. We felt that now we have this responsibility. We did not do it in the committee because of the two bills of Senators Kolstad and Dr. Norman. We kind of had to wait and see the pattern before funding it. It

MINUTES
FINANCE AND CLAIMS COMMITTEE
March 28, 1981
Page twelve

reverts back to the responsibility of us to fund it. We funded it at \$750,000 each year.

Senator Regan: I have a question. I don't know if the language in 300 provides a cap. Senator Regan was assured by several members of the committee that it did.

The question was called, the motion passed, with the vote unanimous.

MOTION NO. 25: Motion by Senator Dover on page 21, following line 22 to insert 9, and the language to go along with this.

It was voted and passed unanimously.

MOTION NO. 26: Senator Van Valkenburg said on the sheet of amendments including the Justice Department, etc., the last one on the page was in regard to the teachers retirement audit service. It does not change the auditors amendments, but was missed, and complies with that amendment. He moved the amendment.

It was voted and passed unanimously.

MOTION NO. 27: This would provide a financial economist position, on page 19, line 19 for the coal board.

Senator Hims1: What is an economist supposed to do?

Senator Regan: He works on a contract with the coal board and does the analysis of the coal grants. As you know the coal board has been very relaxed in the criteria of grants made. Many are critical of the criteria for the grants. If you are going to have defendable grants you must have good analysis. The person works in other areas also.

Senator Hims1: Is he going to be a captive operator?

Senator Regan: No, he is independent.

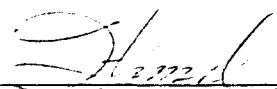
Senator Aklestad: This money.....out of other funds? Hims1:
Out of coal board money.

MINUTES
FINANCE AND CLAIMS COMMITTEE
March 29, 1981
Page thirteen

Senator Aklestad: Why did the House Appropriations pull it out? Regan: Somebody didn't like him.

The question was called, the vote was taken, and passed with Senators Aklestad and Etchart voting no.

The meeting adjourned at 8:54 a.m. The next meeting will be at 7:00 a.m. on Monday morning.



Senator Himsl, Chairman

MH:SK:mec

SENATE COMMITTEE

FINANCE AND CLAIMS

Date _____

Bill No. _____

Time 7:30

NAME	YES	NO	ABSENT	EXCUSED
Senator Etchart				
Senator Story				
Senator Aklestad				
Senator Nelson				
Senator Smith				
Senator Dover				
Senator Johnson				
Senator Keating				
Senator Boylan				
Senator Regan				
Senator Thomas				
Senator Stimatz				
Senator Van Valkenburg				
Senator Haffey				
Senator Jacobson				
Senator Himsl				

Sylvia Kinsey
Secretary

Senator Himsl
Chairman

Motion: _____

SENATE COMMITTEE

FINANCE AND CLAIMS

Date _____

Bill No. _____

Time 7:32

NAME	YES	NO	ABSENT	EXCUSED
Senator Etchart		✓		
Senator Story	✓			
Senator Aklestad	✓			
Senator Nelson		✓		
Senator Smith		✓		
Senator Dover		✓		
Senator Johnson		✓		
Senator Keating	✓			
Senator Boylan	✓			
Senator Regan	✓			
Senator Thomas				
Senator Stimatz	✓			
Senator Van Valkenburg		✓		
Senator Haffey	✓			
Senator Jacobson	✓			
Senator Himsl	✓			

Sylvia Kinsey
Secretary

Senator Himsl
Chairman

Motion: _____

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328

VISITORS' REGISTER

NAME	REPRESENTING	BILL #	Check One	
			Support	Oppose
Mike Abley	Supreme Court	500	✓	
Claire Engel	St. Law Lib	500	✓	
T. Cohen	O B P P	500	✓	
Les Simkins	O B P P	500	✓	
Eugene Huntington	O B P P	500	✓	
Bob Kuchembrod	Justice	500	✓	
Ben Johns	SRS	500	✓	
Glen Leavitt	O B P P	500	✓	
Nick Haight	Mt. Logo Serv Assn	500	✓	
Linda Gumble	Hist. Soc.	500	✓	
Rise Skoog	HISTORICAL SOCIETY	500	✓	
	Mont. Nursing Home Assoc	500	✓	

(Please leave prepared statement with Secretary)

ROLL CALL

FINANCE AND CLAIMS COMMITTEE

47th LEGISLATIVE SESSION - - 1981

Date

3/25/81

NAME	PRESENT	ABSENT	EXCUSED
Senator Etchart	✓		
Senator Story	✓		
Senator Aklestad	✓		
Senator Nelson	✓		
Senator Smith	✓		
Senator Dover	✓		
Senator Johnson	✓		
Senator Keating	✓		
Senator Boylan	✓		
Senator Regan	✓		
Senator Thomas			✓
Senator Stimatz	✓		
Senator Van Valkenburg	✓		
Senator Haffey	✓		
Senator Jacobson	✓		
Senator Himsl	✓		