

MINUTES OF THE MEETING OF THE APPROPRIATIONS SUBCOMMITTEE
ON ELECTED OFFICIALS AND HIGHWAYS

January 21, 1983

(Tape 26, Side B, Tape 27
and Tape 28)

The Appropriations Subcommittee on Elected Officials and Highways met at 8 a.m. on January 21, 1983 in Room 437 with Chairman Quilici presiding.

Members present:

Chairman Quilici

Rep. Lory

Rep. Connelly

Senator Dover

Senator Keating

Senator Van Valkenburg

Senator Stimatz was excused.

Also present: Leo O'Brien, LFA, Cliff Roessner, LFA,
Doug Booker and JanDee May, OBPP.

HEARINGS

Publications and Graphics Division

Mr. Art Blumenthal, Consultant on State Printing, explained he was hired to do a study on the printing in the State of Montana, to look at the qualifications of the Publications and Graphic Arts Division, to look at their skills, at their machinery and their methods, at the suitability of the paper and other things involved in the state's work. In addition, he was asked to differentiate between what the State Printer does and the work that is bought on the outside, and to look at the methods used to determine whether work goes inside or outside. He was also asked to look at the fairness to state agencies and also to learn whether the purchasing agent who provides the printing is doing an effective job and whether the state is getting a good bargain for their money on printing they buy from private sectors. He did the study and has looked at other states and at private sectors generally, and a study of the whole field of printing.

He finds the Publishing and Graphics Arts Division to be well-managed, the equal of a well-run printing plant in the private sector of the same size. He also found the craftsmen to be skilled and well able to do the kind of work that he would call duplicating (quick copy service and work of a rather simple and open nature). He found that the equipment that P & G has is at the leading edge of technology in today's marketplace. The paper they buy is cheaper than they can buy in the private sector, and it is the correct kind of paper for the work they do. The purchasing agent, while not being skilled at printing, has the backup of the managers and administrators in the P & G and is doing a good job. Specifications sent to the private sector are clear and encourage the maximum

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number of people to bid on state work. The charges that P & G makes to the state agencies are fair and in line with what should be done and should be charged. They are not "gouging" the state agencies for the services that they provide, even though, in a sense, they have a monopoly in copy work. He has compared the Montana division with state printers in other states and the charges they make, and Montana is lower. The charges that the private sector makes to the state in work they do is a real bargain. The private sector printers are sacrificing themselves in order to give the state a good deal on its printing, sometimes ridiculously so. He feels that the whole management of the printing in the State of Montana is very well-handled.

He feels there need to be guidelines between what is done in the state printer and what is done on the outside. This is a body of printing that amounts to about \$3 1/2 million per year, and it is growing at somewhere around 5 or 6% per year. It will get bigger. The state division does about a third of the \$3.5 million, and the outside vendors do about two-thirds. He thinks this ratio will continue. The decision as to whether the work is done inside or outside should be made on the basis of which is the least costly, which is the best bargain for the taxpayer, and he stated he has set up an estimating system and given this in his report to the LFA which is a complete estimating system for the P & G of work they can do in-house. If they would estimate using this impartial kind of system, and compare it to a library file of low bids on similar work to make this decision, on the one hand they would have a full file of low bids which the private sector has supplied over the last few months which would be one criterion. On the other hand, they would have their own estimate of the cost to do the work in-house based not on their system but on his system, an impartial system. With this they could judge which is the least costly method and then make a decision. He feels this would be a fair method of deciding which way the printing should go and he feels that a majority, two-thirds, would go to the outside printers as it has in the past, and this system could be audited.

He feels we are lucky in Montana to have a very excellent printing facility, to have the managers in place, and to have the skilled craftsmen that are available. He feels it is necessary for the budget committee to soon allocate money for a study to learn how that typesetting system, which is in place in the P & G, can be used to get much more timely

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reports to the Legislature itself. For example, in other states, he stated there exists, through a typesetting system like this, a reporting system where a copy of every bill that is under consideration in the House or Senate could be updated and on the Senator's or Representative's desk every morning. This printed bill would show all the amendments, all the changes, all the alterations, and be thoroughly updated so every person would know what that particular bill looked like and would know the history of the document through the Legislature. They could also have a calendar of events for the day showing every committee meeting, subjects that will be discussed and the order in which they will be taken. They could also have a journal showing what was done the previous day. All of this could be done with the typesetter. Once a week, they would get a status of all the bills that are pending before the House and Senate. They would get, very quickly, a statute book that could be printed through the computers, onto the typesetter and so on. He mentioned that other states have these systems and would welcome a delegation to come and see what they do now and what is available to the Legislature and to the agencies in the state government. He explained the equipment exists; they already have it now. What is needed is a computer interface and ultimately the hiring of a specialist knowledgeable in printing and in computer to coordinate this activity. It could save the state a great deal of money.

He explained we have available to us today, what is called a text management systems and information management systems, that are in use in other states that allow them to store all the data in a budget, for example, and then to output in a printed form very, very quickly. This would use the typesetter tool to a much greater advantage than what it is today.

He would like to see in the state a study made of the typesetting procedures and coordination now in place in other states which would be available to the state. Some of the software could even be given to the state. Ultimately, if it were possible, it could be put in the budget, the cost of a coordinating person, to fully utilize this type of facility.

Mr. Mike Naegele, with State Publishing, stated in talking about the Quadex equipment, that evidently this has been leased. He does not disagree with the use of the equipment, but the method of obtaining it he highly questions. As he understands it, an appropriation is generally made for

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acquisition of equipment and he feels that leasing is a way around this. He stated he might be wrong, but he wanted to know if this were the case. JanDee May stated she did not recall any equipment last session; just the printers, and they were specifically denied.

Chairman Quilici stated they would look at any acquisitions and they would research them to see if they were factual or not.

Mr. Don Breiby, Administrator of Printing and Graphics, explained what they had on line last session was the system called an "Edit Writer 7500" which is a slightly smaller unit than what the Quadex is now. At the last session this system was sufficient and was doing the job they needed done. However, after the last session, they rapidly could see that the demand was outstripping the supply, and they did upgrade between sessions to the Quadex system. The money to pay for the equipment was done on a lease-purchase agreement at the recommendation of the budget office with the revolving fund. They did put the equipment through the channels of having it approved by the individual who is in charge of proving the processing systems, and he was strongly in favor of the system. This is on a five-year lease system.

When asked if their rates had increased since this equipment has been in place, the department responded that they have. However, he feels this is only one of the factors that caused their rates to go up. When they first began, they had no rate study in place to document what their actual charges should be for typesetting or any other function they were doing. They had a rate determination study made, and because of this study, they did change their prices. He feels their rates are still as cheap or cheaper than the commercial sector.

Senator Keating asked if they are doing much more in-house printing and less contracting with the outside. Mr. Breiby replied this was hard to tell because of past records. For example, the state has had a copy camera in place for years, but no one had ever utilized it before. When the division was formed, they started utilizing the camera for the cost savings for the state. Their production has risen almost 240% as a result.

He explained further that the division has only been in place for three years, but the duplicating bureaus have been in place longer than this.

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Mr. Bill Schneider, from Falcon Press, explained they have the Edit Writer 7500 also, and they have been able to interface with both the smaller word processor type computers that the state agencies have and with the larger computers also. He stated, therefore, you don't have this big a system to interface with computers. He understood that a good percentage of the jobs were not going out for bid; they are being done in Publications and Graphics, and he wondered why.

He stated he also understood the reason the Quadex system was not going too well was because it was started just before the consultant report was done. He wondered just when exactly the Quadex system was in place.

Chairman Quilici noted that Falcon Press was put on the vendors' list in 1982, and he said he noticed on the list of bids that were sent out that there were no responses from Falcon Press. Falcon Press was then taken off the vendors' list. They were put back on the list on September 28, 1982, and again a list of bids and no response. Mr. Schneider explained they are interested in doing some types of state work. The type of work that has been coming out of Publications and Graphics, for the most part, are the types of work that they do not do. They are mostly smaller jobs such as forms, receipts, letterheads, and they are not this type of printing jobber. They are more in the composition business. Some of these forms and other publications had composition with them, and those that came out with compositions were put out when they were off the bid list. They had not read the fine print and did not realize they had to send in every other bid or they would be taken off the bid list. They are interested in a major publication type of work, newsletters, books, reports and this type of work, and not interested in the printing so much as the composition type of work and layout. This specialty puts them into direct conflict with what the Quadex system does. They are not interested in the other section where they actually have presses.

They feel they are competitive, and could save the state some money on some of their work.

Mr. Fredrick Berzonie stated while not only are the rates cheaper, they should also look at the output of the equipment or the people doing this work. He feels we are putting the cart before the horse when we are leasing equipment without the experience for that equipment. He commented that now

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they want to appropriate monies for a study to be used to see if the equipment can suffice the needs of the state. He wanted to go on record as saying, that if the revolving account that the Publications and Graphics is operating under; if this account can afford to cover the study within that revolving fund, then this is fine. But to appropriate monies for a piece of equipment that is leased is not an appropriate item. He finds fault with this.

Mr. Stan Thurston, Thurber Printing, stated he feels that the committee should be advised of what actually is involved in working with phototype setting now and in the future. The committee heard that this equipment can now be purchased for around \$100,000, and they heard that there could be two stenographers and a computer expert; \$10,000 for the two stenos and \$30,000 for the computer expert. This would be \$50,000 in salaries alone just for the output part of this. He urged the committee to bear in mind also that the obsolescence on this type of equipment is unbelievable.

In order to keep competitive you have to do this, he stated. The new federal income tax law depreciation value depreciates out this type of equipment in three years' time. The reason he is pointing this out is that this is going to be an ongoing thing, and it could go many ways; either be more expensive or less expensive.

He stated that in order to make this equipment work, he feels that 50% of the bureaus would have to have someone there to operate these systems or to input into this Quadex system. He wanted to note also that the word processors can become obsolete just as rapidly as the Quadex system. He feels this is one of the reasons why printing costs are becoming so high. He feels this is not going to be a one-shot deal; it is something that is going to have to be planned for.

He does have objections to the bureau having the ability to lease. He stated one must ask oneself, how the Legislature can get hold of the expenditures, when they can go outside and bring in this type of equipment and obligate themselves to a five-year lease, and by the time the five-year lease is up, have to replace it with something newer.

He feels the Legislature should adopt a policy on leasing.

(Begin Tape 27, Side A)

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As far as the report of Mr. Blumenthal, he has no quarrel with this report, because it dealt primarily with the fact that the Duplicating Bureau is doing a competent job for the State of Montana. The private sector has had no quarrel with the printers as long as it kept on as a Duplicating Bureau; as long as it was maintained along the lines as it is now.

Discussion of differences between duplicating, printing and typesetting.

Senator Van Valkenburg asked Mr. Blumenthal about the inappropriateness of the printers jumping into Quadex until they have a better idea of what is in store for the future. Mr. Blumenthal replied that we should look at the printers as a very expensive and costly enterprise, and that we should look at the future and see what the needs of state government will be. If they look at other states, they can see that they are far ahead as far as the reporting of legislative procedures and generating things such as the budget. He stated the leading states in the field have equipment exactly like this Quadex. More importantly, we should realize that the Quadex is a modular piece of equipment. While the whole typesetting concept is changing, this module will certainly be applicable to the changes that occur in the future. The interface between this machine and the main frame computer will change, but the typesetter will not. Senator Van Valkenburg asked if the hardware is going to change and change quickly, if there was a good reason to make an investment in the hardware. Mr. Blumenthal replied this was so. Because there are immediate needs in the publishing and in the graphics, they have to produce a typeset of materials and they need these elements. He feels this type of equipment would fit into the realms of the future work.

What the P & G has done is get equipment such as the keyboard and the output elements, and it is the interfacing that they now require to tie in with the ultra-system.

He said he would not recommend any different equipment than the P & G has now with the Quadex. He feels it will be modern for far longer than the life of the lease, and he feels this is the right way to go. He feels typesetting should be increased in the state's activity, and this is the fundamental difference he finds with the private sector people who are here. The mechanism for making great savings for the state

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exist in having a state-owned typesetting facility like Oregon, Kansas and other states have. He feels they are doing the right thing by having the Quadex system, and that the Quadex should be expanded even at the sacrifice of giving work to the private sector.

The committee briefly recessed.

Adjutant General

General Jim Duffy, Department head of the Department of Military Affairs, gave a brief overview. He explained that the Disaster and Emergency Services Division's main mission is to respond to any emergency, whether it be natural or manmade, and to put out a communications system to local governments so that they can tie into the state government and have an overall coordination and continuity of government. The National Guard is a dual mission: a federal mission for mobilization of call to active duty to support the President, and a state mission to call for any disaster or emergency that may occur within the state that cannot be handled with ordinary government agencies. The National Guard as a whole has about 46% of the combat power, and this volunteer army has about 780,000 people and the reserves number over 800,000. In Montana, there are 2,758 guard personnel on the Army side, and 916 on the Air side of the guard. They hire 252 full-time federal employees on the Army side and 334 full-time employees on the Air side. They have 27 armories they are responsible for in the field, and a total of 63 facilities which include their maintenance shops.

One of the most sincere programs on the Army side is the weekend training site, and they are in the process of updating this training site. They have been promised a little over \$100,000 for installing a new targeting system to increase their combat readiness. He stated they are asking the state for some assistance. They have a serious backlog at the present time. He is running the present training site with 11 mechanics. He has 3,700 hours of maintenance backlog due to the fact that the training site is being supported by mechanics.

On the Air side, he feels the Air National Guard is probably the most combat-ready unit in the Guard and strictly supports the Air Force. He explained they have two F-106 fighter aircraft on full alert at all times at the Great Falls station.

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The primary support for this installation is out of federal funds. When comparing federal funds, they have about 37 million dollars that come in to support the Montana National Guard, and this is mostly in equipment. They have to maintain it for training, etc., and most of this money is spent in Montana. The equipment is not included in this figure as this is many, many millions of dollars worth of equipment.

Capt. Cottrill, Administrator of Centralized Services for the Department of Military Affairs, was introduced to the committee.

Also introduced were Gail Pilcher for Disaster and Emergency Services, Mike Wolf from Veterans' Affairs and Brigadier General Emmettt Whalen.

Cap. Cottrill first referred to their vacancy savings being established at 3.5%. He commented that with the state pay raises at 4 1/2% the Adjutant General would have to cover approximately \$25,000 in FY84 and approximately \$50,000 in FY85. If this is coupled with 3.5% vacancy savings, it would force them to have to make up about \$45,000 the first year and close to \$100,000 the second year of the biennium. The vacancy savings they made up this last session were due to a concerted effort on behalf of the department to make the amount of money they had meet the salaries.

Capt. Cottrill explained they have five full-time employees in the administration program: these are the Adjutant General, Deputy Director, himself, the accountant for the department, and one secretary. They made the 8% vacancy savings in FY82 because he went to a six-week school in Ft. Benjamin Harrison, Indiana, and this is how they were able to make up the vacancy savings. Gen. Duffy also contributed about 10% of the vacancy savings by going on leave without pay for various meetings as the Adjutant General. They feel that a forced vacancy savings of much more would require them to make more of a sacrifice than before, and they might be forced to lay off people to meet this.

In "accrued expenditures", he noted on the first page of the LFA's budget, there is a note that they had expenditures that were not recorded in the printout system, and that these expenditures were not included in the base for the LFA budget. These expenditures amounted to \$37,122 or about 2% of their total budget for the year.

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He explained that on June 9 he moved out of his office for a construction program on energy and retrofit at the Headquarters Building. On August 23 he moved back into the office, and during this interim he operated out of a desk in the hallways and a table, always out of cardboard boxes. It was during this time frame that they lost a box of invoices. Then in August past due bills began to arrive showing that they had not made final payments for June. This \$37,122 was June expenses they had not paid until August; therefore, this amount did not get into their printout base for the LFA. He is asking that these items be placed back into the base as after-closing costs. He added they are in the executive budget base.

Administration Program 01 (Exhibit 1)

Capt. Cottrill explained the LFA lowered their FY82 base by \$9,387 in "communications." The reason behind this decrease was the fact that they were authorized to spend less than the amount that they actually had spent in the last budget session. The department has made an extensive effort to reduce communications costs, and in doing this they have been criticized by the Legislative Auditor's Office. They had a procedure where they limited themselves to a certain dollar amount per quarter that they could spend on communications. The people in the field could not meet their telephone bills and they didn't want to tell headquarters in Helena. As a result they have some past due bills. This procedure has changed. However, their actual expenditures reflect current level operations, and they ask that this money be placed back into the communications budget and that the executive budget be the base used.

The second item under "communications" is in the base adjustment for after-closing costs, and they are asking that \$500 be added back into the base. They are asking that the executive budget in "communications" be accepted.

In "contracted services" the difference of \$5,000 is that the executive budget put the Adjutant General's portion of the audit fees in FY84 and the LFA put the entire \$15,000 audit fees for the department in FY85. They are asking that only \$5,250 of the audit fees be charged to the Adjutant General, and that the Disaster and Emergency Services budget pick up the remaining \$9,750 because in DES they get a 50% federal match, and the Adjutant General's budget is 100% state-funded.

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Senator Keating asked the OBPP to explain the one FTE difference between the LFA and OBPP. Mr. Booker explained the reason they were less was that the Governor's Council on Management had recommended that the Deputy Director position be dropped. Therefore they show one less position in the OBPP budget. Gen. Duffy explained while he does not always agree with the Governor's Council, he does what he is told to do. Rep. Lory stated that this was a bit different than in an ordinary office. The Deputy Director is different than an ordinary office general.

In the area of "utilities", Capt. Cottrill stated that the "utilities" was reduced by \$4,000 based on the energy retrofit of the Headquarters Building. This information came in late and did not get into the LFA budget, but is in the executive budget. This includes \$283 for electricity and \$75 for water service that they would like to have added back into the base. They are again requesting that in "utilities" the executive budget be accepted.

Gen. Duffy added that the \$4,000 figure was just a figure they feel will be a savings due to the retrofit. They feel in two years they will have a better history to base these costs upon.

Senator Van Valkenburg asked Cap. Cottrill to explain again the communications issue. Capt. Cottrill stated the LFA budget took out \$9,387 from the base because they felt they had exceeded their authority as it appeared in the broken-out budget approved by the last legislature. It is not a question that they did not spend the money. It is a question that they had exceeded the amount that had been set up in the communications subcategory. It is true, he said, that they did exceed this amount. As examples he stated that in FY80 they spent \$23,623 in this area and in FY81 they spent \$21,595. In FY82 they spent \$27,474 which shows that '82 is up 22% over FY80. They do not feel that, based on FY82 over FY80 actual expenditures, that there was any great, particular increase. They are requesting that the money be put back in. They moved the money from "utilities" to spend in "communications." Discussion.

For further clarification, Capt. Cottrill stated that of the \$27,974 the department spent on "communications" totally this year, \$14,000, half of this came from STS services which

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were inflated at a rather high rate. (For FY83 there is a 26% inflation rate for STS services, for FY84 there is a 27% inflationary factor and for FY85 it is 17% inflationary factor.) He explained that if you take the 26% and 27% you have a 50% increase.

(Begin Tape 27, Side B)

Army National Guard Program 02 (Exhibit 2 & Exhibit 12)

Capt. Cottrill explained the first item under "contracted services" is that they are asking for a boiler maintenance contract to maintain 10 boilers at a base cost of \$10,000. It is in the executive budget but not in the LFA. The LFA approaches this as an item of issue. This projects out to \$11,236 in FY84 and in FY85 \$11,910. So of the \$17,000, \$11,000 is for the boiler maintenance contract.

In the executive budget they had asked for \$1,200 for an insurance premium for loan of federal equipment and remote television cameras. They are asking that this be withdrawn from the executive budget and that Disaster and Emergency Services will address this in their program. Therefore, the executive budget of \$294,895 would be dropped by \$1,200.

Capt. Cottrill explained that the Department of Military Affairs has been printing federal forms. The Department of Defense in 1979 went to a program which says that all federal forms can now be locally reproduced. They have tremendous cost savings by doing this. However, they did not forward any money to the states to reproduce these forms locally. They were managed under a one-time program to get money from the federal government, and they are asking that printing costs be reduced from "contracted services" by \$2,758 for that one-time cost. It is reflected in their budget. They are asking that this amount be placed back in because it was a one-time savings.

Mr. Booker stated that with the inflated costs this amount would be \$3,099 for FY84 and \$3,285 for FY85. Capt. Cottrill added that their policy would be if they were again to receive a refund from the federal government they would immediately offset these costs. The OBPP budget would then be \$293,695.

The last item under base adjustment for after-closing costs would be in the program "contracted services" for a \$4,218 adjustment to the base. This would increase the LFA by \$4,739

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in FY84 and \$5,023 in FY85. These figures are reflected in the executive budget, and they are asking that the executive budget be adopted, less the \$1,200.

Under "supplies and materials" the LFA is high by \$2,336. This is because the base used by the LFA was not reduced for additional printing markup work that is done in a different category. They are requesting that the LGA's lower budget figure be adopted for this category.

There is a substantial difference in the "communications" budget. In the past, they have had a small communications contract with the federal government which has allowed the department to provide communications services to the federal employees who are stationed in National Guard buildings in the state. This money was used to offset actual expenditures under the communications program and, therefore, their base does not reflect this contract. A recent legislative audit stated this was not the way to handle this. They asked that this contract be included as income, and that the base be adjusted upward to allow them to contract for these expenditures. They are, therefore, asking that \$42,959 in FY84 be added to the budget (100% federally funded) for communications services. He stated this is reflected in the executive budget.

Senator Keating stated that communications seem to be a large item in all of their budgets. He asked what the modern communications consist of. Capt. Cottrill explained that they authorize each unit to have one telephone line and two extensions. He explained the problem they have is that there is no way for them to have cheap communications between the detachments in the headquarters and with the higher headquarters. The only way they can do this is with long distance telephone calls. They are asking for a radio communications system, and they feel this type of system would reduce the long distance telephone calls. When asked about a WATS line, he stated they can only put these lines in six locations, and the remaining locations have to be by regular telephone lines.

When asked how much the SECURE communications system would save, Capt. Cottrill responded that their initial projections were that the SECURE system would save them \$6,000 a year in long distance telephone calls. They feel the bulk of the savings will be between units and detachments. They feel the

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SECURE system will have a six-year payback at present rates. They feel this in itself justifies looking at the system more closely.

The second adjustment in "communications" reflected in the executive budget is that \$28,000 should not have had the reduced equipment factor applied to it. They are asking that this be increased with normal inflationary factors. These are communications equipment outside of the WATS line areas that are serviced by the new communications contract.

For clarification, Chairman Quilici stated that the \$28,000 is for areas outside of the Centel Corporation where they will still be using Mountain Bell. This amount is in the executive budget. Mr. Booker also stated for clarification that the new Center operation for Helena will not be converted until after the first quarter of the next biennium.

Capt. Cottrill stated that they had some after-closing adjustments in "communications" that amount to about \$2,500. They are reflected in the executive budget, and they are asking that the executive budget be adopted in "communications."

In "utilities", the Department of Military Affairs in FY82 in mid-May recognized that their utility bills were far exceeding the projections for the year and the base they were operating off of as approved by the last legislative session. Gen. Duffy then wrote a letter to all units asking them to shut their heat off as of the first day of June until the first of September. They estimate they saved \$10,000 by doing this. However, they are asking that this \$10,000 be placed back in because they feel it was a one-time savings. This is reflected in the executive budget. They are asking the same for the Air-Guard program when that budget is discussed.

He also asks that after-closing costs of approximately \$12,000 be placed back into the budget. These are the non-accrued expenditures that he discussed earlier. (The June bills they did not pay until August.) They would like to see the executive budget be adopted for "utilities." He also pointed out to the committee that 49% of their operating budget last year was for utility bills, and any impact on utility prices impacts totally on their entire program.

The last item is in "repair and maintenance." He stated that he stood before the last subcommittee and stated that if they

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would adopt their budget, they would do many things in the repair and maintenance program, and they were not able to do this. They did do the best they could. They have seal-coated a couple of roofs, and provided some emergency repairs that they had not anticipated. They have tried to start scheduling maintenance with the amount of money they had. They also transferred \$24,000 into "utilities" to pay for utility bills and felt they could defer maintenance to pay utility bills.

The department has taken a very critical look at itself, their program and budget, and have even requested that a study be made of their personnel to see if they could more effectively use their maintenance personnel. They would like to have a maintenance bureau to take over and supervise all maintenance programs for the department. They are asking, under the modifications, for training site support for three additional personnel to form a maintenance bureau.

The maintenance bureau would be set up (Exhibit 13) so that each facility would receive a scheduled maintenance program. They are asking that the "repair and maintenance" budget be increased by \$49,706 on the base which projects out to a \$55,849 increase in FY84 and \$59,199 in FY85. At the same time they request that the modification for the training site at Townsend be adopted by this committee, and that three additional personnel be used to staff a maintenance bureau to operate and coordinate maintenance for the department. There are 63 buildings throughout the state.

At the present time, four or five people make the decisions without a concerted effort. When a decision was made, the work was contracted out at all the outlying areas except for the Helena area.

Capt. Cottrill added that in the maintenance budget they deferred \$23,500 in expenses to pay utilities in the base year of FY82, and they are asking that this \$23,000 be placed back into the budget. This is in the executive budget. This was deferred from "repair and maintenance" to pay for utilities."

Discussion on the roof that was put on the armory and how it was maintained. Capt. Cottrill stated he felt that a maintenance bureau chief would have the time and expertise to develop new programs that would assure much more effective maintenance.

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He explained the bottom line of what they are recommending is that executive budget for "repair and maintenance" be adopted and also the modification for the Townsend training site be adopted.

In the area of "equipment", the department has submitted requests for \$1,479. This is for grounds maintenance, primarily lawn mowers, etc. They used to be able to let the grounds go and no one cared about the weeds. But today there are other facilities around them, and they have found they have to keep their grounds looking better. \$400 of this is for lawn mowers and \$879 is for a typewriter.

Modification

Army National Guard Program 02 (Exhibit 4)
Radios (00023)

Capt. Cottrill pointed out, in the information passed out last week, the figures were not correct. They feel the annual maintenance is going to be \$5,000 rather than the \$10,000 which was included in the handout. The match for "repair and maintenance" is going to be a match of \$2,500. The savings is not \$6,555; it is actually \$6,000. This savings is already reflected in the "communications" budget that the executive branch put in.

Another point he wanted to make was that there are a number of agencies coming in with communications packages to this Legislature. They want to explain that their bands are authorized by the federal emergency management agencies and the Dept. of Defense. There has been some concern that the committee, if they are compatible, would only recommend one system. It is possible that their bands would not be compatible with any of the other systems, and, therefore, they would like to have theirs considered as a separate program. He explained their system is only for National Guard and Disaster and Emergency Services. It would be available on an emergency basis to assist the Highway Patrol if their communications system broke down, but the Highway Patrol system would not be compatible across the state.

Discussion of the radio systems across the state.

Army National Guard Program 02 (Exhibit 5)

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1 FTE - Accountant (00029)

Capt. Cottrill explained that the Department of Military Affairs last year did an extensive legislative audit, and this is one of recommendations of this audit. They felt the management of their federal contracts could be improved, and this improvement would be in the area of better financial accounting for the federal government and, therefore, would increase their federal revenue. There is presently one accountant position in the Adjutant General's office who is responsible for all accounting, all claims processing and payroll. They are asking, in this modification, for an FTE to administer the contracts. This position would be funded 82% by the federal government and 18% by the general fund. They feel this position will pick up 2% of the total contract amount and result in better administration. Therefore, this person's portion of general fund for his salary would be made up in more efficient charging to the government. They feel that the increased federal revenue would make up that general fund. This would be a Grade 10 position.

He also added that they have also increased their federal split in other areas based on the acceptance of this position.

(Begin Tape 28, Side A)

Air National Guard Program 03 (Exhibit 6)

The first item of discussion was in "contracted services." Capt. Cottrill stated they would like a base adjustment for non-accrued expenditures be added back into the base of \$1,305; the reason being that the figure used by the LFA on the print-out was for 4.6 months, and the figure used for the actual janitorial contract is \$14,000 a year. They are asking that the \$14,000 be the base used. Therefore, they are asking that \$1,466 be added in FY84 and \$1,554 be added in FY85 to the LFA budget. With this adjustment they are asking that the LFA budget be adopted.

In "communications", they are asking that the figures for communications be adjusted upward as the 31% decrease inflation factor was used. All communications are under the Air Guard program out of Great Falls, and it is not covered by the contract. Therefore, they are asking that the executive budget be adopted. For clarification, Chairman Qhilici restated that they are asking for the executive budget in "communications" because Great Falls is not going to come under Centel.

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In "utilities", they are asking that \$10,000 be added back into the base. (This was because of the closing down last June till September.) Last session they asked for a shifting and they asked for a base adjustment for shifting. They did this by going to a 50-hour week for the operation of a hangar because their National Defense mission requires them also to pick up a portion of the Air Defense Mission for another sector. They were asked to go to an 80-hour shift. Therefore he is asking for an adjustment of \$7,000 in the base for that second shifting adjustment. He is also asking that \$3,500 be adjusted to natural gas. Under "utilities", they are asking that the executive budget be adopted.

Discussion on inflation factors for utilities. Mr. Booker stated that the inflation factor for electricity is 108 for '83, 123 for '84 and 127 for '85. For natural gas it is 116 for '83, 117 for '84 and 121 for '85.

In "repair and maintenance" they are asking that the executive budget be adopted primarily for scheduled maintenance of repairs to roofs pending, etc., and there are some minor after-closing costs also.

Gen. Duffy added, in closing, that they had received a letter from the National Guard Bureau which offered them the opportunity to hire four more FTE for fire fighters for the Air Guard which would be 100% federally-funded. The catch, however, is that it has to be state FTE. He wrote to the Governor, and was told that it would be his own struggle; that he would have to go through the Legislature to ask for four more FTE. The long-range plan is that they will eventually have nineteen fully federally-funded fire fighters at the Air Guard base by FY85. He stated this was not in the books, but he was offering this for consideration also.

Discussion. Gen. Duffy added that the NGB has told him that these four FTE will be converted to full-time federal FTE in the future.

Disaster and Emergency Services

Disaster Coordination and Response 01 (Exhibit 7)

Ms. Gail Pilcher, accountant for Disaster and Emergency Services, introduced herself to the committee and also introduced Ken Grieb, Administrative Assistant.

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In going over this budget, Ms. Pilcher asked that in "salaries and benefits" they would like to request that there be no vacancy savings. This program has thirteen employees. They do not have high turnover in employees, and if they did have vacancy savings, it would create a problem for them.

In "contracted services", the difference between the LFA and executive is due to the fact that the executive budget put the audit costs into this program. The total amount is \$6,825. The reason is because this program is a 50/50 match, so they are requesting that this figure be put in and left in the executive budget.

On insurance, on their communications and audio-visual equipment, this item was not addressed in their budget. It was addressed in the Military Affairs budget. They would like to request that \$600 each fiscal year be put into their budget because of the fact that this would be a 50/50 match with the federal government. This is not represented in the executive budget. For clarification Capt. Cottrill stated it was the budget at \$1,200. When the revision was made, they took it out at \$1,200 and put it back in in Disaster Services for \$600.

The other difference in "contracted services" is in printing. The difference is approximately \$1,800. This is in the executive budget but not in the LFA. They are requesting that this additional \$1,800 be left in and the executive budget be accepted.

Mr. Booker added that in the budget for disasters they have had to put out a plan for such things as the Cosmo coming down. The department is requesting that the executive budget be accepted plus \$600 each fiscal year for insurance that was not addressed.

Under "supplies and materials" they have a \$1,009 difference. Ms. Pilcher had them broken out into three different categories. The first was under books and reference materials, a difference of \$192 and \$198. They would like the executive budget on this for technical reference materials that keep cropping up as they presently do not have the funds to buy the materials. On radio supplies and minor equipment there is a difference of \$617 in FY84 and \$642 in FY85. The radio supplies and materials are needed to maintain their new radio and pager system.

This is for equipment that was purchased during the last biennium. In photographic supplies there is a difference of \$195 in FY84 and \$208 in FY85. This is for supplies such as film, batteries, etc. that they have on hand for disaster situations. She is requesting that the executive request be accepted for "supplies and materials."

(Begin Tape 28, Side B)

Disaster Coordination & Response 01

In "communications", Ms. Pilcher explained the present yearly cost for the three telephones is about \$1,087 per year. They will have to eat the cost of the first quarter telephone until it gets switched over to Centel. She added the monthly telephone costs for this equipment is \$900 a month.

It was noted that the committee would take a second look at this in both budgets before taking executive action.

Another item under "communications" is the messenger service. There is a difference of \$123 in FY84. Their present cost is \$223 a year, and they request that they be able to accept the executive budget proposal. She stated they receive messenger services once a day at the Armory facility and the costs keep increasing. The LFA's proposal for messenger service will not even cover the current costs at this point. They would like to ask that the executive budget be accepted for "communications" plus the addition for the three-month period telephone costs for local service and equipment.

In "travel", they accept the LFA's proposal.

In "other expenses" there is a difference of \$123. This is a difference in subscriptions. They would like to see the executive budget adopted. This is for subscriptions to technical and professional subscriptions which keep them updated on what is happening in the civil defense world.

In "equipment", there is a difference between the executive budget and the LFA. Mr. O'Brien stated he included some office equipment that the agency requested in this budget which included cabinets, chairs, file cabinets, etc. for district offices around the state. He stated it was his understanding that these district offices are now housed in county courthouses,

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and none of these have their own state furniture. In the OBPP there is enough money to buy chairs, etc., for these offices. So, in essence, the LFA's figures are an agency request.

Capt. Cottrill said if the long-range building approves a construction project for a headquarters building here in town, it would require Disaster and Emergency Services to move out of the basement. By moving out of the basement they estimate it would save 10% of the construction costs, and the contractor will be able to go in and in one shot do the entire project. There are some expenses involved in this move, and it is primarily to move the disaster communications equipment that is there. It would cost them \$3,000, and another \$3,000 to move it back downstairs again when the project is completed. This is dependent on the long-range building, and he felt it should be noted somewhere in the budget that if the project is approved that the \$6,000 should be included for the one-time cost of moving.

If this expenditure is necessary it will be line-itemed.

Disaster Coordination & Response

5 Vehicles 0003 (Exhibit 8)

The department is requesting that this modified be withdrawn. Capt. Cottrill explained that the agency has done an extensive cost analysis and it appears it would take 18 years to get a payback on this equipment, and it is not cost-justified. Therefore, they are asking for a withdrawal on this proposal.

Disaster Coordination & Response

1 FTE - 00001 (Exhibit 9)

The one FTE is for a communications specialist. Capt. Cottrill explained the division has had a contract with the state Communications Division to provide this maintenance service. This year the Director of the Communications Division notified the agency they would no longer support this contract. In lieu of this, they are now asking for an additional position in the agency to support the communications requirement placed on them by the federal emergency management agency. It is a 50% federally-funded position. If the SECURE radio communications system is approved, this position would maintain this equipment at no additional cost. The contract for last fiscal

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year was \$15,000. This money is not in the operating budget as it was 100% federally-funded, and a match was provided by the communications. There was no budget adjustment under "contracted services."

They feel by their taking over this responsibility it would take care of what their requirements are now.

Chairman Quilici noted for the committee that they might look for this one FTE in the Department of Administration budget in "communications."

Mr. Grieb stated this would be a grade 14 position. They feel this grade would be appropriate for this type of individual. For Senator Keating's benefit they explained that they contracted with the Communications Division, and they were picking up the 50% match that would be required under this particular federal program. It was a \$30,000 a year contract. The state's share was absorbed by the Communications Division, so they in turn reimbursed communications out of their federal monies. This service is no longer available from the Department of Administration, and the contract was canceled when the one employee quit. For clarification, Chairman Quilici noted it would be cheaper by having their own individual in their office, and he would be able to perform the functions better. Discussion.

Nuclear Civil Protection 04 (Exhibit 10)

This program is 100% federally-funded, and there are seven positions under this program. There is a difference for FY84 in the LFA's of \$16,000 and \$10,000 in the executive budget. Mr. Booker stated he and Mr. O'Brien had not had time to sit down and work out these differences. The executive budget does not include the same thing as the LFA. Two of the FTE's were put on by budget amendment. So they put these in as modifieds, and the LFA put the whole thing in their budget (including the budget amendment). The OBPP and the LFA office will get together on this item.

Veterans' Affairs

Gen. Duffy then introduced Mr. Mike Wolf to give a quick run-down on the Veterans' Affairs budget. (If the bill is passed they may become part of their division.)

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The Veterans' Affairs meets their responsibilities by having eight field offices which give personal service across the state. In addition, the claims officer and the administrator give personal attention to claims at the VA center at Ft. Harrison. The division wishes to emphasize that it does not claim any of the functions of the Veterans' Administration which is a federal agency duly authorized to administer veterans' benefits. This raises a problem among people unfamiliar with a state agency dealing with veterans' affairs, as to why a Veterans' Affairs Division is needed when there is a federal agency charged with the responsibility of administering veterans' benefits.

Montana was probably the first state to recognize this fact, and now some 46 states have a Department of Veterans' Affairs or a comparable agency. The Congress of the United States recognizes the need for a special agency to aid and counsel veterans in obtaining these benefits. This proves the value of such an agency.

They perform vital services to veterans and dependents, and its services may be compared to a lawyer. A veteran must be represented by a skilled service officer if they are to obtain the benefits they are entitled to. A presentation to obtain benefits is a complicated process. They provide the professional assistance needed to file such claims.

The difference between the function of the Veterans' Administration, a federal agency, and the Veterans' Affairs Division, a state agency, is this: the aim of the Veterans' Administration is to pay or deny each veteran or dependent exactly the benefit granted by Congress. The aim of the Veterans' Affairs Division is to obtain for the veteran or their dependents all the benefits to which he or she is entitled, to tell them when they are entitled to the benefits, to help them prepare the evidence to prove his or her entitlement, and to appear in their behalf before the proper division of the Veterans' Administration when necessary.

Gen. Duffy stated he would welcome the Veterans' Affairs Division into their agency. He has noted they have had some very serious management problems in the past, and he feels with the expertise they have, they could help them in a lot of ways.

Hearings closed.

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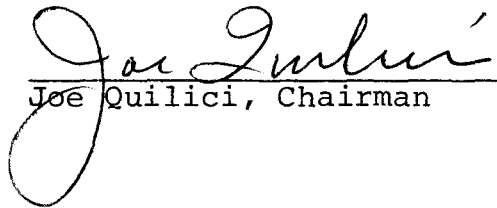
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Senator Van Valkenburg asked if they could get budgets presented in a consistent fashion. He stated he felt the Department of Justice did their budgets well, and he would like to see every agency do this in the same fashion.

A discussion on the presentation of budgets for future agencies was conducted.

The meeting was adjourned at 11:50 a.m.



Joe Quilici, Chairman

REPORT EBSR100
DATE : 01/08/83
TIME : 16/25/25

OFFICE OF BUDGET & PROGRAM PLANNING
EXECUTIVE BUDGET SYSTEM
AGENCY/PROGRAM/CONTROL --- BUDGET WORKSHEET

PAGE 582

exhibit 1
1/21/83

AGENCY : 6701 ADJUTANT GENERAL
PROGRAM : 01 ADMINISTRATION PROGRAM
CONTROL : 00000

CURRENT LEVEL SERVICES ONLY

AE/OE	DESCRIPTION	OBPP FY 84	LFA FY 84	DIFF. FY 84	SUB-CMT. FY 84	OBPP FY 85	LFA FY 85	DIFF. FY 85	SUB-CMT. FY 85
0000	FULL TIME EQUIVALENT (FTE)	4.00	5.00	1.00	—, —, —	4.00	5.00	1.00	—, —, —
1100	SALARIES	103,434	136,074	32,640	—, —, —	103,040	135,556	32,516	—, —, —
1400	EMPLOYEE BENEFITS	11,843	17,814	5,971	—, —, —	11,973	18,072	6,099	—, —, —
1500	HEALTH INSURANCE	3,840	4,800	960	—, —, —	3,840	4,800	960	—, —, —
	TOTAL LEVEL	119,117	158,688	39,571	—, —, —	118,853	158,428	39,575	—, —, —
2100	CONTRACTED SERVICES	6,103	852	-5,251	—, —, —	904	15,903	14,999	—, —, —
2200	SUPPLIES & MATERIALS	1,638	1,616	-22	—, —, —	1,737	1,697	-40	—, —, —
2300	COMMUNICATIONS	33,525 ✓	17,934	-15,591 ✓	—, —, —	39,739	21,067	-18,672	—, —, —
2400	TRAVEL	5,026	4,930	-96	—, —, —	5,172	5,065	-107	—, —, —
2500	RENT	91	90	-1	—, —, —	96	95	-1	—, —, —
2600	UTILITIES	OK 27,271	31,022	3,751	4000, —	34,030	37,757	3,727	—, —, —
2700	REPAIR & MAINTENANCE	5,137	5,088	-49	—, —, —	5,445	5,366	-79	—, —, —
2800	OTHER EXPENSES	652	646	-6	—, —, —	691	683	-8	—, —, —
	TOTAL LEVEL	79,443	62,178	-17,265	—, —, —	87,814	87,633	-181	—, —, —
3100	EQUIPMENT	400	400	—	—, —, —	400	400	—	—, —, —
	TOTAL LEVEL	400	400	—	—, —, —	400	400	—	—, —, —
	TOTAL PROGRAM	198,960	221,266	22,306	—, —, —	207,067	246,461	39,394	—, —, —
01100	GENERAL FUND	198,960	221,266	22,306	—, —, —	207,067	246,461	39,394	—, —, —
	TOTAL PROGRAM	198,960	221,266	22,306	—, —, —	207,067	246,461	39,394	—, —, —

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72
351

REPORT EBSR100
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OFFICE OF BUDGET & PROGRAM PLANNING
EXECUTIVE BUDGET SYSTEM
AGENCY/PROGRAM/CONTROL --- BUDGET WORKSHEET

PAGE 584

exhibit 2
1/21/83

AGENCY : 6701 ADJUTANT GENERAL
PROGRAM : 02 ARMY NATIONAL GUARD PGM
CONTROL : 00000

AE/OE	DESCRIPTION	OBPP FY 84	LFA FY 84	DIFF. FY 84	SUB-CMT. FY 84	OBPP FY 85	LFA FY 85	DIFF. FY 85	SUB-CMT. FY 85
0000	FULL TIME EQUIVALENT (FTE)	13.00	13.00			13.00	13.00		
1100	SALARIES	192,608	202,157	9,549		191,875	201,388	9,513	
1400	EMPLOYEE BENEFITS	29,161	31,354	2,193		29,376	31,756	2,380	
1500	HEALTH INSURANCE	12,480	12,480			12,480	12,480		
	TOTAL LEVEL	234,249	245,991	11,742		233,731	245,624	11,893	
2100	CONTRACTED SERVICES	1,800 294,895	4,300 277,712	10,000 b.i.c. unmet -17,183		1,200 298,417	502,300 280,271	11,000 b.i.c. unmet -18,146	
2200	SUPPLIES & MATERIALS	23,204	25,540	2,336		24,597	27,065	2,468	
2300	COMMUNICATIONS	109,563	58,493	-51,070		128,643	67,064	-61,579	
2400	TRAVEL	1,594	1,607	13		1,604	1,617	13	
2500	RENT	16,353	16,351	-2		17,333	17,330	-3	
2600	UTILITIES	506,605	476,762	-29,843		613,638	577,061	-36,577	
2700	REPAIR & MAINTENANCE	146,673	62,250	-84,423		155,474	65,980	-89,494	
2800	OTHER EXPENSES	15,011	15,002	-9		15,911	15,900	-11	
	TOTAL LEVEL	1,113,898	933,717	-180,181		1,255,617	1,052,288	-203,329	
3100	EQUIPMENT	1,479		-1,479		400	2,280	-400	
	TOTAL LEVEL	1,479		-1,479		400		-400	
7100	TO INDIVIDUALS	2,280	2,280			2,280	2,280		
	TOTAL LEVEL	2,280	2,280			2,280	2,280		
	TOTAL PROGRAM	1,351,906	1,181,988	-169,918		1,492,028	1,300,192	-191,836	
01100	GENERAL FUND	929,054	851,031	-78,023		1,060,511	936,138	-124,373	
03132	NATIONAL GUARD	422,852	330,957	-91,895		431,517	364,054	-67,463	
	TOTAL PROGRAM	1,351,906	1,181,988	-169,918		1,492,028	1,300,192	-191,836	

down
hybrids

REPORT EBSR100
DATE : 01/08/83
TIME : 16/26/30

OFFICE OF BUDGET & PROGRAM PLANNING
EXECUTIVE BUDGET SYSTEM
AGENCY/PROGRAM/CONTROL --- BUDGET WORKSHEET

exhibit 3
1/21/83
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AGENCY : 6701 ADJUTANT GENERAL
PROGRAM : 02 ARMY NATIONAL GUARD PGM
CONTROL : 00021 TOWNSEND TRN. SITE *mainline control not*

MODIFIED LEVEL SERVICES ONLY

AE/OE	DESCRIPTION	OBPP FY 84	LFA FY 84	DIFF. FY 84	SUB-CMT. FY 84	OBPP FY 85	LFA FY 85	DIFF. FY 85	SUB-CMT. FY 85
0000	FULL TIME EQUIVALENT (FTE)	3.00		-3.00		3.00		-3.00	
1100	SALARIES	50,855		-50,855		50,661		-50,661	
1400	EMPLOYEE BENEFITS	7,699		-7,699		7,756		-7,756	
1500	HEALTH INSURANCE	2,880		-2,880		2,880		-2,880	
	TOTAL LEVEL	61,434		-61,434		61,297		-61,297	
2200	SUPPLIES & MATERIALS	1,348		-1,348		1,429		-1,429	
	TOTAL LEVEL	1,348		-1,348		1,429		-1,429	
3100	EQUIPMENT	5,000		-5,000					
	TOTAL LEVEL	5,000		-5,000					
	TOTAL PROGRAM	67,782		-67,782		62,726		-62,726	
01100	GENERAL FUND	38,190		-38,190		33,385		-33,385	
03132	NATIONAL GUARD	29,592		-29,592		29,341		-29,341	
	TOTAL PROGRAM	67,782		-67,782		62,726		-62,726	

REPORT EBSR100
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OFFICE OF BUDGET & PROGRAM PLANNING
EXECUTIVE BUDGET SYSTEM
AGENCY/PROGRAM/CONTROL --- BUDGET WORKSHEET

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AGENCY : 6701 ADJUTANT GENERAL
PROGRAM : 02 ARMY NATIONAL GUARD PGM
CONTROL : 00023 RADIOS

exhibit 4
1/21/83

MODIFIED LEVEL SERVICES ONLY

AE/OE	DESCRIPTION	OBPP FY 84	LFA FY 84	DIFF. FY 84	SUB-CMT. FY 84	OBPP FY 85	LFA FY 85	DIFF. FY 85	SUB-CMT. FY 85
2700	REPAIR & MAINTENANCE					5,000		-5,000	
	TOTAL LEVEL					5,000		-5,000	
3100	EQUIPMENT	120,600		-120,600					
	TOTAL LEVEL	120,600		-120,600					
	TOTAL PROGRAM	120,600		-120,600		5,000		-5,000	
01100	GENERAL FUND	78,250		-78,250		5,000		-5,000	
03132	NATIONAL GUARD	42,350 <i>Ed.</i>		-42,350				2,500 } 2,500 }	
	TOTAL PROGRAM	120,600		-120,600		5,000		-5,000	

REPORT FBSR100
DATE : 01/08/83
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OFFICE OF BUDGET & PROGRAM PLANNING
EXECUTIVE BUDGET SYSTEM
AGENCY/PROGRAM/CONTROL --- BUDGET WORKSHEET

exhibit 5
1/21/83
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AGENCY : 6701 ADJUTANT GENERAL
PROGRAM : 02 ARMY NATIONAL GUARD PGM
CONTROL : 00029 1 FTE - ACCT

AE/OE	DESCRIPTION	OBPP FY 84	LFA FY 84	DIFF. FY 84	SUB-CMT. FY 84	OBPP FY 85	LFA FY 85	DIFF. FY 85	SUB-CMT. FY 85
0000	FULL TIME EQUIVALENT (FTE)	1.00		-1.00		1.00		-1.00	
1100	SALARIES <i>Ordg</i> /c	14,654		-14,654		14,598		-14,598	
1400	EMPLOYEE BENEFITS	2,219		-2,219		2,235		-2,235	
1500	HEALTH INSURANCE	960		-960		960		-960	
	TOTAL LEVEL	17,833		-17,833		17,793		-17,793	
	TOTAL PROGRAM	17,833		-17,833		17,793		-17,793	
01100	GENERAL FUND	3,210		-3,210		3,203		-3,203	
03132	NATIONAL GUARD	14,623		-14,623		14,590		-14,590	
	TOTAL PROGRAM	17,833		-17,833		17,793		-17,793	

Budget includes the position.

REPORT EBSR100
DATE : 01/08/83
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OFFICE OF BUDGET & PROGRAM PLANNING
EXECUTIVE BUDGET SYSTEM
AGENCY/PROGRAM/CONTROL --- BUDGET WORKSHEET

exhibit 6
1/21/83

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AGENCY : 6701 ADJUTANT GENERAL
PROGRAM : 03 AIR NATIONAL GUARD PGM
CONTROL : 00000

AE/OE	DESCRIPTION	OBPP FY 84	LFA FY 84	DIFF. FY 84	SUB-CMT. FY 84	OBPP FY 85	LFA FY 85	DIFF. FY 85	SUB-CMT. FY 85
0000	FULL TIME EQUIVALENT (FTE)	16.50	16.50			16.50	16.50		
1100	SALARIES	273,344	275,570	2,226		272,303	274,523	2,220	
1400	EMPLOYEE BENEFITS	45,539	47,475	1,936		45,829	48,007	2,178	
1500	HEALTH INSURANCE	15,840	15,840			15,840	15,840		
	TOTAL LEVEL	334,723	338,885	4,162		333,972	338,370	4,398	
2100	CONTRACTED SERVICES	16,596	13,664 1466	-2,932		17,591	14,483 1544	-3,108	
2200	SUPPLIES & MATERIALS	1,603	1,598	-5		1,699	1,691	-8	
2300	COMMUNICATIONS	12,494	7,817 1544	-4,677		14,895	9,203 1544	-5,692	
2400	TRAVEL	72	70	-2		74	71	-3	
2500	RENT		1	1			1	1	
2600	UTILITIES	369,500	326,840	-42,660		449,085	397,224	-51,861	
2700	REPAIR & MAINTENANCE	48,322	32,869	-15,453		51,222	34,838	-16,384	
2800	OTHER EXPENSES	3,655	3,651	-4		3,874	3,868	-6	
	TOTAL LEVEL	452,242	386,510	-65,732		538,440	461,379	-77,061	
	TOTAL PROGRAM	786,965	725,395	-61,570		872,412	799,749	-72,663	
01100	GENERAL FUND	136,897	130,571	-6,326		156,159	143,955	-12,204	
03132	NATIONAL GUARD	650,068	594,824	-55,244		716,253	655,794	-60,459	
	TOTAL PROGRAM	786,965	725,395	-61,570		872,412	799,749	-72,663	

REPORT EBSR100
DATE : 01/08/83
TIME : 16/25/25

OFFICE OF BUDGET & PROGRAM PLANNING
EXECUTIVE BUDGET SYSTEM
AGENCY/PROGRAM/CONTROL --- BUDGET WORKSHEET

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1/21/83

no vacancy savings

AGENCY : 6702 DISASTER & EMERGENCY SERV DIV
PROGRAM : 01 DISASTER COORDINATION & RESP.
CONTROL : 00000

CURRENT LEVEL SERVICES ONLY

AE/OE	DESCRIPTION	OBPP FY 84	LFA FY 84	DIFF. FY 84	SUB-CMT. FY 84	OBPP FY 85	LFA FY 85	DIFF. FY 85	SUB-CMT. FY 85
0000	FULL TIME EQUIVALENT (FTE)	13.00	13.00			13.00	13.00		
1100	SALARIES	279,576	286,529	6,953		278,513	285,441	6,928	
1400	EMPLOYEE BENEFITS	40,902	41,269	367		41,220	41,863	643	
1500	HEALTH INSURANCE	12,480	12,480			12,480	12,480		
	TOTAL LEVEL	332,958	340,278	7,320		332,213	339,784	7,571	
2100	CONTRACTED SERVICES	1,484 11,384	2,745	-8,639		1,600 536,766	2,902	-1,864	
2200	SUPPLIES & MATERIALS	195 4,619	3,610	-1,009		620 5,378	4,320	-1,058	
2300	COMMUNICATIONS	OK 28,274	26,893	-1,381		OK 32,442	30,749	-1,693	
2400	TRAVEL	OK 31,734	31,728	-6		32,868	32,856	-12	
2700	REPAIR & MAINTENANCE	3,355	3,347	-8		3,556	3,546	-10	
2800	OTHER EXPENSES	OK 1,201	1,078	-123		1,273	1,141	-132	
	TOTAL LEVEL	80,567	69,401	-11,166		80,283	75,514	-4,769	
3100	EQUIPMENT	918	1,031	113		918	1,093	175	
	TOTAL LEVEL	918	1,031	113		918	1,093	175	
	TOTAL PROGRAM	414,443	410,710	-3,733		413,414	416,391	2,977	
01100	GENERAL FUND	207,221	205,355	-1,866		206,706	208,196	1,490	
03135	DISASTER & EMERGENCY SERVICES	207,222	205,355	-1,867		206,708	208,195	1,487	
	TOTAL PROGRAM	414,443	410,710	-3,733		413,414	416,391	2,977	

6000 less item for training for moving

REPORT EBSR100
DATE : 01/08/83
TIME : 16/26/30

OFFICE OF BUDGET & PROGRAM PLANNING
EXECUTIVE BUDGET SYSTEM
AGENCY/PROGRAM/CONTROL --- BUDGET WORKSHEET

exhibit 9
1/21/83

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AGENCY : 6702 DISASTER & EMERGENCY SERV DIV
PROGRAM : 01 DISASTER COORDINATION & RESP.
CONTROL : 00001 F.T.E. - COMM & PLANNING

MODIFIED LEVEL SERVICES ONLY

AE/OE	DESCRIPTION	OBPP FY 84	LFA FY 84	DIFF. FY 84	SUB-CMT. FY 84	OBPP FY 85	LFA FY 85	DIFF. FY 85	SUB-CMT. FY 85
0000	FULL TIME EQUIVALENT (FTE)	1.00		-1.00		1.00		-1.00	
1100	SALARIES <i>Grade 14</i>	20,175		-20,175		20,098		-20,098	
1400	EMPLOYEE BENEFITS	2,952		-2,952		2,975		-2,975	
1500	HEALTH INSURANCE	960		-960		960		-960	
	TOTAL LEVEL	24,087		-24,087		24,033		-24,033	
	TOTAL PROGRAM	24,087		-24,087		24,033		-24,033	
01100	GENERAL FUND	12,043		-12,043		12,016		-12,016	
03135	DISASTER & EMERGENCY SERVICES <i>OK</i>	12,044		-12,044		12,017		-12,017	
	TOTAL PROGRAM	24,087		-24,087		24,033		-24,033	

REPORT EBSR100
DATE : 01/08/83
TIME : 16/25/25

OFFICE OF BUDGET & PROGRAM PLANNING
EXECUTIVE BUDGET SYSTEM
AGENCY/PROGRAM/CONTROL --- BUDGET WORKSHEET

exhibit 10
1/21/83

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AGENCY : 6702 DISASTER & EMERGENCY SERV DIV
PROGRAM : 04 NUCLEAR CIVIL PROTECTION
CONTROL : 00000

AE/OE	DESCRIPTION	OBPP FY 84	LFA FY 84	DIFF. FY 84	SUB-CMT. FY 84	OBPP FY 85	LFA FY 85	DIFF. FY 85	SUB-CMT. FY 85
0000	FULL TIME EQUIVALENT (FTE)	5.00	7.00	2.00	—, —, —	5.00	7.00	2.00	—, —, —
1100	SALARIES	94,855	139,193	44,338	—, —, —	94,494	138,897	44,403	—, —, —
1400	EMPLOYEE BENEFITS	14,010	20,052	6,042	—, —, —	14,127	20,342	6,215	—, —, —
1500	HEALTH INSURANCE	4,800	6,720	1,920	—, —, —	4,800	6,720	1,920	—, —, —
	TOTAL LEVEL	113,665	165,965	52,300	—, —, —	113,421	165,959	52,538	—, —, —
2100	CONTRACTED SERVICES	6,021	4,363	-1,658	—, —, —	3,222	4,611	1,389	—, —, —
2200	SUPPLIES & MATERIALS	3,539	4,065	526	—, —, —	3,697	4,292	595	—, —, —
2300	COMMUNICATIONS	5,968	8,720	2,752	—, —, —	6,967	9,978	3,011	—, —, —
2400	TRAVEL	14,039	31,683	17,644	—, —, —	14,530	32,383	17,853	—, —, —
2500	RENT	71	66	-5	—, —, —	75	70	-5	—, —, —
2700	REPAIR & MAINTENANCE	1,076	1,355	279	—, —, —	1,140	1,431	291	—, —, —
2800	OTHER EXPENSES	4	—	-4	—, —, —	4	—	-4	—, —, —
	TOTAL LEVEL	30,718	50,252	19,534	—, —, —	29,635	52,765	23,130	—, —, —
3100	EQUIPMENT	25	27	2	—, —, —	25	28	3	—, —, —
	TOTAL LEVEL	25	27	2	—, —, —	25	28	3	—, —, —
	TOTAL PROGRAM	144,408	216,244	71,836	—, —, —	143,081	218,752	75,671	—, —, —
03133	NUCLEAR CIVIL PROTECTION	15,571	—	-15,571	—, —, —	16,609	—	-16,609	—, —, —
03134	CALIBRATION & MAINTENANCE	128,837	216,244	87,407	—, —, —	126,472	218,752	92,280	—, —, —
	TOTAL PROGRAM	144,408	216,244	71,836	—, —, —	143,081	218,752	75,671	—, —, —

DEPARTMENT OF MILITARY AFFAIRS

exhibit 11
1/21/83

TED SCHWINDEN, GOVERNOR

P.O. BOX 4789

STATE OF MONTANA

OFFICE OF THE ADJUTANT GENERAL

HELENA, MONTANA 59604

DMA-AG

17 December 1982

MEMORANDUM

TO: Governor Ted Schwinden

FROM: MG Jim Duffy

SUBJECT: Air National Guard Fire Fighters

We presently have 10 fire fighting personnel assigned to the Air National Guard. These positions are State FTE's, however they are funded completely with federal and local funds.

We have recently received the enclosed letter from the National Guard Bureau which offers \$72,700 federal dollars to fund four additional fire fighting positions which would have to be State FTE's. During my conversation with NGB personnel they have indicated that by fiscal year 1985 a total of 19 fire fighting positions would be authorized the Montana Air Guard, fully federally funded as either civil service technicians or full time military positions which in either case would no longer require State FTE's.

Keep in mind that you have already approved an additional 3 FTE's for DMA for my proposed maintenance program which I would not like to jeopardize.

Even though this request for 4 more State FTE's does not fit within your proposed 2% reduction of FTE's I would not like to lose the federal dollars knowing in the near future the positions would be 100% federal FTE's.

If you need any more information about this proposal please let me know.

AGENCY : 6702 DISASTER & EMERGENCY SERV DIV
PROGRAM : 04 NUCLEAR CIVIL PROTECTION
CONTROL : 00000

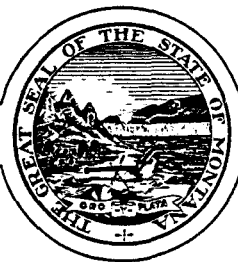
CURRENT LEVEL SERVICES ONLY

[illegible]

COMMENTS :

DEPARTMENT OF ADMINISTRATION
ARCHITECTURE & ENGINEERING DIVISION

exhibit 12
1/21/83



TED SCHWINDEN, GOVERNOR

1500 EAST SIXTH AVENUE

STATE OF MONTANA

(406) 449-3104

HELENA, MONTANA 59620

December 30, 1982

Lt. Larry A. Field
Department of Military Affairs
1100 North Last Chance Gulch
Helena, Montana 59620

Re: Boiler Water Treatment

Dear Lt. Field:

This letter will confirm our telephone conversation of December 29, 1982, regarding the benefits of initiating a boiler water treatment program.

The main purpose of a boiler water treatment program is to eliminate problems caused by scale, corrosion, and sludge in all steam boilers. A good water treatment program will reduce maintenance costs and will prolong the life of the equipment. More importantly, it will aid in keeping the boiler operating at peak efficiency which can result in a significant fuel cost savings.

We strongly recommend that you institute a boiler water treatment program for all steam boilers under your jurisdiction. The cost of a good program will be offset several times over by the reduced operating and maintenance costs.

Sincerely,

A handwritten signature in dark ink, appearing to read "George T. Nolan, Jr.", is written over the typed name.

GEORGE T. NOLAN, JR., Mechanical
Engineer
Design Bureau

ld



REPLY TO:
ANGSC/DEM

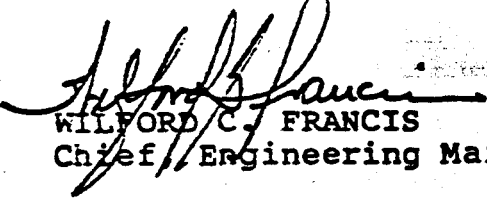
1 DEC 1982

SUBJECT: P448.02 Funds for Fire Protection Personnel

TO: TAG Montana

1. We have submitted a FY85 POM initiative to provide full time fire protection personnel for our SAC, ADTAC and AFRS alert bases. In the interim, we plan to provide funds to hire a nucleus of full time fire protection personnel.
2. We will provide to Great Falls, MT, 100% Federal (P448.02) funds to hire 4 personnel effective 1 January 1983. Costs for these personnel are not to exceed \$72,700.
3. Personnel must be State employees, preferably members of the Air National Guard unit, with a security clearance at the SECRET level.
4. You are requested to submit a modification to the O&M Cooperative Agreement along with information requested by attachment 1 to this letter to ANGSC/DEM, Stop 18, Andrews AFB, MD 20331, Attn: Mr. John Hines.
5. Upon receipt of the modification to your O&M agreements, funds will be provided in the amount necessary to cover the period 1 January through 30 September 1983.

FOR THE CHIEF, NATIONAL GUARD BUREAU


WILFORD C. FRANCIS
Chief, Engineering Maintenance Branch

1 Atch
O&M Addl Info Sheet

Cy to: USP&FO, MT

6 December 1982

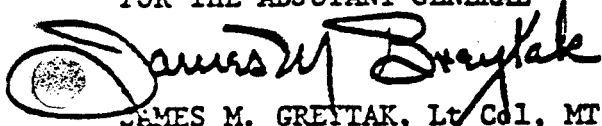
1st Ind (TAG MTANG)

DEPARTMENT OF MILITARY AFFAIRS, Office of the Adjutant General, Montana

TO: MTANG/CC

Forwarded for your information and necessary action.

FOR THE ADJUTANT GENERAL


JAMES M. GRETTAK, Lt Col, MT ANG
Air Executive Officer

1 Atch
z/c

MAINTENANCE BUREAU

EXISTING PERSONNEL STRUCTURE

PROPOSED BUREAU

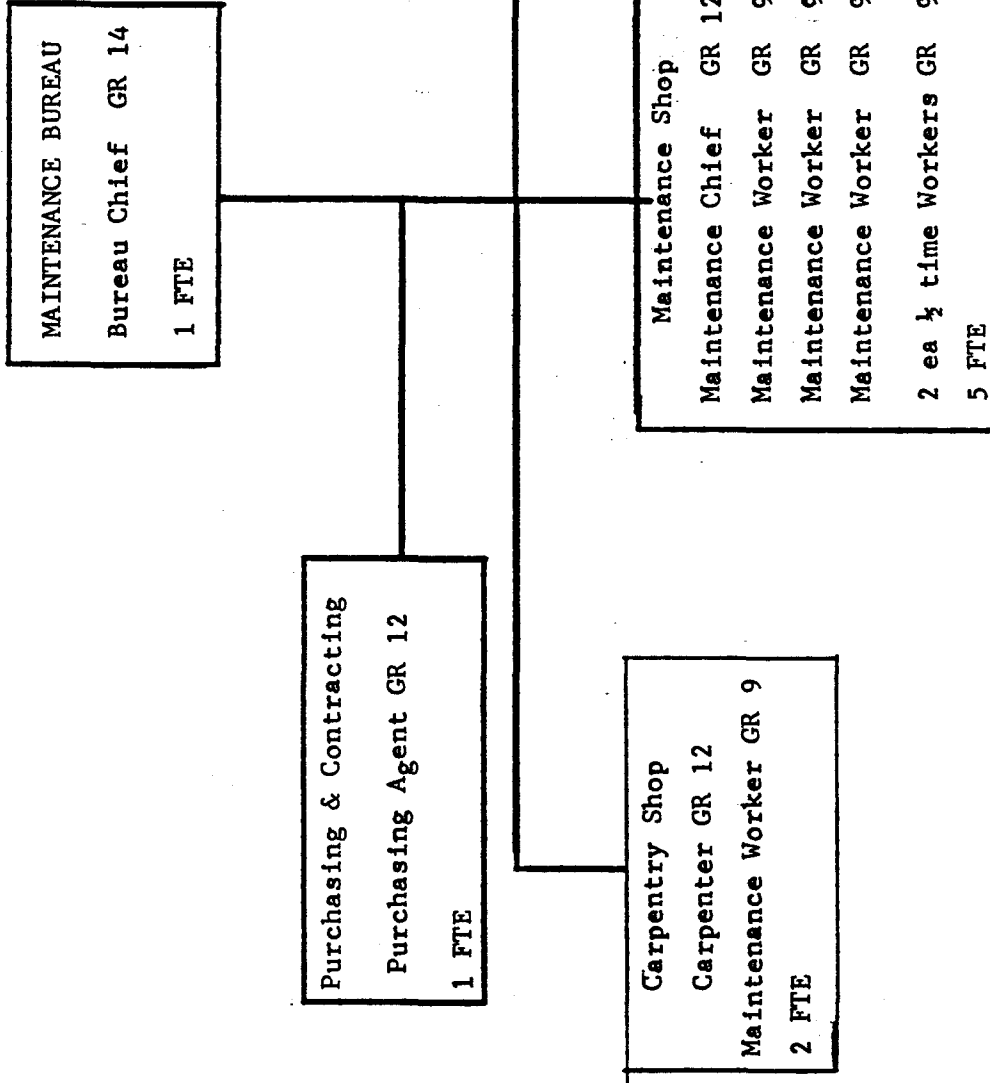
1 ea Admin/Purchasing Officer	Grade 13	1 ea Bureau Chief	Grade 14	New (1)
1 ea Maintenance Supervisor	Grade 12	1 ea Electrician	Grade 13	
1 ea Maintenance Worker IV	Grade 11	1 ea Carpenter	Grade 12	New (1)
6 ea Maintenance Worker II	Grade 9	1 ea Maintenance Chief	Grade 12	
1 ea Security Guard	Grade 8	1 ea Purchasing Agent	Grade 12	
		1 ea Plumber	Grade 11	
		7 ea Maintenance Worker	Grade 9	New (1)

10

13

To create this Bureau to direct our maintenance program, we are asking for three (3) additional Full Time Employees.

DEPARTMENT OF MILITARY AFFAIRS



VISITOR'S REGISTER

HOUSE ELECTED OFFICIALS/HIGHWAYS COMMITTEE

~~XXXXXX~~ ^{BILL} Budget Hearing

DATE Jan. 21, 1983

~~SPONSOR~~ Disaster & Emergency Services

Adjutant General, State Printing

[illegible]

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

WHEN TESTIFYING PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.