

JOINT HOUSE-SENATE APPROPRIATIONS SUBCOMMITTEE ON NATURAL
RESOURCES AND BUSINESS REGULATION - MINUTES
February 18, 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 #62 Side B-001)

BUSINESS ASSISTANCE

Personal Services

SENATOR LANE MOVED TO APPROVE THE OBPP FIGURES. MOTION PASSED
UNANIMOUSLY.

Contracted Services

The program had a loss in Federal funds of \$89,000-FY84 and \$91,000-FY
85. GARY BUCHANAN, Director of Commerce, stated this is the one pro-
gram that directly helps businesses, and feels the replacement of
General Fund is needed and justified.

REPRESENTATIVE HEMSTAD asked how Build Montana fits in. MR. BUCHANAN
stated if Build Montana passes, these are the people who would
implement the program. He stated if the General Fund did not
replace the Federal dollar loss for the whole Division, he would
not be able to maintain the current level staff. Build Montana
would add three FTEs.

CAROLYN DOERING stated the 1981 Special Session authorized the
Department to transfer the Federal funds originally line-itemed for
economic development grants into operating expenses for the
Business Assistance Bureau. At that time, Mr. Buchanan said he
would be back this session asking for more General Fund.

MR. BUCHANAN explained they had \$75,000 per year of Federal fund
replacements money to contract for specific kinds of assistance.
REPRESENTATIVE STOBIE asked why they only spent \$6700. NANCY LEIFER,
Chief of the Development Bureau stated the Special Session had to
give permission, and by the time the coordination was done, there
was not much time to award grants.

SENATOR BOYLAN MOVED TO APPROVE THE OBPP FIGURES FOR CONTRACTED
SERVICES. REPRESENTATIVE HEMSTAD MADE A SUBSTITUTE MOTION TO
ACCEPT \$60,000 IN FY84, WHICH INCLUDES THE \$30,000 FEDERAL GRANT
MONIES, THE AUDIT AND LEGAL COSTS. FY85 IS TO BE ADJUSTED ACCOR-

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DINGLY. THIS DOES NOT INCLUDE THE \$67,000 IN GENERAL FUND FOR
GRANT USE, NOR THE \$3600 FOR TRAVEL. MOTION PASSED WITH ONLY
CHAIRMAN MANUEL VOTING NO.

There was a lengthy discussion concerning the replacement of Federal
funds, and the necessity of these grants to help businesses.
REPRESENTATIVE HEMSTAD felt the grants were started as a Federal
Program, and the State should not assume them. She stated by not
funding the grants, she is not hurting the four FTE currently on
staff. She also believes that Build Montana is specifically
designed to help business, and to appropriate this money, also,
in current level, is building government upon government. She does
not question that the focus of the Division has merit.

(Tape #62 Side B-268 through 652)
SENATOR SMITH was concerned that if Build Montana does not go, this
Committee may reconsider its action in this area.

SENATORS SMITH AND LANE WERE EXCUSED.

Communications (Business Assistance) (Tape #63 Side A-001)

REPRESENTATIVE HEMSTAD MOVED TO APPROVE THE OBPP FIGURES FOR COMMUNICATI-
CATIONS, TRAVEL, REPAIR AND MAINTENANCE, AND EQUIPMENT. MOTION
PASSED UNANIMOUSLY.

Funding

DICK GILBERT stated that Business Assistance and Economic Development
both have lost Federal funding, and both have requested General
Fund make-up of this loss. He asked if some savings couldn't be
realized by combining the two units. GARY BUCHANAN stated they are
both located together, but have separate and distinct duties. They
are all located in one Division, but serve different purposes. By
transferring the four FTE into this Division, there is no change in
the FTE level, because these people are transferring from another
unit. MR. GILBERT stated there are significant changes in the
funding levels, however. MR. BUCHANAN agreed, and stated in order
to be successful, the Division must have investment of State funds
because it must have a core staff in order to operate.

SENATOR SMITH returned to the meeting.

DICK GILBERT asked for explicit clarification from the Committee
whether it was their intention to replace the Federal dollar loss
with General Fund. A long discussion followed. (Tape #63 Side A-109
through 515).

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REPRESENTATIVE HEMSTAD stated her last two motions were not made with the intent to replace Federal fund loss. She asked for clarification on how much Federal money was being lost in Contracted Services only. NANCY LEIFER stated \$30,000 in FY84 and none in FY85. GARY BUCHANAN stated that if Federal funds were not replaced in Contracted Services, it would not affect the FTEs.

REPRESENTATIVE HEMSTAD clarified her position by saying she did not want any lost Federal dollars in this Division to be replaced with General Fund. MR. BUCHANAN stated if Federal funds were not replaced in the Division, he will be laying-off most of the people in Economic Assistance.

The amount of Federal funds in 1982 was \$114,973.

REPRESENTATIVE HEMSTAD felt this was the place to cut because Build Montana will replace the loss. MR. BUCHANAN stated he cannot put Building Montana together without these people. He stated he must have this core staff. REPRESENTATIVE HEMSTAD does not see why the State of Montana should continue replacing Federal loss.

SENATOR SMITH asked Mr. Buchanan if Build Montana does pass would he be willing to have the Committee reconsider this budget to be sure we are not building more into it than needs to be there. MR. BUCHANAN stated he would.

CAROLYN DOERING stated in order to keep the core staff, in FY84 the unit needs \$60,000 in contracted services, OBPP figures in the other categories, and can utilize the \$30,000 Federal funds; FY85 - LFA in Contracted Services, OBPP in Supplies, Communications, Travel and Repairs, and General Fund. This would maintain the core staff over the biennium. SENATOR SMITH felt this sounded reasonable, and if Build Montana passes, then to consider the core staff. MR. BUCHANAN stated he would be willing to work with amendments to Build Montana to assure this.

SENATOR LANE RETURNED.

REPRESENTATIVE HEMSTAD asked Mr. Gilbert his opinion. MR. GILBERT questioned whether this Subcommittee could ever come back to reconsider this.

REPRESENTATIVE HEMSTAD MOVED TO RECONSIDER ACTION ON PAST MOTIONS FOR THIS PROGRAM. MOTION PASSED UNANIMOUSLY.

SENATOR SMITH MOVED TO FUND THIS PROGRAM WITH \$60,000 IN CONTRACTED SERVICES, OBPP FIGURES IN OTHER CATEGORIES, AND TO UTILIZE THE \$30,000

FEDERAL FUNDS - FY84. IN FY85 - THE LFA IN CONTRACTED SERVICES, OBPP IN OTHER CATEGORIES. THE PURPOSE IS TO KEEP THE CORE STAFF ON. IF BUILD MONTANA BRINGS ADDITIONAL MONIES, IT CAN BE DISCUSSED AT THAT TIME. MOTION PASSED UNANIMOUSLY.

SENATOR SMITH stated General Fund could be pulled out later and replaced by Build Montana General Fund dollars, but that the Department would at least have the core staff in place. If the Department wants anything additional, they will have to come before the full Committee. REPRESENTATIVE HEMSTAD was still hesitant, but did agree.

Vacancy Savings (Tape #63 Side A-659)

SENATOR SMITH MOVED FOR NO VACANCY SAVINGS. MOTION PASSED UNANIMOUSLY.
SENATOR SMITH WAS EXCUSED.

COAL BOARD (Tape #63 Side B-001) (EXHIBIT A)

SENATOR LANE MOVED TO APPROVE THE OBPP FIGURES. MOTION PASSED WITH REPRESENTATIVE STOBIE OPPOSED.

There was discussion of the increase in travel. In-state was for work sessions, and out-of-state was for meetings with Montana's surrounding states. The Contracted Services is for expertise in reviewing grant applications (i.e. - engineers) and for Data Processing costs.

REPRESENTATIVE STOBIE MOVED NO VACANCY SAVINGS BE TAKEN. MOTION PASSED UNANIMOUSLY.

HARD ROCK MINING BOARD (Tape #63 Side B-105) (EXHIBIT B)

REPRESENTATIVE STOBIE MOVED TO APPROVE THE OBPP FIGURES EXCEPT FOR CONTRACTED SERVICES. CONTRACTED SERVICES WOULD BE \$16,693-FY84 AND \$17,335-FY85. MOTION PASSED UNANIMOUSLY.

COMMUNITY IMPACT - COAL BOARD (Tape #63 Side B-177) (EXHIBIT C)

General Fund contribution in FY82 was \$104,000. None of the Coal Tax Grant monies are for administration. They are "pass through" as required by statute.

REPRESENTATIVE STOBIE asked if this service couldn't be absorbed someplace. MR. BUCHANAN stated this is the only source left to help county planners. No one in the private sections is providing

this service. The Contracted Services are for expertise for specialized areas such as water systems. The travel is for the employees to get out to the rural communities to assist.

REPRESENTATIVE STOBIE MOVED TO ADOPT THE LFA FIGURES. MOTION PASSED UNANIMOUSLY.

CDBG TECHNICAL ASSISTANCE (Tape #63 Side B-500) (EXHIBIT D)

This program is almost entirely Federal funds. A 2% General Fund match is required for administrative purposes only. Two percent of the Federal funds may also be used for administration.

The LFA shows a \$21,000 less General Fund difference. MR. GILBERT stated he has put more Federal funds into operations.

(Tape #64 Side A-001)

REPRESENTATIVE STOBIE MOVED TO ADOPT THE LFA FIGURES AND THAT THE DEPARTMENT UTILIZE THE FULL AMOUNT OF FEDERAL FUNDS AVAILABLE FOR OPERATIONS. MOTION PASSED UNANIMOUSLY.

REPRESENTATIVE STOBIE MOVED NO VACANCY SAVINGS. MOTION PASSED UNANIMOUSLY.

DATA CENTER (Tape #64 Side A-105)

MR. BUCHANAN stated this was being transferred from the Department of Administration. The FTE level has decreased from seven to three. Travel is needed in order to provide training to others in the field, as stipulated by the Bureau of Census. Travel is also needed to provide technical assistance on various projects. Out-of-state travel is for staff training. This field is constantly being updated, and no training is offered within the State.

REPRESENTATIVE STOBIE MOVED TO ADOPT THE OBPP FIGURES. MOTION PASSED UNANIMOUSLY.

REPRESENTATIVE STOBIE MOVED NO VACANCY SAVINGS. MOTION PASSED UNANIMOUSLY.

ECONOMIC AND COMMUNITY SUPPORT PROGRAM (Tape #64 Side A-290)

The Department is requesting all FTEs be 100% General Fund. MR. BUCHANAN stated he moved all the secretarial support into here, and in the process of reorganizing, eliminated one division administrator. He stated this core staff is support to the full Division for current level. If Build Montana passes, they will add one FTE here, and three in Business Assistance.

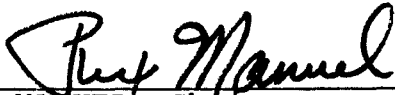
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There was a long discussion by the Committee. The Committee questioned the actual need for so many people in this support unit. REPRESENTATIVE HEMSTAD asked why this level could not be eliminated, and any support be moved under the Director. MR. BUCHANAN stated they are under him, technically, but felt he still needed Wally and his group for the major coordinating and monitoring.

(Tape #64 Side B-001)

DICK GILBERT clarified that to maintain two FTE at current level involves the loss of Federal funds and replacement of General Fund. Adding the additional six FTE also increases the General Fund, because they were formally on a mix of Federal-General. There is no increase in total FTEs for the Department, but in the General Fund contribution. MR. BUCHANAN feels the reorganization is more efficient for the operation.

The meeting adjourned at 11:45 a.m. (Tape #64 Side B-050)



REX MANUEL, Chairman

AGENCY Commerce
 PROGRAM Community Impact
 Subprogram COAL BOARD

Exec. Budget Page
 Fiscal Analyst's Page

EXPEND.	1984 BUDGET			1985 BUDGET			
	1982 Adjusted	Exec. Budget	Fiscal Analyst	Exec. -LFA Variance	Exec. Budget	Fiscal Analyst	Exec. -LFA Variance
FTE		2.50	2.50	-0-	2.50	2.50	-0-
Personal Serv.		76,151	73751	-2400	77,393	74993	-2400
Operating Serv.							
21 Contr. Serv.		89,170	89170	-0-	94,039	94039	-0-
22 Supplies		1,577	1575	-2	1,677	1670	-7
23 Communication		5,134	4994	-140	5,979	5293	-686
24 Travel		22,907	22027	-880	29,739	23790	-5949
25 Rent		1,900	2777	+887	2,057	2944	+887
26 Utilities		-	-	-	-	-	-
27 Repairs		932	927	-5	988	983	-5
28 Other		11000	10963	-37	11660	11621	-39
Subtotal EQUIP		396	396	-0-	96	96	-0-
Non-Operating							
1. Grants		11,319,860	11,319,860	-	11,319,860	11,319,860	-
2.							
3.							
4.							
5.							
6.							
Total Expenditures		11,539,027	11,526,440	-2,587	11,543,488	11,535,289	-8,199
Funding							
General Fund		209167	206580	-2587	223628	215429	-8199
Other Funds							
1. 02266		11,319,860	11,319,860	-0-	11,543,488	11,535,289	-8199
2.							
3.							
4.							
5.							

AGENCY Commerce
 PROGRAM Community Impact
 Subprogram HARD ROCK

Exec. Budget Page _____
 Fiscal Analyst's Page _____

EXPEND.	1984 BUDGET			1985 BUDGET			
	1982 Adjusted	Exec. Budget	Fiscal Analyst	Exec.-LFA Variance	Exec. Budget	Fiscal Analyst	Exec.-LFA Variance
FTE		1.50	1.50	—	1.50	1.50	1.50
Personal Serv.		47,698	46,258	-1,440	47,600	46,160	-1,440
Operating Serv.							
21 Contr. Serv.		21,872	10,693	-11,179	23,145	11,335	-11,810
22 Supplies		2,918	2,907	-11	3,093	3,081	-12
23 Communication		2,764	2,856	92	3,091	3,027	-64
24 Travel		21,080	20,903	-177	21,819	21,740	-79
25 Rent		1,026	1,666	640	1,116	1,766	650
26 Utilities		—	—	—	—	—	—
27 Repairs		141	140	-1	150	148	-2
28 Other		6,525	6,504	-21	6,917	6,895	-22
Subtotal	Equip	620	620	—	20	20	—
Non-Operating							
1.							
2.							
3.							
4.							
5.							
6.							
Total Expenditures		104,644	92,547	-12,097	106,951	94,172	-12,779
Funding							
General Fund							
Other Funds							
1. <u>Earmarked</u>		104,644	92,547	-12,097	106,951	94,172	-12,779
2.							
3.							
4.							
5.							

AGENCY Commerce

PROGRAM Community Impact

Exec. Budget Page _____

Subprogram CV 60300 - Gen. Operations

Fiscal Analyst's Page _____

EXPEND.	1984 BUDGET			1985 BUDGET			
	1982 Adjusted	Exec. Budget	Fiscal Analyst	Exec.-LFA Variance	Exec. Budget	Fiscal Analyst	Exec.-LFA Variance
FTE		2.33	2.33	—	2.33	2.33	—
Personal Serv.		66,714	66,714	—	66,566	66,566	—
Operating Serv.							
21 Contr. Serv.		69,707	69,707	—	70,551	73,701	-3,150
22 Supplies		6,069	6,048	-21	6,432	6,410	-22
23 Communication		4,602	4,587	-15	5,312	4,862	-450
24 Travel		8,387	8,236	-151	8,723	8,730	7
25 Rent		1,344	5,890	4,546	1,476	6,243	4,767
26 Utilities			—			—	
27 Repairs		1,010	1,067	-57	1,071	1,067	-4
28 Other		15,161	15,113	-48	16,070	16,020	-50
Subtotal	Equip	—	—	—	78	78	—
Non-Operating							
1. GRANTS		646,885	646,885		646,885	646,885	
2.							
3.							
4.							
5.							
6.							
Total Expenditures		819,879	824,187	4,308	823,164	830,562	7,398
Funding							
General Fund		172,994	177,302	+4,308	176,279	185,677	+7,398
Other Funds							
1. County Land Planning		646,885	646,885	-0-	646,885	646,885	-0-
2.							
3.							
4.							
5.							

Exhibit D
2-18-83

AGENCY Dept. of Commerce

PROGRAM Community Asst.

Subprogram CDBG Tech Asst CU 60600

Exec. Budget Page _____

Fiscal Analyst's Page _____

EXPEND.	1984 BUDGET			1985 BUDGET			
	1982 Adjusted	Exec. Budget	Fiscal Analyst	Exec.-LFA Variance	Exec. Budget	Fiscal Analyst	Exec.-LFA Variance
FTE		4.34	4.34	- 0 -	4.34	4.34	- 0 -
Personal Serv.		120,724	118110	- 2614	120,463	117596	- 2867
Operating Serv.							
21 Contr. Serv.		138,141	136849	- 1292	146,391	145060	- 1331
22 Supplies		3,413	2967	- 446	3,618	3145	- 473
23 Communication		11,111	10109	- 1002	12,889	10715	- 2174
24 Travel		36,492	36013	- 479	37,866	37454	- 412
25 Rent		3,711	4036	+ 325	4,026	4278	+ 252
26 Utilities		-	-	-	-	-	-
27 Repairs		1,124	1124	- 0 -	1,191	1191	- 0 -
28 Other		14,149	14148	- 1	14,997	14997	- 0 -
Subtotal	Equip	1,290	1290	- 0 -	990	990	- 0 -
Non-Operating							
1. Federal Sources		5,986,820	5,986,820	- 0 -	5,986,820	5,986,820	- 0 -
2.							
3.							
4.							
5.							
6.							
Total Expenditures		6,316,975	6,311,466	- 5,509	6,329,251	6,322,246	- 7,005
Funding							
General Fund		157,975	136303	- 21,672	170,251	146992	- 23,259
Other Funds			1				
1. 03059 CD	Fiscal Analyst's P. 2%	172,180	184,265	12,085	172,180	188434	+ 16254
2. 03063 CDBG		5,986,820	5,986,820	-	5,986,820	5,986,820	-
3.							
4.							
5.							

Leg:cm:a