

MINUTES OF THE MEETING OF THE APPROPRIATIONS SUBCOMMITTEE ON  
ELECTED OFFICIALS AND HIGHWAYS  
January 24, 1983

(Tape 30, Side B, & Tape 31)

The Appropriations Subcommittee on Elected Officials and Highways met at 8 a.m. on January 24, 1983 in Room 437 with Chairman Quilici presiding. The following members were present:

Chairman Quilici	Senator Dover
Rep. Connelly	Senator Keating
Rep. Lory	Senator Van Valkenburg
	Senator Stimatz

Also present were: Cliff Roessner, LFA; Doug Booker and JanDee May, from the OBPP; Jim Waltermire, Secretary of State, Larry Akey and Cliff Christian from Secretary of State's office.

HEARINGS

SECRETARY OF STATE

Mr. Jim Waltermire, Secretary of State, told the committee this office is primarily a public service agency. Mostly they serve individual citizens or groups of people around the state with their needs on a day-to-day basis. These services are primarily in the area of operations, banks, certified public accountants and local election officials. The things they do are extremely important to the commerce of the State of Montana. They have made lots of badly needed changes since last session. They wanted to change the turn-around times; corporate transactions, for example, from what had been four to six weeks, to within the statutory limit of ten days, and he is proud to say that they have accomplished this.

He added it has been very gratifying to him to get the job done because he has had experiences in the past with the delays and flak that had prevailed before, and it was therefore personally satisfying for him to see the office efficiency improve. He invited the committee to come down to his offices and tour them, ask any question they would like, and see for themselves what has been done.

He stated in their budget request they are asking for a reduction of 2 FTE's from their current level of funding. He feels they can very easily continue to provide the kind of service they have been providing at this level. He stated the current level request is what is necessary to continue to provide the type of services they have been providing. He said there may be room for some negotiation in the special projects area, (there are four included) and stated that these were not life

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or death issues. They are needed kinds of things, but there could be compromises made. If necessary, when the crunch comes they would be available to talk about the special projects.

Larry Akey, Executive Assistant to the Secretary of State, provided the committee with materials. (Exhibit 1) He explained that the executive budget book lists the functions of their office as legislative recordkeeper. He stated that while this is true, it is not all they do. The biggest function they have, taking well over half of the staff time, is the area of the organization of commerce. They also handle administrative rules for the state, and a variety of miscellaneous recordkeeping functions.

He explained there are some substantial differences between agency, executive and LFA budgets. The bulk of the differences are because the agency requested several special projects that the executive and LFA have broken out. The agency request in both years is for money to continue corporate automation projects, to continue their ARM/MAR indexing projects, to begin microfilming of corporate records and to begin the development of a computer system for the notary public records. The executive budget deletes the microfilming request and the request for the notary public systems development, and the LFA budget drops out all four of these projects from their current level budget.

He stated it was important to note the executive budget request for the 1985 biennium is only about a 6% increase over the 1983 biennium, or roughly about half the inflation rate that the budget office is predicting for the upcoming biennium. Compared to their '83 appropriation, the '84 executive budget is about a 2.2% increase which is well under the inflation rate. In real terms what we see is a decrease over the 1983 budget level.

He stated it was important for the committee to understand that the Secretary of State's office puts money back into the general fund. In FY82, they came within about \$15,000 of being self-supporting if you exclude the one-time special projects. Their revenues for FY82 were roughly \$760,000 and they are projecting for FY84m FY85, revenues within the range of \$780,000 to \$800,000. He told the committee that when they are looking at the bottom line of this budget, he wanted

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the committee to realize that there are big numbers coming out of the office on the revenue side as well.

Records Management Program

He referred the committee to Exhibit 2 which breaks out special projects for a base budget comparison and the differences. On the staffing level, the LFA has recommended 26.17 FTE for both '84 and '85; current level for the program is 27.67 and they have voluntarily reduced their request by one FTE. The LFA has recommended an additional .5 FTE beyond this. They also recommend a 3% vacancy savings for the program. He added the agency's request already drops one FTE from their current level staffing which is a 3.6% reduction of the staffing level. Their vacancy savings last session were only 3.2%. They have already given up the position that resulted in the vacancy savings so their request to the subcommittee is that they be allowed to retain the .5 FTE and that they have full funding of their personal services.

In "operating expenses" he stated in reviewing the budget with Mr. Roessner, they found what appear to be errors in putting together the LFA's request in printing, audit fees and secretarial services where apparently the analyst missed picking up some of their basic expenditures or failed to apply inflation factors, etc. These amount to roughly \$23,000 each year of the biennium. They would therefore, request from the committee, that these errors be corrected.

Another major difference between the two budgets is the \$6,487 to pay court-ordered costs for the State of Montana ex. rel. Hagsted, et. al. vs Waltermire lawsuit. The ruling went against the Secretary of State's office and the office has been ordered to pay these attorney's fees. Their office is requesting roughly \$6,500 to pay for these costs.

Discussion. Mr. Akey added he was not particularly concerned about where the money is appropriated, whether it be from their budget as a line-item amount or in some other bill, but that they are under court order to make the payment, and without an appropriation they will not be able to do so. He said this amount was included in FY84 "contracted services."

If a decision is made to appropriate this in some other bill, then \$6,487 could be pulled out of the "contracted services" request in the executive budget.

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Chairman Quilici asked Mr. Roessner if this was included in the LFA's budget and he stated that it was not. Senator Van Valkenburg asked for a copy of the decision in the court case. (Exhibit 3)

Other "current level" issues concern the rent figures. They are requesting that they have sufficient appropriation to pay for existing square footage at whatever rate the Department of Administration charges. The costs for moving the offices following Capitol renovation, if it should occur, are not included in this budget.

His final concern, at least under one interpretation from Diana Dowling at the Legislative Council, (Exhibit 4), is that any constitutional amendments or legislative referenda that are passed by the 48th Legislature have to be voted on at the general election in 1983. If this interpretation stands up, it is conceivable that they are going to have to publish voter information pamphlets in each year of the biennium, one in 1984 for the '83 general election and one in '85 for the November election in 1984. Their current budget does not include any funds for this possibility. They may have to come back to the legislature for additional funding necessary for this publication. (See page 2 of Exhibit 2 for reference)

Sen. Dover asked Mr. Akey how much this voter information pamphlet cost last time and was told that it was about \$44,000. He suspects we would be looking at figures between \$20,000 to \$25,000. It would depend on the number of referenda or amendments that this legislature proposes to bring to the people. They print the pamphlets and distribute them to the local election administrators, and they are responsible for mailing it to the voters.

Senator Van Valkenburg asked Mr. Akey what the amount for the budget in FY83 was for the information pamphlet. Mr. Akey stated the appropriation was \$53,000 and they expended roughly \$45,000 of this.

Administrative Rules Program (Exhibit 5)

He then referred the committee to Exhibit 6 which breaks out special projects and also applies to the Administrative Rules Program. One of the differences is the staffing level recommended. The Legislative Fiscal Analyst's office recommended

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that they drop the program from 5.5 FTE to 2.5 FTE. The LFA feels that three FTE should be dropped from the current level base. They have deleted three FTE from their current level base but he stated that not all of them are associated with this particular program, and he then explained the reasons to the committee.

The staffing level when Mr. Waltermire became Secretary of State was such that all the centralized functions were being paid for exclusively out of the Records Management Program. They then determined they should allocate a central staff back to the program so that these programs were more truly reflective of the costs of doing business. As a result, all of their central administrative staff have been allocated back to the various programs. They currently have only 1.5 FTE that are directly involved in the day-to-day operation, and they have two FTE that are central staff. If the committee accepts the LFA recommendation of dropping back to 2.5 FTE what the committee is doing is saying that they can have .5 of an FTE to operate this program and it would simply not be possible. He explained they have taken three FTE's out of their current level base so that they have, in fact, taken the FTE's that were associated with the ARM indexing project but they are not all in the Administrative Rules Program. They have taken two out of here and one out of the Records Management Program, and their request is that this program be funded for 3.5 FTE's.

He explained the LFA is roughly \$3,000 more in their "contracted services" line item for FY84. He explained he would get together with the LFA to work this out but at present it looks like there is roughly \$3,000 too much in this area.

Other than these, the differences between the two budgets are minor.

One issue Mr. Akey wishes to raise is the funding of this program. The program is jointly funded between general fund and an earmarked account, the administrative rules revolving fund; that is established by state statute at 2-4-313. The LFA anticipates funding from the earmarked account at current fee levels. The executive budget anticipates maintaining the current proportion of funding in the earmarked account. The general fund will require an increase in these charges to the users. It is his understanding that the executive budget contains, for other executive agencies, the funds sufficient to cover the anticipated fee increase. If the subcommittee opts

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to go with the LFA's recommended funding level from the earmarked account there will probably have to be some adjustments made in the other agencies' budgets.

He stated that Mr. Waltermire's feelings are that the program ought to be self-sufficient as possible; that the users of the services ought to pay, and that it ought not to be something handled out of the general fund. The split that is proposed by the executive budget is one that would pay for the "free copies" that the statute has them distribute to local officials, to the State Law Library, etc., but if the committee chooses to go with some other level of earmarked funding that would be fine.

In response to a question from Senator Keating, Mr. Akey stated that the Administrative Rules Program, as they are currently operating, consists of a couple of different things. First they do the publication and distribution of the Administrative Rules. Their office also acts as a collection agency for all of the rules of the other agencies. It is their job to publish the Administrative Register about 24 times a year and the ongoing program itself is the publication and distribution of these rules. In addition to about 140 "free copies", they are required to distribute about 225 to subscribers both in-state and out-of-state. The 3.5 FTE's are to do this job. Without funding for the program, these rules never would be distributed.

In addition to this, they were appropriated money during the last session to begin the job of topical indexing, and this is the area the LFA has broken out separately. This is the project that he is talking about being deleted, the indexing project, and not the on-going level.

David Niss, staff attorney, explained at the present time the Administrative Register is published twice a month and averages somewhere from 50 to 75 pages per issue. Chairman Quilici asked him to provide information on how many rules are promulgated during a particular time. He replied he would have his staff put this together for the committee.

Mr. Akey explained that the funding in the LFA's budget book shows a split between general fund and other appropriations for the Administrative Rules Program as \$102,000 general fund and \$86,700 of the earmarked revolving fund, so the split is roughly 60-40.

He stated the recommendation from his administrator is that he try to more adequately reflect the true costs of the programs by having their central staff people allocated back into programs. These are arbitrary figures and they will probably make some adjustments of these to more accurately reflect the actual time spent. The support personnel are there largely at the insistence of the LFA and the Legislative Auditor. He has no problems accurately reflecting the cost of doing business as long as he is funded to do this. He stated, quite frankly, if they are only funded for 2.5 FTE for the program it is not going to be the support personnel that are cut because they are in other programs in the office.

(Begin Tape 31, Side A)

Special Projects (Exhibit 6)

Mr. Akey then explained the modifications. He explained the Fiscal Analyst has broken all these out as separate issues, and the executive budget contains two of these, the corporate automation project and the administrative rules indexing project as part of the current level.

The "Corporate Automation Project" was appropriated \$200,000 for development of a computer system for handling corporate and Uniform Commercial Code records last session. This was based on an estimate at the time of \$110,000 for systems development and \$88,000 for conversion and hardware acquisition. In addition, HB 500 directed them to contract with the Department of Administration for systems development. They proceeded with the Department of Administration going through at that time what was their systems development cycle and finished this and found a price tag attached to that for systems development alone of \$261,000 which is obviously a variance to \$111,000 appropriated. They have been working very closely with ISD and what is now the Computer Services Division to try to bring the cost of the project down. He explained further they are continuing to work with CSD on this project and the current estimates of development costs alone are in the range of \$160,000 to \$200,000. They have started conversion of the project on a portion of the data base from the existing manual system to the automated system, and so far they are well within their budget on what they estimated the conversion would cost. Presently, they have the UCC portion running and are roughly a third of the way through the data base conversion. The

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corporate portion of their system is designed, the computer portion has begun and they would anticipate the completion of this computer programming by July 1 of this year. In order to do this, however, they had to spend some of the money that was appropriated for conversion and they are now requesting they be provided with roughly \$40,000 to complete the conversion of compiling the automated data base.

They are also requesting operational monies for the corporate automated base for the biennium. At the present time there is \$155,000 invested in the project, and he feels they have a system which will provide them with operational efficiencies. If it is set aside now they will be back two years from now asking for money to finish up the computer project.

Mike Trevor, Administrator of Computer Services, explained they merged the Information Systems Division with Computer Services, and the development group is now a bureau under his direction. They had problems with estimating, a problem with excessive overhead, with the design process. They have changed their methods and now are taking the approach of taking an interactive mode of giving more suggestions than they have in the past. Estimates were made on exactly what the user wanted at the beginning, and they now assert themselves to say certain things should be considered and get the proper costs in for a much better estimate. He explained they are making every effort to regain their credibility and hope that this sort of thing does not happen again.

Senator Keating asked Mr. Akey to explain the purpose of the CAP project. Mr. Akey said the purpose was designed to capture about 80% of the information they presently have on corporations so that when information is desired they don't have to have someone constantly sorting through files manually. He estimates they average about 80 to 100 information requests daily in the UCC Bureau. In the Corporations Bureau they probably get 150 phone calls per day plus 150 to 200 filings a day. It is a very busy place and they have the staff who are willing to put in the time to get the job done. The CAP project would allow them a little breathing room and hopefully keep them from coming in and asking for more people in the future to handle this volume of work.

Senator Dover stated that they are getting a system here that would save time and FTE's and yet they have \$39,000 to complete the system and also they need \$70,000 more to run the program.



Mr. Akey responded that last session they pointed out that it was either more people or computer system and the commitment was made to go with the computer program. But, he added, it was within the committee's prerogative to decide whether to maintain the \$150,000 invested thus far or go back to the old approach. If they decided not to appropriate the funds for this, they would have an unused computer system sitting on the shelf. One option might be for the committee to delay the system for a couple of years, but the problem with that is that costs keep going up and what costs \$39,000 now would probably cost \$45,000 or \$50,000 two years from now.

Senator Dover asked if they could get along without additional FTE's. Mr. Akey said they have been operating as though they would be getting the computer equipment and he has been putting off additional staffing within this bureau with this assumption. He said his bureau chief now would probably say if they are not getting the computer system, then they will need a couple more people; but he would have to take a closer look.

#### ARM/MAR Indexing Project

The second part of the special projects that is considered at the executive level and broken out as a special issue by the LFS is the ARM/MAR indexing project. The last legislature appropriated \$90,000 for the biennium to begin preparation of a general topical index for the Administrative Rules of Montana. There are currently 16 volumes of the Administrative Rules comprising an excess of 7,000 pages. At present there is no general topical index that one can refer to to find any given rule.

It is the feeling of Mr. Waltermire that if they are going to impose all these rules on the people of the state they ought to at least be able to find the rules that they are being impacted by. They indicated last time this might be a three to four year project. They have a skeleton and now need to start putting it together, and they are asking for funding for this biennium to complete that index, and they will have it done by the end of the FY85 biennium if they are funded.

If the committee does decide to fund the Administrative Rules Indexing Project, the LFA recommends that the current indexer position be downgraded. They currently pay the indexer \$15,400 a year plus fringes, and the LFA suggests that this be downgraded to a \$12,700 position. They would ask that they be allowed to continue the present indexer at the current grade level.

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Senator Van Valkenburg asked why the current index they have today is inadequate. Mr. Akey said if you compare this index with the codes annotative index you will note they do not have any cross-referencing at this point. They would like to complete this to make it something useful for the state for the people to use.

Senator Van Valkenburg stated he understood there were about 250 some subscribers to use the sets of books now, and this indicated to him that it was a pretty small group of people who use rules. Mr. Akey stated the 250 some subscribers are paid subscribers and there are another 140 some free copies that are distributed. So they are looking at a subscription base of about 400. Senator Van Valkenburg pointed out that this is something that just not everyone needs to have. Mr. Akey said that the copies that are distributed in county offices, etc. do receive quite a bit of use by the public.

Senator Van Valkenburg asked David Niss, attorney for the Administrative Code Committee, to what degree they feel there is a need for this more comprehensive index than this that has already been prepared. Mr. Niss replied that he had not looked at this yet. He did state that this is a project that Rep. Stobie, the chairman of this committee, is in favor of. As to funding levels and the details of the index, he did not know. The committee never formally voted on a position on this issue, nor have they seen this index. They are not aware of the exact funding level for this specific project. The committee sees in almost every meeting, people who are usually upset and complaining about some rule adopted by some administrative agency, and there is a lack of understanding of the rule adoption process, about the committee's role, about what rules are adopted by what agency, the effect of the rules, etc., and that is the reason the committee generally is in favor of this indexing.

Senator Van Valkenburg asked Mr. Niss to review this in the next few days and give the committee his comments as to the adequacy of the indexing that has already been completed.

The committee was told by Mr. Akey that there would be one FTE involved in this indexing project. He also stated that if they do not continue with the ARM indexing project this FTE would be unnecessary.

Microfilming Records

The third project for which they are requesting funding is the microfilming of their corporate and UCC records. This is a request which was brought before the committee last time which had some controversy attached to it.

They have resolved their concerns with having the Records Management Bureau handle the microfilming of the corporate records for them. The LFA book identifies three different options for the committee's consideration. The LFA suggests that they might be able to use a roll format; that is, to have their UCC's all placed on rolls of film. They do not believe at this time that this would be a workable solution, but it is something they are willing to talk with Records Management and the LFA more about. At this time they are asking the committee to consider one of two options for microfilming records: either they be funded to handle the microfilming of all of their corporate UCC records during the upcoming biennium, or that they be funded to handle only the filming of the corporate records. He believes it is necessary to proceed with microfilming at the present time.

At the present time all of the records are stored in a vault in the Secretary of State's office, and if there were ever a fire or natural disaster they would have no other records from someplace else. The microfilm copy could be stored in one office and the hard copy in another office.

The original documents are starting to deteriorate, and he feels the filming would also insure that the information is captured and they will be able to continue to use it.

The final reason, he explained, would be that it would increase the efficiency of the office. They request that the committee look seriously at the process of beginning the microfilming of records for their office.

The final project that they are requesting some consideration for in FY85 is the development of an automated records system for their notaries public. The Secretary of State's office is the location for all the notaries' files and facsimiles of their signatures. There are currently about 16,000 active notaries and they renew about 6,000 per year on a three-year renewal cycle.

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Begin Tape 31, Side B)

Senator Van Valkenburg stated he felt this was such a simple procedure that it can't possibly take 800 or 900 hours to develop it. He stated there is a software program you can purchase that does this same thing. Mr. Akey stated this is an option they would be glad to explore. He said this was an option they were doing more and more, looking at other states to see if they have developed a system they could also use.

When asked if this system would save any personnel Mr. Akey stated he was hesitant to say for certain that it would, but the reason they are looking at this is that they believe that, given the kinds of functions that are currently performed by the individual in that position, they could scale back the one FTE currently dedicated to handling of notaries public to a .5 FYE or possibly less. If so, they would really have to take a look at this system and how it operates. He added, what he has in mind is a notaries public system that could do the work, but whether they could get what they have in mind for the \$24,000 he is reluctant to say at this point.

Senator Van Valkenburg questioned the order that had been issued for the attorney's fees. He stated the order says you pay \$2,037.40, yet the request is for \$6,487. Mr. Akey responded that \$237 is for expenses and there are some \$2,000 for attorneys' fees. They have a bill for the attorney who represented them for \$4,300. He said that the Leaphart Law Firm charges \$67 per hour which is a reasonable fee for their services. Senator Van Valkenburg asked why he felt they should be getting a special appropriation for their own attorney's fee. Mr. Akey stated it was a court case that had been brought against them, and they had no way of knowing that it was going to be brought against them and therefore no way of budgeting for it. He said he could provide the committee with the billing from Luxan and Murfitt. Senator Van Valkenburg stated he thought that he should. Senator Van Valkenburg stated he also would like to see the order and stipulation.

Senator Dover asked if they are considering asking for an opinion for the Legislative Council from the Attorney General's office on the matter. Mr. Akey said before proceeding with the general election they will need to have this clarified.

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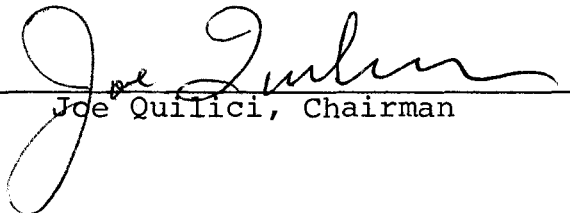
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Senator Keating recalled that the Secretary of State's office was going to operate with three less FTE's. He asked for clarification if the department is requesting 33 FTE's and the LFA is 28 for a difference of 4.5, and he was curious as to why there was a difference.

Mr. Akey explained that the Secretary of State's office is currently authorized for 33.17 FTE's. The executive budget request includes both the corporate automation project and the administrative rules indexing project as "current level" with 31.17 FTE's. In order to facilitate comparisons they broke out the special projects from the current level to get them down to 31.17 FTE's.

Senator Keating asked for further explanation from Mr. Akey about the 4.5 difference. Mr. Akey explained that of the 4.5 FTE's, 1.5 is for people they feel they need to maintain current level, one FTE is associated with the indexing project, and two FTE's for FY84 are for microfilming with the corporate microfilming, and in FY85 this drops back to one FTE for microfilming.

The meeting was adjourned at 9:40 a.m.



Joe Quilici, Chairman



SECRETARY OF STATE

RECORDS MANAGEMENT PROGRAM  
1985 BIENNIUM "BASE" BUDGET COMPARISONS

Category	Exec 84	LFA 84	Diff	Exec 85	LFA 85	Diff
FTE	26.67	26.17	-0.50	26.67	26.17	-0.50
Personal Service	532733 <i>44,865</i>	528530	-4203	531550	525709	-5841
Contract Service	47865	24476	-23389	81619	58579	-23040
Supplies & Mater	31065	31019	-46	32928	32879	-49
Communications	40604	40602	-2	46159	46155	-4
Travel	18577	16136	-2441	13611	11170	-2441
Rent	24512	19801	-4711	27016	20988	-6028
Repair & Mainten	5989	5742	-247	6349	5966	-383
Other	3174	2836	-338	3364	3004	-360
Total Operating	171786	140612	-31174	211046	178741	-32305
TOTAL	704519	669142	-35377	742596	704450	-38146

- Vacancy savings LFA recommends elimination of a .5 FTE file clerk from Executive Budget staffing level and imposing a 3% vacancy savings factor. LFA notes that position was only 33% expended in FY82 and that program had vacancy savings of 3.2% in FY82. We respond: 1) Position held open to meet partial funding of pay plan increase during '83 Biennium; and 2) Executive Budget already has a reduction of 1.00 FTE from current staffing level -- a reduction of 3.6%. We request retention of .5 FTE file clerk position and full funding of personal services.
- Operating expense differences LFA contains several computational errors which account for almost all the difference in operating expenses. We request additions to current level to correct these errors.

	FY84	FY85
* Contract services		
Printing base	\$7,303	\$7,742
Inflate printing exceptions	1,808	10,220
Audit fees <i>adm. Cost Contr.</i>	<del>3,000</del>	
Secretarial services base	6,712	7,115
* Travel	<i>18,823</i>	
In-state base	2,441	2,441

• Attorney's fees. Court ordered Secretary of State to pay attorney's fees in State of Montana ex. rel. Hagsted, et. al. vs Waltermire, et. al. of \$6,487. Department of Administration rules insurance does not cover such judgements. State law requires payment from "next appropriation of instrumentality" (2-9-315, MCA). We request appropriation of \$6,487 to pay court-ordered costs.

• Other "current level" issues. Rent figures differ between Executive and LFA Budgets. We request sufficient appropriation to pay rent on existing square footage at established rate. Costs associated with **moving offices** following Capitol renovation not included in current budget.

Under one interpretation, any constitutional amendments and/or legislative referenda passed by the 48th Legislature must be voted on in 1983. It is conceivable that we will publish **Voter Information Pamphlets** in each year of the 85 Biennium. Current budget does not contain sufficient funds for this possibility.

82 Vote pamphlet 44,000 approx.  
83 y done about 26,000



1 IN THE DISTRICT COURT OF THE FIRST JUDICIAL DISTRICT OF THE  
2 STATE OF MONTANA, IN AND FOR THE COUNTY OF LEWIS AND CLARK

3 \*\*\*\*\*

4 STATE OF MONTANA ex rel.  
5 SPENCER HEGSTAD, RONALD  
6 MARCOUX and JERRY WELLS,

7 Relators,

8 v.

No. 47692

9 JIM WALTERMIRE, Secretary of  
10 State, and MONTANA ETHICS  
11 COMMISSION, Jane Hudson, Chairman  
12 of said Commission,

13 Respondents.

14 -----  
15 ORDER CONCERNING ATTORNEYS FEES

16 Pursuant to this Court's Order of July 9, 1982, and the  
17 "Stipulation Concerning Attorneys Fees" dated August 9,  
18 1982, the Court finds as follows:

19 1. That each of the respondents herein has appeared  
20 and made defense in good faith.

21 2. The Leaphart Law Firm on behalf of relators in  
22 cause No. 47692, Lewis and Clark County, Montana, spent 30  
23 hours in research, briefing, preparation, and arguing the  
24 Alternative and Peremptory Writ of Prohibition issued in  
25 said cause, and

26 3. The Leaphart Law Firm's charge for these services  
27 is \$67.00 per hour which is a reasonable fee given the  
28 nature of litigation and the experience of counsel.

29 4. Based upon the above findings, and good appearing  
30 therefor,

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1 IT IS HEREBY ORDERED that the State of Montana pay to  
2 the Leaphart Law Firm attorneys fees of \$2,010.00 plus costs  
3 of \$27.40.

4 DONE AND DATED this day of August, 1982.

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6 District Judge  
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THE LEAPHART LAW FIRM

1 NORTH LAST CHANCE GULCH

SUITE 6

HELENA, MONTANA 59601

TELEPHONE (406) 442-4930

C. W. LEAPHART, JR.

W. WILLIAM LEAPHART

August 24, 1982

Mr. Allen Robertson  
Legal Counsel  
Secretary of State's Office  
Capitol Station  
Helena, MT 59620

Re: Hegstad, et al. v. Waltermire, Cause No. 47692

Dear Allen:

Howdy Murfitt asked that I provide you with a copy of my proposed order before I present it to the judge. Accordingly, I would appreciate it if you would review this proposed order and give me a call so that I may know whether or not to file the same with the court.

Thank you for your cooperation in this regard.

Yours truly,

  
W. WILLIAM LEAPHART

bje

Enc.

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## Montana Legislative Council

State Capitol  
Helena, MT. 59620

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DIRECTOR OF COMMUNITY RELATIONS

ROBERT C. PYPER  
DIRECTOR OF STUDENT AFFAIRS

exhibit 4  
i-24-83

TO: Secretary of State Jim Waltermire  
Attorney General Mike Greely  
President of the Senate Stan Stephens  
Speaker of the House Dan Kemmis  
Chairman of Senate Judiciary Committee Jean Turnage  
Chairman of House Judiciary Committee Dave Brown

FROM: Diana S. Dowling, Executive Director

RE: Referenda and General Elections

DATE: January 17, 1983

One of the staff attorneys just called my attention to a "tradition" in this office that should probably be changed. All bills for a constitutional amendment or legislative referenda have provided for the issue to be on the ballot at the general election in the next even-numbered year. This is because from 1889 to 1979 a general election was defined as the one held in even-numbered years. However, when you read 13-1-101(8) and 13-1-104(2), as amended in 1979, in conjunction with Article XIV Section 8, it seems fairly clear that the next general election is the one in the odd-numbered year.

I don't think many people thought about the effect on ballot issues when the 1979 law was passed and it seems to me there are some severe timing problems -- see 13-17-310, ballot form to be submitted 6 months before an election, and 13-27-311, publication 2 months previous to an election.

I think there are two bills in now, HB 151 and HB 194, that have a 1984 general election date and they probably should say 1983. However, in light of the logistical problems this might cause, I'm asking your advice. Perhaps we need a committee bill to define "general election" for the purpose of ballot issues. In the meantime, I feel that under present law all ballot issues enacted this session must be submitted to the electors in November of this year. Perhaps to give the Secretary of State

Secretary of State Jim Waltermire et al.  
January 17, 1983  
Page Two

sufficient lead time we should also make all referenda effective on passage.

Help!!

DSD/hm

cc: Representative Peck - prime sponsor HB 154)  
Representative Bernie Swift - prime sponsor HB 194

SECRETARY OF STATE

ADMINISTRATIVE RULES PROGRAM  
1985 BIENNIUM "BASE" BUDGET COMPARISONS

Category	Exec 84	LFA 84	Diff	Exec 85	LFA 85	Diff
FTE	3.50	2.50	-1.00	3.50	2.50	-1.00
Personal Service	85767	70583	-15184	85547	70468	-15079
Contract Service	59730	62710	2980	63312	63282	-30
Supplies & Mater	5703	5699	-4	6044	6040	-4
Communications	14018	13710	-308	15916	15587	-329
Travel			0			0
Rent	5534	6139	605	6125	6507	382
Repair & Mainten	245	244	-1	260	258	-2
Other	34	32	-2	36	33	-3
Total Operating	85264	88534	3270	91693	91707	13
TOTAL	171031	159117	-11914	177240	162175	-15065

- Staffing level. LFA recommends reduction of 3.00 FTE -- from 5.50 FTE to 2.50 FTE. LFA reasons that these positions were added to accomplish ARM indexing project and, with the elimination of this project, should be deleted from base. We recognize this reasoning and have removed 3.00 FTE from our current level request -- 2.00 FTE in this program and 1.00 FTE in Records Management. Current staff in this program at current level include:

Position	FTE	Role
Section Supervisor	1.00	Direct
Filing Clerk	.50	Direct
Bureau Chief	.50	Support
Secretary of State	.25	Support
Legal Counsel	.25	Support
Executive Assistant	.25	Support
Administrative Officer	.25	Support
Accounting Tech II	.25	Support
Receptionist	.25	Support

We request funding for 3.50 FTE in this program.

- Funding. This program is jointly funded out of the General Fund and an Earmarked Account established by 2-4-313, MCA. LFA anticipates funding from Earmarked Account at current fee levels, with General Fund assuming a larger proportion of program costs than currently. Executive anticipates maintaining current split between two funding sources which will require a increase in fees charged to users.

SECRETARY OF STATE

exhibit 6  
1-24-83

SPECIAL PROJECTS  
1985 BIENNIUM BUDGET

The Fiscal Analyst identifies four special projects outside its "current" level budget as issues for Subcommittee consideration. The Executive Budget contains two of these -- the Corporate Automation Project and ARM/MAR Indexing -- as part of its current level. A discussion of each project follows. The projects are listed in order of priority to the Secretary of State.

1. Corporate Automation Project (CAP). The 47th Legislature appropriated \$200,000 for development of a computer system for handling corporate and Uniform Commercial Code records -- \$111,500 for development and \$88,500 for conversion -- and directed the Secretary to contract with the Department of Administration for system development. Current estimates of development costs range from \$160,000 to \$200,000; conversion costs remain well within budget. At present, the UCC portion of the system is up and running with data base conversion roughly 1/3 complete. The corporate portion is designed and computer programming has begun; we anticipate completion of computer programming by July 1, 1983.

LFA breaks this project into two separate "Issues" (see pg. 98) : Additional Systems Development and Automated System Ongoing Costs. We request that the Subcommittee consider this as a single project; we need both conversion and operation money to continue the project. Moreover, the figures contained in the LFA Budget are at FY'82 rates. We request conversion and operational costs for the CAP of

	<u>FY84</u>	<u>FY85</u>
* Contract services		
Data entry	\$39,375 <i>unbudgeted</i>	
System maintenance	14,751	\$15,636
Computer processing	40,843	43,293
* Equipment rental	15,281	16,198
Total	\$110,250	\$75,127

2. ARM/MAR Indexing. The 47th Legislative appropriated \$90,038 for the 1983 Biennium to begin preparation of topical index for the Administrative Rules of Montana (ARM). Reference to Subcommittee minutes of 1/30/81 indicates an anticipated 3-4 year project. At present, we have the ARM on computer files and have developed a "skeleton" index. With funding, we will complete this project by the end of the 1985 Biennium.

LFA figures (see pg. 102-103) downgrade current indexer position and show operation costs at FY'82 rates. We request funding for ARM/MAR Indexing at current level.

	<u>FY84</u>	<u>IFTE</u>	<u>FY85</u>	<i>Current level agency request</i>
* Personal Services	\$17,536		\$17,536	
* Computer Processing	23,865		25,297	
Total	\$41,041		\$42,833	

*deleted*

3. Microfilm Corporate Records: LFA identifies three possible options for microfilming corporate and UCC records depending on volume of records filmed and format (see pg. 99-100). We do not believe at this time that a roll format would work for UCC although a "blipped" roll format might. However, at this time we ask the Subcommittee to consider one of two options.

	FY84	FY85
*Option a: Corporate and UCC		
Personal services	\$ 24,456	\$12,228
Contract service-microfilming	106,978	62,845
Equipment	5,414	
Total	\$136,848	\$75,073

	FY84	FY85
*Option c: Corporate only		
Personal services	\$12,228	\$12,228
Contract services-microfilming	59,291	62,845
Equipment	5,414	
Total	\$76,933	\$75,073

There are three major reasons for microfilming of these documents: 1) security -- at present only one copy of documents exist. Loss due to fire, theft, or other disaster would wreak havoc on organization of commerce; 2) preservation -- many documents of historical significance will deteriorate unless filmed and properly cared for; and 3) efficiency -- complements system development project in providing more efficient office operations,

4. Notary System Development. We request \$27,480 in FY'85 to develop a computer-based records system for notaries public (see LFA, pg. 100). *includes equipment*



# VISITOR'S REGISTER

HOUSE ELECTED OFFICIALS/HIGHWAYS COMMITTEE

~~BILL~~ Budget Hearing:

DATE January 24, 1983

~~SECRET~~ SECRETARY OF STATE

8:00 A.M.

## Work Session

[illegible]

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

WHEN TESTIFYING PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.