

MINUTES OF THE MEETING OF THE APPROPRIATIONS SUB-COMMITTEE
ON ELECTED OFFICIALS AND HIGHWAYS

March 8, 1983

(Tape 105, Side A)

The Appropriations Sub-committee on Elected Officials and Highways met at 7:00 a.m. on March 8, 1983 in Room 437 with Chairman Quilici presiding. The following members were present:

Chairman Quilici
Rep. Connelly
Rep. Lory

Senator Dover
Senator Keating
Senator Van Valkenburg

Senator Stimatz was excused.

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

DEPARTMENT OF JUSTICE

The Chairman asked Mr. Roessner to give the committee an overview. Mr. Roessner told the committee that Bob Kuchenbrod of the Department of Justice offered to give up \$100,000 in the Indian Legal Jurisdiction Project and he also indicated that the agency would like to see one-half of the Patrol funded in the Earmarked Revenue Account instead of all of it in the General Fund. That, over the biennium, saves approximately \$6 million.

DEPARTMENT OF ADMINISTRATION

Insurance and Legal Division

Mr. Roessner said that in this division the committee funded out of the General Fund for liability and fire insurance on the Capitol area buildings. Mr. Brusett has indicated that they could go 50-50 with the Self-Insurance Fund and the General Fund. Over the biennium that would save \$230,000 in General Fund.

Treasury Division

In the Treasury Division, Mr. Roessner said that the committee had approved a modified for \$51,999 over the biennium for a cash management program. The Department has indicated that this could be funded out of the Investments Division instead of General Fund because this management system would directly affect the investments of the state by returning cash to the State Treasury faster from the outside banks. The total for the Department of Administration for the biennium would be \$281,199 in the General Fund.

Secretary of State

Mr. Roessner told the committee that the Secretary of State came forward with a list of "Personal Services" they said they could do without over the biennium. In 1984 they could reduce .17 FTE

Minutes of the Meeting of the Appropriations Sub-Committee on Elected Officials and Highways, Page 2, March 8, 1983

and "Travel" totalling \$3,988 in FY84 and \$2,878 in FY85. Mr. Roessner said that these were the only indications he had received from the agencies for which he is responsible. Discussion.

Mr. Brusett told the committee regarding the Cash Flow Management System that this would benefit all agencies because the money would get into all the funds faster than in the past. He felt it was a proper charge which was proposed. He said this didn't affect the budget, it concerns a funding source.

Treasury Division and Investments

Mr. Roessner said they are taking funds away from Investments but you are not taking any expenditure authority away from Investments in doing so, you are adding the expenditure authority into the Treasury Division in funding through a revolving fund rather than the General Fund. Discussion.

Senator Keating made a MOTION that this procedure be adopted. (The Cash Flow Management Program will be funded from the Investment Division rather than the General Fund. The amount for the biennium is \$51,199). Discussion. Motion carried.

Department of Justice Indian Legal Jurisdiction Project

Mr. Roessner told the committee that this biennium appropriation is approximately \$550,000 with \$400,000 being in "Contracted Services" for outside legal counsel. Mr. Kuchenbrod had said that they could do without \$100,000 in this category. He informed the committee that they could reduce the "Contracted Services" to \$300,000 and if it is necessary at the end of the biennium they would come in for a supplemental. This figure was an estimate. The Chairman said they they would put some language in that they could come in for a supplemental if necessary.

Senator Dover made a MOTION that \$100,000 be cut from the "Contracted Services" category of the Indian Legal Jurisdiction Project and include language that, if necessary, at the end of the biennium they could put in for a supplemental. The Chairman asked that JanDee May and Cliff Roessner work out the language for the committee. Discussion. Motion carried.

GOVERNOR'S BUDGET

Senator Keating made a MOTION that the committee approve a \$100,000 reduction in the \$500,000 lobbying fund. Discussion. In answer to a question from the Chairman, Ms. May said that they reverted \$278,000 and there would be a carry-forward in the balance with \$300,000 and that would bring it up to a half million dollars. Discussion. (150)

Minutes of the Meeting of the Appropriations Sub-Committee on
Elected Officials and Highways, Page 3, March 8, 1983

Rep. Lory made a SUBSTITUTE MOTION that the committee approve \$100,000 reduction in this category which would reduce the fund to \$400,000. Question. Substitute Motion carried. Senator Van Valkenburg and the Chairman voted "no". Discussion. Rep. Lory AMENDED his MOTION to include language allowing for a supplemental if this amount of money which is approved is not sufficient to cover their costs at the end of the biennium. The committee noted that this is an expression of their intent. Rep. Lory's Amended Motion carried. Senator Keating and Senator Dover voted "no".

Highway Patrol and Highway Department

The Chairman noted that the Highway Patrol Budget would be discussed in full committee. Senator Dover noted it was the intent of the committee to fund the Highway Department so their projects can be completed. If this money is used for other purposes, he felt the committee was not being very responsible. The Chairman agreed.

Secretary of State

Senator Keating made a MOTION that the committee accept the cuts submitted by the Secretary of State. (Giving up .17 FTE, "Personal Services" costs of \$2,082 in FY84 and \$2,078 in FY85 and some "Travel" costs of \$1,906 in FY84 and \$800 in FY85.) Question being called for, the motion carried.

Department of Revenue

Mr. Roessner told the committee that the Department of Revenue didn't respond in writing to the request for possible cuts in the department but that Ellen Feaver is here if she wants to address the committee.

Ms. Feaver told the committee that looking at the request for cuts and also the legislation which has added responsibilities and costs to her department, she felt it would be irresponsible for her to come in and propose that they will be able to administer the laws the legislature is passing less expensively. "In fact," she said, "you are adding more and more costs, basically in the area of tax administration." She did not prepare a list. She has a set of priorities that says that reappraisal is the most important thing the department is doing now. If they do not properly follow the Constitution regarding equalization, they are talking about a fairly rapid distraction in the financial base of schools and local governments. She said she would not propose that this would be the area where you would say we are not going to fulfill our obligations. The Chairman requested that he have a list of her priorities to be available for the full Appropriations Committee so he could defend her priorities. Ms. Feaver said that since they are a revenue agency, she is going to be looking at the cost-benefit. Discussion.

Minutes of the Meeting of the Appropriations Sub-Committee on Elected Officials and Highways, Page 4, March 8, 1983

Mr. O'Brien told the committee that he had copies of the agencies lists which had been submitted to him. These were distributed to the committee.

Crime Control Division

Mr. O'Brien told the committee that the Crime Control Division had submitted reductions on the comparison sheet. They reduced the total number of FTE's in FY84 and FY85 to save approximately \$15,000 each year over the biennium. They also reduced "Operating Expenses" by a comparable amount and attempted to save approximately \$30,000 over the biennium. Mr. Lavin and Mr. Dye are here if the committee has any questions.

Mr. Lavin told the committee that they prioritized their program again. This represents the 5th FTE that they have dropped this biennium. The "Operating Costs" bring that up to a total of about \$60,000 for the biennium.

The Chairman noted that the committee did not want to take anything away from this budget that is really going to hamper their functions. However, there is a real budget crunch at this time. The Chairman said they were hopeful that some federal funds would soon be available for this budget. In answer to a question from the Chairman, asking if they could function with this cut, Mr. Lavin said "If that was the decision of the committee, they will function with what is left, yes." Discussion.

In answer to a question from Senator Van Valkenburg, Mr. Lavin said they are deleting two existing positions and reactivating the position that was dropped and not picked up by Mr. Kuchenbrod's Central Services Division. (See exhibit 1)

Rep. Lory made a MOTION that the committee accept Mr. Lavin's proposal for this budget. Motion carried.

Discussion of Juvenile Program and Law Enforcement Academy, bring Senator Keating up to date on the committee's action on Saturday.

Supreme Court

Mr. O'Brien said the Supreme Court has submitted a list deleting approximately \$22,920 and \$23,022 in FY84 and FY85. The deletions are: the public information brochure, \$5,300; the Court Management Project of \$5,000 and the District Court Workload Analysis of \$12,000 in FY85.

Boards and Commissions

Mr. O'Brien explained that in the Boards and Commissions budget they have proposed to delete the project developing rules for civil procedures.

Minutes of the Meeting of the Appropriations Sub-Committee on Elected Officials and Highways, Page 5, March 8, 1983

This amounts to \$12,620 in FY84 and \$11,022 in FY85. Mr. Abley explained that they picked these projects primarily because they are new projects. The rest is pretty much a continuation of what they are doing now. If it becomes necessary to delete any more they would prefer to delete a set sum and let them reallocate or delete a certain percentage from the over-all budget except for salaries of the elected officials. This would seriously affect their operations in some areas. These two projects can go simply because they are new projects. The Chairman noted that he did not intend to allow any further cuts in this area. Senator Dover made a MOTION that the proposal as outlined by the LFA and the agency be approved by the committee. Discussion. Question being called for, the motion carried.

Law Library

Senator Dover expressed his unwillingness to cut this budget any further as the committee cut this budget severely when they addressed it earlier. (Exhibit 2 is the Law Library's response to the request for additional cuts.) Discussion. Rep. Lory made a MOTION that the committee reduce the proposed reduction by 50%.

Senator Van Valkenburg made a SUBSTITUTE MOTION that the committee accept the proposed cuts. (Exhibit 2) Senator Van Valkenburg said that he felt that this budget would come out better in the long run if this committee makes the cuts and stands firmly behind them. He felt the Law Library would risk a lot more if the cuts aren't made here when the agency itself is saying that the cut can be made. He said this committee should stand firmly by their decision on this budget. The Chairman agreed. Question, motion carried.

Department of Military Affairs

Mr. O'Brien said that the Department of Military Affairs had submitted a list of proposed cuts of approximately \$14,331. (See Exhibit 3.) Mr. O'Brien explained Exhibit 3 and noted that there had been no proposed cuts in the Disaster and Emergency Services Division. Senator Dover expressed concern that this reduction would mean a loss of federal revenue of \$14,607. On "Repairs and Maintenance" he felt that in view of the condition of the buildings which the committee saw, this may not be an appropriate way to save. Discussion.

Rep. Lory made a MOTION that the committee accept the proposed \$2,000 cut in the Air Guard Program but that the committee not accept the remainder of the proposed cuts.

In answer to a question from Senator Van Valkenburg, Col. Cottrill told the committee that under "Utilities" the agency has taken a \$12,500 cut in the army program and in the air program for energy conservation over the biennium.

Minutes of the Meeting of the Appropriations Sub-committee on
Elected Officials and Highways, Page 6, March 8, 1983

Discussion. Senator Keating expressed concern that the \$9,000 for maintenance be used for that purpose and not be used for any other purpose. Question being called for, motion carried.

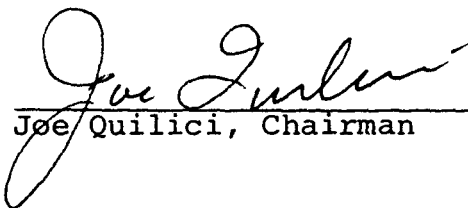
State Auditor

The committee noted that the \$108,000 for termination pay was no longer in the budget. The committee explained that this could be put in as a supplemental by the new Auditor. Mr. James Cheetham said that the money for the premium finance has come in in the last eight days quite well. It indicates an increase of 7% over the year before. We have put into the treasury approximately \$16 and 3/4 million in the last five or six days. This indicates an extra million or so to the general fund.

Senator Keating made a MOTION that the committee approve \$230,000 on the insurance proposal. Motion carried. Discussion.

The Chairman told the committee that the computer costs for the Legislative Council are much higher than they had anticipated and the committee will have to address this at a later date when he receives the detailed information.

The meeting adjourned at 7:50 a.m. (710)



Joe Quilici, Chairman

dm

AGENCY : 4107 CRIME CONTROL DIVISION
 PROGRAM : 01 BOARD OF CRIME CONTROL
 CONTROL : 00000

CURRENT LEVEL SERVICES ONLY

AC/CE	DESCRIPTION	OBPP FY 84	LFA FY 84	DIFF. FY 84	SUB-CMT. FY 84	OBPP FY 85	LFA FY 85	DIFF. FY 85	SUB-CMT. FY 85
0000	FULL TIME EQUIVALENT (FTE)	<1> 14.00	6.00	-8.00	12,000	14.00	6.00	-8.00	12,000
1100	SALARIES	<12,000> 7317,643	160,116	-157,527	205,540	317,160	159,519	-157,641	205,540
1300	OTHER COMPENSATION	675		-675		675		-675	
1400	EMPLOYEE BENEFITS	<2018> 746,503	23,055	-23,448	44,124	46,971	24,058	-22,913	44,124
1500	HEALTH INSURANCE	<1400> 13,440	5,760	-7,680	12,480	13,440	5,760	-7,680	12,480
	<15110> TOTAL LEVEL	378,261	188,931	-189,330	342,121	378,246	189,337	-188,909	342,121
2100	CONTRACTED SERVICES	<6000> 80,591	28,539	-52,052	111,571	70,586	36,245	-34,341	111,571
2200	SUPPLIES & MATERIALS	3,504	1,275	-2,229	2,504	3,716	1,350	-2,366	2,504
2300	COMMUNICATIONS	<1400> 16,805	6,843	-9,962	13,405	19,602	7,965	-11,637	13,405
2400	TRAVEL	<6000> 41,033	20,530	-20,503	34,523	42,799	21,392	-21,407	34,523
2500	RENT	23,111	8,066	-15,045	23,111	24,497	8,550	-15,947	23,111
2700	REPAIR & MAINTENANCE	305	107	-198	765	324	112	-212	765
2800	OTHER EXPENSES	1,630	795	-835	1,630	1,723	842	-886	1,630
	TOTAL LEVEL	166,979	66,155	-100,824	202,000	163,252	76,456	-86,796	202,000
	TOTAL PROGRAM	545,240	255,086	-290,154	526,200	541,498	265,793	-275,705	526,200
01100	GENERAL FUND	233,915	223,429	-10,486	44,111	231,576	233,887	2,311	44,111
03008	CRIMINAL JUSTICE COUNCIL	80,412		-80,412		85,640		-85,640	
06999		230,913		-230,913		224,282		-224,282	
	TOTAL PROGRAM	545,240	223,429	-321,811	544,200	541,498	233,887	-307,611	544,200

Add points 28 and 49
 Add points 41



State Law Library
of Montana



Justice Building • 215 North Sanders
Helena, MT 59620 • (406) 449-3660

DATE: March 7, 1983

TO: Rep. J. Quilici, Chairman
Legislative, Judicial, & Administrative Subcommittee

FROM: Claire Engel, State Law Librarian

RE: Budget Reductions

Please find attached a list of possible cuts to the Law Library budget.

The cuts to the book budget are not a trimming of "fat." Rather they are a recognition of our desperate need for a reference librarian. I would rather see the book budget cut than lose our reference librarian.

PC: Leo O'Brien
Lee Jellison

	FY 84	FY 85
Operations		
2200 Supplies & Materials	100	100
2400 Travel		<u>1,428</u>
Total Level	100	1,528
Equipment		
3100 Books	8,069	13,246
3100 Microfiche Readers	<u>560</u>	<u> </u>
Total Level	8,629	13,246
Total Program	8,729	14,774

4) 10 m of 20 11 2

DEPARTMENT OF MILITARY AFFAIRS



TED SCHWINDEN, GOVERNOR

P.O. BOX 4789

STATE OF MONTANA

OFFICE OF THE ADJUTANT GENERAL

HELENA, MONTANA 59604

March 7, 1983

Representative Joe Quilici, Chairman
Joint Appropriation Committee
Elected Officials and Highway Committee

Dear Representative Quilici:

Today I received a phone call from Leo O'Brien of the Legislative Fiscal Analyst office asking us to review our proposed operating budget for FY 84/85 and to make any voluntary reductions in General Fund spending that we could.

Since that call I have made an extensive review of all phases of the Budget with my staff and have arrived at the following conclusions.

01 Administration Program. - Fiscal years 84/85 have already been reduced from the present level by a 20% reduction in personnel and over \$75,000 in reduced General Fund expenditures brought about by the elimination of the Deputy Director. This program has paid the price of austere times. I also wish to point out that I voluntarily reduced the utility expense category to a level substantially below the Fiscal Analysts budget.

02. Army Program - The Army program is our most critical program and, of course, the one with the most problems. After a close review the following adjustment can be made without jeopardizing the whole program.

a. Contract Administrator Position - the position was requested as a result of a Legislative Audit recommendation. We have no background as to how much time will be required to meet the auditors request so reduce the position to 1/2 time and if it is not enough the Auditors will tell us so by the next Legislative session.

General Fund Saving for Biennium	\$ 3,207
Loss of Federal Revenue	\$14,607

b. The only other area which has any flexibility from our standpoint is in Repairs and Maintenance. We have not been doing a satisfactory job maintaining our state property but can do as well as present or a little better even with the following cut. If we change our maintenance schedule for painting from once every six years to every seven years we are able to defer the painting of one or two facilities each year.

General Fund Saving for Biennium	\$9,124
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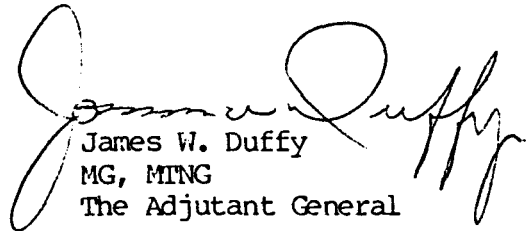
03. Air Guard Program - Every area of the Air Guard program is contractual except communications. For every dollar I cut in the contractual portion the state loses four Federal dollars. In these poor economic times I cannot justify any loss of Federal dollars.

General Fund Savings for Biennium	\$2,000
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Page 2-Representative Quilici

The last area is Disaster and Emergency Services. This program is funded 50/50 State and Federal and any reduction would have a ripple effect on all level of Government due to its close relationship with county government. The only increase DES has had this Biennium is one FTE to support the Division Communications program. The services provided by this position are covered by a Federal contract and without such service the dollar loss to the local Civil Defense agencies would be substantial. This communication service was provided by the Department Administrator who decided to discontinue the support and I feel we must continue to provide this contracted service. No reductions are possible in this Division.

I make the above reductions with regret as every dollar impacts severely on a small agency such as ours. If I can be of further assistance please let me know.



James W. Duffy
MG, MING
The Adjutant General

VISITOR'S REGISTER

HOUSE _____

COMMITTEE _____

BILL _____

DATE 3/8/83

SPONSOR _____

7 AM,

NAME	RESIDENCE	REPRESENTING	SUP- PORT	OP- POSE
Plc 1/2. Roy L.	Helena	St Auditor	X	
Josephine Frank	Helena	St. Auditor		
Frank Oke	"	"	X	
Gordon Bruce	Helena	St. Auditor	X	
Ellen Johnson	"	ORFP		
Mike Abley	Helena	Supreme Court	✓	
Norman Deffert	Helena	St Auditor / Law	✓	
Mike Lavin	Helena	Crime Comm	X	
Jim Colburn	"	Military Affairs		
Cliff Lumbus	"	"	-	
Larry Petersen	Helena	Board of Crime Control	✓	
Marvin Oye	Helena	Board of Crime Control		

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

WHEN TESTIFYING PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Representative Joe Quilici

FROM

DEPARTMENT OF ADMINISTRATION
MEMORANDUM

IT

DATE

Amendment to HB 447

MESSAGE:

Per the subcommittee's request, attached is a proposed amendment for HB 447 as drafted by Mike Young, Administrator of the Insurance and Legal Division.

ORIGINATOR-DO NOT WRITE BELOW THIS LINE

REPLY TO →

SIGNED

Sheryl Mott for m. Brewitt

REPLY

SIGNED

SEND PARTS 1 AND 3 INTACT-PART 1 WILL BE RETURNED WITH REPLY

FORM 17

RETURN TO ORIGINATOR

Amendments to H.B. 447

Page 37, following line 5, add:

"The department is authorized to expend available self-insurance reserves and revenues to pay any deficit which may be incurred for property insurance premiums due and payable through June 30, 1985."