

JOINT HOUSE-SENATE APPROPRIATIONS SUBCOMMITTEE ON NATURAL  
RESOURCES AND BUSINESS REGULATIONS - MINUTES  
February 16, 1983

The meeting was called to order by CHAIRMAN MANUEL at 8:15 a.m.  
in Room 132 of the Capitol Building, Helena, Montana.

ROLL CALL: MANUEL, HEMSTAD, STOBIE, BOYLAN, LANE, SMITH -  
Present  
None - Absent  
Staff Present: DICK GILBERT, LFA; CAROLYN DOERING,  
OBPP; and PATTI SCOTT, SECRETARY

DEPARTMENT OF COMMERCE (Tape #58 Side A-001)

LEGAL SERVICES DIVISION

This Division is new, and was established by merging current  
level attorneys from other programs into this operating unit.  
GARY BUCHANAN stated the reason for the change was to provide  
unified legal services in a consistent manner to all the  
Department's programs.

The budget request includes current level legal staff - 3 FTE;  
Consumer Affairs current level - 3 FTE; and a modification for  
one additional attorney and legal secretary.

MR. BUCHANAN stated there is increased litigation which the  
Department must deal with. Last Session, Consumer Affairs was  
reduced from six FTE to three FTE. The Professional and Occupa-  
tional Licensing Boards also used to have two attorneys. They  
now utilize the three on staff.

BOB WOOD, Chief of Legal Services, stated the three attorneys  
must service 34 Boards, in addition to Transportation and Econ-  
omic Assistance. Because of the many entities they service,  
the new system with the revolving fund should be much more  
efficient. Each attorney will maintain a log for accountability.  
Then each entity/Board will be billed for the services. This  
also allows for the other Divisions to budget properly for their  
legal services.

CONSUMER AFFAIRS

MR. WOOD stated that Montana is seeing much more fraud than it  
ever has before. More of these crimes are being committed on  
people 55 years of age or over. Many cases are involving more  
multi-county and multi-community fraud. The Consumer Affairs

unit is making a much stronger effort to concentrate on more serious matters on a large scale. More of an effort is being made to get consumers together with businessmen to work out small, isolated incidents on a face-to-face basis. Mr. Brent Markel is the Attorney Manager of the unit, and also has an investigator, as a complaint analyst.

MODIFICATION (Tape #58 Side A-184)

The current level budget will allow the formation of a Legal Division within the Department of Commerce. It provides for three attorneys, who are currently on staff.

The proposed modification will provide for the addition of another attorney and a legal secretary. The attorney would be assigned to the POL Boards. The current level budget does not provide for the services of a trained legal secretary. Presently, the attorneys have to try and find a secretary who is not too busy and can do their typing. Because of the complexity of various forms and procedures an attorney must follow a trained, legal secretary would be a tremendous asset.

It is the intention of the Department to use the spending authority given in current level for the formation of the Legal Division. The Division will collect monies from the agencies for work the Legal staff does. The money will be placed in a revolving fund which would then be used to pay the costs of the Division.

MR. WOOD stated at this point, the Legal Staff is overloaded. With 34 Boards in the Department, cases have gone without expeditious handling. It is also the recommendation of the Governor's Council on Management that another attorney be brought on staff. This Session also has some bills, that should they pass, will bring an increased legal caseload.

REPRESENTATIVE STOBIE stated that the Legislature is worried about adding more attorneys, as they seem to breed more attorneys. GARY BUCHANAN stated that the average experience level for these attorneys is 13 years in the practice. They are very capable, but with the heavy caseload, they run the risk of making mistakes and losing cases. MR. BUCHANAN said he did not know how to deal with the problem of more attorneys. There are just more and more legal cases to deal with.

DICK GILBERT asked that the Legal Division provide some sort of written justification of the workload, and some idea of the hourly justification.

SENATOR BOYLAN asked why not use the County Attorney more. MR. BUCHANAN remarked that it is difficult to get the County Attorneys to act on some things. The County Attorney usually brings criminal cases. The State many times just needs an injunction or something of that sort to get what they want accomplished. In the case of the Licensing Boards, the Boards have jurisdiction of their licenses. So all suspensions/revocations go through the Board and Legal Services. MR. BUCHANAN feels that when these Boards start getting billed for their Legal Services, they may take another look at an action before bringing it to Legal Services. Next session may find a decrease in Legal Services because of this, but right now the work is there.

In addition to the three attorneys in Legal Services, there is one attorney acting as Administrator for the Board of Real Estate, and one attorney in Transportation who is an expert in rates.

The budget request for the modification is \$62,236 FY84 and \$62,930 FY85. This would be revolving fund.

COMMUNITY ASSISTANCE (Tape #58 Side A-610)

COAL BOARD (EXHIBIT A)

Community Assistance handles administrative details for the Montana Coal Board in their administration of the Local Impact Assistance Program. The Board assists local governments which have been required to expand the provisions of public services as a consequence of coal development. Since 1976, the Board has made 125 grants totaling \$36.4 million. The average number of grants awarded per year is 20. Some examples of grants are water and sewer systems expansions, capital equipment, school construction, and law enforcement support services.

The OBPP Severance Tax Collection Estimates for the Coal Board are: \$8,632,225 FY84, and \$10,768,363 FY85.

NANCY LEIFER stated that many of these grants are construction, and for a specific time frame. Some are for one year and some are for continuing. DICK GILBERT asked that the Department be provided with information on how the Coal Board deals with communities that sell bonds. MS. LEIFER said she would get this.

HARDROCK MINING (Tape #58 Side A-220)

This Board was created last Session to arbitrate disputes between large-scale mining firms and local governments in covering the increased costs for public services and facilities brought on by increased population. The arbitration function is carried out through approval of an impact plan which identifies these additional costs and the source of funds to cover them. Sources of funds can include pre-paid taxes, grants from the developer, and education impact bonds. The Board must approve the plan and can do so with amendment to meet concerns of local governments.

The Department of State Lands cannot issue a mining permit to the firm until the Hard Rock Board has an approved plan, which becomes a condition of the operating permit.

During the 1983-84 biennium, the Board was authorized to transfer money between fiscal years and between spending categories as needed to respond to sizable variations in work load. The number and timing of impact plans submittals is unknown at this time. The Board is requesting to continue this spending flexibility.

To date, the Board has been concentrating on putting together rules. However, there are projects ready to start. It is the policy of the Board to encourage communities and the companies to work together on impact statements. It is their statutory duty to resolve any disputes between the two.

FUNDING FOR HANDROCK MINING (Tape #58 Side A-271)

NANCY LEIFER stated there is a Senate Bill 227 that will identify the source of funds for the Board as the Metal Mines Licensing Tax. This was in the original statute, but was not carried through last session.

CDBG BLOCK GRANT PROGRAM (Tape #58 Side A-345) (EXHIBIT B)

When the HUD Small Cities (under 50,000) Community Development Block Grant Monies first became available, the Department formed a task force of fourteen officials from around the State to make up the selection criteria. This program handles the \$6.1 million State Allocation. Currently, the program has 18 grant projects for which it is responsible. Last year's grants included housing rehabilitation, sewer lines, water supply systems and solid waste disposal.

MS. LEIFER stated her Bureau gives many kinds of assistance to local governments. Their main focus is to make the communities aware of all of the details on a particular project they are pursuing, and who to contact to accomplish their objectives. For example, they assist communities in setting up special water districts.

GARY BUCHANAN stated that it is very important that the State provide assistance to communities for projects. SENATOR SMITH noted that it is extremely beneficial in his area for the people to be able to turn to the State for help.

BLOCK GRANT PROPOSAL (Tape #59 Side A-059) (EXHIBIT C)

CHAIRMAN MANUEL stated this Subcommittee would not be hearing outside testimony on the Governor's Block Grant Program. He feels the full Appropriations Committee should hear this, so all those who want to testify will not have to come back twice.

NANCY LEIFER gave a brief overview of EXHIBIT C. The program is geared to replacing local dollars that have been lost. House Bill 418 has the appropriation portion, and House Bill 600 has the formula portion.

SENATOR SMITH stated he agrees with the concept, but disagrees with the use of oil severance tax monies. Those counties and cities where the oil is located will be getting the least amount because their population is not very large. The distribution of monies is based on population.

DATA CENTER (Tape #59 Side A-132)

The current Data Center is in the Department of Administration with 7 FTE. The transfer over to Commerce would reduce this to 3 FTE. MR. BUCHANAN feels this is a logical transfer as much of the data is of interest and use to local governments. The kinds of information provided is: employment information by industry, unemployment information, numbers of people by sex, age, and locality, and poverty information by locality, etc. This information provides the basis for Federal and State grant programs, public service decision-making by State and local governments, Equal Employment Opportunity information, and adverse impact identification to local governments as a result of industry expansion or reduction, etc.

ALEX HANSEN, Montana League of Cities and Towns, spoke on behalf of the Data Center. As clients of the Center, he feels it is critical counties and cities have access to this information on a regular basis. Cities receive Federal revenue sharing monies, and rely on this data for disbursement. He feels it is critical to have a central dispository, and urged support of the function.

This is a General Fund request for 3 FTEs with \$156,129 FY84 and \$156,620 FY85.

DICK GILBERT asked if any user fees were charged. PHIL BROOKS, an economist who works with the Center stated some minor fees are charged. They amounted to about \$1,000 to \$2,000 last year and went into the General Fund.

MR. BROOKS stated that universities, private individuals, and State agencies use the Center. DICK GILBERT asked if the State should be subsidizing private business and universities. MR. BROOKS feels this is information and not goods. When information is produced by a public agency, and were to be sold to one person, then the information is out. Everyone else could get it, and not pay for it. DICK GILBERT did not agree.

BRIAN McCULLOUGH stated that there is a need for the system to assimilate the information from the Bureau of Census, and then analyze and distribute.

MR. McCULLOUGH requested that this program be treated as a separate program. He provided EXHIBIT E.

ECONOMIC AND COMMUNITY DEVELOPMENT (Tape #59 Side A-571)

MR. BUCHANAN explained that the Department had shifted four current level FTEs from programs in the Division to the central support of the Division. This budget reflects a modified request for the Business Site Information function and the Data Center transfer.

BRIAN McCULLOUGH explained the Division Support provides administrative direction for Division staff to carry out assigned programs. It coordinates Division programs and policies with other State agencies; provides the secretarial support for phone, typing, steno, and filing; provides technical information to groups and individuals outside of State government; provides site location information; works directly with firms seeking a Montana location; calls on firms outside the State to sell them on a Montana location.

DICK GILBERT (LFA) asked where the positions were being transferred from. MR. McCULLOUGH stated one secretary is from the Section 8 Housing which was supported by Federal funds; two positions which were vacant in FY82, were partly supported by Federal funds and General Funds; one position from Business Assistance, and were 20% General Fund and 80% Federal Funds. The Department is requesting these four positions be totally General Fund-supported. There was previously one Administrator and one Secretary.

WALLY OLSON, Division Administrator, stated that because of the wide array of programs, there must be coordination at his level, and secretarial support.

MODIFICATION (Tape #59 Side B-054)

The Division receives requests for site information from business sources looking for a location. Currently, the Department responds by calling contacts in selected communities to see what is available. Frequently, those persons they contact are not completely aware of the availabilities in their areas. The Department feels that one of the fundamentals of a sound State economic development program is an accurate base of information on available sites in the State. Information they hope to provide would be: size, transportation access, zoning, soil analysis, type of existing building, parking spaces, office space, etc. COST: FY84 - \$17,024; FY85 - \$9,592

MR. OLSON stated he was not acting as a real estate agency, because he does not sell, but would just provide information. MR. GILBERT asked why not charge a "user fee" to offset this cost. MR. OLSON stated by charging they would not be really encouraging businesses to come into the State, and that other states do not charge. MR. BUCHANAN stated he is trying to build a good profile and to charge would be a positive sign that Montana is trying to encourage new businesses.

SENATOR SMITH noted that all this talk to build economic development, and then the Department turns around and wants more tax money to do it. MR. BUCHANAN stated it is an uphill battle and he is trying to put Montana in a good light and encourage businesses to settle in Montana.

MR. GILBERT stated this probably is not the time to discuss the "road to economic development through increased bureaucracy" and asked MR. OLSON what the support funding was in FY82. MR. OLSON said it was from various sources. MR. BUCHANAN stated they have been relying heavily on Federal monies. MR. BUCHANAN stated

this Committee will have to make the choice about replacing these Federal dollars. He feels it is vital if we are going to have any kind of an economic development program.

MR. McCULLOUGH said out of a budget of \$74,000 FY84, \$14,000 was General Fund. The balance was a combination of Federal funds and earmarked funds, both of which have dropped off. The funding will not be the same because the Section 8 Housing was transferred and the Farm Home revenues are gone, as well as some 701 Federal monies. The CDBG program is not going to pay a portion of the Division's support, and so they are requesting that the General Fund pick that up.

INDIAN AFFAIRS (Tape #59 Side B-300)

MR. BUCHANAN introduced MR. LOUIE CLAYBORN, the new Indian Affairs Coordinator. The Coordinator is a liaison between the Indian population of Montana and State government. This segment represents 4.7% of the State's population. The budget request for this program consists of current level plus a modified request to provide a newsletter to the Indians as well as the other parties concerned about relations with the Indians of Montana.

MR. CLAYBORN stated in addition, he is assisting the tribes in areas of economic development, grant applications, and generally working between the tribes for better cooperation with each other and the State and Federal governments.

DAVE WEINZINREID, Executive Assistant to the Governor, was present and explained to the Committee that House Bill 313 proposes to transfer this office directly to the Governor. He provided EXHIBIT F and explained this budget reflects three FTEs, but the Governor's Office plans to delete the Administrative Assistant. MR. WEINZINREID stated these duties can be handled by the Governor's staff.

MODIFICATION FOR INDIAN AFFAIRS (Tape #59 Side B-427)

MR. CLAYBORN stated it has been a problem in the past between the tribes to get information out of everyone at the right time, and at the same time. He feels that if a quarterly publication with present and anticipated future events and status of issues were available, it would serve a vital role in linking urban Indian organizations, reservations, tribes, and



national Indian organizations. The cost would be \$600 to \$800 per issue for an eight page publication. COST: FY84 - \$5,953; FY85 - \$6,483.

The meeting was adjourned at 11:55 a.m. (Tape #59 Side B-455)

A handwritten signature in cursive script that reads "Rex Manuel". The signature is written in black ink and is positioned above a horizontal line.

REX MANUEL, Chairman

### VISITOR'S REGISTER

HOUSE \_\_\_\_\_  
 BILL Dept of Commerce  
 SPONSOR \_\_\_\_\_

COMMITTEE \_\_\_\_\_  
 DATE 2/16/03

NAME	RESIDENCE	REPRESENTING	SUP- PORT	OP- POSE
Brian McElly	Helena	Dept of Commerce	✓	
Nancy L. Lifer	Helena	Dept. of Commerce	✓	
Gary Buchanan	Helena	" "	✓	
William Osm	Helena	" "	✓	
Jessie Ristlak	East Helena	" "	✓	
Robert Wood	Helena	Dept. of Commerce	✓	
Dr. Clayton	Helena	Dept Commerce	✓	

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

WHEN TESTIFYING PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Exhibit A<sub>2</sub>  
2-16-83

**☾ The Montana  
Coal Board -**

**sponsors of  
programs helping  
communities  
experiencing  
impact from the  
☾ development  
of coal.**

# Grant Criteria

Grants will be awarded on the basis of

**need**—the severity of the problem affecting public health, safety, or welfare

**degree of severity of impact from coal development**—the rapidity of growth and subsequent expansion of the problems and number of people affected.

**availability of funds**

**degree of local effort**—the bonding and millage efforts in the past and present as well as attempts to secure funds from other sources.

The Coal Board will expend at least 50% of available funds to local units that have experienced or could experience a 10% population growth increase during any three year period since 1972 as a result of coal development. These communities are **designated** by the Department of Commerce and are reviewed annually. Other communities which are planning for or have experienced impact from coal development, but may not have experienced the rapid growth and are therefore **non-designated**, can also apply.

## Application Process

- Prospective applicant requests pre-application information forms from Coal Board Administrative staff.

- Applicant submits a proposal (15 copies) to the Coal Board Administrative staff 30 days prior to the next scheduled meeting. Applicants are encouraged to contact Administrative Staff for assistance with pre-application procedure and technical assistance.
- Proposals reviewed by staff, Board members, departmental review committee and other appropriate agencies and consultants.
- Applicant appears at designated Coal Board meeting to formally present proposal (pre-application).
- Board considers proposal and votes on appropriate action: approved—will be considered as a full application at the next meeting (more information may be requested; denied; tabled—more information requested before action.
- Approved proposals submitted (15 copies) in final, full application form 30 days prior to next scheduled meeting.
- Applicant presents final proposal and Board considers full application request. If approved, contract stipulations are designated, staff prepares contract.

## Some Questions to Consider

*How is the stated need directly related to experiencing impact from coal development?*

*Is the stated need documented as a high priority project for the community?*

*Can you demonstrate community input and support for the project?*

*Can you demonstrate how the project will directly meet the stated needs?*

*Have other possible sources of funding been explored?*

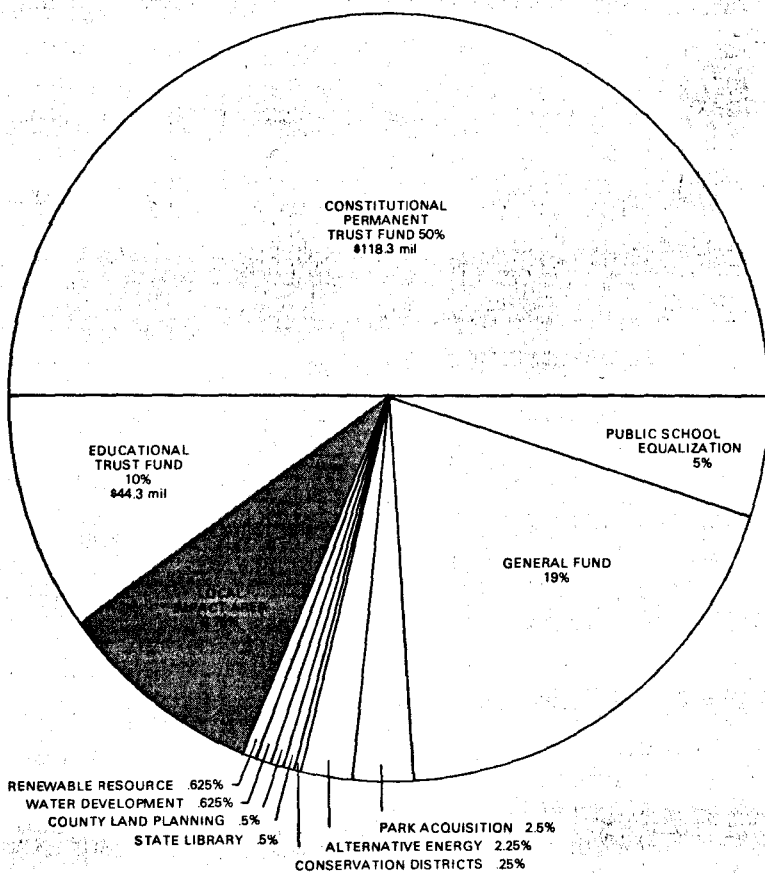
*Is the community financial commitment demonstrated and secured?*

*Is the budget and financial plan realistic, necessary, and feasible?*

*Is there a realistic evaluation plan of the project or program?*

# MONTANA'S SEVERANCE TAX DISTRIBUTION FORMULA

The severance tax is distributed in the following manner, the Coal Board receiving the amount allocated for local impact area:



## Severance Tax Projections for 83-85<sup>\*</sup>

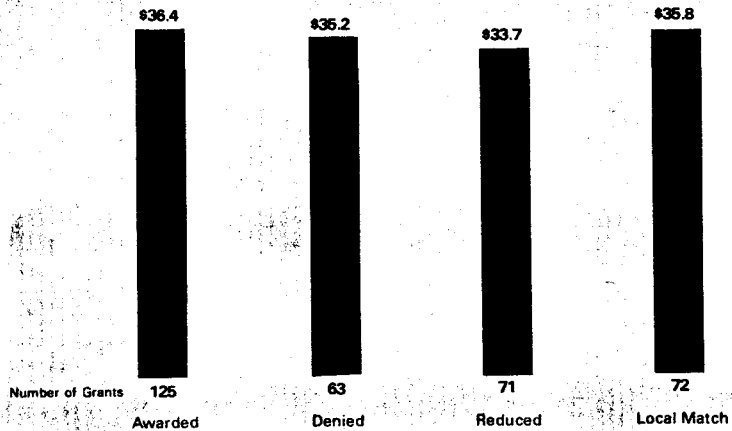
	FY 83	FY 84	FY 85
Total	82,414,000	98,654,000	123,067,000
Local Impact Areas	7,211,225	8,632,225	10,768,363

<sup>\*</sup>Source: Office Budget Program Planning

# Coal Board Grant Totals

January 1, 1976 - June 30, 1982

Total Grant Activity

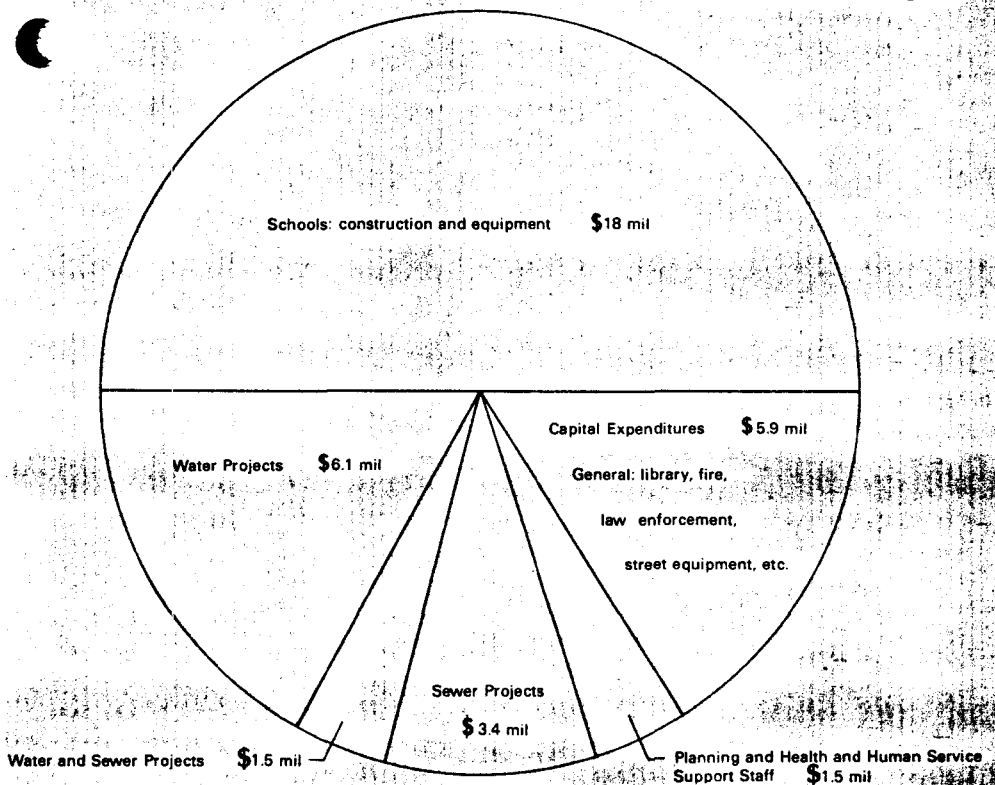


Average Grant	\$292,800	37% of Total
Average Local Match	497,222	63% of Total
Average Project	\$790,022	

scale 1" = \$10 million  
 Dollar Amount

# Coal Board Funded Projects

Fiscal Years 76-82



For more information contact:

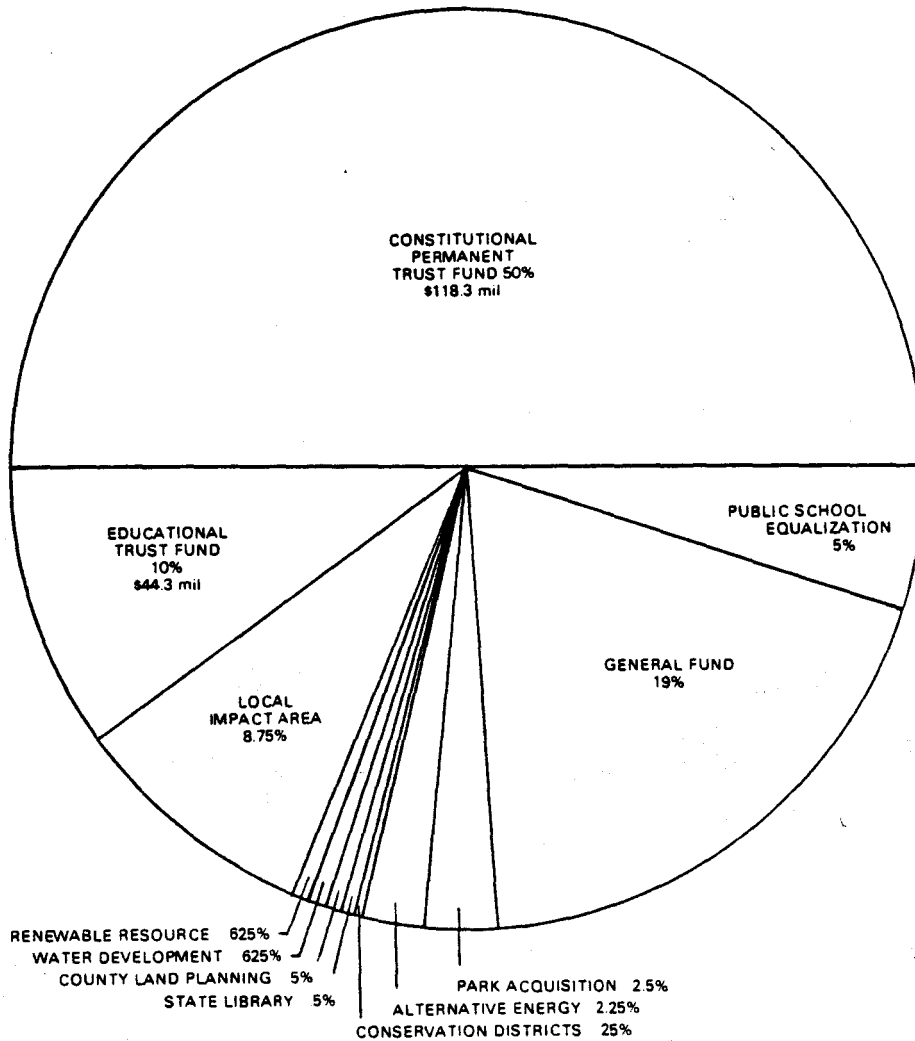
Montana Coal Board  
 Department of Commerce  
 Capitol Station  
 Helena, Montana 59620-0401  
 449-2400

Montana Coal Board  
Department of Commerce  
Capitol Station  
Helena, Montana 59620-0401  
449-2400



# MONTANA'S SEVERANCE TAX DISTRIBUTION FORMULA

Exhibit A,  
2-16-83



## SEVERANCE TAX INCOME PROJECTIONS \*

	FY 83	FY 84	FY 85
<b>Total</b> .....	<b>\$82,414,000</b>	<b>\$98,654,000</b>	<b>\$123,067,000</b>
Constitutional Permanent Trust Fund 50%.....	41,207,000	49,327,000	61,533,500
General Fund 19% .....	15,658,660	18,744,260	23,382,730
Educational Trust Fund 10%.....	8,241,400	9,865,400	12,306,700
Local Impact 8.75% .....	7,211,225	8,632,225	10,768,363
Public Schools 5%.....	4,120,700	4,932,700	6,153,350
Alternative Energy 2.25%.....	1,854,314	2,219,715	2,769,008
Park & Art 2.5% .....	2,060,350	2,466,350	3,076,675
Water Development .625%.....	—	616,588	769,169
Renewable Resource .625% .....	1,030,175	616,588	769,169
Conservation Districts .25% .....	206,035	246,635	307,668
County Land Planning .5% .....	412,070	493,270	615,335
State Library .5% .....	412,070	493,270	615,335

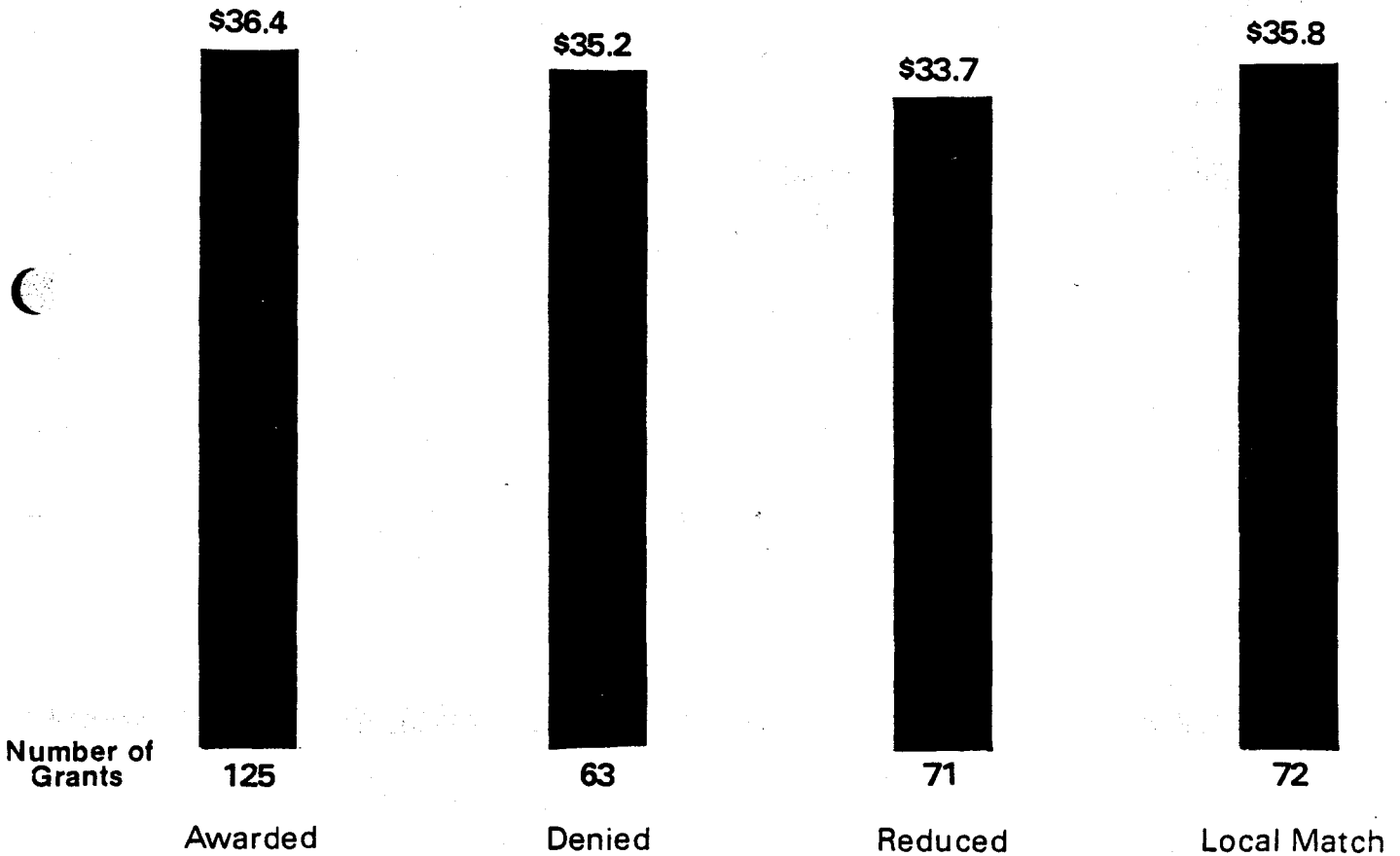
\*Source: Office Budget Program Planning

# Totals Of Coal Board Grant Activity By Eligible Governmental Units

(Cities, Counties, School Districts, Special Districts & State Agencies)

January 1, 1976 Through June 30, 1982

## Total Grant Activity

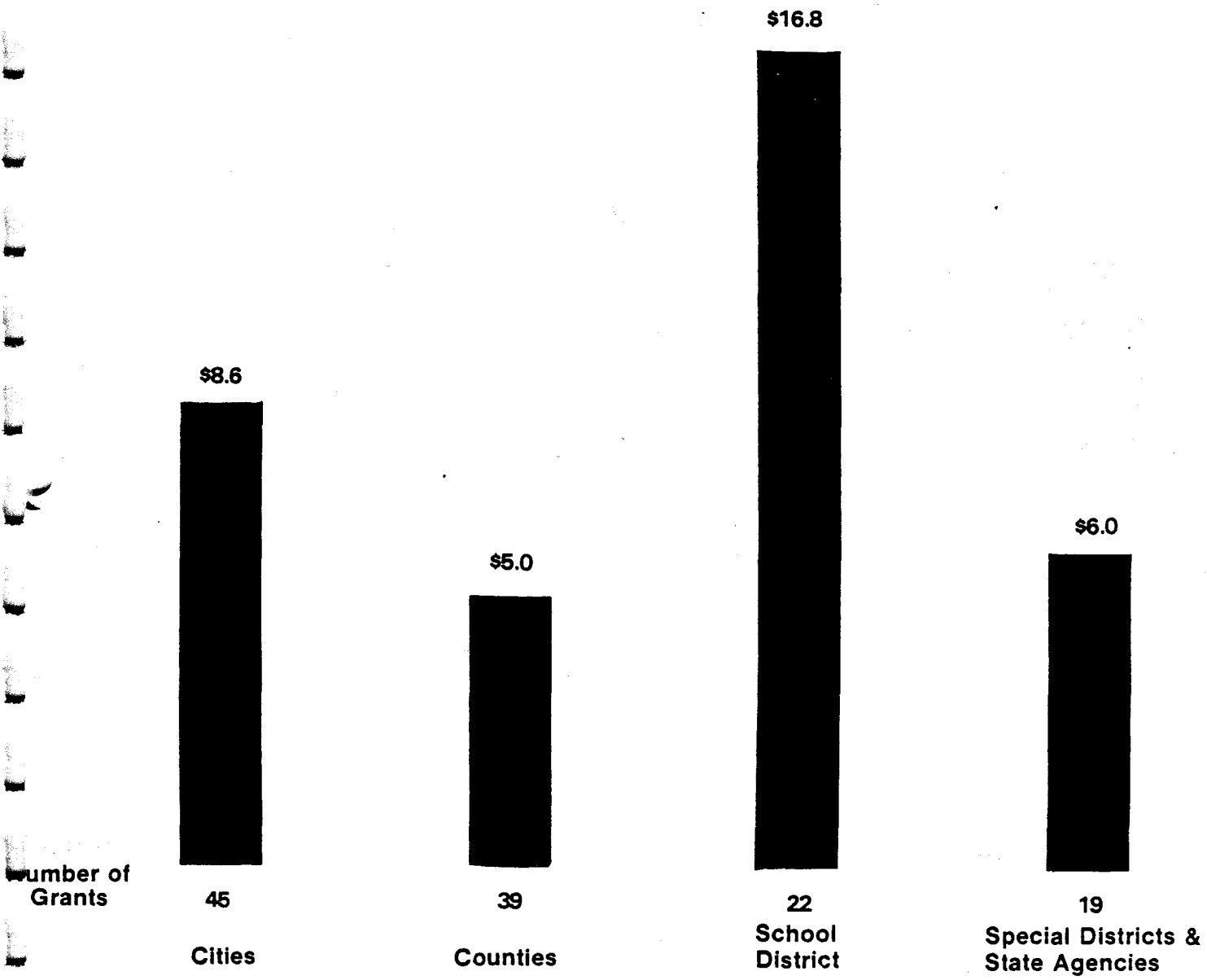


Average Grant	\$292,800	37% of Total
Average Local Match	497,222	63% of Total
Average Project	\$790,022	


scale 1" = \$10 million

 Dollar Amount

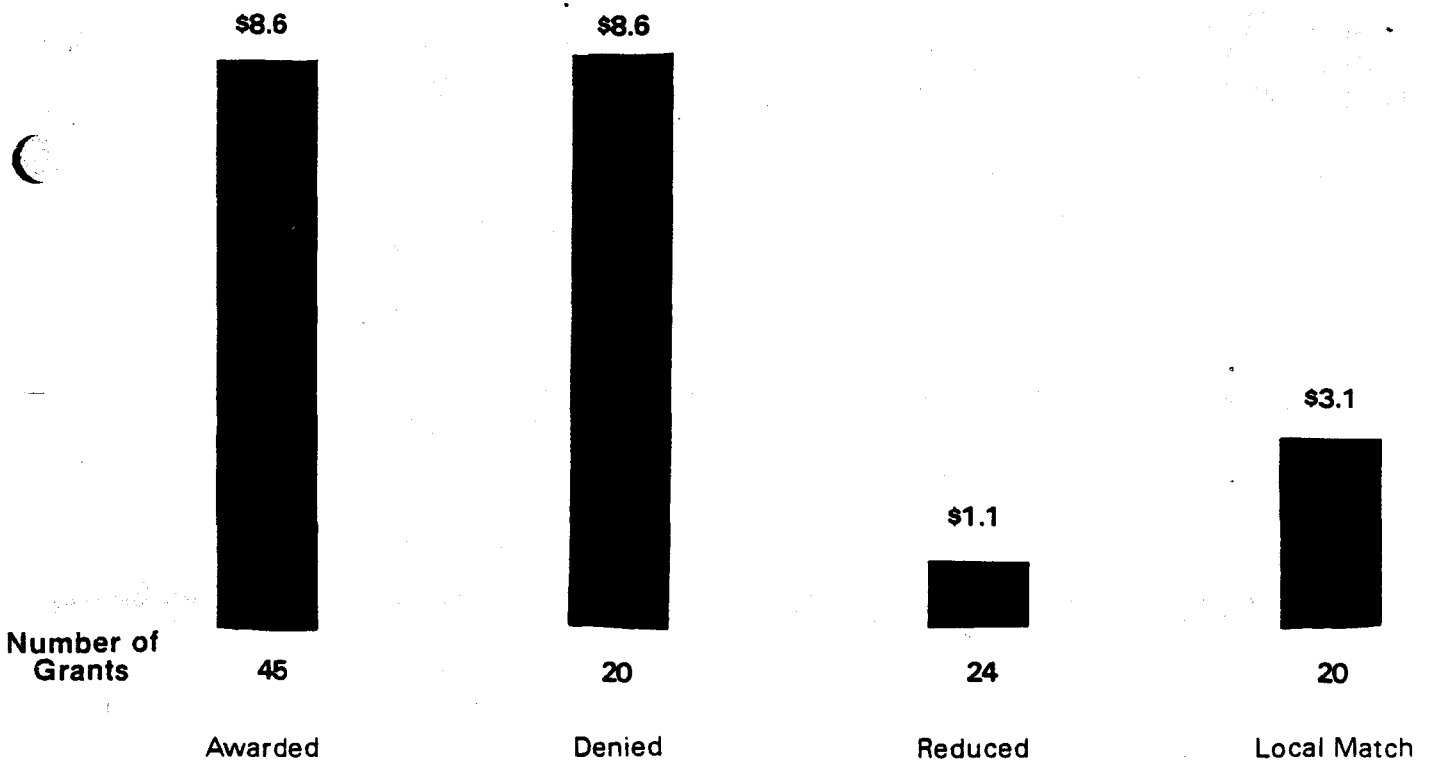
# GRANTS AWARDED




Number of Grants

Dollar Amount   
Scale 1" = \$3 million

# CITIES




Number of Grants

Dollar Amount   
scale 1" = \$3 million

Avg. Grant—\$191,111.00 55% of total  
Avg. Local Match— 155,000.00 45% of total  
Avg. Project—\$346,111.00

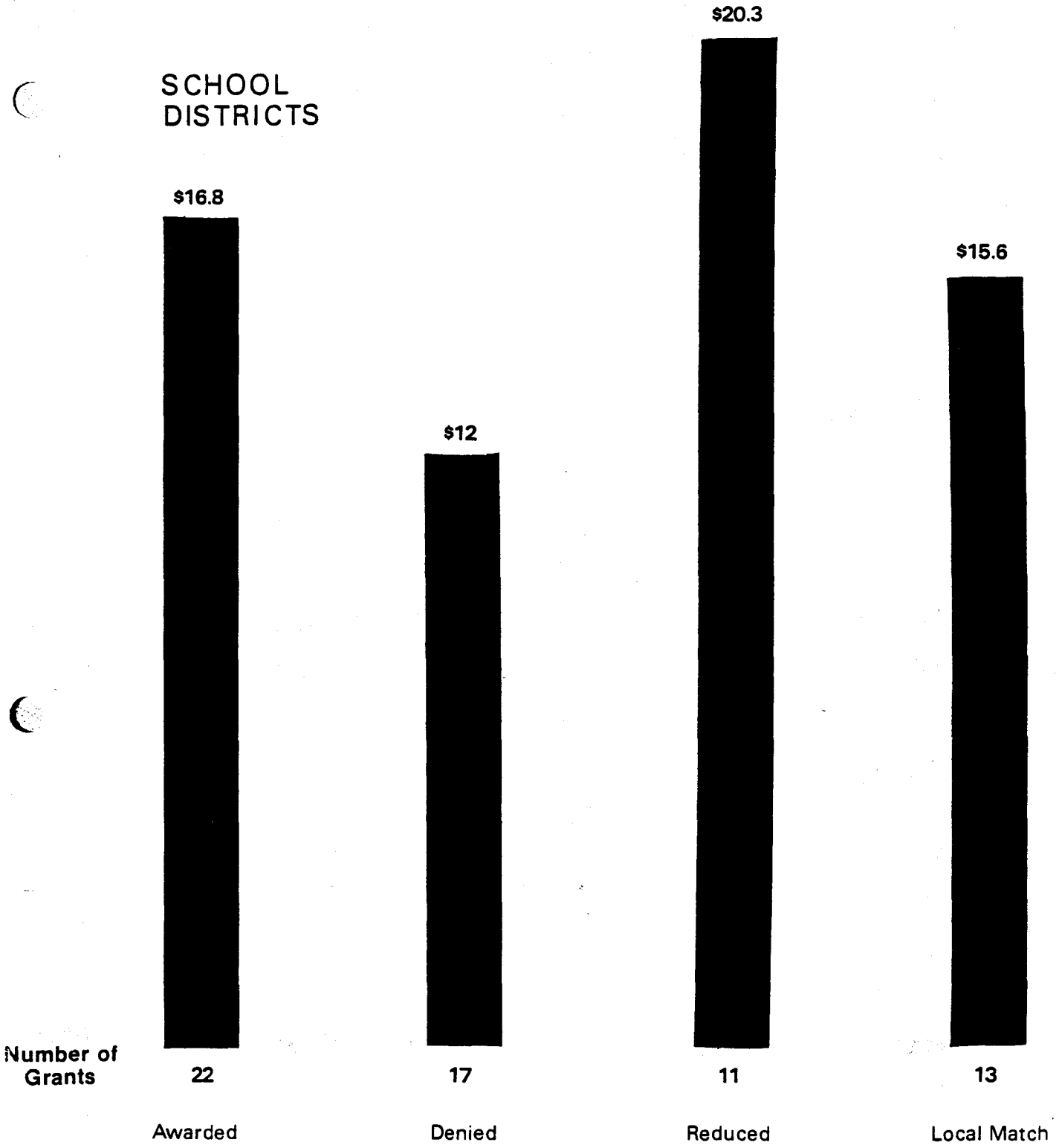
# COUNTIES



Dollar Amount   
Scale 1" = \$3 million

Avg. Grant—\$128,205.00 43% of total  
Avg. Local Match— 169,230.00 57% of total  
Avg. Project—\$297,435.00

# SCHOOL DISTRICTS



Number of Grants

Awarded

Denied

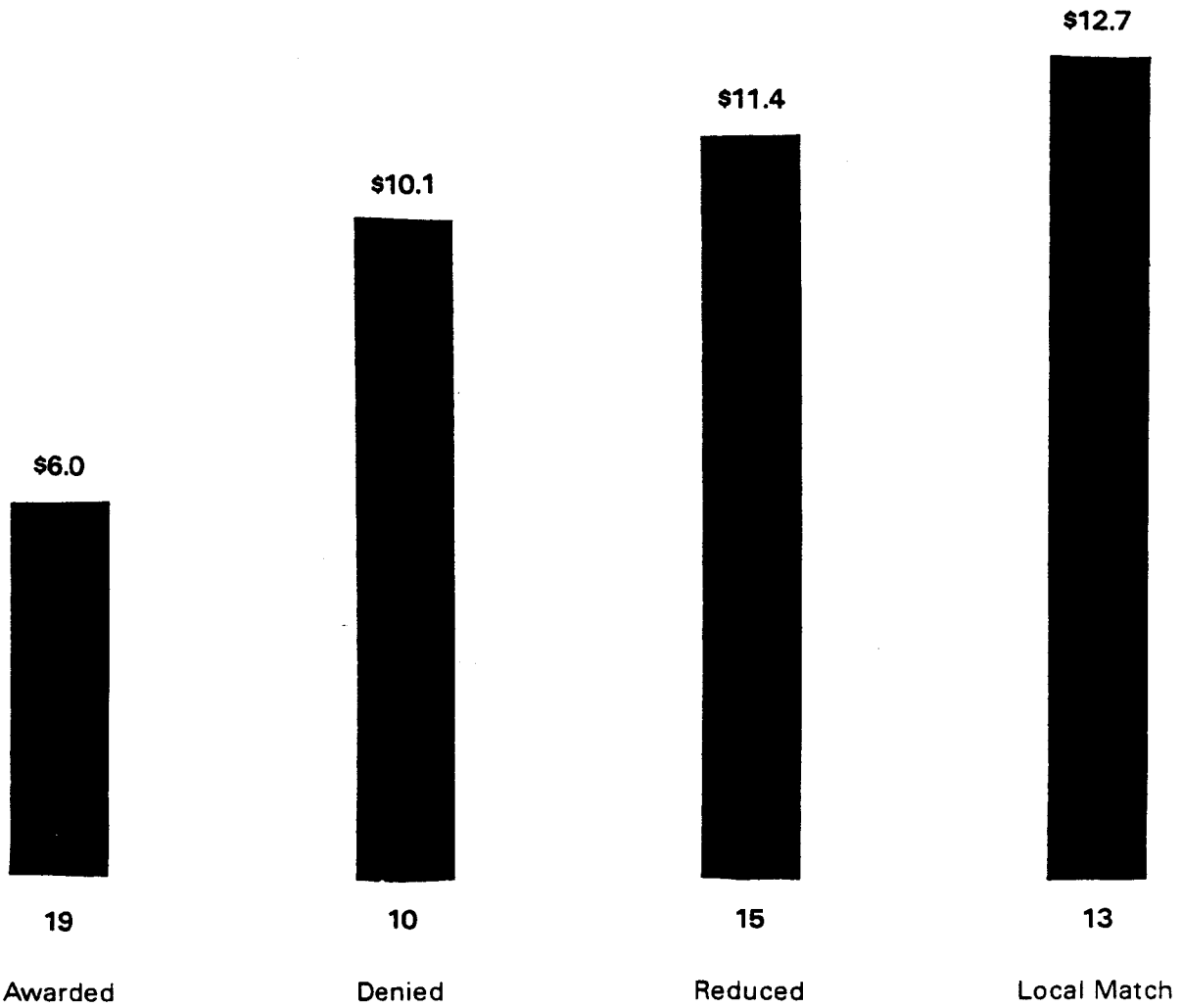
Reduced

Local Match

Dollar Amount  
scale 1" = \$3 million

Avg. Grant—\$ 763,636.00 39% of total  
Avg. Local Match— 1,200,000.00 61% of total  
Avg. Project—\$1,963,636.00

# SPECIAL DISTRICTS AND STATE AGENCIES



Number of  
Grants

19

10

15

13

Awarded

Denied

Reduced

Local Match

Average Amount

Scale 1" = \$3 million

Avg. Grant—\$ 315,789.00 24% of total  
 Avg. Local Match— 976,923.00 76% of total  
 Avg. Project—\$1,292,712.00

Exhibit B  
2-16-83

NAME OF APPLICANT: Town of Alberton

TYPE OF APPLICATION: Housing

AMOUNT OF CDBG AWARD: \$400,000

PROJECT DESCRIPTION:

The grant will be used to rehabilitate 33 substandard houses occupied by low and moderate income families on the west side of Alberton. This will be accomplished through a program of low interest loans and grants. The west side of Alberton has a very high percentage (93%) of substandard housing, and a high percentage of low and moderate income households (85%). The grant would be used to rehabilitate all of the substandard homes occupied by low and moderate income families. It will include energy conservation measures which will lower the utility bills. The program provides that repayments of loans will go into a special fund and be used to make more housing rehabilitation loans.

CHIEF ELECTED OFFICIAL: Mayor Albert Roat

POPULATION: 368 persons in Alberton (1980 Census)

November 22, 1982



NAME OF APPLICANT: Big Horn County on behalf of the  
unincorporated community of Wyola

TYPE OF APPLICATION: Public Facilities - Water

AMOUNT OF CDBG AWARD: \$245,236

PROJECT DESCRIPTION:

The grant will be used to make major improvements to the Wyola water system. A new supply would be developed and deteriorated water mains would be replaced. This will solve the existing problem of the lines breaking. When lines break, the community is without water for several days, and the water can become contaminated when septic tank effluent seeps into the lines through the breaks.

CHIEF ELECTED OFFICIAL: County Commissioner John Lind

POPULATION: 82 persons in Wyola (local survey)

November 22, 1982

NAME OF APPLICANT: Town of Culbertson  
TYPE OF APPLICATION: Public Facilities - Water  
AMOUNT OF CDBG AWARD: \$400,000

PROJECT DESCRIPTION:

The grant will be used to make major improvements to the Culbertson water system. Culbertson will modify the water intake from the Missouri River, construct a new water treatment plant and storage tank, and replace existing water transmission lines. Culbertson's water presently is in serious violation of the Safe Drinking Water Act. The improvements will solve the problem of contaminated water.

CHIEF ELECTED OFFICIAL: Mayor Paul Finnicum

POPULATION: 887 persons in Culbertson (1980 Census)

November 22, 1982

NAME OF APPLICANT: Judith Basin County on behalf of the unincorporated community of Geyser

TYPE OF APPLICATION: Public Facilities - Sewer

AMOUNT OF CDBG AWARD: \$161,938

PROJECT DESCRIPTION:

The grant will be used to construct a new sewage treatment system in Geyser. The project will involve collection, storage lagoons and spray irrigation. The CDBG money will be added to the amount provided by EPA to make the project financially feasible for the community. Wastewater is currently treated by individual septic tanks and drainfields which often fail due to impermeable soils. The project will eliminate the problem of raw wastewater backing up into basements and surfacing during most of the year. It will protect the groundwater and water supply from pollution by sewage.

CHIEF ELECTED OFFICIAL: County Commissioner Arnold Haack

POPULATION: 175 persons in Geyser (local survey)

November 22, 1982

NAME OF APPLICANT: Madison County  
TYPE OF APPLICATION: Public Facilities - Solid Waste  
AMOUNT OF CDBG AWARD: \$81,073

PROJECT DESCRIPTION:

The grant will be used to institute a county-wide solid waste management system. CDBG money will be used to acquire 12 rural transfer sites and pay the one-time special tax assessment for low and moderate income property owners. The project also involves purchasing a landfill compactor, truck and hoist, and developing the rural transfer sites. Eight of the County's nine landfills do not meet standards. Health and safety are threatened by open burning, possible groundwater pollution, and harboring of disease. The landfill at Ennis, which does meet standards, would be the central collection point.

CHIEF ELECTED OFFICIAL: Chief Executive Robert Storey

POPULATION: 5,448 persons in Madison County (1980 Census)

November 22, 1982

NAME OF APPLICANT: Town of Moore  
TYPE OF APPLICATION: Public Facilities - Sewer  
AMOUNT OF CDBG AWARD: \$155,300

PROJECT DESCRIPTION:

The grant will be used to construct a new sewage treatment system in Moore. The project will involve collection, a storage lagoon, and spray irrigation. The CDBG money will be added to the amount provided by EPA to make the project financially feasible for the community. Wastewater is currently disposed of into cess pools, pumped into abandoned water wells, or treated by individual septic tanks and drainfields which often fail due to impermeable soils. The project will eliminate the seasonal problem of raw wastewater backing up into basements and surfacing in drainages. It will protect the groundwater and water supply from pollution by sewage.

CHIEF ELECTED OFFICIAL: Mayor Ray Robinson

POPULATION: 229 persons in Moore (1980 Census)

November 22, 1982

NAME OF APPLICANT: Powell County  
TYPE OF APPLICATION: Public Facility - Solid Waste  
AMOUNT OF CDBG AWARD: \$108,900

PROJECT DESCRIPTION:

The grant will be used to establish a county-wide solid waste management system. CDBG money will be used to acquire and develop six rural transfer sites near each of Powell County's unincorporated areas, and purchase the collection containers. The containers would be picked up and hauled to an approved landfill once a week. All six dumps violate standards; and most are located in drainage ways and have poor soils. The grant would provide for proper disposal of solid waste.

CHIEF ELECTED OFFICIAL: County Commissioner Sandy Reiersen

POPULATION: 2,935 in Powell County excluding Deer Lodge  
(1980 Census)

November 22, 1982

NAME OF APPLICANT: City of Roundup

TYPE OF APPLICATION: Housing

AMOUNT OF CDBG AWARD: \$400,000

PROJECT DESCRIPTION:

The grant will be used to rehabilitate up to 60 substandard houses occupied by low and moderate income families. It will involve two neighborhoods on the south side of Roundup, where 90 percent of the houses are substandard. This will be accomplished through a program of low interest and deferred loans. The program involves a "companion" loan system whereby a local banking institution will provide a portion of the needed financing at one percent below market interest rate.

This leveraging arrangement with the bank makes available \$180,000 in private money in addition to the CDBG money.

CHIEF ELECTED OFFICIAL: Mayor Joseph Vicars

POPULATION: 2,119 persons in Roundup (1980 Census)

November 22, 1982

NAME OF APPLICANT: Town of St. Ignatius

TYPE OF APPLICATION: Housing

AMOUNT OF CDBG AWARD: \$400,000

PROJECT DESCRIPTION:

The grant will be used to rehabilitate substandard homes of low and moderate income families in an eleven-block area in St. Ignatius. This will be accomplished through a program of grants and low interest loans. The program allows for owners to do some of the rehabilitation work. Inspections and energy conservation measures are required. The housing rehabilitation program is part of an overall community rehabilitation effort.

CHIEF ELECTED OFFICIAL: Mayor Kenneth Hurt

POPULATION: 877 persons in St. Ignatius (1980 Census)

November 22, 1982



NAME OF APPLICANT: Sheridan County on behalf of the unincorporated community of Antelope

TYPE OF APPLICATION: Public Facilities - Water and Sewer

AMOUNT OF CDBG AWARD: \$190,020

PROJECT DESCRIPTION:

The grant will be used toward providing water and sewer systems for Antelope. The water system will include a new well, storage tank, distribution and service lines. The sewage system will include sewer lines, collection and lagoon. The CDBG money will be used to pay for assessments against property owned by low and moderate income persons. Water is currently being hauled in or comes from wells subject to contamination from improperly treated sewage. Individual septic tanks and drainfields often fail due to impermeable soils, causing raw sewage to flow in ditches along streets. These problems will be eliminated by the new water and sewage treatment systems.

CHIEF ELECTED OFFICIAL: County Commissioner Elvin Lagerquist

POPULATION: 100 persons in Antelope (local survey)

November 22, 1982

NAME OF APPLICANT: Sweet Grass County  
TYPE OF APPLICATION: Economic Development  
AMOUNT OF CDBG AWARD: \$334,071

PROJECT DESCRIPTION:

The grant will be used to encourage economic development in Sweet Grass County. A major portion of the grant will finance sewer, water and street improvements to a manufacturing-industrial site located east of Big Timber. The grant also provides money for Sweet Grass County to loan to the C. Sharps Arms Company, Inc., to construct a new building and locate their manufacturing plant on the site. The loan will be repaid to the County and placed in a special fund for use in further CDBG eligible economic development activities.

CHIEF ELECTED OFFICIAL: County Commissioner David Wilson  
POPULATION: 3,216 persons in Sweet Grass County  
(1980 Census)

November 22, 1982

NAME OF APPLICANT: City of Troy  
TYPE OF APPLICATION: Public Facilities - Sewer  
AMOUNT OF CDBG AWARD: \$400,000

PROJECT DESCRIPTION:

The grant will be used to construct a new sewage treatment system in Troy. The project will involve collection, mains, and aerated lagoons for the treatment process. The CDBG money will be added to the amount provided by EPA. Wastewater is currently being treated by individual systems. Many of the systems are very old, located on small lots and failing. Inadequate sewage treatment is causing contamination of groundwater. The new system will prevent further pollution of the groundwater.

CHIEF ELECTED OFFICIAL: Mayor Bob Case

POPULATION: 1,088 persons in Troy (1980 Census)

November 22, 1982

NAME OF APPLICANT: Town of Winnett  
TYPE OF APPLICATION: Public Facilities - Water  
AMOUNT OF CDBG AWARD: \$359,270

PROJECT DESCRIPTION:

The grant will be used to make major improvements to the Winnett water system. A new well would be provided and deteriorated water mains would be replaced and looped. This will solve the existing problem of lines breaking 50 times per year. When lines break, the community is without water until repairs can be made, and contaminated groundwater can seep into the broken pipe. Improvements to the water system will also improve the fire protection capability.

CHIEF ELECTED OFFICIAL: Mayor Burton Bevis  
POPULATION: 207 persons in Winnett (1980 Census)

November 22, 1982

LOCAL GOVERNMENT BLOCK GRANT (HB 600, HB 418)

MAJOR FEATURES OF ADMINISTRATION'S PROPOSAL:

- .builds on 1981 Legislature's precedent of replacing property taxes with oil severance taxes to support local governments (natural resources helping human services)
- .helps mitigate erosion of tax base available to local governments
- .provides alternative, long-range revenue source to alleviate heavy dependence on property taxpayers
- .injects modest amount of state dollars to allow flexibility to local governments to meet local priorities
- .includes equalization factor to assure fair distribution to all local government units while targeting those most in need of assistance
- .based on cooperative planning and compromise among Montana Association of Counties, League of Cities and Towns, Urban Coalition, and the Administration.

LOCAL GOVERNMENT  
BLOCK GRANT  
ACCOUNT

=  
\$21.7 million  
per year\*

HB418 earmarks  
33 1/3% of oil  
severance tax  
(scheduled to  
increase to 6%  
on April 1 '83)  
=  
\$18.7 million  
per year\*

General Fund  
appropriation  
(line item in  
Commerce's budget -  
Community  
Assistance Prg)  
=  
\$3 million/yr

\$15.4 million/yr for GENERAL PURPOSE GRANT

.continues motor vehicle reimbursement program enacted by 1981 regular session

.recipients are:

- .counties
- .municipalities
- .school districts
- .other jurisdictions (cemetery, hospital, fire districts, etc.)

.allocations from state based on existing law (number of vehicles and average tax loss per vehicle in 1981)

.distribution is to counties, who then disburse to others (based on proportionate number of mills levied by each jurisdiction within the county)

.payments March 1 of each year (must be made before any other block grant funds are released)

\$6.3 million/yr for GENERAL SERVICES GRANTS

.total divided on basis of state's "unincorporated" vs "incorporated" population; for example:

counties = "unincorporated" = approximately  
44.4% of state's population =  
\$2.8 million/yr

cities/towns/consolidated governments =  
"incorporated" = 55.6% state  
population = \$3.5 million/yr

.distribution formulas based on population and relative value of local tax base

.payments June 30 of each year (exception: special one-time, partial payment to initiate program on October 1, 1983)

.estimated general services block grant allocations for each county, municipality (including consolidated governments) appear on reverse side.



Exhibit D  
2-16-83

2/9/83

DATA CENTER  
REQUEST TO REALIGN BUDGET

	-----FY 84-----		-----FY 85-----	
	Executive Budget	Realigned Budget	Executive Budget	Realigned Budget
	Adjustment		Adjustment	
Personnel Services	84,674	84,674	84,482	84,482
Contracted Services	58,548	40,421	62,061	43,014
Supplies and Materials	1,524	1,437 <sup>①</sup>	1,624	1,523 <sup>①</sup>
Communications	3,485	5,307 <sup>①</sup>	3,889	5,625 <sup>①</sup>
Travel	2,963	2,963	3,053	3,053
Rent		5,825		6,447
Repair & Maintenance	169	169	169	169
Other Expenses	1,266	11,833	1,342	12,307
Equipment	3,500	3,500		
Total	156,129	156,129	156,620	156,620

① Executive Budget did not reflect actual usage, therefore these were adjusted to actual x inflation of 6%.

Exhibit E  
2-16-83

ACTIVITY STATISTICS FOR DATA CENTER

I. <u>METHOD OF REQUEST</u>	<u>FY82</u>	<u>FY83</u>
MAIL	1%	4%
PHONE	70%	71%
PERSON	29%	25%
	<u>100%</u>	<u>100%</u>

II. <u>USER GROUPS</u>	<u>FY82</u>	<u>FY83</u>
ACADEMIC	5%	4%
BUSINESS	27%	29%
GOVT/FEDERAL	3%	4%
GOVT/LOCAL	12%	14%
GOVT/STATE	45%	42%
MISCELLANEOUS	8%	7%
	<u>100%</u>	<u>100%</u>



ADJUSTMENTS TO THE BUDGET  
OF THE  
COORDINATOR OF INDIAN AFFAIRS

	<u>1984</u>	<u>1985</u>
ADMINISTRATIVE ASSISTANT		
Salary	\$15,997	\$15,935
Benefits	2,347	2,369
Health Insurance	<u>960</u>	<u>960</u>
	19,340	19,264
LEGAL	2,079	2,204
INDIRECT	<u>8,817</u>	<u>9,327</u>
	<u>\$30,236</u>	<u>\$30,795</u>

*reflects 2 FTE's*

(Proposed for approval in conjunction with the enactment of HB 313)