

MINUTES OF THE MEETING OF THE APPROPRIATIONS SUBCOMMITTEE
ON NATURAL RESOURCES AND BUSINESS REGULATION
January 13, 1983

The meeting was called to order by CHAIRMAN MANUEL at 8:22 a.m. in Room 132 of the Capitol Building in Helena, Montana on January 13, 1983. Roll call was taken and all members were present except REPRESENTATIVE STOBIE, who was excused due to illness. Also present were DICK GILBERT, LFA; CAROLYN DOERING; OBPP; AND PATTI SCOTT, SECRETARY.

DEPARTMENT OF LIVESTOCK BUDGET (con't) (Tape #6 Side A-005)
RENT

AS REQUESTED at yesterday's meeting, DOUG BOOKER, OBPP analyst for Administration and RICK MORGAN, Central Services Administrator for Administration were present to answer questions about the rent increases. CHAIRMAN MANUEL asked for an explanation on how costs were arrived at.

DOUG BOOKER explained that costs were calculated by looking at the total square footage for the Capital Complex, approximately 1,000,000 square feet. 20% of this square footage is general fund, which means general fund pays that part because there is no one else to pay it. Mainly, this covers the 3rd and 4th floor of the Capitol, the mansion, and part of the Museum. The remaining square footage is billable out to the agencies. They divided the budget they arrived at by the remaining square footage. This was how they arrived at the \$3.28 per square foot FY84 and \$3.63 per square foot for FY85. They also added a 5% pay raise for employees. In past years, this had not been done, and Administration had to absorb those costs.

MR. BOOKER presented a chart showing the increases from 1980 through 1983. (EXHIBIT A) He stated the problem came between 1982 and 1983. During that time, there was only a 2.5% increase on the rates they could charge, but the expenses, (such as utilities, the 12% pay raise, and air conditioning costs) rose 23%. The total income for the Division from general fund and charges to the agencies will come to about \$2.7 Million Dollars this year. The estimated expenditure is \$2.9 Million Dollars, with a normal winter. The difference of \$198,000 will have to be paid from reserve. At year end, the working capital (or cash left) will be about \$177,000. The normal 45 day operating balance is usually \$220,000. They will be under that normal balance by this fiscal year end.

DICK GILBERT asked for clarification on the 23% increase. MR. BOOKER did not have all that information available at this meeting. SENATOR SMITH asked that they itemize this information and report it back to the full Committee. The Committee also expressed an interest in contracted services, such as "Pest Control."

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CHAIRMAN MANUEL asked for a comparison about leased office space in Helena. SECRETARY PATTI SCOTT said she was aware that leased professional office space in Helena runs from \$6.50 a square foot on up. RICK MORGAN stated Workers Compensation is paying \$5.00 per square foot without utilities.

SENATOR SMITH asked if the same rate per square foot is charged for all agencies and MR. BOOKER remarked that it was, whether the agency is earmarked or general fund. The Department of Administration is trying to get a standard square foot rate. If the Department had to figure each agency's exact costs, they would have to employ at least four more people.

SENATOR SMITH is still disturbed about the rent costs State agency's have to pay and plans to look into the matter further.

EQUIPMENT

DICK GILBERT reported to the Committee that DR. GLOSSER will need \$16,000 for equipment that was requested by the Department for FY85. The equipment is an Ultra-centrifuge which will be used in the Diagnostic Laboratory.

SENATOR SMITH MOVED TO AMEND THE PREVIOUS MOTION FROM YESTERDAY, AND INCLUDE THE \$16,000 IN THE FY 85 BUDGET FOR THE DIAGNOSTIC LABORATORY PROGRAM. MOTION PASSED WITH REPRESENTATIVE HEMSTAD VOTING NO.

BEEF AND PORK PROGRAM (Tape #6 Side A-413)

OPERATING BUDGET

SENATOR SMITH MOVED TO ADOPT FOR THE BIENNIUM \$55,000 FOR THE PORK RESEARCH AND MARKETING, AND \$450,000 FOR THE BEEF RESEARCH AND MARKETING, FOR A TOTAL APPROPRIATION OF \$505,000. MOTION PASSED UNANIMOUSLY.

PREDATORY ANIMAL CONTROL PROGRAM (Tape #6 Side A-457)

PERSONAL SERVICES

SENATOR SMITH MOVED TO ALLOW THE ADJUSTMENT OF .5 FTE FROM PREDATOR TO INSPECTION. MOTION PASSED UNANIMOUSLY.

OPERATING BUDGET

SENATOR LANE MOVED TO ACCEPT THE OBPP BUDGET FOR \$186,758 FY84 and \$200,315 FY85. MOTION PASSED UNANIMOUSLY.

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It was noted by the Committee that the cost of parts are so expensive and hard to get for repairs on equipment, particularly helicopters. It was also noted that liability insurance to cover non-state employees riding in their equipment had gone up.

THE TOTAL PROGRAM was approved for \$305,487 FY84 and \$ 318,780 FY85.

RABIES AND RODENT CONTROL (Tape #6 Side B-001)

SENATOR LANE MOVED TO ACCEPT THE OBPP BUDGET FOR A TOTAL APPROPRIATION OF \$96,945 FY84 and \$102,184 FY85. MOTION PASSED UNANIMOUSLY.

The Department of Livestock contracts with the Department of Agriculture for Rodent Control. The Department of Agriculture requested a vehicle for Rodent Control for \$7800. If the vehicle is approved in Agriculture for Rodent Control, Livestock's budget will have to be increased by \$7800. If the Legislature transfers the Rodent Program to Agriculture, the \$7800 will have to be added to Livestock. CHAIRMAN MANUEL NOTED THAT THIS WILL BE A MODIFICATION TO THIS PROGRAM. It was decided to wait until the Department of Agriculture budget is heard.

CENTRALIZED SERVICES

SENATOR SMITH requested that all Appropriations Chairmen meet and work out the rent discrepancies. The rest of the Committee concurred.

REPRESENTATIVE HEMSTAD MOVED TO ACCEPT THE OBPP BUDGET FOR FY84 AND FY 85, EXCEPT FOR THE RENT. MOTION PASSED UNANIMOUSLY.

SENATOR BOYLAN MOVED TO ACCEPT THE LFA BUDGET ON RENT FOR FY84 \$51,536 and FY85 \$54,627. MOTION PASSED UNANIMOUSLY.

INSPECTION AND CONTROL (Tape #6 Side B-282)

REPRESENTATIVE HEMSTAD MOVED TO ACCEPT THE MODIFICATION IN THE OBPP BUDGET TO ADD ONE FTE TO THE INSPECTION AND CONTROL PROGRAM. MOTION PASSED UNANIMOUSLY.

PUBLIC SERVICE COMMISSION (Tape #6 Side B-325)

BILL OPITZ, Executive Director of the Public Service Commission was present to further explain HB84 and the \$30,000 request. Also present was MADELINE COTTRILL, Administrator for the Centralized Services Division, and JANDEE MAY, OBPP.

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MR. OPITZ presented a Position Control Report (Exhibit B) which showed total services on December 10, 1982 to be \$1,142,397. The budgeted 1983 level showed \$1,108,637, a \$34,000 difference. PSC did receive additional monies from OBPP of \$5,950, but this still left the budget short \$27,810. HB84 request of \$30,000 was to include \$15,000 for salaries and about \$10,000 for a Court Reporter. Mr. Opitz would like to amend HB84 to \$25,000 and add the wording on Line 18 "and other necessary expenses."

THE COMMITTEE INQUIRED about the need for a Court Reporter. MR. OPITZ stated that the person on his staff doing the reporting is very ill and has 70 days sick leave and 44 days vacation coming. So he will be paid a salary for several months. This means the PSC will have to hire someone to do the Court Reporting. Court Reporters receive about \$100/day plus expenses. The PSC will be hearing two major cases soon and need this service. MR. OPITZ stated that the utilities have assumed a \$6500 cost recently because the PSC did not have the money for the transcripts. MR. OPITZ felt this was a very uncomfortable position to place the PSC. SENATOR SMITH AGREED AND also noted that the PSC had reverted back \$109,000 to the general fund that had not been used.

MR. OPITZ stated that given the \$25,000 in HB84, this still would not overspend the Fiscal Year Appropriation.

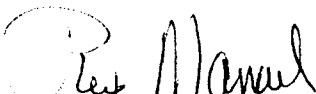
JANDEE from OBPP stated she was in agreement with the \$15,000. CHAIRMAN MANUEL observed that larger agencies are able to absorb more costs because of vacancy savings. JANDEE agreed.

SENATOR SMITH asked what would MR. OPITZ do if the money were not appropriated. MR. OPITZ replied he would probably have the regulated entity pick up the cost. THE COMMITTEE agreed this was not good practice.

REPRESENTATIVE HEMSTAD MOVED TO ACCEPT HB84 WITH THE AMENDED AMOUNT OF \$25,000 AND THE WORDING ON LINE 18 TO READ "AND OTHER OPERATING EXPENSES." MOTION PASSED UNANIMOUSLY.

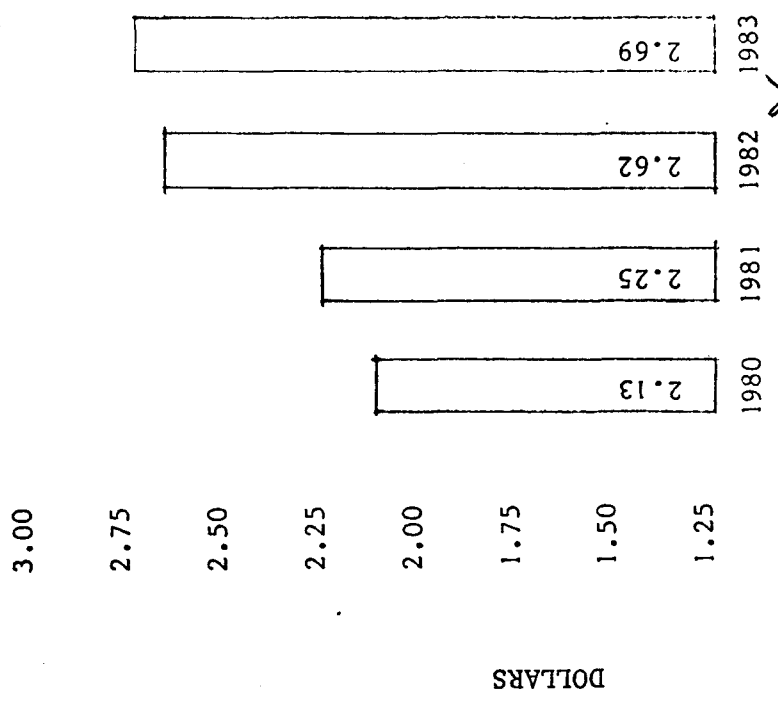
SENATOR BOYLAN asked if MR. OPITZ had checked out other alternatives, such as video machines. MR. OPITZ said he had and none were feasible.

MEETING ADJOURNED at 11:13 a.m.



REX MANUEL, Chairman

Exhibit A
1-13-83

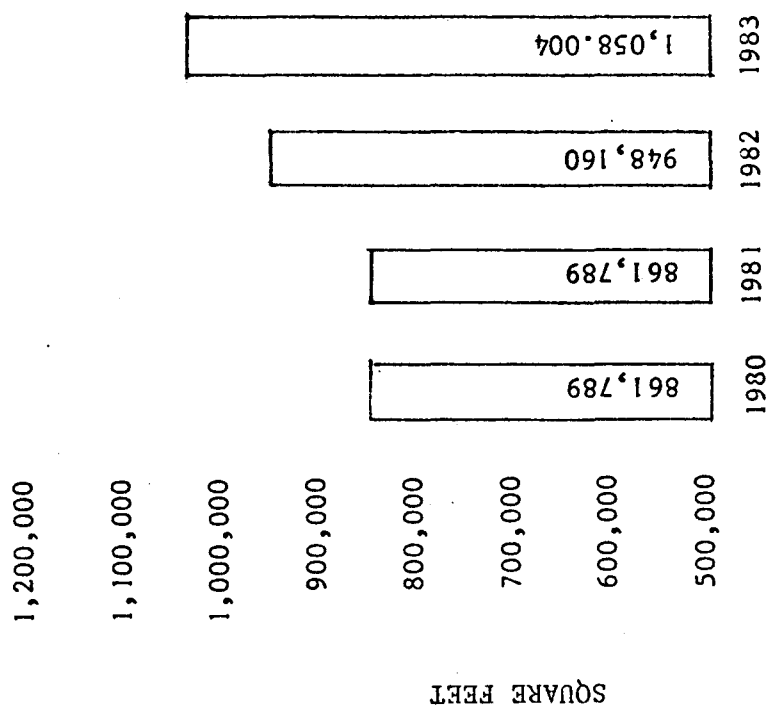


28%

Expenditures Rose 23%

COST PER SQUARE FOOT

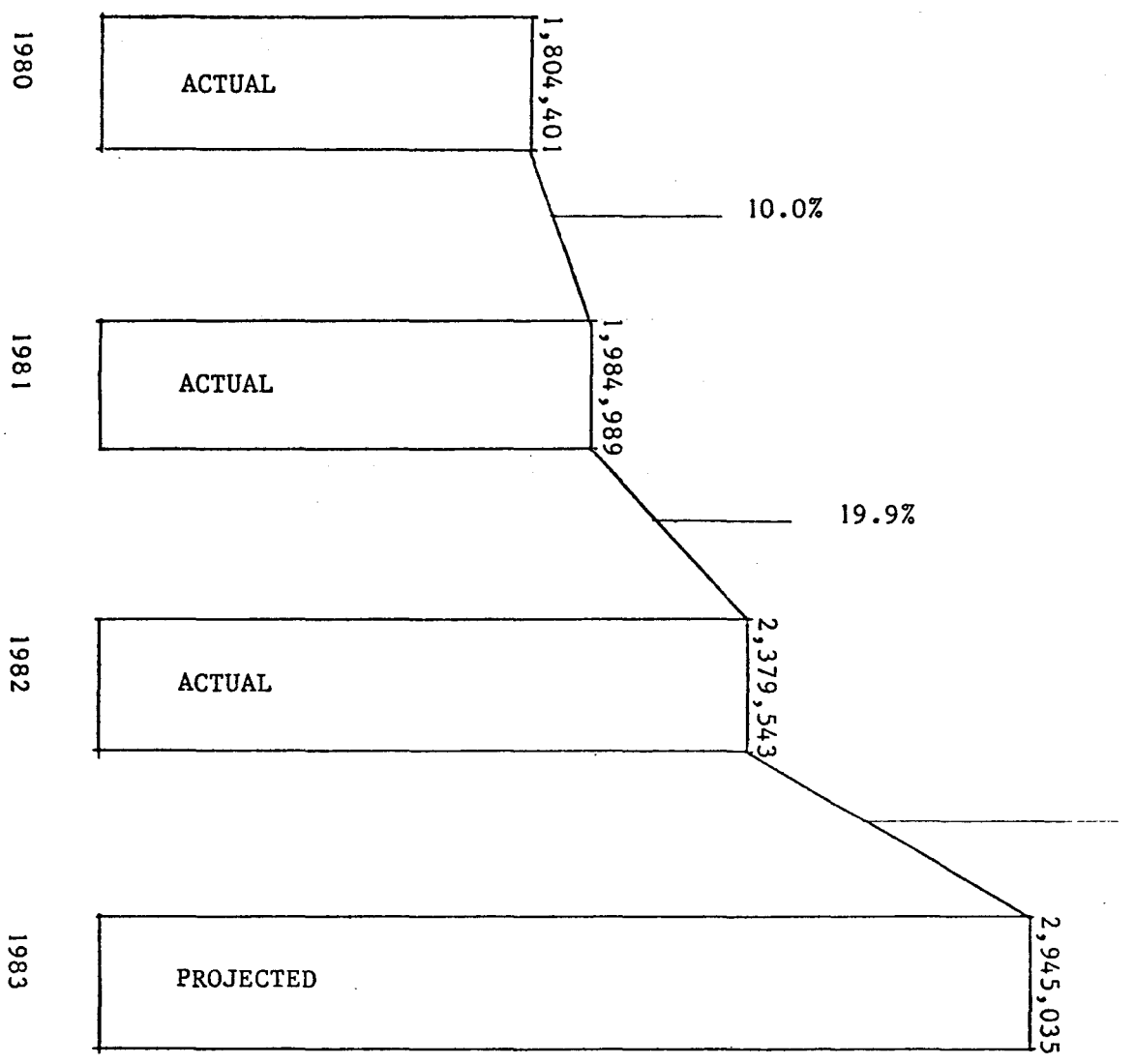
12% pay
8% gas
etc.



SQUARE FOOTAGE

EXPENSES

\$ 3,000,000
 \$ 2,900,000
 \$ 2,800,000
 \$ 2,700,000
 \$ 2,600,000
 \$ 2,500,000
 \$ 2,400,000
 \$ 2,300,000
 \$ 2,200,000
 \$ 2,100,000
 \$ 2,000,000
 \$ 1,900,000
 \$ 1,800,000
 \$ 1,700,000
 \$ 1,600,000
 \$ 1,500,000
 \$ 1,400,000
 \$ 1,300,000
 \$ 1,200,000
 \$ 1,100,000
 \$ 1,100,000
 \$ 1,000,000

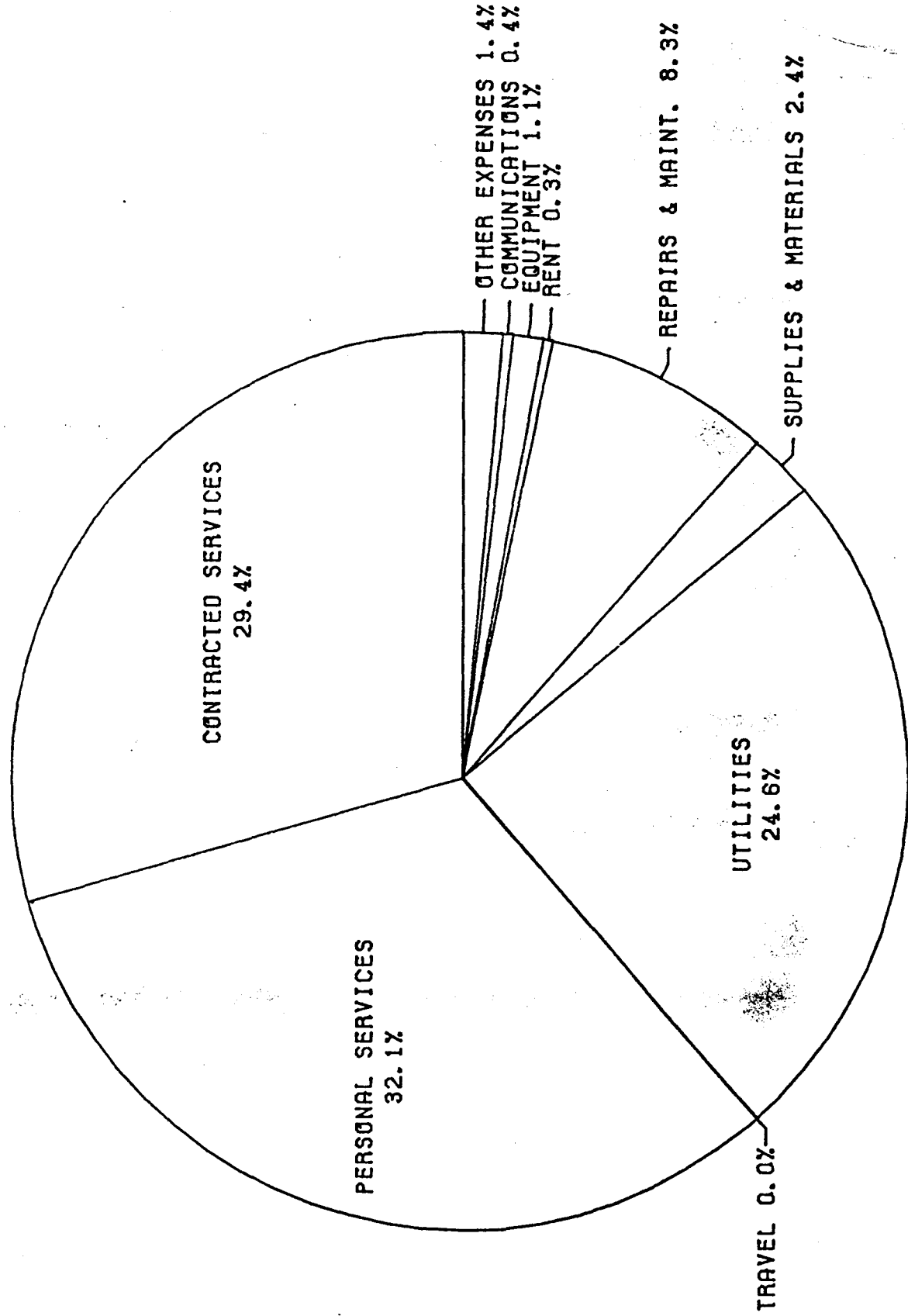


1980 to 1981 ... 10.0% Increase
 1981 to 1982 ... 19.9% Increase
 1982 to 1983 ... 23.8% Increase

23.8%

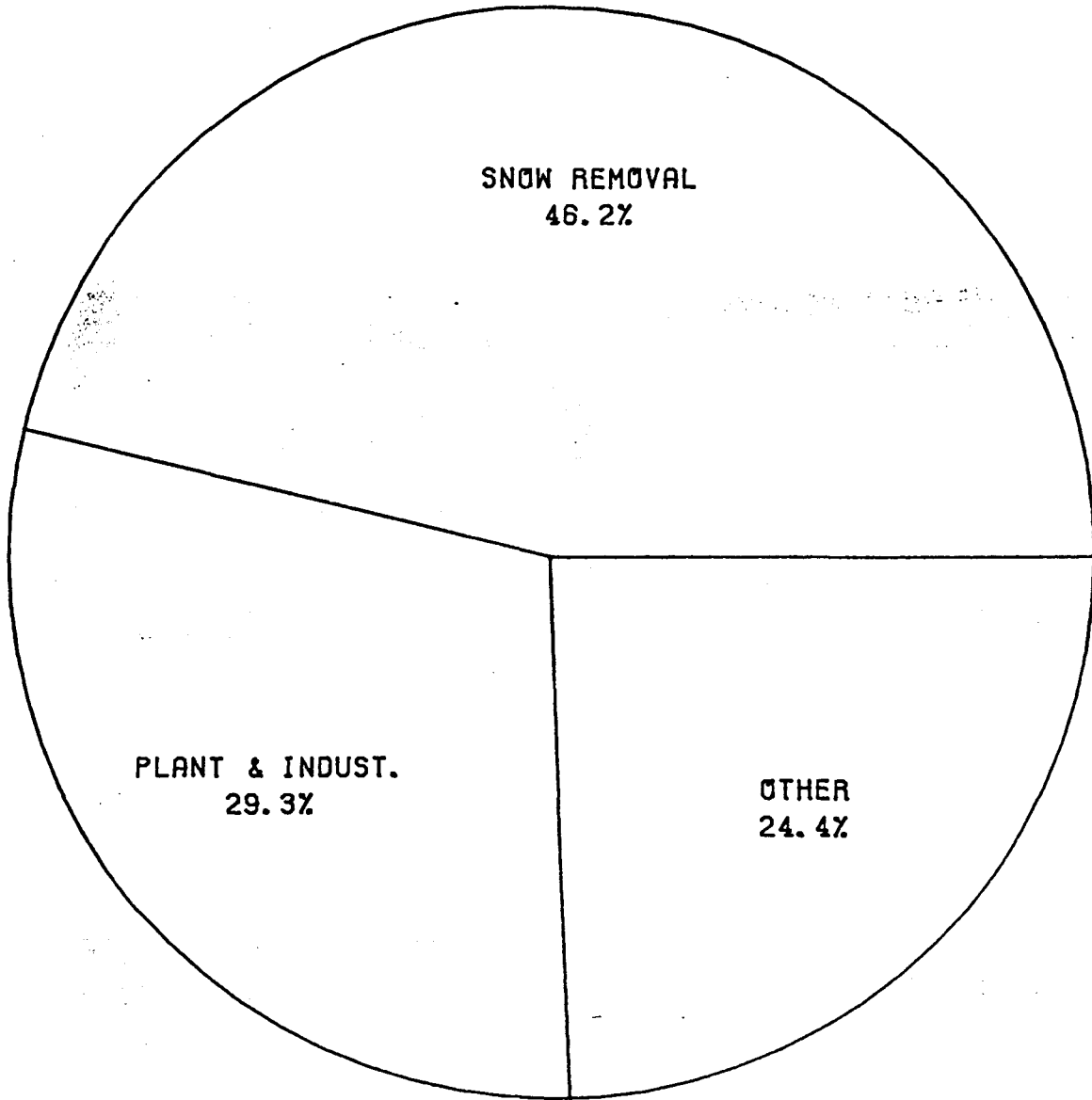
F. Y. E. 82 BLDGS. & GRNDS. EXPENSES

TOTAL EXPENSES = \$2,379,543



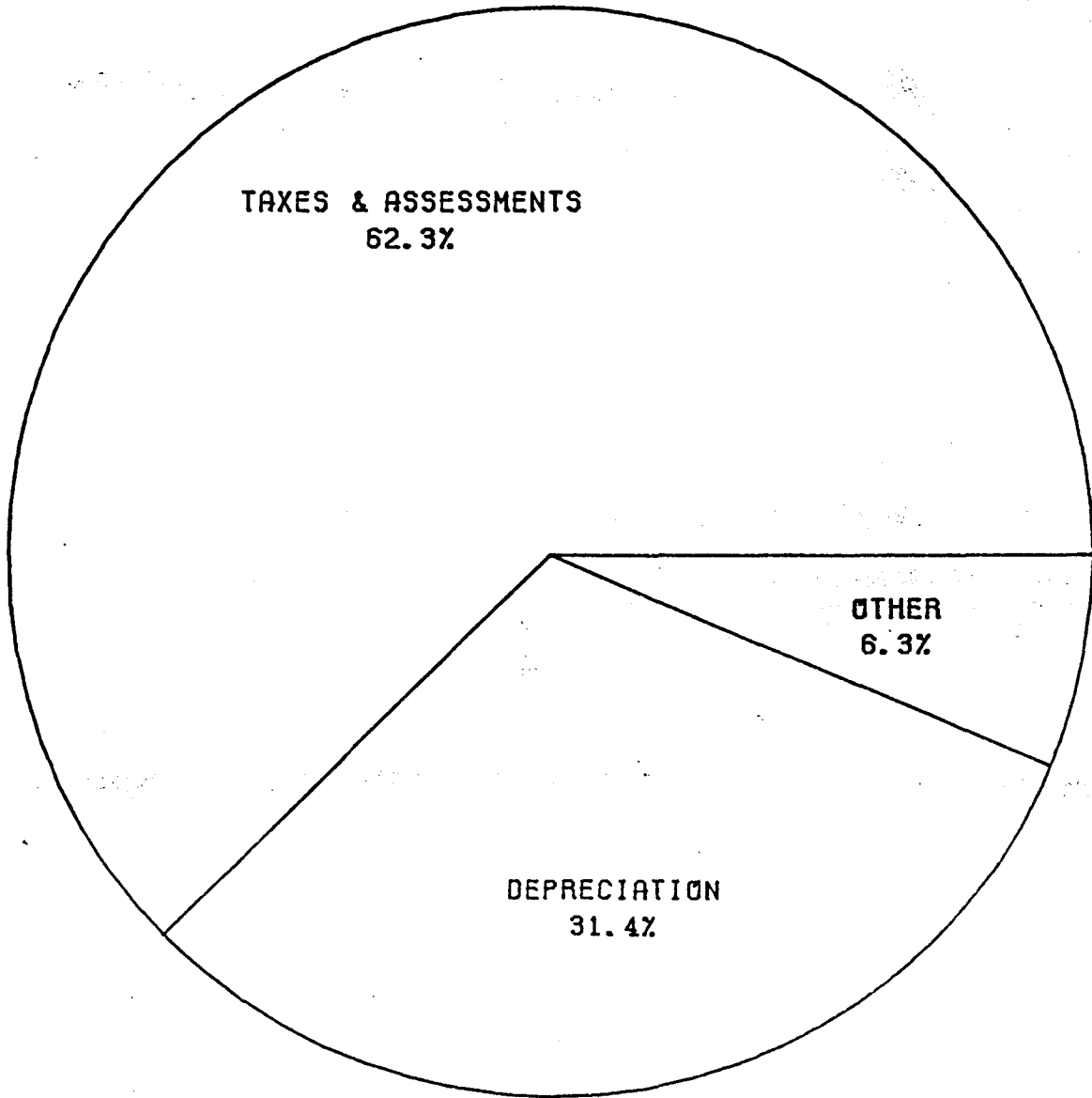
F. Y. E. 82 BLDGS. & GRNDS. EXPENSES

EQUIPMENT EXPENSES = \$26,362



F. Y. E. 82 BLDGS. & GRNDS. EXPENSES

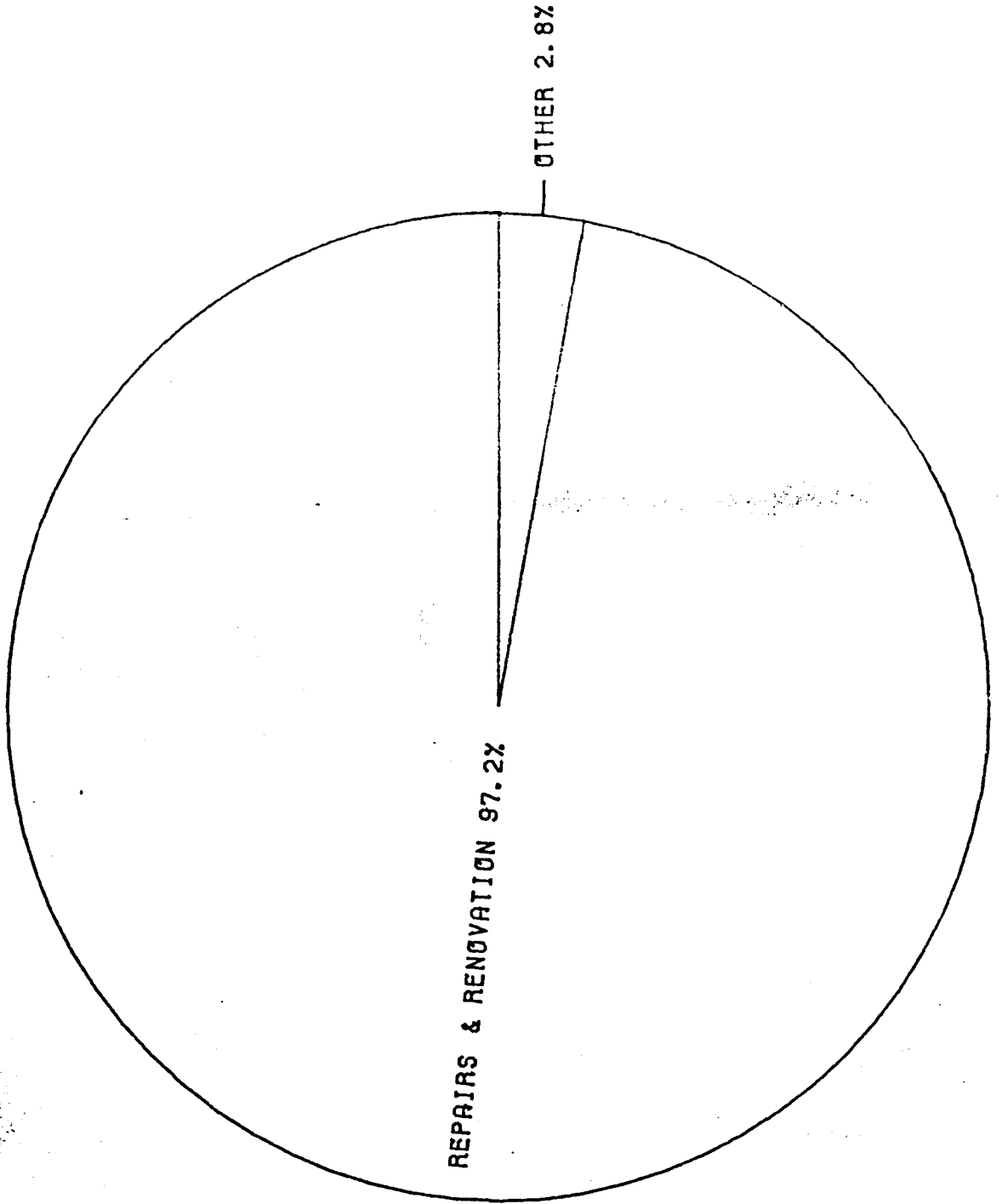
OTHER EXPENSES = \$33,399



6

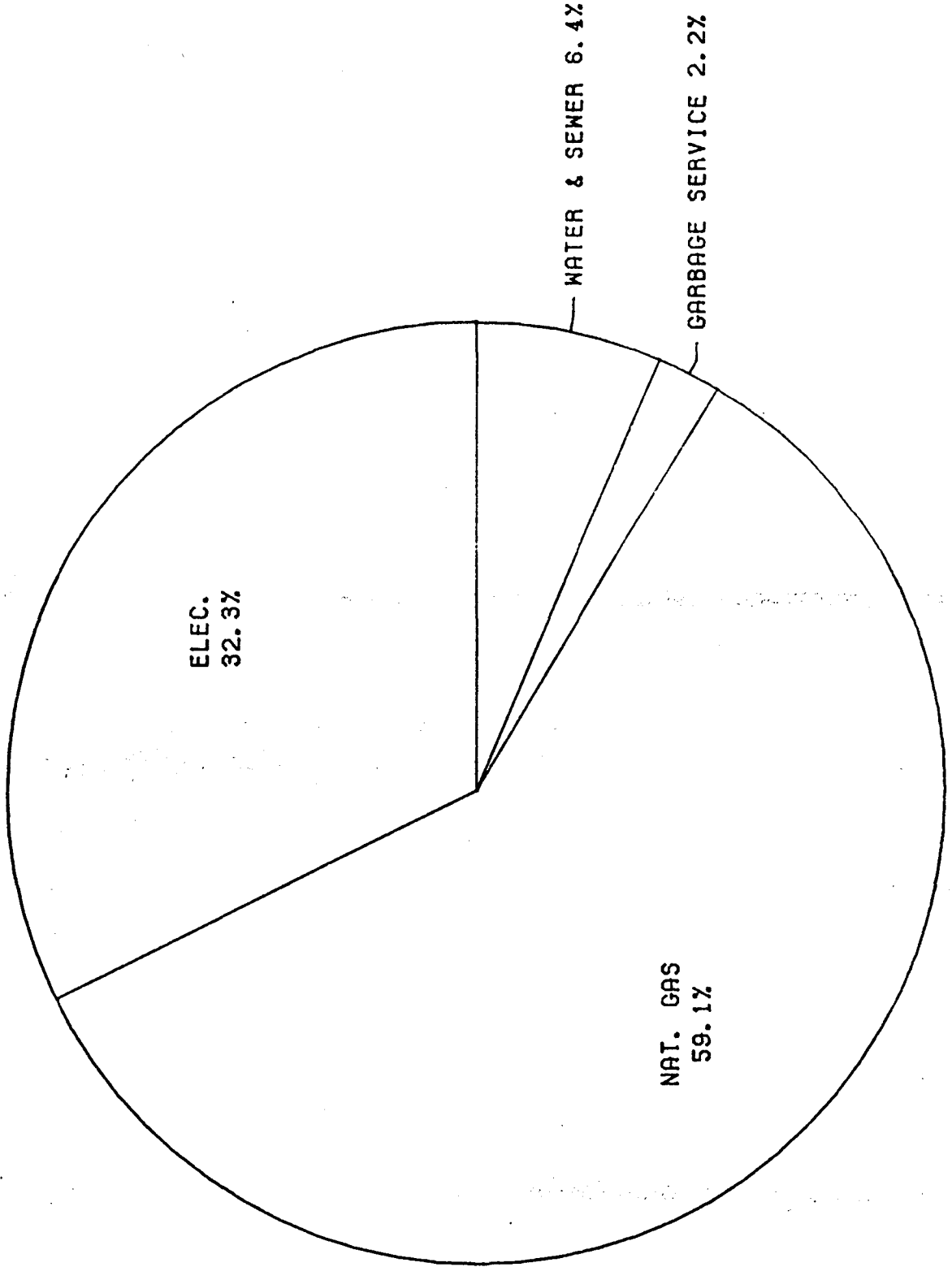
F. Y. E. 82 BLDGS. & GRNDS. EXPENSES

REPAIRS & MAINT. EXPENSES = \$197,111



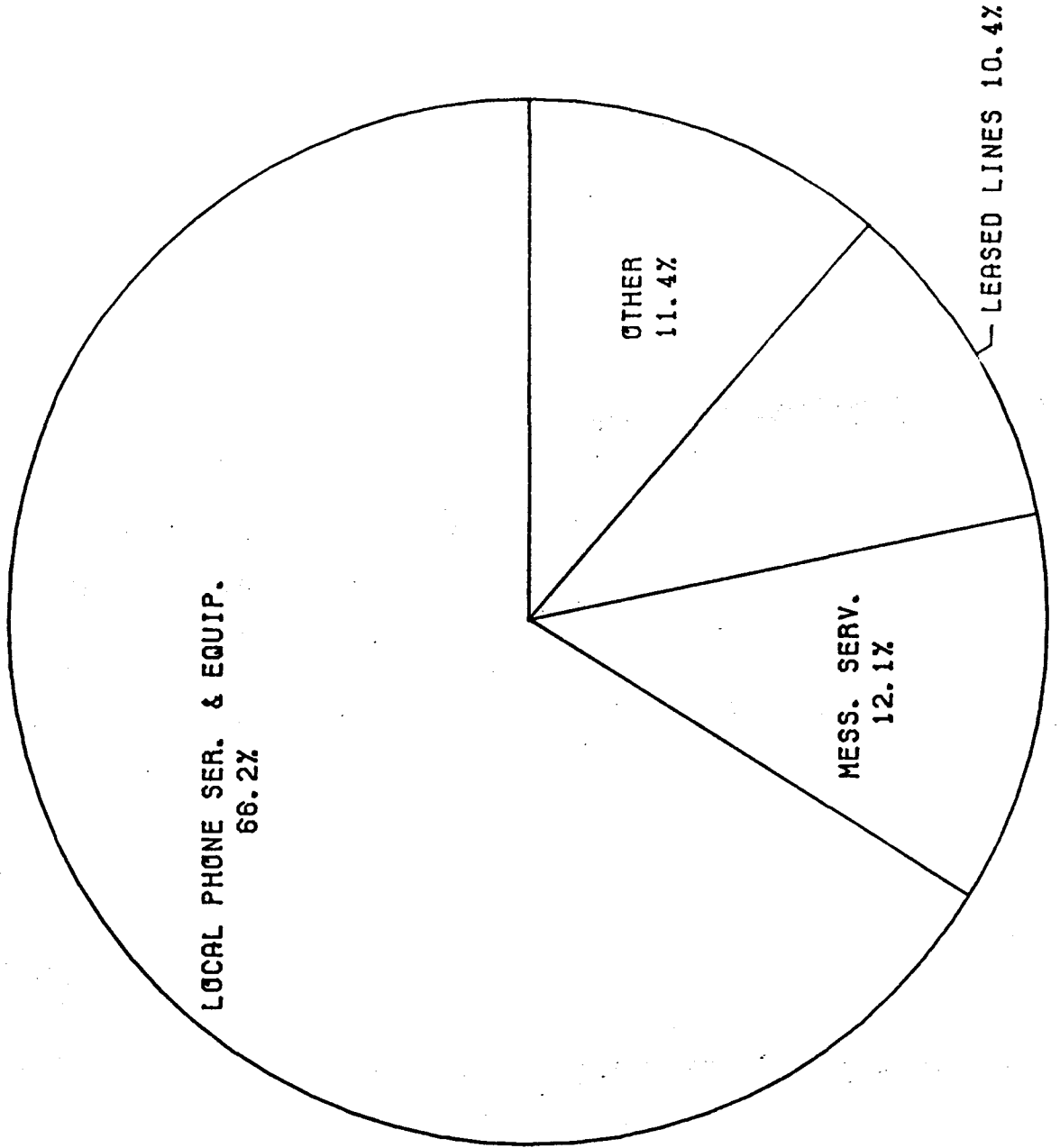
F. Y. E. 82 BLDGS. & GRNDS. EXPENSES

UTILITIES EXPENSES = \$585,598

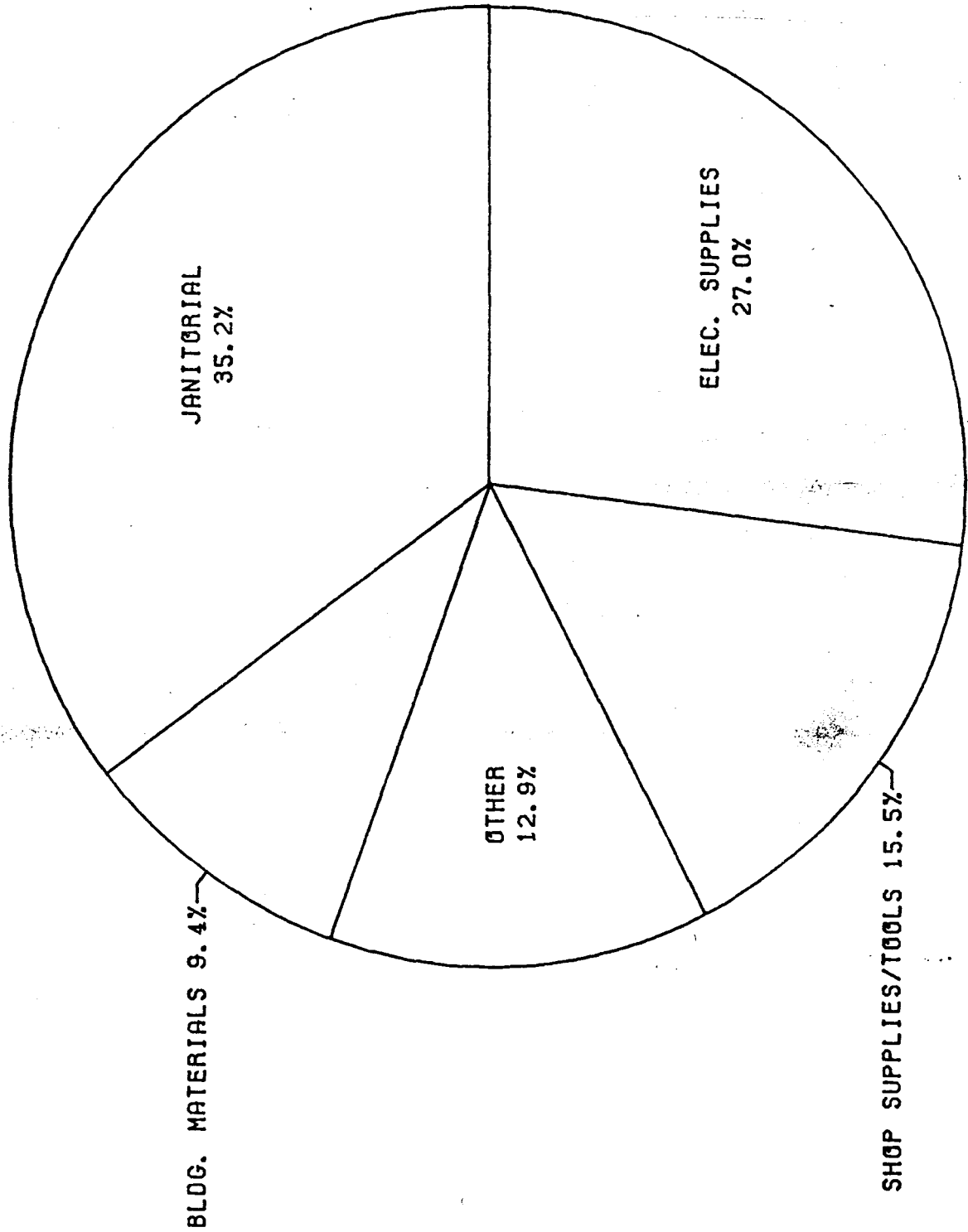


F. Y. E. 82 BLDGS. & GRNDS. EXPENSES

COMMUNICATIONS EXPENSES = \$9,160

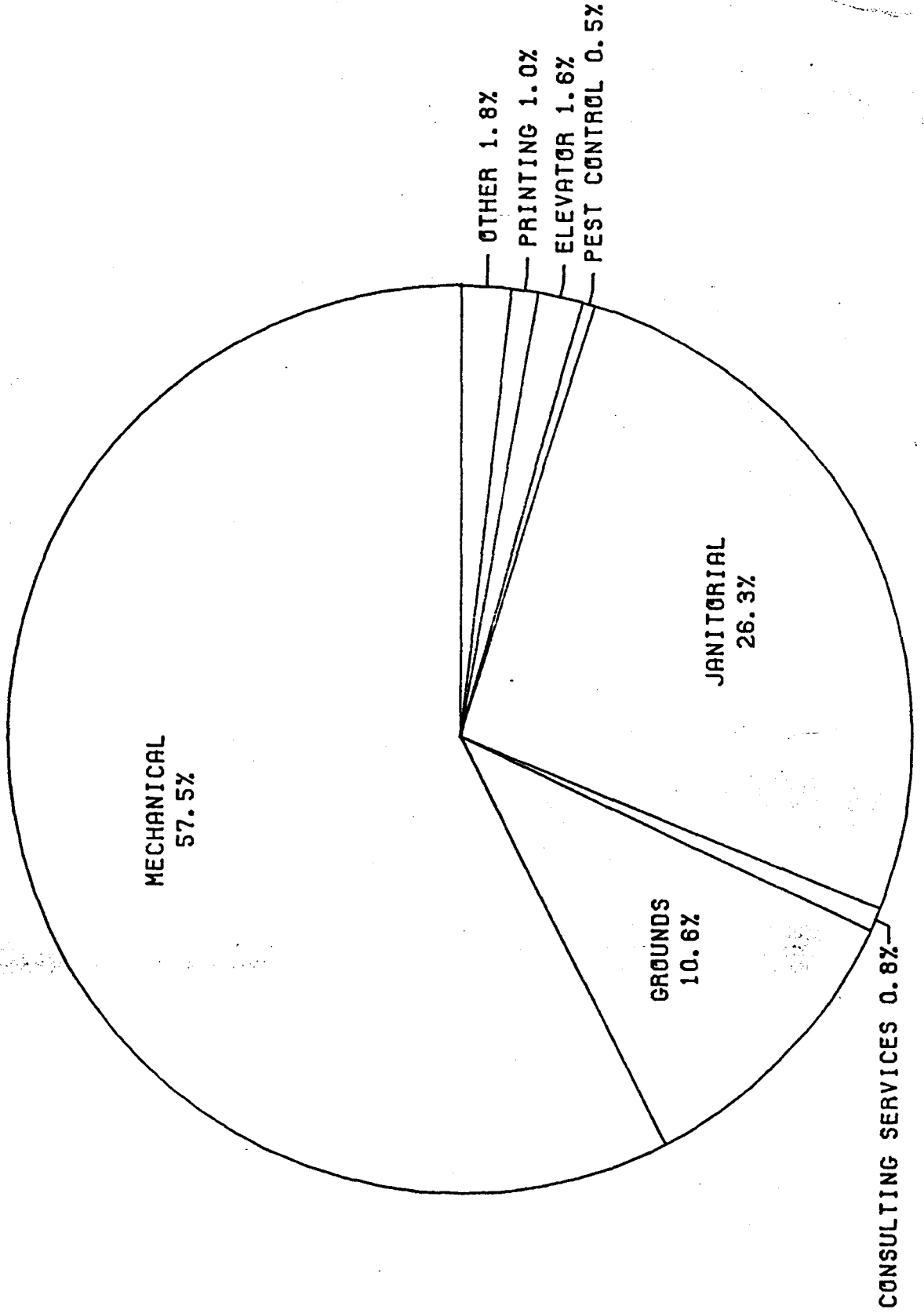


F. Y. E. 82 BLDGS. & GRNDS. EXPENSES
SUPPLIES & MATERIALS EXPENSES = \$57,171

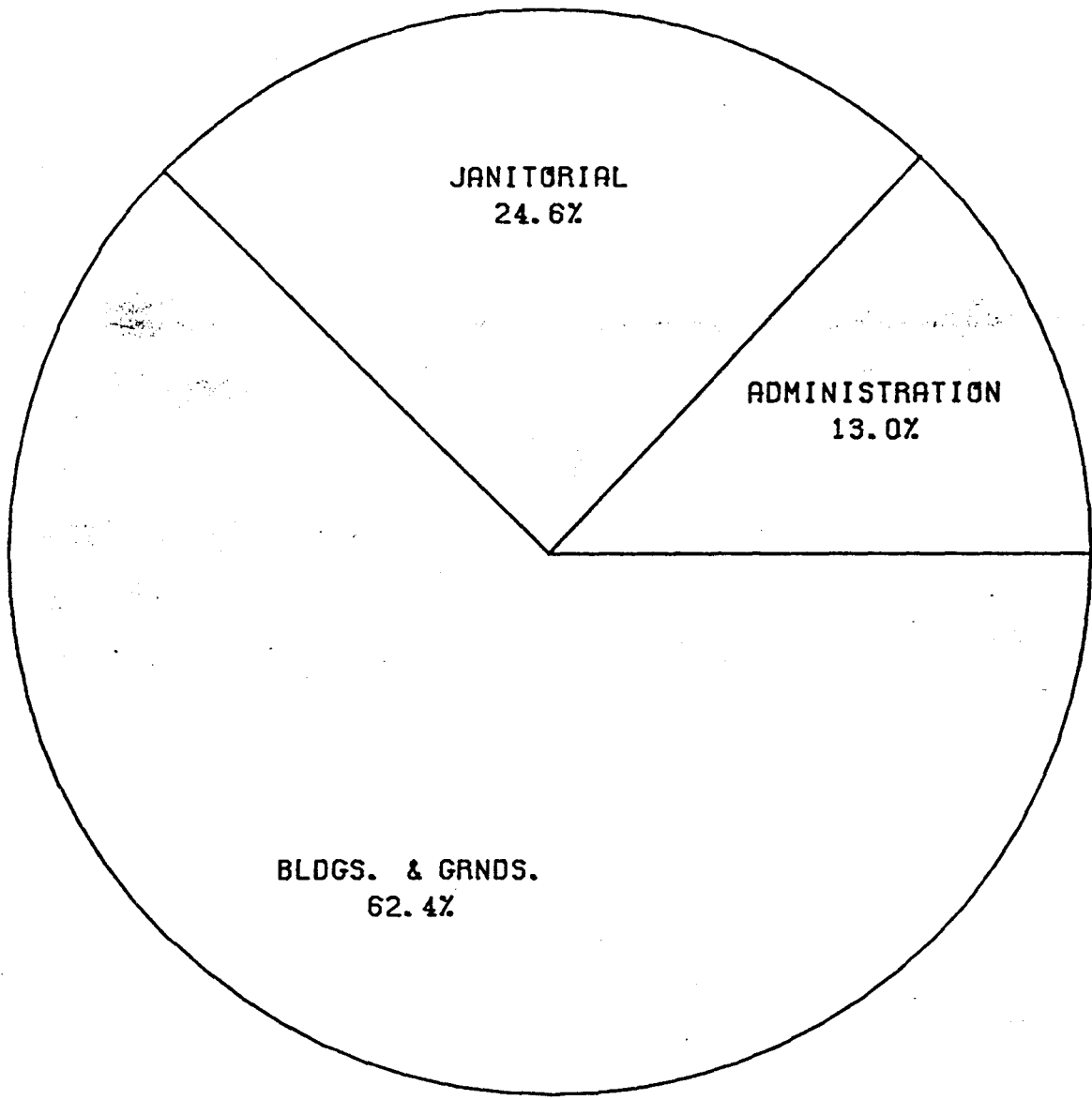


F. Y. E. 82 BLDGS. & GRNDS. EXPENSES

CONTRACTED SERVICES EXPENSES = \$699,288



F. Y. E. 82 BLDGS. & GRNDS. EXPENSES
PERSONAL SERVICES EXPENSES = \$762,886





STATE OF MONTANA
OFFICE OF BUDGET AND PROGRAM PLANNING
OPERATIONAL PLAN/BUDGET
AMENDMENT

EXPLANATION/JUSTIFICATION
(SEE REVERSE FOR INSTRUCTIONS)

Agency Request No.	1	Page	1	of	1
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AGENCY	CODE	NAME
	4201	Dept. of Public Service Regulation

THE INFORMATION FOLLOWING IS TO SUPPORT THE ATTACHED OPERATIONAL PLAN/BUDGET AMENDMENT REQUEST

1. The attached Position Control report shows the amount need to fund salaries and benefits for FY83. If you compare with the B12 Agency Operational Plan you will find the Agency is short \$33,760. In January when \$5,950 unspent pay plan funds for FY82 is transfered to FY83 the Agency will still come up short \$27,810. We do not foresee making this up in vacancy savings or out of operating expenses.
2. The attached information details the reason the Commission needs an additional \$20,000 for the AT&T anti-trust settlement and FERC intervention.



STATE OF MONTANA
OFFICE OF BUDGET AND PROGRAM PLANNING
OPERATIONAL PLAN/BUDGET AMENDMENT

FORM CODE B212
AGENCY REQUEST NO. 1
PAGE 1 of 1
DOCUMENT NUMBER

FOR FISCAL YEAR 1983 REQUEST APPROVAL FOR (mark one)
 Budget Addition: Overall increase or decrease in spending authority
 Operational Plan
 Admin. Approp.
 Program Transfer
 Supplemental
 Other _____

AGENCY CODE 4201 AGENCY NAME Dept. of Public Service Reg. PROG. CODE 01 PROGRAM NAME Public Service Commission

EXPLANATION AND/OR JUSTIFICATION FOR THIS ACTION SET FORTH ON ATTACHED JUSTIFICATION FORM		CURRENT	INCREASE (DECREASE)	REVISED
	FULL TIME EQUIVALENT EMPLOYEES (F.T.E.)	44		44
1100	Salaries	941,718.	15,063	956,781
1200	Hourly Wages			
1300	Other Compensation			
1400	Employee Benefits	172,869	12,747	185,616
	TOTAL PERSONAL SERVICES	1,114,587	27,810	1,142,397
2100	Contracted Services	53,410	20,000	73,410
2200	Supplies and Materials	27,511		
2300	Communications and Transportation	87,120		
2400	Travel	46,396		
2500	Rent	55,408		
2600	Utilities	5,395		
2700	Repair and Maintenance	9,071		
2800	Other Expenses	4,627		
2900	Goods Purchased for Resale			
	TOTAL OPERATING EXPENSES	298,944	20,000	308,944
3100	Equipment	10,700		
	TOTAL EQUIPMENT	10,700		
	TOTAL OPERATING COSTS	1,414,231	47,810	1,462,041
	TOTAL PROGRAM COSTS	1,414,231	47,810	1,462,041

Approp. No.	SBAS APPROPRIATION NAME (Limit to 30 Characters)			
A 13076	Center 1	1,394,941	47,810	1,442,751
B 43154	Center 5	19,310		19,310
C				
D				
E				
F				
G				
H				
	TOTAL FUNDING	1,414,231	47,810	1,462,041

Approp. No.	Bill Number	Acct. Entity	Responsibility Center	Expend. Wthdrwl.	Expend. Restr.	Cont.	Transaction Description (Limit to 30 Characters)
A 13075		01100	1	5201			Increase as follows
B							
C							
D							
E							
F							
G							
H							

I certify that this action complies with appropriation acts and applicable statutes.
 Agency Representative _____ Title _____ Date 11/17/82
Adm., Centralized Services Div.

REMARKS _____
 DISTRIBUTION MADE BY OBPP

REVIEWED BY: _____ Budget Analyst _____ Date _____

APPROVE DISAPPROVE
 Number _____
 Legal Authority _____
 Deputy Director for Budget
 Chief Justice
 Board of Regents
 Chm., Leg. Comm.
 Under the authority vested in me as Governor of the State of Montana, I hereby
 APPROVE DISAPPROVE THIS REQUEST.

TOTAL: AGENCY 4201 - PUBLIC SERVICE COMMISSION

PERSONAL SERVICES SUMMARY		BUDGETED		CPP EXPENDED		YTD EXPENDED		* EXP		BALANCE REMAINING	
FTE	DOLLARS	HOURS	DOLLARS	HOURS	DOLLARS	HOURS	DOLLARS	DOL HRS	DOLLARS	HOURS	
44.00	951,123	91,872	36,039.81	3,483.3	418,917.61	40,749.0	532,205.39	44	44	51,123.0	
	0	0	.00	.0	.00	.0	.00	0	0	.00	
	5,658		248.56		2,756.42		2,901.58	48			
	185,516		6,850.80		77,785.38		107,830.62	41			
	0	0	.00	.0	.00	.0	.00	0		.00	
	0	0	.00	.0	.00	.0	.00	0		.00	
	0	0	.00	.0	.00	.0	.00	0		.00	
SUBTOTAL	1,142,397		43,139.17		499,459.41		642,937.59	43			
UNALLOC SALARY	0						.00				
TOT PER SERVICES	1,142,397		43,139.17		499,459.41		642,937.59	43			

CURRENT LEVEL POSITION SUMMARY

VACANT - V&P STATUS:	VACANT FTE	VACANT FTE %	TOTAL VACANT POSITIONS
VACANT - V STATUS:	0	.00	0
VACANT - ALL STATUS:	0	.00	0

AVERAGE GRADE FOR ALL FTE: 11.6

OFFICE OF BUDGET & PROGRAM PLANNING
EXECUTIVE BUDGET SYSTEM
AGENCY OPERATIONAL PLAN --- CURRENT & MODIFIED LEVELS

ACCT ENT	OBJ EXP	DESCRIPTION	S T	ACTUAL 1982 CURRENT (F)	MODIFIED (G)	BUDGETED 1983 CURRENT	MODIFIED	REVISED CURRENT (H)	1983 MODIFIED (I)	FY 1984 CUR MOD (J)	FY 1985 CUR MOD (K)	FY 1984 FY 1985 CUR MOD (L)
(A) AGENCY : 4201 PUBLIC SERVICE REGULATION (B) PROGRAM : 01 PUBLIC SERVICE REGULATION PROG												
(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)	(L)	(M)	(N)	(O)
		FULL TIME EQUIVALENT EMPLOYEES	A			44.00				NA	NA	NA
	1100	SALARIES	A			935,768				NA	NA	NA
	1400	EMPLOYEE BENEFITS	A			172,869				NA	NA	NA
		TOTAL FIRST LEVEL				1,108,637				NA	NA	NA
	2100	CONTRACTED SERVICES	A			53,416				NA	NA	NA
	2200	SUPPLIES & MATERIALS	A			27,511				NA	NA	NA
	2300	COMMUNICATIONS	A			87,120				NA	NA	NA
	2400	TRAVEL	A			46,396				NA	NA	NA
	2500	RENT	A			55,408				NA	NA	NA
	2600	UTILITIES	A			5,395				NA	NA	NA
	2700	REPAIR & MAINTENANCE	A			9,071				NA	NA	NA
	2800	OTHER EXPENSES	A			4,627				NA	NA	NA
		TOTAL FIRST LEVEL				288,944				NA	NA	NA
	3100	EQUIPMENT	A			10,700				NA	NA	NA
		TOTAL FIRST LEVEL				10,700				NA	NA	NA
		TOTAL PROGRAM COSTS				1,408,281				NA	NA	NA
01100		GENERAL FUND ACCCNT	A			1,388,971				NA	NA	NA
04900		NATURAL GAS SAFETY PGM FPRA	A			19,310				NA	NA	NA
		TOTAL FUNDING				1,408,281				NA	NA	NA

I CERTIFY THAT THIS ACTION COMPLIES WITH APPROPRIATION ACTS AND APPLICABLE STATUTES.

AGENCY APPROVAL : _____ DATE ___/___/___ REVIEWED BY ANALYST : _____ DATE ___/___/___

APPR. APPROVE (FOR) _____ DATE ___/___/___
 AUTH. DISAPPROVE GOVERNOR DISAPPROVE _____ DATE ___/___/___

VISITORS' REGISTER

Joint
HOUSE *Approp. Sub Com Nat Res* COMMITTEE
Business

BILL _____

Date 1-13-83

SPONSOR _____

NAME	RESIDENCE	REPRESENTING	SUP-PORT	OP-POSE
<i>Rick Morgan</i>	<i>HELEWA</i>	<i>DEPT of Administration</i>		
<i>Day Booker</i>	<i>Helena</i>	<i>Budget office</i>		
<i>Bill Cutz</i>	<i>Helena 2 wood Ct.</i>	<i>PSC</i>		
<i>Madeline Cottell</i>	<i>Helena</i>	<i>PSC</i>		

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

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.