

MINUTES OF THE MEETING
STATE ADMINISTRATION COMMITTEE
MONTANA STATE SENATE

January 27, 1983

The meeting of the State Administration Committee was called to order by Chairman Pete Story on January 27, 1983 at 10:30 a.m. in room 331 of the State Capitol, Helena, Montana.

ROLL CALL: Roll was called and all members were present.

The meeting was opened to hear SENATE BILL 166.

SENATE BILL NO. 166: "AN ACT AMENDING SECTION 19-4-804, MCA, TO INCREASE THE AMOUNT A RETIRED MEMBER OF THE TEACHERS' RETIREMENT SYSTEM MAY EARN WITHOUT LOSS OF RETIREMENT BENEFITS; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE AND AN APPLICABILITY DATE."

SENATOR ECK presented Senate Bill 166 stating that this is a simple bill but has a lot of input for our people in our universities and public education systems. This bill allows a person who is retired to teach one-third instead of one-fourth time, the way the law reads now, without having benefits reduced and also provides a more fair way of paying those employees. Rather than paying them the same salaries they were at at the time they retired, the salary they receive will increase at a normal rate the school or university uses or they have an alternative method of figuring the increase based on the median of the average final compensation for members who retired in the preceding fiscal year. It means much to the teacher. The bill was proposed and most of the work done by Jim Cox, professor of chemistry at the University of Montana. Senator Eck stated that she was fearful of the impact it would have on teachers retirement but found the impacts were not there. Senator Eck called on Irving Dayton, Commissioner of Higher Education to speak.

PROPOSERS:

IRVING DAYTON, Commissioner of Higher Education, stated that the motivation comes from the fact that faculty members are delaying retiring because of inflation and many want to remain active at a reduced level. It does allow the faculty member to move ahead as he would have if he hadn't retired. The institution gains in two ways; one is, that the salary burden on the institution is reduced because the replacement for these people will be younger and get a lower salary, but it will also give some flexibility. It will get younger people into the institution which we need because we are all growing older together in the institutions. It will be beneficial to

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the public schools because it can be used to alleviate the sting of reduction of force situation by making it possible to carry some people at a part time rate and pay them in a fashion comparable.

Mr. Dayton stated that the idea came from the faculty and has been studied extensively by the presidents of the universities and by the board of regents and comes to you with the full endorsement of both of those groups.

JIM COX, Professor of the University of Montana, testified from a prepared statement shown as EXHIBIT 1. A Representative case was also presented, shown as EXHIBIT 2. The Montana Legislature is asked to pass an amendment to the Montana statute which limits the post-retirement service of teachers in the State's Teachers Retirement System to which all elementary, secondary and college teachers belong. The AMENDMENT proposed is attached as EXHIBIT 3. Mr. Cox also presented the committee with handouts showing the partial retirement programs in Colorado and Wisconsin, shown as EXHIBITS 4 and 5.

DAVE SEXTON, representing the Montana Education Association, stated that this is a bill that will provide economic and personal opportunities to our professional people without any cost, in fact, it would reduce cost. He urged passage of this bill.

TERRY MINOW, representing the Montana Federation of Teachers, stated that they also support this bill. EXHIBIT 6.

NEIL BUCKLER, President of the University of Montana, stated that his comments would be brief to say that the University of Montana endorses this proposal and is convinced that it will provide them with the flexibility that their institution and sister institutions need in the years ahead. EXHIBIT 7.

BOB JOHNSON, Administrator of the Teachers Retirement System, stated that the Teachers Retirement System is in support of this proposal. He called attention to the committee and apologized for not having a prepared amendment. He proposed on lines 22, 23, 24 and 25 where it says "plus normal annual salary increases for the school or university unit", note that we do have members in county government, in state agencies and institutions. It should apply also to them.

CHARLES BRYAN, President of the University Teachers Union, stated that they endorse this one hundred percent. EXHIBIT 8.

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DENNIS WAGNER, representing the Associated Students of Montana, spoke as a proponent on SB 166. He submitted written testimony shown as EXHIBIT 9.

JULIE FOSBENDER, representing the associated students of the University of Montana, stated that they would like to go on record supporting SB 166 for all the aforementioned reasons.

There were no other proponents and no opponents.

QUESTIONS of the Committee:

SENATOR MARBUT asked why the effective date on passage of approval.

SENATOR STORY stated that they want this to be on July 1st and otherwise it is October something.

It was asked why both dates shouldn't be July 1st.

BOB JOHNSON stated that they want both dates to be July 1st.

SENATOR TOWE asked the meaning of "superannuation".

SENATOR ECK stated that it means "pension".

SENATOR TOWE asked since this does not affect the money the retired teacher would receive and only affects the amount he can earn if he goes back to work, why is there a limitation of 1/4 or 1/3.

SENATOR ECK said this is put on before, because the legislature wanted it there. They want to be sure the teacher would not get retirement pay and salary too.

The meeting closed on SENATE BILL NO. 166 No action was taken.

The meeting was now opened for the hearing of SENATE BILL 259.

SENATE BILL NO. 259: " AN ACT REESTABLISHING THE BOARD OF LIVESTOCK UNDER EXISTING STATUTORY AUTHORITY AND RULES...."

SENATOR JACOBSON introduced this bill and reviewed the proposed amendments to the committee.

After consideration, it was the opinion of the committee that SB 259 should be moved into agriculture.

The meeting closed on SB 259.

The meeting was opened to the hearing of SENATE BILL NO. 258.

SENATE BILL NO. 258: "AN ACT INCREASING THE THRESHOLD VALUE OF INDIVIDUAL CAMPAIGN CONTRIBUTIONS THAT MUST BE REPORTED BY NAME AND ADDRESS; AMENDING SECTION 13-37-229, MCA,".

SENATOR THOMAS introduced this bill. He stated that when they drafted this bill they did not have all the research done. He presented the committee with an amendment, shown herein as EXHIBIT 10, which reduces the amount of aggregate contributions, other than loans, \$50 rather than \$100 as shown in the bill. A Consumers Price Index was distributed to the committee showing inflation costs. This is shown as EXHIBIT 11.

PROPOSERS: none. OPPONENTS were called.

DON JUDGE testified as a opponent and representing the Montana State AFL-CIO. He presented written testimony, EXHIBIT 12, for the record.

JOE LAMSON, representing the Montana Democratic Party, stated that they come before the committee opposing the original \$100 limit and the \$50 limit. Basically, those limits were put there so the people would know who was contributing to election campaigns. He said that they will see, in a book he will leave in their mail boxes, on contributions, page after page showing the range of contributions are in that particular range shown in the original bill. Even with the amended level, that is going to be the range where people are going to contribute. He stated that he does not think the CPI index is applicable to contributions. It does have some relationships to the cost of running campaigns. Just because inflation has gone up, people are not increasing their contributions, they still think of it is the \$25, \$50 and \$100 frame works. He said they also think there is an opportunity in this particular bill at the \$100 and \$50 limit to hide a great deal of contributions from small corporations or large corporations.

MARGARET DAVIS, representing the League of Women Voters, stated that they do oppose the bill as originally drafted. She stated in reference to Senator Towe's remarks on recording procedure getting complicated, it is important to know there has been no significant changes in the requirements or forms.

There being no other proponents or opponents, questions were called from the committee.

There were no other questions.

The hearing closed on SENATE BILL NO. 258. No action taken.

The meeting was opened to the hearing of SENATE BILL 230.

SENATE BILL NO. 230: "AN ACT TO REVISE THE LAWS RELATING TO RECALL PETITIONS; AMENDING SECTIONS 2-16-613, 2-16-620, AND 2-16-621, MCA."

SENATOR MC CALLUM introduced this bill stating that he hoped that it clear up the problems such as the one they had in Missoula. He stated that he talked to the County Commissioner and the people that were involved in the recall movement and he made the suggestion that local government come in with a bill and they have an amendment before they even before they present it, and stated that he is doing about the same thing. The county clerks were agreeable to this PROPOSED AMENDMENT:

Page 2, line 1.
FOLLOWING: signatures
STRIKE: of the
INSERT: of each person who has signed the
petition to assure that they are

Page 2, line 2.
STRIKE: in

Page 2, line 3.
STRIKE: the manner prescribed in 13-27-303

He stated that the names on the petitions must be varified and that they do not have the time to do this. They therefore proposed:

Page 3, line 23.
STRIKE: 20
INSERT: 30

PROPONENTS were called.

FERN HART, Clerk and Recorder of Missoula County, testified that she would be speaking as if the bill would have no amendments. She stated that she expected that the bill would not be accepted in its first form. She informed the committee of the numbers that they have to deal with. The changes that this bill purposes are shown on EXHIBIT 13(b). This exhibit also explains their interpretation as well as points they wish to have considered. She stated that she would appreciate consideration of this bill.

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BILL ROMINE, representing the Clerk and Recorders, testified in support of SB 230. He told the committee that it is important that the registered name be written the same as on the recall petition. The recall petition says that you have to count every signature. He stated that he has no problem with the rule that they examine everything but if they are going to do that they are going to have to have time. He said that these petitions come in piece meal so when does the 15 days begin to run... this bill clears that up by saying when you receive a petition or portion thereof, begins to run as you receive each portion. He stated that the time eliminate is dire and if they are talking 30 days are they talking 30 working days or calendar days.

There were no other Proponents.

NO OPPONENTS.

SENATOR MC CALLUM CLOSED on SENATE BILL NO. 230.

QUESTIONS were asked by the committee.

SENATOR TOWE asked Mr. Romine if he thought they should also change the 20 days on line 8, page 3, to 30 days. That is a little different situation.

BILL ROMINE stated that he wondered if that subsection even comes into play, but maybe an elector could say 'you compared it and this is wrong'.

SENATOR TOWE said that he thinks that is the reason it would be operative except for the one sentence.

MRS. HART stated that they are challenged and then they do need the 30 days.

SENATOR MARBUT said that he was a little confused about the section that says, "county official receiving the sheets or sections of a petition shall check the names on all signers to varify that they are registered electors of the county", then it goes on to say, "in addition, the official shall randomly check names on each sheet or section and compare them with signatures".

BILL ROMINE said you are doing the same. Comparing names to be the same.

The HEARING CLOSED ON SB 230.

The meeting was opened for the consideration of SENATE BILL NO. 235.

SENATE BILL NO. 235: "AN ACT TO CLARIFY THE INFORMATION REQUIRED TO BE SUBMITTED TO THE BUDGET DIRECTOR AND THE LEGISLATIVE FISCAL ANALYST FOR THE PREPARATION OF AGENCY BUDGET ESTIMATES; PROVIDING A DATE BY WHICH THE BUDGET OFFICE WILL PREPARE AN AGENCY REQUEST; AND SPECIFICALLY INCLUDING THE UNIVERSITY SYSTEM UNDER THE BUDGET REQUIREMENTS; AMENDING SECTIONS 17-7-111 AND 17-7-112, MCA."

SENATOR JACK HAFNEY stated that this bill is being presented by request from the Legislative Finance Committee. He said that this bill has the same objectives that he presented the day before on behalf of the budget office. The objectives are efficiency of word process and manageability of the work load. Both the legislative fiscal analysts office in this case and some of the amendments, which he handed out, shown as EXHIBIT 15, is to insure that we are not detracting from but not harming the efficiency that is built up in the Budget Office. The reason for the bill is the the fiscal analysts office receives the agency's budget from the budgets office each year and it is important that as they receive this it is in a form and time frame which allows for sound analysis by their staff. He stated that they do not want to harm what efficiency that has been built up in that office so they have asked the budget director to look at the bill and see how we could meet the objectives that the finance committee and fiscal analysts' office has in being able to manage our work load in terms of time and content.

He summarized the bill in two ways: Section 1 has as a first subsection, a change from current law, where current law provides basically that the budget director generally prescribes how he wants the agencies to submit their budget. Section 1 of this bill suggests that certain specific requirements be made by the budget director then those specific requirements are set forth in subsection 2, of section 1 of this bill, beginning on page two, line 8 and goes through on to page 3 and page 4. Section 2 of this bill deals with the time frame.

PROPONENTS were called.

SANDY MERDINGER, representing the League of Women Voters, said that they support the concept of SB 235, that is to make the budget process more efficient and workable. She stated that they do approve of the amendments

(other proponents for S.B.235)

DAVE LEWIS, from the office of Budget Program and Planning, testified to the committee and presented them with a handout, EXHIBIT 16, which he described as a time table, also included and attached is written testimony. Mr. Lewis stated that they find the amendments satisfactory. He stated he was a little concerned about language in statutes that says the transfer of budget information shall be done on a schedule mutually agreed to by the budget director and the legislative fiscal analyst in a manner facilitates an even transfer of information. He said that he does not see any problems between Mrs. Rippengale and himself, but once that language is in the statutes, it is there forever and may be a trick wire.

There were no other proponents.

NO OPPONENTS.

Discussion and questions by the committee:

SENATOR MARBUT asked where do the regents play a part and where do they not play a part and why do we get three budgets?

IRV DAYTON stated all the budgets from the university system come through the commissioners office and are approved by the board of regents. He said he would read this to say 'if for some reason one unit did not get its budget in and the regents send through a partial budget, then the analyst would note that', but he said he does not read it that the university units would go directly to the analyst.

SENATOR HAFHEY stated that the message is to insure that a package exists in timely manner for each indentifiable questioning unit or agency, and if for some reason its untimely and hasn't flowed in the time process mentioned that it would fall from the budget director to insure that something would come through that represented that unit.

SENATOR MARBUT stated that he does not feel it should be the budget director or fiscal analyst's position to take a reaction on the lack of information from a unit.

SENATOR TOWE stated that it looks as though the budget director cannot accept any part of the budget until it is all there. He asked Judy Rippengale when do they get the information requested here at the present time.

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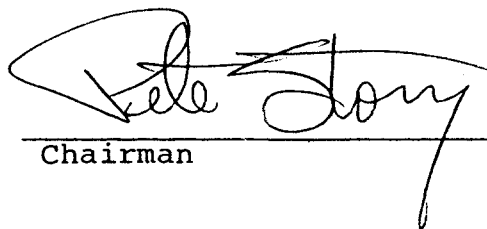
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JUDY RIPPENGALE said that presently now, by law it is to be to them by September 1st, and the agency is to have filed a complete budget request by then, then the budget director has the discretion and he certifies an emergency situation has preceded the timely budget presentation, he may extend an extension not to exceed 30 days, and due to extension can be only extended to September 30th. She said they started getting stuff in September 1st and papers came in during the month of September and October 4th they got a set that said this is what we want in 84-85 with no summaries. They asked for summaries that they got shortly after. It was a period of about 6 weeks of strung out stuff coming in.

When asked about the amendment, she stated that her recourse is to go to the finance committee and she has to have a good reason to do this. She is satisfied with the language in the amendment.

Senator Haffey closed on S.B. 235. No action was taken.

The meeting adjourned at 12:00 a.m.



Chairman

ROLL CALL

STATE ADMINISTRATION

COMMITTEE

47th LEGISLATIVE SESSION -- 1983

Date 1/27/83

NAME	PRESENT	ABSENT	EXCUSED	SENATE SEAT #
SENATOR PETE STORY, Chairman	X			45
SENATOR H. W. HAMMOND, Vice Ch	X			34
SENATOR REED MARBUT	X			44
SENATOR LARRY TVEIT	X			33
SENATOR R. MANNING	X			48
SENATOR LAWRENCE STIMATZ	X			7
SENATOR THOMAS TOWE	X			26

Each day attach to minutes.

DATE Jan. 27, 1983

COMMITTEE ON _____

VISITORS' REGISTER

NAME	REPRESENTING	BILL #	Check One	
			Support	Oppose
Les Graham	Dept of Livestock	SB259		
Dean Switzer	Nurse	SB259		
F. Robert Johnson	Teachers' Retirement	SB166	✓	
Pat Lutz	Mont. Cowbells	SB259	✓	
Chris Johnson	Mont. Farmer Union	SB259	✓	
Will Brooke	MT Woodgrowers / State Grading District	SB259	✓	
Julie Fortender	A&UM	SB166	✓	
Sandy Merdinger	LWV MT	SB235	✓	
Joel Hardy	Montana Colleges	SB166	✓	
Tom East	Missoula County	SB230	✓	
MS Davis	LWV MT	SB-259		X
Bill Romine	clerks & Recorder	S.B.230	✓	
Don Judge	MT STATE AFL-CIO	SB258		X
Neil Bushlow	Univ. of Montana	SB166	✓	
John Ryan	Montana Wool Growers	SB259	✓	
Pat Fairbank	Montana Federation of Teachers ^{UTU}	SB166	✓	
David Sexton	MEA	166	✓	
Irene E Dayton	MT University System	SB166	✓	
James W Cox	Chemistry, U of M	SB166		
Dennis Wagner	Students MSU		✓	
Wlene Tolgen	MT Stockgrowers	259	✓	
W. H. H. H.	MTIFL	259	✓	
Pat Underwood	MT Farm Bureau	259	✓	
JOE LAMSON	MT DEMOCRATIC PARTY	258		X

(Please leave prepared statement with Secretary)

Statement of Intent
to Accompany
Senate Bill 166

This act permits a retiree under the Teachers' Retirement System to earn a greater amount of money without losing retirement benefits. Administration of the Teachers' Retirement System rests with the Retirement System's governing board as provided for in 2-15-1010. It is anticipated that the board will provide guidelines to the school districts and university units whose employees participate in the System to enable the districts and units to supply the board with the necessary information to administer the law. The actual computation of the normal increases and the dollar amount of the limit under subsection (2)(a) of 19-4-804 shall be done by the district or the institution. It is anticipated that this figure will be generally expressed either as a percentage figure or a fixed dollar figure for each year. However, it is possible that for a particular district or institution, a percentage may be appropriate for one year and a fixed dollar amount may be appropriate for a different year or even a mixture of percentage and fixed dollar amount may be appropriate for a particular year.

The new language in subsection (2)(a) is intended to permit the limit on earnings to rise as if the retiree had remained with the district or unit.

Full professor, age 58, has 30 years of service. His last three years of service are at 25, 27.5 and \$30,000.

Column I shows salary costs to the University for ten years (assuming 8% average raises) if he remains on the job. Column II shows the situation in which he chooses early retirement under the proposed plan and works one academic quarter per year. He creates an FTE vacancy which is filled at \$18,000 by new assistant professor. The assistant professor also received 8% increments during the following ten years.

	<u>COLUMN I</u>	<u>COLUMN II</u>	
YEAR		<u>RETIREE</u>	<u>REPLACEMENT</u>
1	\$32,400	\$10,800	\$18,000
2	34,992	11,664	19,440
3	37,791	12,597	20,995
4	40,814	13,604	22,674
5	44,079	14,693	24,487
6	47,605	15,868	26,446
7	51,413	17,137	28,561
8	55,526	18,508	30,845
9	59,986	19,989	33,312
10	64,765	21,588	35,977
	\$469,353	\$156,448	+ \$260,737
		<div style="display: flex; justify-content: center; align-items: center;"> } \$417,185 </div>	
Cost to University System without a retirement		Cost to University System with a retirement	

The Montana legislature is asked to pass an amendment (attached) to the Montana State Ad. statute which limits the post-retirement service of teachers in the State's Teachers Retirement System to which all elementary, secondary and college teachers belong. The amendment is endorsed by the State AFT, the Montana Education Association, the Regents of the University System and, last October, by the Teachers Retirement System ~~System~~. Board of Directors.

The proposed amendment makes retirement less economically risky by enhancing compensation for the post-retirement service that will be allowed members without affecting the retirement benefits themselves. ~~Until~~ Now post-retirement income within the State's educational institutions was limited to a fixed level of one-fourth of the average final compensation (an average of the members' highest consecutive three years earnings).

Few teachers had elected post-retirement service in the past and those who had taught after retirement became disenchanted quickly as the static and inequitable compensation for teaching an academic quarter was badly eroded each year by inflation. Post-retirement service, though professionally attractive, had been no insurance to a potential retiree of some long term security particularly since the Montana retirement benefit itself was fixed with no prospect of cost-of-living increases predicted. Worried professors were postponing retirement indefinitely as is the case nationwide.

The proposed amendment makes it possible for a retiree to teach an academic quarter (1/3 of the year) and to receive, appropriately, one-third of his or her average final compensation for such service. Further, the post-retirement salary would now be allowed to grow with general salary increases at the school or unit.

Montana University System faculty are clearly interested ~~in the new post-retirement service salary will, in the fourth year, exceed the retirement benefit itself and will continue to be a needed hedge against potential runaway inflation.~~ that at ~~8% annual salary increments~~, the new post-retirement service salary will, ~~in the fourth year, exceed the retirement benefit itself and will continue to be a needed hedge against potential runaway inflation.~~

The University regents ~~were~~ ^{are} enthusiastic for two reasons:

First, the only flexibility in University planning possible is through vacated FTE lines and faculty reallocation is particularly critical this year with another frugal University System appropriation likely in spite of larger student enrollments, particularly in short-handed departments.

The University System needs to plan in response to changing demands. It's clear, however, that open faculty lines are the stuff of which plans are made.

Many academic departments are, at present, made up of tenured professors exclusively. No retrenchment, no flexibility, no additional faculty in needed specialties are possible until the retirement of present faculty occurs.

The problem is particularly apparent in those departments in which bright young researchers are needed to make graduate programs work with grant funds from outside Montana. The State has had many outstanding graduate degree programs operating largely on out-of-state money because of aggressive young PhD's who find support for their work from national grant sources. Never before were so many excellent young faculty available from the world's centers of learning to compete for research dollars as there are at this time. They can and must be hired to sustain these programs and to renew the University but this occurs only as a result of open faculty lines.

Second, the proposal means more faculty resources for less University dollars because invariably the retired full professor's post-retirement salary plus the salary of new assistant professor in the same or a different area is substantially less than the salary of the full professor who stays on full time (see attached numerical example.)

not to postpone retirement any longer

The Teachers Retirement System board, too, which had strongly resisted any legislative changes in the past which would lead to unfunded liability, endorsed the proposal because actuarial study predicted minimum impact on the retirement fund even if maximum numbers chose "early" retirement since the enhanced post-retirement money was, of course, paid by the State's educational institutions rather than from retirement funds. Retirement was finally being made more possible with virtually no cost to the Retirement System.

The promise of better education with the opening of tenure lines for some of the bright young faculty now available on the job market - all at lower University costs, makes the statute change popular in all quarters.

The amendment is in line with current regulations on post-retirement service in most western and mid-western universities.

South Dakota State Univ.

Wisconsin + Colorado

The amendment promises the same educational and budgetary advantages to Montana's public schools as it does to the University System as evidenced by its MEA and AFT endorsements.

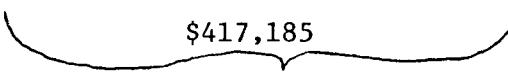
not as immediate + apparent application

JWCox

A REPRESENTATIVE CASE

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Column I shows salary costs to the University for ten years (assuming 8% average raises) if he remains on the job. Column II shows the situation in which he chooses early retirement under the proposed plan and works one academic quarter per year. He creates an FTE vacancy which is filled at \$18,000 by new assistant professor. The assistant professor also received 8% increments during the following ten years.

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	<hr/> \$469,353	<hr/> \$156,448	<hr/> + \$260,737
		 \$417,185	
	Cost to University System without a retirement	Cost to University System with a retirement	

SB BILL NO. 166

INTRODUCED BY

Beck, Van Falkenburg, Boylan

A BILL FOR AN ACT ENTITLED: "AN ACT TO AMEND SECTION 19-4-804, MCA, TO INCREASE THE AMOUNT A RETIRED MEMBER OF THE TEACHERS' RETIREMENT SYSTEM MAY EARN, WITHOUT LOSS OF RETIREMENT BENEFITS, PROVIDING AN EFFECTIVE DATE AND AN APPLICABILITY DATE."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Section 1. Amend 19-4-804:

19-4-804. Allowance for superannuation retirement.

(1) Upon superannuation retirement a member shall receive a retirement allowance consisting of a pension which, together with an annuity, provides a retirement allowance equal to one-sixtieth of his average final compensation multiplied by the number of years of creditable service.

(2) Any retired member may be employed as a part-time or substitute teacher in Montana and may earn, without loss of retirement benefits, the greater of an amount not to exceed the greater of:

(a) one-fourth one-third of his average final compensation plus normal annual salary increases for the school or university unit.

(b) and one-fourth one-third of the median of the average final compensation for members retired during the preceding fiscal year as determined by the retirement board.

Section 2. Effective and applicability dates. This act is effective upon passage and approval and applies to benefits received on or after July 1, 1983.

COLORADO STATE UNIVERSITY

Type of Program: Partial Retirement Program

Characteristics of Program:

Individual is permitted to work up to 90 calendar days a year. Working any part of a day is considered as a full day worked. The employer's contribution which would otherwise be paid to the retirement system is paid to the faculty member as a salary increment. Salary increases on the same basis as colleagues employed full-time are available on a proportional basis. Salary during any one year is calculated at 50 percent of base salary for 9-month employees and 34.6% for 12 month employees. The tenure status of individuals is not affected by the period of partial employment.

Eligibility for the Program

Participation is limited to faculty members (academic faculty and administrators) who are eligible for immediate retirement under the Public Employees Retirement Act. Requirements for full retirement annuity include 30 years of service at minimum age 55, 20 years at age 60, or 5 years at age 65. Early retirement, with reduced annuity payments, is available with 20 years of service at minimum age 55 or 5 years at age 60.

Approvals Required for Participation

The approval of the governing board is required. Individual agreements are required.

Mandatory Retirement Age:

70

Date Program Established:

1977 or 1978

Authorization for the Program:

State Board of Agriculture

UNIVERSITY OF WISCONSIN SYSTEM

Type of Program: Partial Retirement Program

Characteristics of Program:

Individual is provided with part-time employment on a 0.50 FTE basis with the salary level for the part-time assignment calculated at 50% of the highest three prior salary years. The part-time employment may be performed in one term or any combination of terms within a calendar year. The limit is established by the retirement statute in the State of Wisconsin. There is no limit on the number of years of part-time employment, except that the approval of the Chancellor is required for part-time employment beyond age 70. Medical and life insurance are continued with the life insurance calculated on the reduced salary rate and age.

Eligibility for the Program:

None

Approvals Required for Participation:

Information not available

Mandatory Retirement Age:

70

Date Program Established:

The program has been available on an information basis for a number of years and was codified in 1981

Authorization for the Program:

State statute

NAME: Terry Lynn Minow DATE: 1-27-83

ADDRESS: Box 513, Boulder, MT

PHONE: 225-4397

REPRESENTING WHOM? Montana Federation of Teachers

APPEARING ON WHICH PROPOSAL: SB 166

DO YOU: SUPPORT? AMEND? OPPOSE?

COMMENTS: _____

NAME: Neil Bucklew DATE: 1/27/83

ADDRESS: 1325 Gerald Ave ; Missoula, MT.

PHONE: 243-2311

REPRESENTING WHOM? Unio. of Montana

APPEARING ON WHICH PROPOSAL: SB 166

DO YOU: SUPPORT? yes AMEND? _____ OPPOSE? _____

COMMENTS: _____

NAME: Charles Bryan DATE: 1-27

ADDRESS: 145 E Beckwith - Missoula

PHONE: 243-5311

REPRESENTING WHOM? University Teacher Union; AFT Local 119

APPEARING ON WHICH PROPOSAL: 166

DO YOU: SUPPORT? AMEND? OPPOSE?

COMMENTS: This bill benefits the school systems and the teachers
at no substantial cost to anyone. It comes with the complete support
of the membership of the above named organization

OFFICE OF THE ASSOCIATED STUDENTS



01/27/83

MR. Chairman, Committee Members,

My name is Dennis Wagner, and I represent the Associated Students of Montana State University. We would like to go on record as supporters of SB 166. Students believe SB 166 to be a good bill for a number of reasons;

- 1) Retirement, under the current system, is often such a financial uncertainty, that faculty put off retirement for as long as possible. This makes it difficult for students to receive instruction in needed specialty areas, unless some of those professors retire.
- 2) Retired professors would also find it more attractive to return to teaching for one quarter each year. This would allow the University greater flexibility in hiring retired faculty, and students would gain the benefit of a broader based and more comprehensive range of instruction.
- 3) There are many trained, young, minds available to fill faculty positions as tenured lines open. Students need and appreciate dynamic and fresh academic instruction.

Lastly, and in summary, I would point out that the current system discourages retired faculty from working. Why should we promote a system with incentives counter to personal employment and productivity? I reiterate student support for Senate Bill 166.

Dennis Wagner

Page 1
line 19
Following line 18
Strike: \$100
Insert: \$50

Consumer Price Indexes

No. 779. CONSUMER PRICE INDEXES, BY MAJOR GROUPS: 1950 TO 1981

1957-1981. Annual averages of monthly figures, except as indicated. Prior to 1950, excludes Alaska and Hawaii. 1960-1977 indexes reflect buying patterns of urban wage earners and clerical workers in the 1960's, including single workers living alone as well as families of two or more persons; indexes for prior years apply only to families of two or more persons; beginning 1978, reflect buying patterns of all urban consumers in the 1970's. See text, p. 466, and also *Historical Statistics, Colonial Times to 1957*, series E (135-173).

YEAR	All items	Food	Rent, residential	Home ownership	Home purchase	Fuel oil and coal	Gas and electricity	Apparel and upkeep	TRANSPORTATION		Medical care	All commodities	All services
									Private	Public			
1950	72.1	74.5	70.4	(NA)	(NA)	72.7	81.2	79.0	72.5	48.9	53.7	78.8	58.7
1951	77.8	82.8	73.2	(NA)	(NA)	76.5	81.5	86.1	75.8	54.0	56.3	85.9	61.8
1952	79.5	84.3	78.2	(NA)	(NA)	78.0	82.6	86.3	80.8	57.5	59.3	87.0	64.5
1953	80.1	83.0	80.3	75.0	86.5	81.5	84.2	84.6	82.4	61.3	61.4	86.7	67.3
1954	80.5	82.8	83.2	78.3	87.1	81.2	85.3	84.5	80.3	65.5	63.4	85.9	69.5
1955	80.2	81.6	84.3	77.0	87.3	82.3	87.5	84.1	78.9	67.4	64.8	85.1	70.9
1956	81.4	82.2	85.9	78.3	87.6	85.9	88.4	85.8	80.1	70.0	67.2	85.9	72.7
1957	84.3	84.9	87.5	81.7	90.0	90.3	89.3	87.3	84.7	72.7	69.9	88.6	75.6
1958	86.6	88.5	88.1	83.5	91.3	88.7	92.4	87.5	87.4	78.1	73.2	90.6	78.5
1959	87.3	87.1	90.4	84.4	91.3	89.8	94.7	88.2	91.1	78.3	76.4	90.7	80.8
1960	88.7	88.0	91.7	86.3	91.8	89.2	96.6	89.6	90.6	81.0	79.1	91.5	83.5
1961	89.6	89.1	92.9	86.9	92.3	91.0	99.4	90.4	91.3	84.8	81.4	92.0	85.2
1962	90.6	89.9	94.0	87.9	93.2	91.5	99.4	90.9	93.0	87.4	83.5	92.8	86.8
1963	91.7	91.2	95.0	89.0	94.2	93.2	99.4	91.9	93.4	88.5	85.6	93.6	88.5
1964	92.9	92.4	95.9	90.8	95.7	92.7	99.4	92.7	94.7	90.1	87.3	94.6	90.2
1965	94.5	94.4	96.9	92.7	97.0	94.6	99.4	93.7	96.3	91.9	89.5	95.7	92.2
1966	97.2	99.1	98.2	96.3	96.6	97.0	99.6	96.1	97.5	95.2	93.4	98.2	95.8
1967	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1968	104.2	103.6	102.4	105.7	102.8	103.1	100.9	105.4	103.0	104.6	106.1	103.7	105.2
1969	109.8	106.9	105.7	116.0	109.5	105.6	102.8	111.5	106.5	112.7	113.4	108.4	112.5
1970	118.3	114.9	110.1	128.5	118.3	110.1	107.3	116.1	111.1	128.5	120.6	113.5	121.6
1971	121.3	118.4	115.2	132.7	124.8	117.5	114.7	119.9	116.6	137.7	128.4	117.4	128.4
1972	125.3	123.5	119.2	140.1	130.0	118.5	120.5	122.3	117.5	149.4	132.5	120.9	133.3
1973	133.1	141.4	124.3	146.7	132.7	136.0	126.4	126.8	121.5	144.8	137.7	129.9	139.1
1974	147.7	161.7	130.6	163.2	142.7	214.6	145.8	136.2	136.6	148.0	150.5	145.5	152.1
1975	161.2	175.4	137.3	181.7	160.3	235.3	169.6	142.3	149.8	158.6	166.6	158.4	166.6
1976	170.5	180.6	144.7	191.7	168.4	250.8	189.0	147.6	164.6	174.2	184.7	165.2	180.4
1977	181.5	192.2	153.5	204.9	178.5	283.4	213.4	154.2	176.6	182.4	202.4	174.7	194.3
1978	195.4	211.4	164.0	227.2	196.7	298.3	232.6	159.6	185.0	187.8	219.4	187.1	210.9
1979	217.4	234.5	178.0	262.4	223.1	403.1	257.8	166.6	212.3	200.3	239.7	206.4	234.2
1980	246.8	254.6	191.6	314.0	254.3	556.0	301.8	178.4	249.2	251.6	265.9	233.9	270.3
1981, May	269.0	272.5	205.9	345.0	283.0	685.8	339.6	186.4	276.0	297.7	289.0	251.9	299.6

NA Not available. ¹ Includes bottled gas.

Source: U.S. Bureau of Labor Statistics, *Monthly Labor Review* and *Handbook of Labor Statistics*, annual.

1981-273.3
1982-293.6
↳ as of 1/82

90. CONSUMER PRICE INDEXES—ANNUAL PERCENT CHANGE IN MAJOR GROUPS: 1970 TO 1981

[See headnote, table 779. See also table 781 for base figures. Minus sign (-) denotes decrease]

ALL ITEMS	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981 ¹
All items	5.9	4.3	3.3	6.2	11.0	9.1	5.8	6.5	7.7	11.3	13.5	9.8
Food	5.5	3.1	4.3	14.5	14.4	8.5	3.1	6.3	10.0	10.9	8.6	8.8
Housing:												
Rent, residential	4.2	4.6	3.5	4.3	5.1	5.1	5.4	6.1	6.8	7.3	8.9	9.0
Home ownership	10.8	4.1	4.8	4.7	11.3	11.3	5.6	6.9	10.9	15.5	19.7	10.3
Home purchase	8.0	5.5	4.2	2.1	7.5	12.3	5.1	6.6	9.6	13.4	14.0	5.3
Mortgage interest	10.1	-8.9	-2.4	4.9	13.8	1.4	-8	-1.7	5.9	12.7	18.6	10.7
Fuel oil and coal	4.3	6.7	.9	14.8	57.8	9.7	6.6	13.0	5.3	35.1	37.9	23.3
Gas and electricity	4.4	6.9	5.1	4.9	15.3	16.3	11.4	12.9	9.0	10.8	17.1	13.9
Apparel and upkeep	4.1	3.2	2.1	3.7	7.4	4.5	3.7	4.5	3.5	4.4	7.1	5.0
Private transportation	4.3	5.0	.8	3.4	12.4	9.7	9.9	7.3	4.8	14.8	17.4	10.8
Automobiles, new	3.1	4.1	-9	1	5.8	8.6	6.3	5.3	7.8	7.9	8.0	6.7
Gasoline	.9	.7	1.2	9.8	35.4	6.8	4.2	5.8	4.3	35.3	39.0	10.9
Auto insurance rates	13.7	11.4	-4	-1.8	.1	5.6	28.8	12.0	2.9	5.6	8.2	3.9
Public transportation	14.0	7.2	4.1	1.0	2.2	7.2	9.8	4.7	3.0	6.7	25.6	24.3
Inter-city bus fare	7.0	12.1	5.6	4.0	10.5	15.5	5.9	13.5	7.5	8.2	14.3	13.6
Medical care	6.4	6.5	3.2	3.9	9.3	12.0	9.5	9.6	8.4	9.3	10.9	9.7
Amusement	5.1	5.3	2.9	2.8	7.5	8.9	5.0	4.9	5.3	6.7	8.9	8.0
Personal care	3.6	3.2	2.6	4.5	9.7	9.8	6.5	6.5	6.5	7.6	8.8	8.9
Services	6.1	5.6	3.8	4.4	9.3	9.5	6.3	7.7	8.5	11.0	15.4	11.3
All commodities	4.7	3.4	3.0	7.4	12.0	8.9	4.3	6.8	7.1	11.4	12.2	8.9

¹ Change from May 1980-May 1981.

Source: U.S. Bureau of Labor Statistics, *Monthly Labor Review*.

from 1975 to Nov. 1982
increase of 182.9%



Box 1176, Helena, Montana

JAMES W. MURRY
EXECUTIVE SECRETARY

ZIP CODE 59624
406/442-1708

TESTIMONY OF DON JUDGE ON SENATE BILL 258, BEFORE THE SENATE STATE
ADMINISTRATION COMMITTEE, JANUARY 27, 1983

Mr. Chairman, members of the committee, my name is Don Judge and I'm appearing here today in behalf of the Montana State AFL-CIO in opposition to Senate Bill 258. Senate Bill 258 would raise the reportable campaign contribution limits for an individual from \$25.00 to \$100.00.

Although this bill would simplify the reporting requirements for candidates, it would crucify the public's right to know about who is funding state legislative campaigns. According to estimates obtained from the Commissioner of Political Practices' office, less than 15% and perhaps even less than 10% of all individual contributions to legislative candidates are more than \$100.00. That means that between 85 to 90 percent of currently reportable contributions would not have had to been itemized had this bill been law in 1982.

The public's concern for confidence in government has probably never been lower than in the last decade. People are facing hard economic times, with little government relief forthcoming. Watergate eroded public confidence in elected officials probably as much as any single event in this last decade, and as a result, campaign reform became the trend.

Here in Montana, campaign reform followed the national move, and reporting of campaign contributions to a non-partisan independent campaign commissioner became law. That law, we believe, has done much to reestablish public confidence in elected officials. However, much more has yet to be done.

The legislature will be considering many measures to strengthen our campaign reporting and financing laws. Among these will be (1) limiting of total PAC contributions a candidate can receive; (2) establishing a limit at which an individual can contribute to any single PAC; and (3) providing campaign spending limitations and public financing for elections. We think that these ideas have merit. However, Senate Bill 258 would be a step backward in campaign reform.

(over)

In addition to weakening the public's right to know about who is financing elections in Montana, this bill would make it more difficult to track reporting of expenditures and receipts of PAC contributions; would allow individuals of wealth to contribute enormous amounts of money to several campaigns without public knowledge; and would, in doing so, erode an already weak public confidence in our elections process.

We encourage you to leave the reportable contributions limits where they are at now and to consider campaign reform, not campaign deform.

Thank you.

NAME: FERN HART DATE: 1/27/83

ADDRESS: 16 CARRIAGE WAY - MISSOULA

PHONE: 728-4624

REPRESENTING WHOM? CLERK - RECORDER - MISSOULA COUNTY

APPEARING ON WHICH PROPOSAL: SB 230

DO YOU: SUPPORT? AMEND? OPPOSE?

COMMENTS: _____

SERIOUS CONSIDERATION SHOULD BE GIVEN TO
PROCEDURES FROM THE POINT OF VIEW OF:

1. FULFILLING THE RIGHT OF THE VOTER TO
ACHIEVE A RECALL

2. TIME, PERSONNEL WHICH RESULTS IN COSTS
TO THE COUNTY TAXPAYER

3. PROTECTION OF ~~RECALL~~ ELECTED OFFICIALS
FROM FRIVOLOUS RECALL PETITIONS

Fern Hart

Senate Bill 230

An act to Revise the laws relating to Recall petitions.

The changes which this bill proposes are as follows:

Subsection (2)

Change shall be filed to may be approved for circulation.

We had differing opinions on the interpretation of filing:

(a) whether as a completed signed petition
or

(b) whether simply approved and submitted as a form
to be circulated.

Section 2

Our interpretation as to procedure was to verify signatures in the same manner as for initiatives. I might note that the Recall legislation arose from a peoples' initiative.

The difference is: checking the signature against a voter register -- verifying a sample, five per page with petition pages running to 20 signatures on average, and if there is any discrepancy, verifying the entire page.

or

checking each signature against the signature card.

By way of comment, there is one signature card per person; we had 8,000 to 9,000 signatures on each of two petitions equalling almost 18,000 signatures. The time was 15 days and it was assumed to be calendar days.

Subsection (2) Added by legislative Council to permit challenge of any signature.

Subsection (3) Follows current legislation except for checking. It proposes a change from 15 to 20 days, and also allows the County Clerk to accept the petitions in batches and specifies that each batch may not be held for more than 20 days.

Points to Consider:

1. The cost of the checking of each signature against the signature card is either a very lengthy process or requires a significant number of people who may or may not be qualified...this cost is born by the county tax payer even in the case of a statewide Recall petition.
2. Our concern is that the people will be deprived of this right if our office is unable to implement the legislation. As it is now written, we have found great difficulties in its restrictions.

Fern Hart
Clerk and Recorder/Treasurer
Missoula County

NAME: Bill Romine DATE: 1-27-83

ADDRESS: Helena

PHONE: 442-2220

REPRESENTING WHOM? clerks & recorders

APPEARING ON WHICH PROPOSAL: S.B. 230

DO YOU: SUPPORT? AMEND? OPPOSE?

COMMENTS: the clerks support this bill for 2 reasons

1. It Relieves the clerks of the necessity of comparing every signature on the Recall petition against the registration card. There are safe guards in the bill to allow a challenge with more detailed comparison if it is suspected or learned that some signatures are not genuine.
2. The bill gives the clerk an additional 5 days to certify the signatures. The verification process is very time consuming, especially in larger counties, and extra time is absolutely necessary

PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY.

PROPOSED AMENDMENTS TO SENATE BILL NO. 235

1. Page 2, line 8.

Following: "The"

Strike: "forms"

Insert: "agency budget requests,"

Following: "completed"

Insert: "by the budget office,"

2. Page 2, line 9.

Following: "for the"

Strike: "entity"

Insert: "agency"

3. Page 2, line 12.

Following: "consolidated"

Insert: "agency"

Following: "summary"

Insert: "for current level and each modification request"

4. Page 2, line 21.

Following: line 20

Strike: "explanatory"

Following: "schedules"

Strike: "or statements,"

5. Page 2, line 24.

Following: "(b)"

Strike: "an analysis"

Insert: "a schedule"

6. Page 3, line 2.

Following: "detailed"

Strike: "analysis"

Insert: "schedule"

7. Page 3, line 5.

Following: "(d)"

Strike: "a departmental analysis"

Insert: "an agency schedule"

8. Page 3, line 6.

Following: "plans"

Strike: "by agency"

9. Page 3, line 9.

Following: "of"

Strike: "departmental"

Insert: "agency"

10. Page 3, line 11.

Following: "the"
Strike: "department"
Insert: "agency"

11. Page 3, line 23 through line 1 on page 4.
Following: "project." on line 23
Strike: line 23 through line 1 on page 4 in their entirety

12. Page 4, line 9.
Following: line 8
Strike: "and the legislative fiscal analyst"

13. Page 4, line 11.
Following: line 10
Insert: "(2) Between August 15 and September 30 in the year preceding the convening of the legislature, the budget director must submit each state agency's budget request required under 17-7-111 to the legislative fiscal analyst. The transfer of budget information shall be done on a schedule mutually agreed to by the budget director and the legislative fiscal analyst in a manner that facilitates an even transfer of budget information during the month of September and which allows each office to maintain a reasonable staff workflow."
Renumber: subsequent subsections

EXECUTIVE BUDGET PREPARATION SCHEDULE

1985 Biennium

<u>Date</u>	<u>Activity</u>
June 16	Blank forms and instructions sent to agencies for review and preparatory work.
July 24	State accounting records were closed (SBAS).
August 4	Completed budget worksheets sent to agencies showing FY82 actual expenditures.
August 4 thru September 1	Agencies prepared budget requests by <ul style="list-style-type: none"> . making recommendations to adjust FY82 base . correcting FTE estimates . providing revenue estimates . making FY82 base exceptions . preparing modification budget requests
September 1	Agencies submit budget recommendations to OBPP.
September 1 thru October 1	OBPP consolidated agency budget requests by <ul style="list-style-type: none"> . Reviewing, correcting and inputting agency documents into automated budget system . applying inflation factors through the automated system. . developing personal services costs through the automated system. . balancing requested expenditures and funding
October 1	Copy of the consolidated agency budget request was given to LFA.
October 1 thru November 8	Executive Budget request developed by <ul style="list-style-type: none"> . establishing final revenue estimates . establishing funding priorities for current/modified budget request. . analyzing and evaluating agency budget requests.
November 8 thru November 24	Executive budget narrative developed and proofed.
November 24	Executive budget document was sent to printer.
December 1	Executive Budget document was given to LFA.

DEPARTMENT OF REVENUE

EXHIBIT 16 - b
Jan 27, 1983
State Administration



TED SCHWINDEN, GOVERNOR

MITCHELL BUILDING

STATE OF MONTANA

HELENA, MONTANA 59620

November 29, 1982

RECEIVED
DEC 9 1982

MEMORANDUM

TO: Dave Lewis, Budget Director
Office of Budget and Program Planning

FROM: Don Bentson, Administrator *DEB*
Centralized Services Division

Subject: Legislative Fiscal Analyst Reports

We have read the draft bill submitted by the Legislative Fiscal Analyst to the Finance Committee regarding changes to the budget law. To the extent that those changes would prevent the Budget Office from assisting the agencies by providing a computer generated current level budget request we are definitely not in favor of the changes.

Computer generation of the current level budget request has not only saved substantial manual effort in preparation of the budgets but it has allowed a sophistication of the process that would hardly be possible if the budgets were manually produced. For example, applying inflation percentages to various types of expenditures and being able to carry the budget process to each subprogram at the third level of expenditure when desired.

We hope that any changes made to the budget law will give consideration to the effort required to prepare the budget documents.

DEPARTMENT OF LIVESTOCK



TED SCHWINDEN, GOVERNOR

CAPITOL STATION

STATE OF MONTANA

(406) 449-2044

HELENA, MONTANA 59620

November 24, 1982

TO: Dave Lewis, Budget Director
Office of Budget and Program Planning

FROM: Cecil Greenfield, Chief
Centralized Services

A handwritten signature in cursive script that reads "Cecil Greenfield".

SUBJECT: Legislative Fiscal Analyst Reports

→ With the advent of the computer generated current level budget, I was able to make the required adjustments and justifications for the Department of Livestock's 1985 biennium budget in less than 12 hours and there was no typing required. When we were preparing hand-generated biennium budget requests, which seems to be what the Fiscal Analyst is recommending, it took as much as three weeks to pencil out a budget, then it took a good typist at least another 8 hours to type it, after that a considerable amount of time was spent proofing and correcting typos. Needless to say I view this recommendation as a step backwards.

Everybody, especially the legislature, complains about the growth of the bureaucracy, yet it is just such legislation as that being proposed by the Fiscal Analyst that causes the growth of bureaucracy.

In spite of constantly growing demands such as the addition of the pork and beef research and marketing programs, the much more complicated and time consuming personnel legislation and policies and many less obvious innovations, we have not added to the FTE's in Centralized Services in about 8 years. The reasons we have not had to add more FTE's is because of the dedicated staff and such advances as SBAS II and the computer generated current level budget request.

I certainly support your opposition to the two legislative changes recommended by the Fiscal Analyst.

DEPARTMENT OF COMMERCE



TEDSCHWINDEN, GOVERNOR

CAPITOL STATION
1424 9TH AVENUE

STATE OF MONTANA

(406) 449-3494

HELENA, MONTANA 59620-0401

RECEIVED
DEC 05 1982

December 3, 1982

MEMORANDUM

TO: Dave Lewis, Budget Director
Office of Budget and Program Planning

FROM: Brian McCullough, Administrator *Brian McCullough*
Centralized Services Division

RE: Legislative Fiscal Analyst Report - Memo 11-22-82

In regard to the Fiscal Analyst proposed legislation on the budget process, I have the following concerns.

Section 17-7-112 Submission Deadline

Concern: Changing the deadline to comply with Section 17-7-111 will deny the Governor any time to review, prioritize, and adjust programs as he deems necessary from his point of view. Therefore, the budget would subsequently be changed by the Governor between September 1 and January 1 to represent his concerns.

The result of the change would be increased cost of government to the taxpayers with no additional service because the Legislature would not have an Executive budget any sooner but the Fiscal Analyst and agency would have wasted staff time to review a meaningless budget. (Would the additional staff necessary for this work to be done at the agency level qualify as an emergency for purposes of a budget amendment? If not, please increase Department of Commerce Centralized Services staff by two grade 14's plus \$16,000 operating costs and allocate that cost among all programs of the Department of Commerce.)

Section 17-7-111 (4) a department analysis summarizing past and proposed spending...

Concern: Is the "past" limited to preceding biennium and "proposed" limited to next biennium only because of (1) of this section?

New Section. Section 2 (3) No budget amendment may be approved... unless an emergency justifies such expenditure.

December 3, 1982
Dave Lewis
Page 2

Concern: This section covers the special revenue fund which I understand at this point covers what used to be Earmarked Funds and Federal and Private Funds.

The definition of emergency may not include in the eyes of the Legislature items such as increased legal activity in a board, unanticipated costs associated with continuing education in earmarked accounts or increase in Federal Funds available for low income housing subsidies and associated increased operating cost to the department.

Therefore, the New Section 2 (3) should be amended to read "No budget amendment...such expenditure except for boards whose revenues are generated from fees paid by members of any professional and/or occupational group or increase in the availability of federal funds for new or existing programs."

New Section. Section 3 Budget amendment certification

Concern: This whole section will be adverse to the public interest just because of the increase in government delays and paperwork that prevents the State of Montana from being responsive and timely as changes occur in level of governmental funding which directly affects the level and types of services that are provided to the public.

/ag

cc: Gary Buchanan
Isabelle Pistelak



STATE OF MONTANA
DEPARTMENT OF ADMINISTRATION

TED SCHWINDEN
GOVERNOR

Memorandum

TO: Dave Lewis, Director
OBPP

FROM: Rick Morgan
Department of Administration

DATE: November 24, 1982

SUBJECT: BUDGET REQUEST SUBMISSION

Rick Morgan

OBPP
OBPP
OBPP

It appears the proposed changes in 17-7-111 merely require agencies to adopt the form of the executive budget as outlined in 17-7-123. While it would be a simple process for the Department of Administration to perform such a task, the entire budgeting theory of the state of Montana would have to change. In my opinion, even though the current process is cumbersome, a change from the exponential theory would ultimately confuse the legislative body. As an example, approximately 25% of this department's budget would be prepared on a use of resources basis (general funds) and the other 75% would be prepared on a measurement of resources basis (enterprise funds), and consolidation would prove uncomparable. Without central preparation the budget will contain as many different analyses, conjectures, and cost estimates as there are agencies.

The budget process, as it is now, while unwieldly and fraught with paper shuffling, is satisfactory to the department. The only change that would currently assist the department is removal of enterprise operations from the budget process and substitute an operational review in its place.

cc Morris Brusett
Dave Ashley

MONTANA ARTS COUNCIL



TED SCHWINDEN, GOVERNOR

1280 S. 3RD WEST

STATE OF MONTANA

(406) 543-8286

MISSOULA, MONTANA 59801

MEMORANDUM

FROM: David E. Nelson, Executive Director
Montana Arts Council

TO: Dave Lewis, Budget Director
Office of Budget and Program Planning *DEN*

RE: Legislative Fiscal Analyst Reports

DATE: Dec. 12, 1982

RECEIVED

DEC 20 1982

After discussing the proposed legislation with our accountant, who has prepared every budget request for this agency since FY 1977, we offer the following response.

The process for submitting budget requests for this up-coming legislative session was the most straightforward and efficient method that has yet been utilized by OBPP. This agency does not have any excess of clerical support. The entire burden for preparing budget requests falls on one staff person. Also, for this agency, the summer months are the busiest time of our year. In addition to submitting the budget request to your office, we are involved in fiscal year end and beginning activities, which includes submission of the operational plan for the next fiscal year, the process of awarding grants to sub-grantees, and the preparation of our major grant application to the federal level for submission by October 1. Our one person accounting staff is primarily responsible for many of these activities and heavily involved in all of them. With our fiscal responsibilities to the state and the feds increasing annually and no increased funding commitments for staff, the computer generation of current level budget requests is essential to the efficient management of this agency for maximum benefit to our constituents.

Feel free to contact me if I can be of further assistance in this matter.

Dave



STATE OF MONTANA

3911 CENTRAL AVENUE

GREAT FALLS, MONTANA 59401

(406) 453-1401

TED SCHWINDEN, GOVERNOR

RECEIVED
DEC 03 1982

TO: MR. DAVE LEWIS, BUDGET DIRECTOR
OFFICE OF BUDGET AND PROGRAM PLANNING

FROM: R. J. DEMING, SUPERINTENDENT

RE: LEGISLATIVE FISCAL ANALYST REPORT

DATE: DECEMBER 2, 1982.

In terms of the present process concerning the budget planning process (EPP), and the computer generation of the current level budget request, it is truly a service and a valuable one to agencies. I definitely support, without reservation, the continuation of this process. This agency, under the Board of Public Education, is goal and process orientated, hence the EPP allows the Board to be totally involved in goal setting and budget process planning.

In terms of the LFA's report to the finance committee concerning the budget amendment process, I submit this report is an attempt to circumvent the choice the people of Montana made in 1978 when they overwhelmingly defeated by a resounding vote against, second only to the defeat of the sales tax, Constitutional Amendment #5. Mr. Lewis, attached please find the amendment as submitted to the people of this state. The documents include the Attorney General's explanatory statement which includes the Montana Supreme Court decision which declared the committee was an unconstitutional delegation of legislative power reserved in Montana's Constitution to the executive branch or the entire Legislative body. Since our Legislature meets every two (2) years, this leaves the executive branch to properly deal with budget amendments concerning additional unanticipated funds becoming available to agencies.

This agency, in last FY, was able to write for and receive unanticipated additional funds, on a competitive basis, from OPI, for the purchase of computer hardware. The process in place for this agency, followed this route:

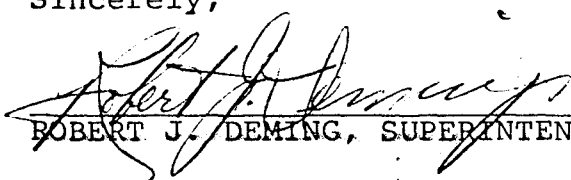
- (1) Competitive grant submittal to OPI
- (2) Board agenda item generated to Board of Public Education for approval of request for budget amendment.
- (3) Budget amendment submitted to Governor's Office of Budget and Program Planning for approval or disapproval.

Mr. Dave Lewis
December 2, 1982
Page 2

Following this process, our agency was then questioned by the LFA. We were visited by individual Legislators. The questioning really bordered on "did the school in fact follow any process", "did the school just find money to boost its expenditure level"? Mr. Lewis, the amendment centered around providing our students with computer assisted instruction, computer knowledge, computer competencies, as well as staff with over 60 hours of in-service training. What I am saying is, the process was goal orientated, objectives with enormous impact on students future skill levels were met, Board of Public Education, the school's control group, were fully informed and involved, the Governor's Budget Office was fully appraised of the project, hence a truly trackable process was followed and the process works well, as is.

If I can be of any further help or provide additional information, please contact me at any time.

Sincerely,



ROBERT J. DEMING, SUPERINTENDENT

RJD/jc

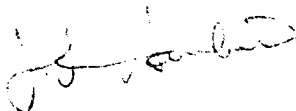
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STATE OF MONTANA
DEPARTMENT OF INSTITUTIONS
HELENA

To Dave Lewis, Budget Director
Office of Budget and Program Planning

Date: 12/21/82

From Jim Haubein, Administrator
Management Services Division



Subject Automated Budget Versus a Manually Prepared Budget

→ In response to your November 22 memo, the Department of Institutions would like to go on record as supporting the computerized budget system. A computerized system is not only more efficient than a manual system, from the standpoint of number of man hours spent in budget preparation, but it is also a very crucial element in meeting the September 1 deadline for budget submission.

To emphasize this, why spend man hours to redundantly reproduce base year expenditures and inflate them on manual forms, when the same numbers are already in the computer and the computer can inflate them faster and almost error free.

These additional man hours are also important when looking at the time frame for budget preparation. The budget base year expenditures are not available from SBAS until approximately August 1. This leaves only 20 work days for preparation, typing, review by the Institution's administration and review by the Director and Division Administrators in this office. This review process alone takes approximately 10 work days.

The only problem the Department had with the current automated budget related to interpreting the intent of the instructions. Hopefully there will be training provided prior to the next Biennium Budget which will take care of this.

JH:bt

cc: Bill Gosnell
Budget Office

DEPARTMENT OF HIGHWAYS



TED SCHWINDEN, GOVERNOR

2701 PROSPECT

STATE OF MONTANA

HELENA, MONTANA 59620

MEMORANDUM

TO: Dave Lewis, Budget Director
Office of Budget and Program Planning

FROM: Gary J. Wicks
Director of Highways

RE: Budget Amendments

DATE: December 27, 1982

RECEIVED
DEC 29 1982

I am responding to your request concerning changes proposed by the Legislative Fiscal Analyst (LFA) to the statutes regarding budget submission and budget amendments.

The proposed changes in the statutes relating to budget submission apparently require the agency to totally prepare the budgets in a form requested by the budget director and the budget request submitted to the LFA will be the agency recommendation rather than the governor's recommendation. Your interpretation that this legislation prohibits the budget office from generating current level budget requests would present problems for the Department of Highways. We currently do not have the capability of duplicating the current budget process, although we are developing the necessary system in house. However, the proposed changes do not appear to us as prohibiting the budget office from computer generating the current level budget request. I would appreciate an elaboration of why you believe the proposed changes would prohibit this service.

The proposed changes in the budget amendment procedures do appear to present problems for the executive branch. The changes are so strict as to take away almost any discretion from the Governor's Office to approve budget amendments which it believes are necessary to provide services to the citizens of Montana. I am particularly concerned about Section 2(7) which is certainly subjective as to what information an agency has before requesting a budget amendment. This section will be a dangerous catch-all.

I also do not like the additional requirement in Section 3(4) that the proposed services have not been proposed or rejected by the legislature during the two most recent legislative sessions. This section is vague as to whether the proposed services cannot have been proposed or rejected by the legislature in both of the two most recent sessions or

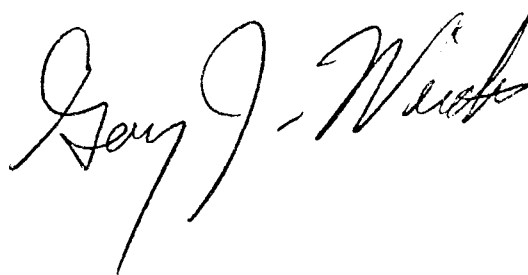
Dave Lewis
December 27, 1982
Page 2

only on of the two. This is another arbitrary restriction further limiting the executive branch flexibility and constitutional powers.

This legislation also concerns me that under Section 9, relating to civil and criminal penalties, that taxpayers have the right to file complaints under this act. This provision could result in undue and constant harassment of public officials.

If you need additional information on this subject, please call me.

GJW:WGS:mb:3Q

A handwritten signature in cursive script, reading "Gary J. Wick". The signature is written in dark ink and is positioned to the right of the typed name "GJW:WGS:mb:3Q".

STATE
OF
MONTANA

DEPARTMENT OF JUSTICE

CENTRAL SERVICES DIVISION

~~XXXXXX~~ Helena, Montana 59620 (406) 449-3800
Justice Bldg, 215 N. Sanders

RECEIVED
DEC 1 1982

TO: Dave Lewis, Director
Office of Budget and Program Planning

FROM: Bob Kuchenbrod, ⁰Administrator
Central Services Division

SUBJECT: Comments - LFA Reports

DATE: 1 December 1982

In response to your memo, dated 22 November 1982, I must first comment on the current procedures employed by your office concerning budget amendments and the budget requests.

The budget amendment procedure, as it is now, causes us little or no concern. Your office provides the prompt attention to our budget amendments that we need and appreciate. We do have incidents where a "time crunch" is encountered. Federal dollars as you know, are to say the least, volatile. We can be assured of federal grants with as much as two months or more notice or as little as one or two days. Contrary to belief, we do plan our activities and the acquisition of outside dollars.

If I were to respond to the entire budget amendment bill, it would take many pages of comments that would be redundant to Ms. Jamison's comments, and I agree that the bill has many areas that are potential problems. The departments, the bureaus, and the managers of the programs must have managerial flexibility to operate in the present day economy. The system works now with the existing criteria-- we do not need management by committee nor do we need excessive time delays.

The budget requesting procedure has improved in the last years. If the new proposals will increase the amount of hand work in preparing budgets, as you suggest, then I feel it must be considered as counter productive and a step backward into the past. My office has cut its budget preparation time to one-third of what it was previously. We do not experience the excessive overtime we did in the past. We can spend more of our time on

Dave Lewis
1 December 1982
Page two

proper analysis and preparation, thereby, presenting a more informative and accurate budget picture of our department. I feel the information presented is accurate and the Office of Budget and Program Planning does an excellent job presenting the facts.

The Department of Justice is very concerned with the idea of misappropriation and the possibility of inaccurate data. We feel the methods of presentation in both cases of budget amendments and budget requests are as accurate as humanly possible and with the help of the computers, the accuracy is assured.

enp

DEPARTMENT OF
SOCIAL AND REHABILITATION SERVICES



TED SCHWINDEN, GOVERNOR

P.O. BOX 4210

STATE OF MONTANA

HELENA, MONTANA 59604

November 30, 1982

RECEIVED
DEC 01 1982

TO: Dave Lewis, Director
Office of Budget & Program Planning

FROM: Ben Johns, Deputy Director
Director's Office

RE: Legislative Fiscal Analyst Report

Following are my comments regarding the two LFA reports.

Budget amendment process. Generally, the provisions are so vague and the procedures so cumbersome that, in effect, the budget amendment process is eliminated. If the goal is to do away with budget amendments, it should be done in a more straightforward way.

There are a couple of specific items that would cause problems even if the process were changed. Item 4 on page 3 prohibits approving budget amendments beyond June 30 of the last year of the biennium. If, for example, a two year grant were received after a legislative session but before close of the fiscal year, any budget amendment would be limited to cover just until year end. Item 5 on page 3 requires that additional services must result from an approved budget amendment. There are instances when this would clearly be to the disadvantage of the state especially with the new fund structure which will apparently require appropriation of what were pass through funds. An example of the problem is our budget amendment 10-06 (your document No. 1306) approved during FY 82. This amendment increased a FPRF appropriation by \$200,000 so that a \$200,000 general fund reversion could occur. No additional services were provided and if the proposed law had been in effect, the general fund reversion could not have been made.

The amendment to 17-B-104, paragraph (3) at the top of page 9 seems to read that a person is guilty of misfeasance and subject to removal from office simply "upon complaint" and that no proof or due process is required.

Dave Lewis
November 30, 1982
Page 2

Budget request submission. While we had some difficulty with the budget request process this time, I don't believe any change in the law is necessary nor is it necessary to abandon the computerized approach. I feel some alterations of the computerized process, such as an earlier merging of data and improved ways of displaying the funding of the request, would solve the problem.

I do have problems with terminology contained in the proposed changes. What is "a balanced financial plan?" Balanced with revenue and expenditure I suppose, but it could have several meanings. "Actual FTE and disbursements" is also unclear as are many other terms in the legislation.

DEPARTMENT OF MILITARY AFFAIRS

Copy + J
Troy
DML
original to Brooke



TED SCHWINDEN, GOVERNOR

P.O. BOX 4789

STATE OF MONTANA

OFFICE OF THE ADJUTANT GENERAL

HELENA, MONTANA 59604

DMA-ADM

9 December 1982

SUBJECT: Legislative Fiscal Analyst proposed Legislation on Budget Amendments

Office of the Governor
Budget and Program Planning
Capitol Building
Helena, MT 59620

Dear Mr. Lewis:

The Adjutant General Division of the Department of Military Affairs receives over 90% of its Federal and Private revenue from the Department of Defense as part of a contractual agreement. The support agreement is reviewed and executed each Federal Fiscal year and is often revised, as to the amount or kind of support eligible under the contract. This means that from time to time opportunities for substantial increases in revenue to the State of Montana become available only thru Budget Amendment.

I believe Budget Amendments need to be carefully scrutinized but not impossible to receive. The restructuring placed in the proposed legislation could, as a result of not being able to act on a DOD mandate, seriously jeopardize the current level of operations of the Montana National Guard.

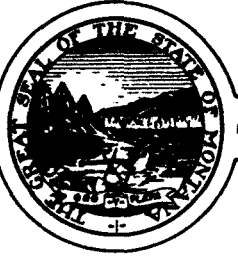
I urge you to try to keep the Budget Amendment door open to those of us who must react to the whimsical changes of our Federal Agency / support organizations.

Sincerely,

A handwritten signature in black ink, appearing to read "K. E. Cottrill".

K. E. COTTRILL
CPT, AG, MT ARNG
Adm. Centralized Services

DEPARTMENT OF MILITARY AFFAIRS



TED SCHWINDEN, GOVERNOR

P.O. BOX 4789

STATE OF MONTANA

OFFICE OF THE ADJUTANT GENERAL

HELENA, MONTANA 59604

DMA-ADM

9 December 1982

SUBJECT: Legislative Fiscal Analyst Budget Request Submission proposal.

Office of the Governor
Budget and Program Planning
Capitol Building
Helena, MT 59620

Dear Mr. Lewis:

As a small agency the amount of time we allocate to budget preparation requires us to cut back in other areas even under the best of circumstances. If we no longer receive computer generated budget preparation forms then we must manually plug the figures into the Budget process in order to do a comparative analysis. This would also eat away at the time available for study of the Base year's expenditures.

The small budget we receive leaves little room for error and the less time available to work on the Budget the greater chance for errors which could undermine our entire program.

I sincerely hope you can show the Legislature the importance of time and support data to the individual agencies in the preparation of the annual budget.

Sincerely,

A handwritten signature in black ink, appearing to read "K. E. Cottrill".

K. E. COTTRILL
CPT, AG, MT ARNG
Adm. Centralized Services

November 30, 1982

RECEIVED
DEC 01 1982

OFFICE OF THE GOVERNOR
BUDGET AND PROGRAM PLANNING
CAPITOL BUILDING
HELENA, MONTANA 59620

ATTN: Dave Lewis, Budget Director

Dear Mr. Lewis:

These amendments would almost completely dilute the Budget Office's ability to grant supplemental budgets unless a threat to life, health, and safety of the public was involved. (I think the Governor already has this prerogative.) It would also create a lot of unnecessary extra paper work and follow up.

Possible solutions:

1. Amend to include in "Emergency" any funds received thru congressional action.
2. Kill amendment.

Sincerely,


C. C. Rusek, Administrator
Centralized Services Division

CCR:rf



TED SCHWINDEN
GOVERNOR

STATE OF MONTANA
DEPARTMENT OF AGRICULTURE

AGRICULTURE/LIVESTOCK BLDG.

CAPITOL STATION

HELENA, MONTANA 59620

TELEPHONE:
AREA CODE 406
448-3144

W. GORDON McOMBER
DIRECTOR

December 1, 1982

TO: Dave Lewis, Budget Director
Office of Budget & Program Planning

FROM: Mary Evans, Administrator
Centralized Services *Mary*

RE: November 22, 1982 Memorandum

RECEIVED
DEC 02 1982
DEPT

I concur with you that the computer generating the current level budget request is a service to agencies even though we did experience some "adjustments" in the process.

I would suggest the inflationary factors be applied to the current level, allowing us to view the biennium request and its funding sources before we submit our budget.

The funding of some programs caused concern and required considerable time.

The system appears to have good potential but there is need for refinement.