

MINUTES OF THE MEETING OF THE APPROPRIATIONS COMMITTEE
March 18, 1983

The Appropriations Committee met at 8:40 p.m. on March 18, 1983, in Room 104, with Chairman Francis Bardanouve presiding and all members were present. Judy Rippingale, Legislative Fiscal Analyst, was also present. EXECUTIVE ACTION was taken on the budgets for the DEPARTMENT OF REVENUE, DEPARTMENT OF ADMINISTRATION, DEPARTMENT OF MILITARY AFFAIRS, STATE AUDITOR, SUPREME COURT, BOARD OF CRIME CONTROL, and SECRETARY OF STATE.

(Tape 7: Track 3:0000)

DEPARTMENT OF REVENUE:

Representative QUILICI reviewed the proposed cuts submitted by the Legislative Fiscal Analyst's Office (Exhibit 1).

Property Assessment:

Representative QUILICI reviewed the proposed cuts outlined on page a4 of Exhibit 1. The figures on item 5 are not correct. The correct figures are \$86,635 in FY'84 and \$85,502 in FY'85. Fifty percent of those figures would be \$43,318 and \$42,754.

Representative BARDANOUE moved to delete \$43,318 in FY'84 and \$42,754 in FY'85 for item 5 on page a4 of Exhibit 1.

The motion was passed UNANIMOUSLY.

Representative BARDANOUE moved to delete \$38,950 in each fiscal year for equipment for the county assessor's and appraiser's offices.

The motion was passed UNANIMOUSLY.

There was some discussion regarding the Liquor Division and raising liquor prices.

(Tape 7: Track 3:0045)

DEPARTMENT OF ADMINISTRATION:

Central Office:

Representative QUILICI outlined these proposed cuts on page a4 of Exhibit 1.

Representative WALDRON moved to delete the grade 16 FTE for \$28,713 in FY'84 and \$28,606 in FY'85.

Representative LORY made a substitute motion to delete the grade 15 FTE.

It was noted that this employee has more steps than the grade 16 and would generate more savings.

The motion was passed UNANIMOUSLY.

Minutes of the meeting of the Appropriations Committee
March 18, 1983

Representative LORY moved to delete \$1,600 and make the remainder a biennial appropriation.

The motion was passed UNANIMOUSLY.

Accounting Division:

Representative QUILICI reviewed the proposed cut outlined on page a4 of Exhibit 1.

Representative BARDANOUVE moved to delete \$1,435 and make the remainder a biennial appropriation.

The motion was passed UNANIMOUSLY.

State Insurance:

Representative QUILICI reviewed the proposed cut outlined on page a4 of Exhibit 1.

MIKE YOUNG, administrator of the Insurance and Legal Division, said this is the operational expense for the fire insurance for all state owned buildings, this isn't the liability premiums. He offered an amendment to the appropriations bill to allow the division to use the reserves and revenues from the liability charges to pay any deficits in the property (Exhibit 2). Representative WALDRON asked if this amendment would be legal. Mr. YOUNG responded that the substantive statute is also an appropriation and he said it could be amended slightly and it might be legal. He said he has tried to find another bill to attach this language to but it would be difficult without bending the rules.

If this appropriation is deleted, the Department will not have the ability to bill the agencies. He said it was too late to go back through each agency budget and include these charges. He said we could cut this appropriation in half and let the agencies pick up their premiums.

Representative BARDANOUVE moved to delete \$56,250 in FY'84 and \$58,750 in FY'85 from the State Insurance Division.

The motion was passed UNANIMOUSLY.

MILITARY AFFAIRS:

Representative QUILICI reviewed the proposed cut outlined on page a6 of Exhibit 1. He read a letter from General Duffy (Exhibit 3).

Representative BARDANOUVE moved to delete \$34,707 in FY'84 and \$32,512 in FY'85 in the newly established maintenance bureau of the Army National Guard budget.

Representative LORY noted that the maintenance worker is 75% federally funded so we lose \$12,000 by saving \$4,000.

Minutes of the meeting of the Appropriations Committee
March 18, 1983

Representative LORY made a substitute motion to delete \$30,537 in FY'84 and \$32,512 in FY'85 in the newly established maintenance bureau of the Army National Guard budget.

The motion was passed UNANIMOUSLY.

Representative HEMSTAD brought up a deletion by the subcommittee of the assistant adjutant general position.

Representative HEMSTAD moved to add \$37,000 in each fiscal year for the salary of the assistant adjutant general.

Representative QUILICI explained that the subcommittee deleted the assistant adjutant general, also referred to as the deputy director, because of a recommendation by the Governor's Council on Management. Also, this person could still be in the Air Guard but he wouldn't be funded by state money. Representative QUILICI said there is a colonel in Great Falls who is actually performing these duties.

Representative HEMSTAD said she did a lot of research on this issue, including talking to the Council on Management team responsible for the recommendation, and she felt this is a personal vendetta. She quoted a portion of the recommendation which states, "This action will increase morale and reduce state appropriations by \$37,000 annually." Representative HEMSTAD asked what kind of recommendation this was when deleting a position would "increase morale."

Representative QUILICI said he has had many letters, some from the staff under the General, and he felt there was a morale problem. He said under such a tight budget, the cost savings would be beneficial.

Representative HEMSTAD responded that she felt this was a personal vendetta that has been going on for a long time and she did not feel the legislature should get caught in the middle.

The Chairman requested a roll call vote. Representatives DONALDSON, ERNST, HEMSTAD, MANUEL, MENAHAN, ROUSH, and STOBIE approved the motion. Representatives BARDANOUE, BENGTON, CONNELLY, LORY, PECK, QUILICI, SHONTZ, THOFT, and WALDRON opposed the motion. The motion FAILED.

Representative HEMSTAD moved to strike the line item attached to the deleted position specifying the deputy director position be deleted.

Representative HEMSTAD explained that this motion would leave it up to the administration which position they would delete. Representative STOBIE said this would alleviate the problem of this being a personal vendetta and would force the Department to make that decision.

Representative BARDANOUE felt the legislature was getting caught in the middle of something. Representative MENAHAN reiterated that this motion would take the legislature out of the middle of this issue.

Minutes of the meeting of the Appropriations Committee
March 18, 1983

The Legislative Fiscal Analyst said there was no line item attaching the deletion to the assistant adjutant general position. Representative HEMSTAD wanted to nullify the recommendation of the Council on Management somehow.

Since the language was not in the bill, Representative HEMSTAD withdrew her motion.

DEPARTMENT OF ADMINISTRATION:

Local Government Services:

Representative QUILICI reviewed this proposed cut outlined on page a4 of Exhibit 1.

The committee felt district courts should be funded at this level. There has been a lot of discussion regarding assistance to ailing local governments and this appropriation was one way to offer assistance. Representative WALDRON spoke in support of this appropriation and he strongly recommended leaving this money in the budget. He said past legislatures have decreased money going to local governments and this is a relatively small amount compared to what they have lost in recent years.

Representative SHONTZ asked what the Department requested in the past for this assistance. DAVE ASHLEY, deputy director of the Department of Administration, said the legislature appropriated \$375,000 each year in the current biennium. In the first year, they received \$605,000 in grant requestes from counties. The appropriation only covered 62% of each county's request. In the second year, they received in excess of \$1.2 million in requests from counties. The appropriation only covered 29% of each county's request. Representative SHONTZ asked why the large increase from one year to the next. Part of this reason is because district court costs go up and the state has no control over those costs. Representative THOFT related that this service has caught on and the lawyers have a blank warrant from the state treasury and they are going to use it. He felt we could put any amount in this appropriation that we wanted to and it would still be used up by the end of the biennium.

There was some discussion regarding the loss of the inventory tax and vehicle registration taxes and their affect on counties.

Representative BARDANOUE said we should increase the appropriation over the last biennium but he noted that the state also has funding problems and he did not feel we should increase this appropriation all at once.

Representative BARDANOUE moved to delete the appropriation by \$275,000 in each year of the biennium for an appropriation of \$1 million each fiscal for Aid to District Courts.

Minutes of the meeting of the Appropriations Committee
March 18, 1983

Representative WALDRON opposed the motion. All other members approved the motion. The motion PASSED.

Publications:

Representative QUILICI recommended accepting the proposed cut on page a4 of Exhibit 1.

Representative BARDANOUE moved to put the purchasing agent and clerk on a revolving account and cut the appropriation by \$38,148 in FY'84 and \$38,971 in FY'85.

The motion was passed UNANIMOUSLY.

There was some dispute as to whether General Fund was involved in implementing this division and whether they owe the General Fund money.

State Tax Appeals Board:

BOB RAUNDAL, chairman of the State Tax Appeals Board, explained the need for the appropriation outlined on page a4 of Exhibit 1. He said this money may not be needed. Representative QUILICI asked if language in the bill allowing the division to come in for a supplemental should it become necessary would be acceptable. Mr. RAUNDAL said anyway this committee wished to handle it would be acceptable and they would get along with whatever the committee appropriated.

Representative LORY moved to delete \$20,287 in FY'84 and \$11,250 in FY'85 for the State Tax Appeals Board.

The motion was passed UNANIMOUSLY.

(Tape 7: Track 3:0316)

STATE AUDITOR:

Representative QUILICI reviewed these proposed cuts on page a5 of Exhibit 1.

Management and Control:

Representative QUILICI reviewed this proposed cut on page a5 of Exhibit 1.

Representative BARDANOUE moved to delete \$26,000 from the Management and Control Division for equipment.

Representative STOBIE noted that this is a very important machine because it writes all of the state warrants, including pay checks.

The motion failed a voice vote.

Central Payroll:

DENNIS TAYLOR of the State Auditor's Office explained the proposed cut outlined on page a5 of Exhibit 1. He said this request was

Minutes of the meeting of the Appropriations Committee
March 18, 1983

necessary to process important documents which, if not generated, would lose the state money.

Insurance Division:

Representative QUILICI reviewed the proposed cut outlined on page a5 of Exhibit 1.

Representative WALDRON moved to delete \$32,000 in FY'84 and \$42,000 in FY'85 for FTE and equipment to carry out HB 385 of a previous legislature.

He said the Finance Committee studied this issue and found the State Auditor was not doing its duties as prescribed in HB 385. Representative HEMSTAD noted that every member of this committee voted for that bill. She said the legislature has not appropriated the money for operating that function. Representative WALDRON noted that the last legislature gave them a grade 9 and a grade 11 additional FTEs to carry out this legislative mandate and they didn't do it. Representative HEMSTAD said the agency has to have an actuarial to perform these duties and there is not a single actuarial in the state of Montana so the agency would have to contract for one out of state.

There was a lot of disagreement whether the FTEs were appropriated or not. DOUG BOOKER of the OBPP said the FTEs are needed to perform the duties of HB 385 and it was the understanding of the OBPP that the FTEs were not approved by the legislature to perform those duties. Representative BENGTON said, last legislature when this issue came up, the committee went into the previous legislature's minutes. They had promised the FTEs but had not delivered.

TERRY COHEA of the OBPP explained that, in the final conference committee on HB 500 last session, the State Auditor's Office came in for the position to fulfill the functions of HB 385 and their request was denied.

Ms. RIPPINGALE said the LFA's office thoroughly researched this issue and felt the legislature had adequately addressed the needs of HB 385 and provided the two FTEs necessary to fulfill its functions but the legislature did not give the State Auditor all of the FTEs they requested. This became an issue because the State Auditor said he would not perform the duties of HB 385. The Finance Committee held a hearing on this issue and sent it to the Attorney General for his opinion. The Attorney General's Opinion was that the State Auditor did have to implement this bill and he agreed that the legislature had made an effort to fund the duties.

Representative HEMSTAD asked what the additional FTEs were specifically requested for. Ms. RIPPINGALE responded that the request was for two grade 11 FTEs and the subcommittee granted only one of the grade 11 FTEs. The LFA staff said that position should be used for whatever is most necessary in the office and the State Auditor said he would use that position for a paralegal.

Minutes of the meeting of the Appropriations Committee
March 18, 1983

Representative LORY said the contracted services approved by the subcommittee would be used to contract for the actuarial and the present FTE would be used to implement HB 385.

Representative WALDRON withdrew his motion.

Securities Division:

Representative QUILICI reviewed the proposed cut outlined on page a5 of Exhibit 1. RICK TUCKER, chief deputy securities commissioner, explained the functions of this division (Exhibit 4) and the need for the additional FTE and travel expenses. This division generates revenue.

SUPREME COURT:

Law Library:

Representative QUILICI reviewed the proposed cut outlined on page a5 of Exhibit 1 and noted that the subcommittee has made cuts to this agency and he did not feel any additional cuts should be made.

Board of Commissions:

Representative QUILICI reviewed the proposed cut on page a5 of Exhibit 1.

Representative WALDRON moved to delete \$7,729 in FY'84 and \$7,701 in FY'85 for a .5 FTE which was added by the subcommittee.

Representative MENAHAN opposed the motion. All other members approved the motion. The motion PASSED.

Board of Crime Control:

Representative QUILICI corrected the proposed cuts outlined on a6 of Exhibit 1. The correct figures should be \$213,568 in FY'84 and \$193,083 in FY'85.

Representative MANUEL moved to retain the original subcommittee recommendation and fund this agency at \$213,568 in FY'84 and \$193,085 in FY'85 to supplant lost federal funds.

Representative WALDRON said the Board of Crime Control was implemented to administer federal grants and that was the sole purpose of it. The Board expanded and became valuable to state government so when the federal funding dropped off, it had to be supplanted by General Fund.

Representative MANUEL said, for the duties this agency performs, it should have been funded with General Fund all along.

The motion was passed UNANIMOUSLY.

Representative STOBIE moved to reconsider action on the Department of Military Affairs assistant adjutant general position.

Minutes of the meeting of the Appropriations Committee
March 18, 1983

The Chairman requested a roll call vote. Representatives DONALDSON, ERNST, HEMSTAD, MANUEL, MENAHAN, ROUSH, STOBIE, THOFT, and WINSLOW approved the motion. Representatives BARDANOUVE, CONNELLY, LORY, PECK, QUILICI, and WALDRON opposed the motion. The motion PASSED.

Representative HEMSTAD moved to accept \$37,000 in each fiscal year which was deleted from the Department of Military Affairs budget for the salary of the deputy director.

Representative HEMSTAD explained that the person in question was the commander of the Great Falls Air National Guard until General Duffy came into office as the Director of the Department. General Whalen was then appointed as the deputy director. She handed out written objections to the recommendation of the Council on Management's recommendation (Exhibit 5). She also handed out the position description on General Whalen's position (Exhibit 6). In short, Representative HEMSTAD could find no supporting documentation that this man did not perform his duties as deputy director of the Department of Military Affairs.

Representative MENAHAN said he worked with General Whalen before and he agreed that this was a political manuever and should not be reflected on the abilities of the General.

The Chairman requested a roll call vote. Representatives DONALDSON, ERNST, HEMSTAD, MANUEL, MENAHAN, ROUSH, SHONTZ, STOBIE, and WINSLOW approved the motion. Representatives BARDANOUVE, CONNELLY, LORY, PECK, QUILICI, THOFT, and WALDRON opposed the motion. The motion PASSED.

Representative LORY wanted to reopen the Secretary of State's budget because agency personnel were not present when this committee made cuts. He presented a letter from the Secretary of State's Office setting up a revolving account and increasing fees to fund the ARMS indexing (Exhibit 7).

Representative STOBIE said he did not like the idea of putting this charge on the backs of the users.

Mr. AKEY explained that this project has already been started and if funding is not appropriated to complete the project, the state will have wasted the \$78,000 invested so far.

Representative WALDRON wanted to know who would be hurt if this money was not appropriated. Mr. AKEY responded that we implement rules for the public to abide by but we do not give them the means to find out what rules pertain to them. For example, a man recently went to the Secretary of State's office to find out what rules he must abide by and what licenses he must apply for to open a small restaurant in Helena. The man could not find his way through the ARM and was looking at hiring a lawyer to assist him in finding

Minutes of the meeting of the Appropriations Committee
March 18, 1983

out what he had to do to open a restaurant. Mr. AKEY explained that the users from which these fees will be generated are the people who subscribe to ARM and the agencies that make rule changes.

Representative WALDRON said that would put a great burden on agencies such as SRS who generate many rule changes that are federally mandated. This committee would have to increase the budgets for these agencies for the increase in fees. Mr. AKEY said the federal government could reimburse the costs for SRS, either through cost reimbursement or as a direct cost of the program.

Mr. AKEY explained that these codes are usually used by large law firms, out of state corporations, law libraries, and state agencies. Representative STOBIE noted that small law firms cannot afford to subscribe as it is and this service is too overpriced for the people it was meant to assist.

Representative STOBIE moved to reconsider the Secretary of State budget cut for the indexing of ARM.

The Chairman requested a roll call vote. Representatives DONALDSON, ERNST, HEMSTAD, LORY, STOBIE, THOFT, and WINSLOW approved the motion. Representatives BARDANOUE, CONNELLY, MANUEL, MENAHAN, PECK, QUILICI, ROUSH, and SHONTZ opposed the motion. The motion FAILED.

Representative STOBIE said this should not become a partisan issue.

Representative LORY moved to allow the Secretary of State to put the indexing of the ARMS in a revolving account and delete the minimum page costs.

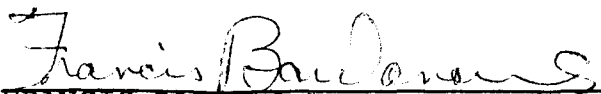
Representative WINSLOW reiterated Representative Stobie's remarks that this should not be a partisan issue. This project is mandated by law just as other issues before this committee and we should deal with it in a responsible manner.

Representative BARDANOUE agreed that this should not be a partisan issue but this committee is trying to cut money out of the budget and here are two motions back to back to put money back into the budget. He felt either one or the other should go. He felt there should be some priority setting on these issues.

Representative SHONTZ asked how many of the rule changes came from the SRS budget. Mr. AKEY said approximately one-third. Representative SHONTZ reminded the committee that SRS asked for additional funding for these pages and was turned down.

Representative LORY withdrew his motion.

The meeting was adjourned at 10:10 p.m.


FRANCIS BARDANOUE
Chairman

March 15, 1983

TO: Representative Bardanoue
FROM: Legislative Fiscal Analyst Staff
SUBJECT: Possible Areas of Reduction in Subcommittee Budgets

A. LEGISLATIVE, JUDICIAL, AND ADMINISTRATIVE

<u>Fiscal 1984</u>	<u>General Fund Savings</u> <u>Fiscal 1985</u>	<u>Agency/Description</u>
\$ 42,834	\$ 44,198	1. <u>Secretary of State</u> - Administrative Rules of Montana Indexing Project - The project was started in the current biennium and a skeleton index has been developed. Delaying the finish of the project until the 1987 biennium would not seriously affect the current operation.
131,389	133,907	<u>Department of Justice</u> 1. <u>Legal Services</u> - This would eliminate the anti-trust activity in the legal services division. The program was started with federal funds in the 1979 biennium and has been carried with general fund the last two bienniums with very little collections being added to the general fund.
15,150	15,150	1. <u>Field Services</u> - The committee allowed \$250 per year for uniforms for highway patrol officers. Reducing the amount allowed to the current level of \$175 per year reduces general fund by \$15,150 per year.
67,823	71,897	2. <u>Field Services</u> - The committee allowed the purchase of 67 new patrol cars each year of the biennium. Reducing the number of new cars to 60 each year would save the amounts indicated.
76,901	51,227	3. <u>Field Services</u> - Two highway traffic safety officers were approved to travel the state and visit schools, informing students on safe driving and driving while drinking.

EXHIBIT 1
March 18, 1983
Full Committee

General Fund Savings
Fiscal 1984 Fiscal 1985

Agency/Description

\$ 2,489	\$ 2,502	1. <u>Drivers Licensing</u> - Reduces out-of-state travel - leaves \$1,500 per year for out-of-state travel.
415,000		1. <u>Law Enforcement Telecommunications Bureau</u> - The \$415,000 is to replace the existing message switcher. The existing switcher is seven years old and does need repairs frequently. However, you could put in \$50,000 for repairs and hold off replacement for another biennium.
10,597	14,520	2. <u>Law Enforcement Telecommunications System</u> - Reduces contract services for operation of the LETS network. Allows \$110,000 in fiscal 1984 and \$110,000 in fiscal 1985.
4,200	4,200	1. <u>Law Enforcement Academy</u> - Reduce travel \$3,600 per year for instructional travel. Reduce \$600 per year for instructional equipment.
73,363	74,959	2. <u>Law Enforcement Academy</u> - 2 FTE - The juvenile justice training program uses general fund to replace lost grant funds from the youth justice council. Although the program is nice to have, it is not necessary in the training of a police officer in the basic skills needed to carry out his duties.
3,592	3,592	1. <u>Identification Bureau</u> - Reduce maintenance costs for criminal justice history file. Leaves \$29,062 per year for maintaining the system.
29,027	28,920	1. <u>Data Processing Division</u> - Reduces 1.00 FTE programmer added by the committee. Position was transferred from Board of crime control. Other Programmers in the division will have to pick up the work load.
92,120	93,838	<u>Criminal Investigation</u> - The number of major cases that the division has been requested to investigate has not increased over the past three years. The number of requests for assistance on minor cases has increased. However, with three more FTE, a major effort to reduce crime still could not be made.

\$ 74,820 \$ 74,615 1. Legal Jurisdiction Project - The committee added an attorney and an administrative assistant to assist the attorney. The attorney General has 17 staff attorneys. One of them could oversee the project.

Department of Revenue

35,000 1. Director's Office - Decrease legal fees for outside legal help on unanticipated lawsuits against the department.

2,051 2. Delete travel costs added above 1982 current level.

1,209 1. Central Services - Delete training fees added over 1982 current level of \$1,209 for fiscal 1984 and \$1,065 in fiscal 1985.

1,000 2. Delete \$1,000 per year for miscellaneous equipment.

27,902 1. Research and Information - Delete a programmer added by the committee. Existing programming staff can be utilized to program new systems.

5,327 2. Delete travel and registration fees for training. The division can utilize in-house training.

Property Appraisal

133,600 1. Property Assessment - Delete the purchase of 16 vehicles or some portion. A total of 46 vehicles were authorized over the biennium in the current level budget.

74,900 2. Property Assessment - Funding would allow for the purchase of 13 vehicles a year. A replacement of 13 per year would put the fleet on a 6.6 year cycle for replacement. Vehicles average 10,000 miles per year (or some portion).

211,813 3. Property Assessment - Deletes funding to assist counties in automating the processing of property tax statements. Current level contains \$447,601 over the biennium to assist counties in computerization.

<u>Fiscal 1984</u>	<u>Fiscal 1985</u>	<u>Agency/Description</u>
\$100,523	\$ 99,959	5. These amounts were added above current level to pay costs that the counties have paid in past years but which they maintain that the state is liable for. The committee approved the cost as a means of providing aid to the counties. This would cut the amount approved by 50 percent.
38,950	38,950	6. Equipment - Equipment replacement in the county assessor's and appraiser's offices was approved by the committee. They would cut the equipment authorized by 50 percent.
25,000	25,000	7. Reduces travel for Helena bureau appraisers and administrative staff. Still allows \$65,063 in fiscal 1984 and \$66,598 in fiscal 1985.
<u>Department of Administration</u>		
63,297	63,629	1. <u>Central Office</u> - When the Consulting Services Division disbanded, the director moved two FTE into his office to work as management analysts, or consultants, with other agencies that request this services. These employees are not necessary to maintain the office.
1,600	1,600	2. Delete \$1,600 per year for director to attend national CPA conferences.
1,380	1,435	1. <u>Accounting Division</u> - Delete travel funds to attend the National CPA conference.
112,500	117,500	1. <u>State Insurance</u> - Fund all of the insurance on state owned buildings out of the state insurance fund.
1,275,000	1,275,000	1. <u>Local Government Services</u> - Aid to District Courts was increased by \$1,275,000 per year to \$1,650,000 per year (or some portion).
38,148	38,971	1. <u>Publications</u> - Put the purchasing agent and clerk on the revolving fund and let them pay for themselves.
40,574	22,500	1. <u>State Tax Appeals Board</u> - Reduce the additional amount added for the "34 percent" property tax issue by 50 percent.

State Auditor

\$ 26,000 1. Management and Control - The subcommittee authorized a \$26,000 appropriation for equipment. This equipment is to be used for processing state warrants. The inventory list submitted by the agency indicates that most equipment is in sound condition. The equipment which is considered to be in questionable shape is backed up with spare equipment.

102,094 16,590 1. Central Payroll - The subcommittee authorized a number of modified requests associated with the P/P/P system. One additional FTE was added plus data processing costs of \$79,000 in fiscal 1984, equipment costs of \$6,444 in fiscal 1984 were also authorized.

32,000 42,000 1. Insurance Division - The Insurance Division was authorized \$32,000 in fiscal 1984 and \$42,000 in fiscal 1985 to carry out duties prescribed in House Bill 385. The previous legislature authorized two additional FTE and equipment to carry out added duties authorized by the previous legislature.

28,704 29,639 1. Securities Division - The Investment Division was authorized one additional FTE along with travel expenses for professional training and conferences. The division has not yet identified where the travel would be to or what specifically it would be used for. The FTE is a modified request.

Supreme Court

26,236 26,139 1. Law Library - The subcommittee authorized one additional FTE and associated operating expenses. This request was a modified request.

7,729 7,701 1. Board of Commissions - A .5 FTE was added in this budget. This addition was made on the basis that the Sentence Review Board functions were transferred from the prison to the court. The court has been able to perform the function during the 1983 biennium without this additional .5 FTE.

51,735 60,839 1. Legislative Auditor - The budget for the Legislative Auditor allows for \$151,735 in travel in fiscal 1984 and \$160,839 in fiscal 1985. The agency only spent \$62,663 for travel in fiscal 1982. By reducing travel by \$51,735 in fiscal 1984 and \$60,839 in fiscal 1985, the agency is still allowed \$100,000 in travel each fiscal year. The savings amounts to \$112,574 over the biennium

Military Affairs

- 1. Army National Guard - The subcommittee authorized an additional four FTE for this program. Three of these FTE would be utilized in a newly established maintenance bureau while one FTE would be used as a contract monitor.
- 1. Board of Crime Control - The subcommittee replaced the federal funds with general funds. The committee's action was based upon the motion that the Board of Crime Control will continue to provide technical assistance to law enforcement agencies (or some portion).

B. HUMAN SERVICES

General Fund Savings
Fiscal 1984 Fiscal 1985

- 1. Personnel Appeals - The program was expanded 0.50 FTE for a receptionist position.
\$ 17,532 \$ 17,532
- Health and Environmental Sciences
 - 1. Environmental Services - Deletion of one FTE grant monitor. This position essentially duplicates at the division level what is being done at the bureau level for the environmental programs.
29,641 29,641
 - 1. Director's Office - Deletion of one of two public relation people housed within the director's office.
30,767 30,767
 - 1. Solid Waste - Deletion of hazardous waste program added by the subcommittee.
69,208 69,208
 - 1. Air Quality - Deletion of \$30,000 for Scobey air monitoring.
30,000 30,000
 - 1. Occupational Health - Deletion of operating expenses in excess of executive request.
2,702 2,702

C. NATURAL RESOURCES

General Fund Savings
Fiscal 1984 Fiscal 1985

State Lands

1. Forestry Division - The subcommittee approved equipment budget shows a 13 percent increase over the 1983 biennium, set at \$536,269 in fiscal 1984 and \$594,343 in fiscal 1985. The equipment budget in this division in the past is as follows:

	<u>FY 1980</u>	<u>FY 1981</u>	<u>FY 1982</u>	<u>FY 1983</u>
	\$303,000	\$ 61,906	\$510,835	\$488,606

The subcommittee based its level of equipment expenditures on fiscal 1982.

2. Elimination of five additional counties to the county cooperative fire program. The last legislature approved the entry of nine new counties into the cooperative fire program. Five counties requested entry into the program for the 1985 biennium. The appropriation would be used for equipment and other supplies and material costs.
3. These expenditures relate to nonoperating capital repairs and construction at the Swan River Youth Forest Camp, Helena dispatch office, and the land office building in Missoula.
4. Maintenance of state-owned tankers and purchase of additional fire-fighting tankers assigned to counties participating on the Cooperative Fire Program. These expenditures relate to nine new counties added in fiscal 1981.

Department of Commerce

1. Montana Promotion Program - The subcommittee approved \$880,782 in fiscal 1984 and \$923,925 in fiscal 1985 for current level operations, and \$350,000 for modifieds funded from private funds. This would apply \$200,000 from the private funds each year towards current level operations. In fiscal 1982 approximately \$84,000 of current level expenditures were financed from private funds.

\$100,000 \$100,000

50,000 50,000

33,000 30,000

25,000 25,000

200,000 200,000

\$104,590	\$104,440	1. <u>Economic Development Support Unit</u> - This unit was previously supported primarily from federal fund. The elimination of this unit would reduce 3 FTE. The functions of this unit could possibly be distributed to other support units within the department such as centralized services or the director's office.
22,989	17,973	1. <u>Public Service Commission</u> - The reduction of 1 FTE railroad inspector added as a modified request, would save approximately \$41,000 general fund for the 1985 biennium. The position is half federally funded.
17,700	-0-	2. Elimination of modifieds for high band radios (\$7,500) and payments for research done by the National Regulatory Research Institution (\$10,200) would save \$17,700 in federal fund in the 1985 biennium

D. INSTITUTIONS

<u>General Fund Savings</u>	<u>Fiscal 1984</u>	<u>Fiscal 1985</u>	<u>Agency/Description</u>
81,740	71,333		1. <u>Central Office</u> - Delete proposed expansion of department's data processing capabilities. In the hearings, they never really said what the results of all this data processing capability would be even when they were directly asked.
58,756	56,471		2. Delete two parole and probation officers which were added by the subcommittee.
8,950			3. Delete Professional Standard Review - Organization (PSRO) contract to review institutions doctor's pay and working conditions.
10,000	10,000		4. Delete half-time Lawyer added by committee.
27,448			5. <u>Equipment</u> - The entire corrections division equipment request was granted without any questions. This eliminates half of the approved amount.
400			6. <u>Women's Prison</u> - This eliminates a microwave oven that was not requested but was funded.
15,000			7. Deletion of one-time remodeling costs at Alpha house in Billings.

\$ 7,232 \$ 27,776

1. Utilities - Utility expenditures per LFA rather than department -
The department used June 1982, annualized; and used inflation factors.
LFA used fiscal 1982 actual and used the agreed upon inflation factors.

Prison

184,931 132,206

1. Delete proposed industry training program.

89,748

2. Delete general fund loan to industry program.

145,536 100,000

3. Delete all equipment except for kitchen equipment recommended
by the executive.

14,000 14,000

1. Center for the Aged - Delete a psychiatric aide at Center for
the Aged. This position was vacant all of fiscal 1982.

35,104 37,316

2. Retaining the fiscal 1982 meal cost at Center for the Aged
(adjusted for inflation). The cost for food was increased \$35,104 in
fiscal 1984 and \$37,316 in fiscal 1985 to upgrade the menu.

5,434

3 Do not allow money for repair of elevator door to be counted
twice.

3,054 2,809

4. Reduce equipment to allow only the purchase of hospital beds (fiscal
1984 only).

13,752 15,407

5. Continue to have most of the laundry done in-house. In fiscal 1982;
\$30,236 was spent on contracting laundry services. Fiscal 1984 calls
for \$61,561 to be spent. Even more could be saved by having all the
laundry done in house. However, the union does not want its direct
care staff members doing laundry. A laundry worker, which was
deleted, will need to be added back in. This is reflected in the
savings figure.

23,000

1. Warm Springs - Deleting the contracted child psychiatrist at Warm
Springs. This is a new service and there are presently four vacant
physician/ psychiatrist positions at Warm Springs.

\$140,000	2.	Delete two physicians at Warm Springs. This reflects the fact that there are always physician/psychiatrist positions vacant--sometimes for over a year at a time.	\$140,000
119,705	3.	Delete all positions which were filled less than 15 percent in fiscal 1982 <u>and</u> which were vacant the first five months in fiscal 1984 (general fund positions only).	119,705
95,252	5.	Pay for the entire alcohol program with alcohol funds. Either the alcohol program can be cut back to match the alcohol funds or the alcohol funds can be increased to match the program.	78,497
74,107	6.	Reduce equipment - Still included would be a flatwork ironer, food van, three insulated hot food carts, and three insulated cold food carts.	26,479
15,000	7.	Reduce the increase in the radiologists contract. The radiologists received a \$25,000 <u>increase</u> in fiscal 1984. These could be reduced to \$10,000.	15,000
25,000	1.	<u>Swan River</u> - Delete the Vocational Instructor at Swan. General fund is proposed to be used to supplant federal funds.	25,000
3,232	2.	Increase contracted services for psychiatrist from \$150 to \$200 per day rather than \$250 per day; and retain haircuts at current level.	3,494
1,188	3.	Cut travel for training.	1,197
7,111	4.	Remove funds for new septic field and submit to Long Range Building.	
5,147	5.	Equipment - Eliminate radios, calculator, and boiler programmers, as money was recieved for boiler and radio repair in fiscal 1982.	2,203
10,479	6.	Personal Services - Reduce the teacher's salary by \$10,479 to reflect the decrease in Title I funds. \$10,479 was received in fiscal 1982. The subcommittee funded the teacher with general fund in fiscal 1984 and 1985.	10,479
13,639	7.	Increase funding for federal boarders to original department request.	13,639

\$ 4,400	\$ 4,400	1. <u>Boulder River School and Hospital</u> - Reducing registration fees (for training) at Boulder.
40,000	40,000	2. Do not appropriate money for the purchase of attends (disposable diapers). Boulder says they do not expect savings from this program.
37,044	8,991	3. Reduce equipment - Boulder's first four priorities on equipment were residential furniture. If a cottage is to be closed due to deinstitutionalization, some of that furniture can be redistributed. The savings figures allow \$5,000 per year for equipment.
-0-	161,468	1. <u>Youth Treatment Center</u> - Open the Youth Treatment Center December 1, which is realistic, instead of July 1 as is budgeted .
2,430	2,430	1. <u>Mountain View School</u> - Reduce overtime. The subcommittee included \$13,559 per year for overtime. In fiscal 1983, after 60 percent of the year had elapsed, Mountain View had spent \$6,677 in over time. This annualizes to \$11,128. Thus, using the updated number, the state will save \$2,430 per year.
2,717	2,894	2. Reduce Supplies - Supplies could be reduced to reflect current level. For books, the LFA used a 3 year average; for tools, the LFA took out a one time expenditure of \$600; and for paper products, the LFA inflated the fiscal 1982 actual expenses.
12,178	13,015	3. Reduce equipment - Only the fire alarm system is essential and it can be moved to Long Range Building.
24,511	24,511	4. Increase the estimate for federal boarder reimbursement. In fiscal 1982, federal boarder reimbursement was \$28,111. The department projects that the boarder reimbursement will be \$3,600 per year in the 1985 biennium. However, the population projection has not been adjusted to reflect less federal boarders.
22,500	22,500	1. <u>Eastmont</u> - Delete Psychologist - In fiscal 1982, Eastmont had a vacant administrative officer position. They changed this position from an administrative officer to a psychologist. The position was vacant all of fiscal 1982 and the first four months of fiscal 1983. The subcommittee did not delete the position. The savings have been adjusted for contracting psychological services.

\$ 10,513	\$ 6,742	2.	Delete equipment - None of the equipment is critical. "First priority" on equipment was drapes.
57,165	57,165	1.	<u>Pine Hills</u> - Increases federal boarders reimbursement to the original executive request.
50,000	50,000	2.	LFA used conservative estimate from state lands; oil price drop was included in range suggested. Increase land grant income estimate to \$300,000 per year from \$250,000 per year.
6,412	6,811	4.	Repair and Maintenance - Use LFA current level which was agency preliminary request. This request had removed what were considered one-time expenses at that time.
9,677	3,485	3.	Equipment - Include only one dryer, one washer, and a food cart.
2,169	2,302	1.	<u>Board of Pardons</u> - Delete contracted services for court transcriptions as special session II included a new .5 secretary to do transcribing. A court transcriber is paid \$120 per day.
1,490	1,490	2.	Reduce travel by one training trip and one out of state trip.
392		3.	Delete calculator and file cabinet.
500	500	4.	Reduce per diem to executive request.

E. OTHER EDUCATION

<u>Fiscal 1984</u>	<u>Fiscal 1985</u>	<u>Agency/Description</u>
\$ 4,862	\$ 4,937	<u>Board of Public Education</u> 1. <u>Board Administration</u> - The subcommittee allowed a base adjustment in travel to provide for more meetings outside Helena. This reduction would put the agency at current level with inflation allowances. Most board meetings would continue to be in Helena.
1,614	32,913	<u>School for the Deaf and Blind</u> 1. The subcommittee approved general fund replacement of Title I funds. Removing this general fund replacement would cause the school to operate the Title I program with the available funds. Title I will fall from \$180,000 to \$150,000.
30,000	30,000	2. The subcommittee approved complete replacement of federal funds for the school's Title VI-C program. This program teaches life skills to the five multi-handicapped students served on campus. Removing the general fund support would cause the students to be placed in local school district special education programs.
5,886	5,863	3. The subcommittee approved a modified request for a .5 FTE nurses aide. The school could provide services with the 3.35 FTE nurse's aides already in current level.
11,316	11,334	4. The subcommittee replaced a .8 FTE cottage coordinator in current level with a .75 FTE cottage life attendant. Disallowing this change would cause the school to provide services with the 15.02 FTE cottage life attendants on current level. FTE would be reduced by .75.
15,585	15,552	5. The agency was provided a 1.0 FTE custodian modified request. Disallowing the modified would leave 5.75 FTE maintenance related positions in current level. In fiscal 1982, the agency fully utilized 3.0 of the 5.75 FTE; the remaining 2.75 FTE were utilized only 19 percent to 94 percent.

- | | | |
|----------|----------|---|
| \$ 3,896 | \$ 3,888 | 5a. Allow only .75 FTE of the above modified request. |
| 7,850 | 2,400 | 6. Reduce equipment purchases in the general services and education programs. Deleted are refunds for miscellaneous shop equipment and most of the request for grounds maintenance equipment. A braille terminal is also deleted. |

Office of Public Instruction

- | | | |
|---------|---------|---|
| 2,643 | 2,802 | 1. The subcommittee approved the Governor's recommendation for the chief state school officer program which included funds for contracted legal services. The subcommittee disallowed funding for contracted legal services (\$40,000 for the 1985 biennium) in the administrative services program on March 13, 1983. Removal of this funding would leave no funds for contracted legal services in OPI's budget. This would not affect the legal staff (1.0 FTE) in current level. |
| 5,000 | 7,000 | 2. The subcommittee approved supplemental general fund support for the ABE specialist in the basic skills program. Removing the supplemental general fund would cause the program to operate at approximately the same level as fiscal 1982. |
| 11,715 | 12,209 | 3. Reduce out-of-state travel by 25 percent. In the past five years, out-of-state travel per FTE has nearly doubled. This reduction still allows for inflationary increases. |
| 25,000 | 25,000 | 4. <u>Audio Visual Library</u> - The agency requested \$40,000 general fund each year for new and replacement films; the subcommittee provided \$25,000 each year. Supplemental funding was provided in the 1977 and 1983 bienniums. Disallowing this supplemental general fund support would require the agency to purchase new or replacement films from revenue generated by user fees. In fiscal 1982, \$13,000 of user fees was used to purchase films in addition to the supplemental general fund. |
| 342,800 | 877,711 | 5. <u>Special Education</u> - The subcommittee approved a 4 percent increase each year from the fiscal 1983 appropriated level. No adjustment was made for enrollment increases. Included here is the savings from the budget approved by the subcommittee that would result if the increase were set at 2 percent per year (or some portion). |

6. School Transportation - This would set the reimbursement schedules at 65 cents and 70 cents with 2.5 cents per mile for rated capacity over 45. This differs from the subcommittee approved schedule of 72 cents and 80 cents with 2.5 cents per mile for rated capacity over 45. The reduced price of gasoline may justify the lower level. This is essentially a one year freeze in fiscal 1984 then a 5 cent increase in fiscal 1985.

\$566,962

\$398,995

Vo-Tech Centers

1. Increase tuition to \$180 per quarter in fiscal 1985. This would be a 9 percent increase in the tuition rate from fiscal 1984.

125,325

2. Replace general fund with coal tax used to expand ABE - This would use funds from coal tax (HB 105) to fund ABE at current level with the remainder going to the vo-tech centers to replace general fund.

384,730

398,680

F. HIGHER EDUCATION

General Fund Savings
Fiscal 1984 Fiscal 1985

Agency/Description

Commissioner of Higher Education

1. This option would remove funding of a bargaining agent position (1FTE) authorized by the 1981 Legislature. The position was left vacant for all of fiscal 1982 and 1983.

\$ 29,580

\$ 29,515

2. Work Study - This option would remove funding of a modified request for a state funded work-study program.

290,790

290,790

3. Minnesota Rural Dentistry - This option would remove funding for four beginning dentistry students in fiscal 1985.

42,000

42,000

4. WICHE - Enrollment increased to the 1985 biennium from fiscal 1982 by 17 students. This option would remove funding for seven beginning students in fiscal 1984, and three beginning and seven continuing students in fiscal 1985 returning WICHE to the 1982 enrollment.

95,600

45,900

Community Colleges

\$162,498	\$171,429	1. Lower the cost factor used in the community college funding formula from \$3,325 per FTE in fiscal 1984 to \$3,150, and from \$3,388 per FTE in fiscal 1985 to \$3,209. This would provide increases at Flathead and Miles at 18.0 percent and 22.3 percent respectively in the 1985 biennium. Dawson Community College would realize a 1 percent decrease in their general fund budget from fiscal 1983 to fiscal 1984. Dawson had a higher cost factor than the other two community colleges in fiscal 1983. Under the subcommittee recommendation Dawson receives the same cost factor as the other two colleges.
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Bureau of Mines

	3,800	1. Equipment - This would remove funding for two computer terminals in fiscal 1985. Two terminals were provided for in fiscal 1984.
	3,500	2. This would remove funding for an abadia photographic slide center for preparation of public service information programs.
	1,160	3. This would remove funding for two microfiche/microfilm readers in fiscal 1985. Two readers are still provided for in fiscal 1985.

Agricultural Experiment Station

86,168	106,201	1. Equipment expenditures would be reduced to five year average developed by the LFA.
30,017	35,444	2. Out-of-state Travel increased 49 percent from fiscal 1981 to fiscal 1982. Expenditures are reduced to approximately the fiscal 1981 level, then allowing inflation to fiscal 1984 and 1985.
91,965		3. This would use a projected fiscal year-end 1983 earmarked revenue cash balance and reduce general fund. This cash balance was allowed by the subcommittee to meet fluctuations in revenue.
17,628	18,686	4. This would disallow a base adjustment to fiscal 1984 and 1985 for renovation of laboratories. The agency did not supply a justification of the expenditure in their budget.

Cooperative Extension Service

- | | | |
|-----------|----|--|
| \$ 84,000 | 1. | This would remove funding of a modified request for weed management approved by the subcommittee. |
| 29,747 | 2. | This would remove funding of a modified request to replace a projected deficit in the collection of user fees. The 1981 Legislature appropriated 50 percent from general fund and 50 percent from user fees for AGNET. With approval of the modified request, general fund provides 68 percent of AGNET's support. User fees provide the remainder, or 32 percent. |
| | 3. | Equipment - This would remove funding for one word processor in fiscal 1985. One processor is still provided for in fiscal 1985. |
| | 4. | Equipment - This would remove funding for one high speed modem and user board. The equipment budget still provides for one modem and userboard in fiscal 1985. |
| 500 | 5. | Equipment - This would remove funding of modification for a multi-user micro computer for an additional board. |
| 1,000 | 6. | Equipment - This would remove funding for five file cabinets in fiscal 1984. Five file cabinets are still provided for in fiscal 1985. |

Forestry Experiment Station

- | | | |
|-------|----|---|
| 1,111 | 1. | One time expenditures - This would remove funding for non-recurring expenditures related to hiring new employees (i.e., advertising; entertainment; and job candidate expense). |
| 2,000 | 2. | Equipment - This would remove funding for one microprocessor (computer) in fiscal 1984. |
| 9,365 | 3. | Modified Requests - This would remove funding for a .50 FTE maintenance worker. This individual would provide custodial services for a new research facility being completed at Lubrecht. |

Colleges and Universities

- | | |
|-----------|---|
| \$ 47,000 | 1. Eliminate optional software from NMC computer purchase. This would allow purchase of computer at \$321,000 and minimally required software for \$53,000. |
| \$697,222 | 2. Reduce funding for support services at the colleges and universities to 93 percent of projected peer average. This would provide increases over 1983 levels at each of the units. |
| 1,000,000 | 3. Apply unrestricted plant fund balances toward equipment purchases. |
| 2,933,110 | 4. Allow inflationary adjustments to fiscal 1983 support budgets at each unit in lieu of formula generated additions. This would preserve the increases made in support at each unit in the past two years under the formula while not allowing further enrollment generated increases. Between pre-formula fiscal 1981 and fiscal 1983 support expenditures have increased 39 percent and 114.64 FTE have been added while enrollment increased 8 percent. This action would continue the 1983 level in fiscal 1984 and 1985. This holding the status quo may be advisable at a time when we are not sure of recent actions of the peers in these areas. |

OPTIONAL APPROACH

If portions of the supplemental relating to support are added to the base and the general inflation factor increased from 6 percent to 8 percent per year the general fund savings would be:

<u>Fiscal 1984</u>	<u>Fiscal 1985</u>
\$1,949,155	\$2,313,607

Amendments to H.B. 447

Page 37, following line 5, add:

"The department is authorized to expend available self-insurance reserves and revenues to pay any deficit which may be incurred for property insurance premiums due and payable through June 30, 1985."



TED SCHWINDEN, GOVERNOR

P.O. BOX 4789

STATE OF MONTANA

OFFICE OF THE ADJUTANT GENERAL

HELENA, MONTANA 59604

March 17, 1983

Representative Joe Quilici
House Appropriations Committee
Capitol Station
Helena, MT 59620

Dear Representative Quilici:

I have just learned that a proposed reduction in the Department Budget is to cut the four FTE's which were added to the Army Program. I suggest the following compromise and the reasons for the compromise.

1. Retain the Maintenance Supervisor in the Budget. We need the supervisor to put together and operate our maintenance and energy conservation programs effectively. This position will supervise 12 maintenance employees and will have direct control of the maintenance budget so that he can coordinate all assets for successful accomplishment of our maintenance program.
2. Retain the Contract Administrator position in the Budget. This position will more than pay for itself in increased Federal revenue. We were criticized by the Legislative Auditor for our administration of the Federal/State contracts and this position will allow us to get these contracts in order. Also, our 84/85 Budget shows substantial increase in Federal revenue and this increase is based on this position's ability to generate these funds. The service provided by this position could not be absorbed into our existing situation.
3. Cut the Carpenter position. We will be somewhat hampered in our ability to do what we want but will adjust.
4. Cut the Maintenance position.

*Done by
House Committee*

Based upon our LRBP request for spending authority for energy conservation measures for our non-Army facilities and our plan to use utility savings from the 82/83 open winter, we will save some utility costs in FY84 and FY85. We can take a chance and cut utility funding in FY84 by \$25,000. and FY85 by \$30,000. See attached sheet.

I urge you to accept this compromise and fund our program as presented above.

Sincerely,

JAMES W. DUFFY
MG, MT NG

The Adjutant General

STATE AUDITOR - SECURITIES DIVISION (FORMALLY INVESTMENT DIVISION)

The Securities Department is responsible for enforcing and administering the Montana Securities Act which regulates broker-dealer, investment advisors, securities salesmen, and securities transactions in Montana. The Department's regulatory responsibilities include: licensing over 250 broker-dealers, 3,000 salesmen, 25 investment advisors, and 30 billion dollars worth of securities offerings; maintaining records and documents; enforcing the Securities Act through civil and administrative cases (over 75 cases this year); assisting county attorneys prosecute criminal violation of the Securities Act; helping attorneys and businessmen comply with the Securities Act; educating the general public about securities regulations and enforcement in Montana; and assisting Montana investors who lose 10 to 15 million dollars each year in fraudulent securities transactions.

The general fund appropriation increases 22.7 percent or \$96,128.00 over the 1983 biennium. One position is added to operate the Central Registration Depository (CRD) computer terminal which was installed during fiscal 1983. The North American Securities Administrators Association provided the computer terminal and is responsible for its maintenance.

Operating expenses, such as contract services increase from approximately \$600.00 in fiscal 1982 to \$9,000.00 in fiscal 1984. These additional funds have been added to allow for increased legal costs and Westlaw needed in enforcement activities. Travel expense increased from \$4,326.00 in fiscal 1982 to \$11,109.00 in fiscal 1984. These additional travel funds have been added so that staff can attend training and professional conferences, investigate securities violations throughout the state, and cooperate with county attorneys in prosecuting criminal violations of the Securities Act.

Revenues collected for FY 1980-81 totalled \$475,000.00. During FY 1981-82 revenues totalled \$851,000.00 for an approximate 80% increase over the previous year. Revenues for the first nine months of FY 1982-83 totalled over \$800,000.00, and are expected to total over \$1,000,000.00 for the entire year. This would mean an additional 25% increase in revenues for FY 82-83 over the previous year and a more than 100% increase in revenues in a two year period. Although part of the increase in revenue is attributable to an increase in fees created during the previous legislature, the most significant increases are directly related to an increased Department workload which is a result of a continuously growing and expanding securities industry.

The Department has negotiated a return to Montana investors through Administrative and civil actions, in excess of one million dollars this year.

The primary function of the Deputy Director, as with any Deputy, is to completely understand the functions of the Department so as to provide necessary leadership in the event the Director is absent or incapacitated. This is particularly critical in unforeseen emergency situations.

Furthermore, the Deputy Director/Assistant Adjutant General ought to function on a day-to-day basis by supporting the Director/Adjutant General in monitoring policies, plans and programs affecting the Montana National Guard, that is, the Department of Military Affairs. In this respect the present Deputy Director, B/G Emmett Whalen, is especially effective. He is particularly effective in furthering the reputation and consequent support of the Montana National Guard at the Federal level. He is a member of the Tactical Air Command Reserve Forces Policy Council; the National Executive Council of the National Guard Association of the United States and is recognized as one of the reputable senior ex-commanders within the Air National Guard. As a consequence the rapport he has with the Directors and Staff of the National Guard Bureau and members of the Air Staff in the Pentagon assures they are supportive of the Montana National Guard. On the State level B/G Whalen maintains a close, cooperative liaison with the leadership at Malmstrom AFB, the only major Department of Defense installation in Montana. He is aggressively involved in furthering National Guard/Community relationships through Military Affairs Committee activities in Great Falls and Helena.

An examination of supporting materials used or presented by the Governor's Council on Management relative to this Recommendation reveals several inconsistencies, for example:

--The position of Deputy Director was vacated in May 1979 and then filled in March 81. A period of less than two years, not three years as stated in the Recommendation, p. 47 of the Final report. Furthermore the position of Deputy Director has existed for many years. Prior to the reorganization of State government it was referred to simply as the Assistant Adjutant General. The position has previously been vacant from time to time over the years. The fact-finding process relative to this Recommendation did not include a visit with the incumbent Deputy Director. He was never interviewed nor asked to make first person factual information inputs.

--Adoption of the Recommendation would "---increase morale---" as stated in the same reference. It is just as likely the action will adversely affect morale since those within the Department aspiring to the position by dint of professional preparation will have their objective denied them.

Nowhere throughout the 343 other Recommendations is a Deputy Director position, nor any other position of equal rank, singled out for elimination. Is the position of Deputy Director in this Department any less critical than in other Departments?

In light of this Commentary it is suggested that this Recommendation administratively perish in accordance with the guidance on p. 9 of the Implementation Guide Pamphlet.

POSITION DESCRIPTION
(INTERNAL USE ONLY)

EXHIBIT 6
March 18, 1983
Full Committee

POSITION: Assistant Adjutant General, #0002

AGENCY: Department of Military Affairs

ADDRESS: 1100 No. Main, Helena, MT 59601

AGENCY FUNCTION: The position of Assistant Adjutant General is located in the Office of the Adjutant General, (OTAG). The Adjutant General is Director of the Department of Military Affairs, State of Montana. The Adjutant General, ultimately, is responsible for all activities, state and federal, of all National Guard units in the state.

POSITION DUTIES/RESPONSIBILITIES: The Assistant Adjutant General, as the title implies, assists the Adjutant General in all aspects of the duties and responsibilities of that office. The Assistant Adjutant General will attend conferences, public meetings, speaking engagements and travel in and out of state in support of OTAG. He will provide liaison with the Governor's Office as required when the Adjutant General is not available. Additionally, the Assistant Adjutant General will:

- 1) Prepare correspondence, military and general for OTAG.
- 2) Establish and/or maintain communication channels with:
 - a) National Guard Bureau
 - b) State and national legislators
 - c) National Guard Associations of the United States
 - d) Community leaders
 - e) Public news media outlets
 - f) Military gaining commands
 - g) Similarly organized and equipped Guard units
- 3) Provide input for ARNG/ANG State Budgets
- 4) Be the office of primary responsibility (OPR) for review and corrective

action as needed of the Department's telephone system.

5) Be the OPR for the Department's lease, rental and joint use contracts and agreements.

6) Be the OPR for coordination of ARNG/ANG safety programs.

7) Be the OPR for ARNG/ANG retired personnel listings.

SUPERVISION RESPONSIBILITIES:

DECISION RESPONSIBILITIES: The Assistant Adjutant General must, in the absence of the Adjutant General, be capable of making sound decisions based on state and federal laws, regulations and guidelines applicable to the Department. The consequences of error can be far reaching, expensive and life endangering during emergency situations. The Assistant Adjutant General must be familiar with the role of the CTAG staff in the decision making process.

EXPERIENCE AND EDUCATION: The Assistant Adjutant General must be a member of the Montana National Guard, militarily assigned as either the ARNG or ANG Assistant Adjutant General. Thus he will have the qualifications for General Officer rank as set forth in National Guard, U.S. Army and/or U.S. Air Force regulations and directives. Those qualifications should ostensibly assure management oriented prerequisites basic to the position. Furthermore the years of service the individual would have should assure a broad experience base through a succession of command and management assignments.

Educational achievements should include a Bachelors Degree and Professional Military Education through one of the service's Senior colleges.

KNOWLEDGE. ABILITIES AND TRAITS: The Assistant Adjutant General must have extensive knowledge of the organization, missions, readiness posture and limitations of the National Guard units in Montana. Additionally, he must have knowledge of the same facets applied to the total National Guard of the United States.

He must possess the ability to communicate effectively and efficiently with top level public and private business officials and to view objectively and thoroughly problems, situations and general affairs.

The Assistant Adjutant General must have personal traits of diplomacy, honesty, sound judgement, initiative and perseverance. He must be dependable in times of stress and situations demanding moral integrity.

PHYSICAL DEMANDS: He must be physically qualified in keeping with annual military requirements.

He must be ready to travel within and beyond the State boundaries by whatever means, including military aircraft.

SECRETARY OF STATE
STATE OF MONTANA

EXHIBIT 7
March 18, 1983
Full Committee

Jim Waltermire
Secretary of State

State Capitol
Helena, Montana 59620

March 18, 1983

Honorable Earl Lory
House of Representatives
Capitol Station
Helena, MT 59620

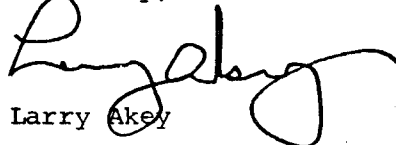
Dear Earl,

I have attached the amendment required to increase revolving fund authority for the ARM indexing project. Basically, all that needs to be done is to increase the revolving fund by the amount of project -- \$42,834 in FY'84 and \$44,198 in FY'85 -- and to delete the language restricting agency filing fees to \$25 per page. This will allow the ~~completion of the project by the end of the biennium.~~

Funding this project out of the revolving fund will result in the ARM users paying for the index. It will require slightly higher fees than originally anticipated. I suspect we will need to set agency filing fees in the range of \$35 to \$40 per page. Subscription costs will also have to go up. It is important that the restrictive language be deleted so that all users pay a fair share.

Thanks for your help on this.

Sincerely,



Larry Akey

Increase revolving fund authority for indexing project.

	<u>FISCAL YEAR 1984</u>	<u>FISCAL YEAR 1985</u>
Subcommittee	\$106,642	\$108,973
Indexing	<u>42,834</u>	<u>44,198</u>
TOTAL	149,476	153,171

Drop the restrictive language limiting agency filing fees to \$25.00 per page.

FACT SHEET ON
ADMINISTRATIVE RULES INDEXING
Secretary of State

Required by law.

2-4-311. Publication and arrangement of ARM. (1) The secretary of state shall compile, index, arrange, rearrange, correct errors or inconsistencies without changing the meaning, intent, or effect of any rule, and publish all rules filed pursuant to this chapter in ARM. The secretary of state shall supplement, revise, and publish ARM or any part thereof as often as he considers necessary. He may include such editorial notes, cross-references, and other matter as he and the administrative code committee consider desirable or advantageous. He shall publish supplements to ARM at such times and in such form as he considers appropriate.

(2) ARM shall be arranged, indexed, and printed or duplicated in such manner as to permit separate publication of portions thereof relating to individual agencies. An agency may make arrangements with the secretary of state for the printing of as many copies of such separate publications as it may require. The cost of any such separate publications, determined in accordance with 2-4-313(4), shall be paid by the agency.

Advantages of a comprehensive topical index:

- 1) Access by the public -- presently, people cannot find a rule in the over 7,500 pages of the Administrative Rules of Montana (ARM) unless they know the specific agency responsible for it. Completion of index will improve access.
- 2) Control by the Legislature -- completion of the index will ~~allow legislators to more easily follow implementation of~~ legislative intent and will show unnecessary duplication or expansion of rules.

- Half completed project without funding in 1985 Biennium. Funded in 1981 as a 4-year project. Over \$78,000 invested in FY'82 and FY'83 will be wasted without funds to continue. Requested budget of \$83,874 will permit project completion by July 1985.
- "Shoestring" budget compared to MCA indexing. MCA indexing scheduled as a six year project using two indexers plus data entry staff. ARM indexing scheduled as a four year project with one staff person doing both indexing and data entry.
- Existing "skeleton" index inadequate Legislative Council attorney examined 9 randomly selected topics. Found 3 topics in "skeleton" index worse than current indices, 5 topics no better than current inadequate indices and only 1 topic clearly better. That is, 8 out of 9 entries inadequate for distribution to public at this stage of the project.
- Need to get user feedback. Plan to distribute draft to public in January 1984. Users will be asked to point out needed changes and additions before the project enters its final stage.

FACT SHEET ON
OVERALL 1985 BIENNIUM BUDGET
Secretary of State

- Increase in general fund over last biennium for Secretary of State smallest of all legislative, judicial, or elected officials agencies considered by Subcommittees.

<u>AGENCY</u>	<u>INCREASE IN GENERAL FUND</u>	
Legislative agencies	15.5%	\$1,224,355
Judiciary (excludes water court)	13.6%	933,069
Attorney General	11.2%	164,092
Governor's Executive Office	13.4%	241,611
Auditor	26.1%	880,590
Secretary of State	4.4%	78,211

- Increase in budget and general fund less than inflation.

	<u>FY83</u>		<u>FY84</u>		<u>FY85</u>
General Fund	\$907,541		\$918,113		\$926,741
% Increase		1.2%		0.9%	
Total Budget	\$998,102		\$1,024,775		\$1,035,444
% Increase		2.7%		1.0%	
% Inflation projected		6.4%		6.8%	

- Office will generate general fund revenues of \$684,460 in FY 84 and \$664,460 in FY85. This equals almost 75% of general fund request.

VISITOR'S REGISTER

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COMMITTEE

BILL Legislative, Judicial, Administrative

DATE March 18, 1983

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(Page 1)

NAME	RESIDENCE	REPRESENTING	SUP- PORT	OP- POSE
D. Dowling	Helena	Leg Council		
MIKE LAVIN	"	CRIME Comm		
MARVIN DYE	"	CRIME Control Div		
Larry Petersen	"	" " "		
Brian McElly	"	Dept of Commerce		
LARRY ALLEY	"	SEC. OF STATE		
Mike Abley	"	Supreme Court		
Geo Pendugost	"	DOA		
DEON M. TAYLOR	HELENA	PERSONNEL DIV/DIA		
Steve Meyer	"	MACH		
T. Lee	"	OBPP		
D. Booker	"	"		
D. Brown	"	"		
Stella	"	Justice		
Ann Golden	"	Dept Admin		
Rick Morgan	"	"		
Will Young	Helena	Dept. of Admin.		
Bob Rundal	Helena	State Tax Appeal Board		
Wages Burt	Helena	MPSC		
Eileen Shore	Helena	MPSC		

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

WHEN TESTIFYING PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

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(Page 2)

NAME	RESIDENCE	REPRESENTING	SUP-PORT	OP-POSE
Tom Schneider	MT. Helena	MT. PSC		
Clair Foss				
Roy Phelps	Helena	St. Auditor		
Jim Cheetham	✓	✓		
John W. Northey	✓	Leg. Auditor		
Sp. Nelson	✓	State Auditor		
S.G. Rick Tucker	✓	State Auditor - Secretaries		

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