

MINUTES OF THE MEETING
APPROPRIATIONS COMMITTEE
MONTANA STATE
HOUSE OF REPRESENTATIVES

March 15, 1985

The meeting of the Appropriations Committee was called to order by Chairman Bardanouve on March 15, 1985 at 8:10 a.m. in Room 104 of the State Capitol.

ROLL CALL: All members were present.

(Tape 21:A:000)

HOUSE BILL 500: "THE GENERAL APPROPRIATIONS ACT OF 1985 FOR THE APPROPRIATION OF MONEY TO VARIOUS STATE AGENCIES FOR THE BIENNIUM ENDING JUNE 30, 1987; AND PROVIDING AN EFFECTIVE DATE."

GENERAL GOVERNMENT AND HIGHWAYS (CONTINUED)

Department of Administration (Continued)

(Public Employees Retirement Division)

Representative Quilici read the narrative from Page 94 of Exhibit 1.

(Teachers' Retirement System)

Representative Quilici (060) read the narrative from Page 95 of Exhibit 1.

Department of Military Affairs

(Adjutant General)

Representative Moore (085) asked why the unexpended portion of General Fund not exceeding the amount anticipated for utilities does not revert to the General Fund. The Administrator of Centralized Services said they originally asked for \$40,000 to do retrofit each year, but this was cut in an effort to conserve General Fund. He said he felt this is an equitable way to allow the retrofit - based on savings from less severe winters. Representative Bardanouve said he will support this if the Adjutant General will provide a report to the 1987 Legislature showing how much money was used for energy and how much was used for weatherization. Representative Quilici said this is also requested in the Minutes of the subcommittee. The Administrator of Centralized Services said they will supply the report.

(Air Guard Program)

Representative Quilici (157) said the modification for 11 FTE should be looked at when the committee gets into the modifieds.

(Veteran's Affairs)

Representative Miller (199) asked if General Duffy would recommend placing the Veterans' Home at Columbia Falls under his jurisdiction. General Duffy said if the legislature does this, he would be opposed to it because he is not in the business of running a nursing home. He said he thinks this should be under the Department of Institutions. Senator Regan (230) said the Governor's Task Force recommendations should be looked at in the time of the budget crunch because there is a question of whether there is a duplication of services and whether it should continue to be funded at the level it is funded and the way it is funded. She said there is a Veterans Bureau furnished by the state, there is a Veterans Bureau furnished by the federal government, a Veterans Affairs Office at both campuses of the college, the VFW, the American Legion and the DAV... all of which provide services to veterans. She said she thinks this is a duplication of services, but said she is not against veterans.

(Disaster and Emergency Services)

Representative Quilici (260) read the narrative from Page 102 of Exhibit 1.

(Nuclear Civil Protection)

Representative Bardanouve (311) asked if Disaster Coordination and Response could be combined with this program. George DeWolf, Administrator, Nuclear Civil Protection, said these programs cannot be combined because of the way the federal money is allocated. George DeWolf said, however, he would look into this.

Representative Donaldson (337) asked what the balance is on the funds available to the Governor in the case of natural disaster. Someone replied saying the law on this account is set at \$1 million maximum the department can draw from over the biennium. He said he thinks the balance is around \$500,000.

Department of Highways

Representative Quilici (387) read the narratives from the department budget (EXHIBIT 2).

(General Operations)

Representative Miller (470) asked if the funds allocated in this program will finish the purchase of equipment for high band radios. Gary Wicks said yes.

(Tape 21:B:160)

(Motor Pool)

Representative Bardanouve asked why, since no federal tax is paid for gasoline, is the cost at \$0.96 per gallon. Gary Wicks said it is put out to bid by the Department of Administration

and this was the last low-bid amount. Gary Wicks said he did not know why the department was not exempt from paying the state tax on gasoline. He said no federal tax is paid by the department. Representative Bardanouve said, "I think you're being ripped off". He asked the LFA to check into this.

NATURAL RESOURCES BUDGETS

Representative Manuel (407), Chairman, Natural Resources sub-committee, presented the agencies budgets (EXHIBIT 3).

Public Service Commission

The Chairman read the narrative from Page 1 of Exhibit 3.

Department of Livestock

Representative Manuel (591) presented the budget for this department to the committee by reading the narratives of all the programs, Pages 3 through 11 of Exhibit 3.

(Tape 22:A:026)

(Inspection and Control)

Representative Thoft (038) asked about the increase for registering brands. Les Graham, Director, Department of Livestock, said it costs \$35 for a new brand or brand transfer. If this is done at the beginning of the biennium, it is good for a ten-year period.

(Rabies Control)

Representative Donaldson asked why there is a decline in the funding for Rabies Control. Les Graham (059) said the department feels it would prefer to keep this at a low level and come back and request a supplemental or budget amendment if it is needed.

(Predatory Animal Control)

Representative Thoft asked about the helicopter being used for Predatory Animal Control. Les Graham (094) said the three helicopters they had came to them through Civil Defense and did not cost them anything to purchase. These were all Bell 47's that were manufactured before the Korean war. The roator kits were \$8,000 a kit a few years ago and the same thing now costs \$26,000 because they don't manufacture them anymore and everything has to be done on a special basis. They felt that by going to a newer aircraft they could reduce this program from 3 FTE and 3 helicopters to 2 FTE and 2 helicopters. One Bell 47 will be left in the eastern part of the state and the Hughes 500 in this area. This is a used machine that went out on bid. He said all their pilots are also air-rated mechanics.

Department of Agriculture

Representative Manuel read the narratives for this program, Pages 12 through 20 of Exhibit 3.

(Centralized Services)

Representative Thoft asked for a job description of the Weed Coordinator. Keith Kelly (259), Director, said this is the first priority within the agency with regard to the rapid expansion of weeds. He said he feels this position is essential if money is going to be spent trying to control weeds. This person will be assigned directly to the Director's Office.

(Wheat Research and Marketing)

Chairman Bardanouve asked why the Image of Agriculture program, under Centralized Services is funded by the state of Minnesota. Keith Kelly (330) said the Image of Agriculture project is a nation-wide program. The steering committee, as initiated by Governor Schwinden, and grants in their department amount to \$25,000 from the Montana Wheat Commission, and \$25,000 from the state of Minnesota. The steering advisory committee includes all the agricultural-related industries, the AFL/CIO, a major consumer individual out of Washington D.C., Burlington Northern for transportation, Monsanto, DuPont, and the machinery industry. For some reason, they are not being able to communicate to the public at large how agriculture fits into the American economy. The Image of Agriculture project started with the Western Governors' Council and it has now moved to the mid-west Governors' Conference.

(Environmental Management)

Chairman Bardanouve (414) asked what the Tribal Pesticide Training program was for. Keith Kelly said the Northern Cheyenne Tribe wants to take over pesticide control on the reservation. The Bureau of Indian Affairs and the Environmental Protection Agency would provide the money for the state pesticide people to help get the program set up and train the people to run the program.

Keith Kelly (429) said he is having a difficult time understanding what happened because it seems as if there is more than a \$100,000 cut. Chairman Bardanouve asked Keith Kelly to review this with the LFA.

(Agriculture Development)

Chairman Bardanouve asked what has been spent on the Beginning Farm Loan program so far. Curt Nichols, Principal Analyst, LFA office, said they spent \$53,570 in FY '84 from the General Fund loan; and \$29,000 to date in FY '85. They anticipate some of the loan will carry over into the next biennium and cushion them until the loan fees start coming in.

Appropriations Committee
March 15, 1985

Keith Kelly (495) said if the Agriculture Lending Authority Committee approves, they will be making \$600,000 in loans today. Keith said the program was up and running in February, 1984. They delayed bringing employees on and that is why they did not spend all the General Fund they borrowed. The federal legislation of the Tax Reconciliation Act completely shut this program down. November, 1984 was the first time they legally had the program in place to match what the new federal constraints put on the program.

Chairman Bardanouve asked who is putting up the money for the bonds. Mr. Kelly said they will issue the bond and the financial institution will make the request for the money. The Department of Agriculture will issue the bond and the bank is responsible for retiring the bond. They have not issued any bonds yet.

Keith Kelly said five applicants make up about \$660,000 in bonds. The constraints of the program through the federal actions have put a \$250,000 limitation on land acquisition and up to \$500,000 to purchase new equipment and livestock.

Department of State Lands

Representative Manuel (639) read the narratives for these programs beginning on Page 21 through Page 27 of Exhibit 3.

(Central Management)

Representative Donaldson asked why the current level for State Special Revenue shows zero. Curt Nichols (681) said this is for data processing expansion. They have not used the Resource Development Fund in Central Management before. They are using the Resource Development Fund for data processing expansion this time. This is the 2.5 percent of income on the public lands the Board of Land Commission has allowed.

(Tape 22:B:000)

Dennis Hemmer, Commissioner, said when the Forestry Division was transferred to the Department of State Lands in 1981, a number of positions went along with it, but one pilot position did not. The pilot is used primarily for State Lands, so the transfer is now being completed. State Lands will continue to fly for DNRC when they request it.

In response to a question from Chairman Bardanouve, Dennis Hemmer said the pilots primarily fly during the fire season as fire patrol. During the fire season they have six pilots; but during the other period, they do flying for the agency. They use one of the helicopters for abandoned mine lands virtually all year. This is 100 percent federally funded.

Appropriations Committee
March 15, 1985

Representative Lory asked if the golf course would be owned by the state. Dennis Hemmer (091) said the golf course probably won't be completed this year. In this instance it is state school trust land and they are investing in it. They will make them a loan secured by a Certificate of Deposit. In return they will get a percentage of interest or a percentage of gross, whichever is greater. The project will be privately owned but the land will still be school trust land.

Mr. Hemmer said unless the project will return more to them than they can make through the short term investment pool they won't invest in it.

(Forestry)

Representative Manuel read from the narrative, Page 26, Exhibit 3.

Representative Manuel said the Forestry Division returns all of their money to the School Trust Fund.

Representative Manuel said they currently sell 32 million board feet of timber off of state lands and they have a proposal to sell an additional 18 million board feet.

Mr. Hemmer (164) said they recently completed a reappraisal of their stand and they are producing far more than they are harvesting. Mr. Hemmer said they feel they can conservatively cut 50 million board feet without a large problem and their inventory should still be expanding. First they have to go in and put up the sales, which is totally General Fund. They then have to go through hazard reduction. This is where they get into the expanded brush program to keep up with the additional 18 million board foot sale. Then they go to the timber stand improvement. After the sale is done they have to go back in and prepare the site so they get more growth on it. This is primarily earmarked accounts.

Chairman Bardonouve asked if they think it is wise to put more lumber on the market in a time of recession and won't the return be lower. Mr. Hemmer (184) said it will but the mills are fairly steady so you can't put a large shot on the market when it goes up and retract it when it goes down because the mills can't take it. They are projecting about \$1.3 million per year income off of this. This is projected at current stumpage prices. The Federal Government is reducing the amount of stands they have to be cut. There is more pressure on the industrial force landowners, non-industrial force landowners and the state. Mr. Hemmer said they feel they can take advantage of that because they have been told by the loggers that they would rather buy their sales than the federal sales anyway. Mr. Hemmer

Appropriations Committee
March 15, 1985

said even with the reduced stumpage they are getting right now, they feel they can make a good return on it.

Mr. Hemmer said the request for the White Sulphur Springs Block is a continuation of the same thing they got into in the last session. The Forest Service has historically protected primarily private acres for the assessment of 16 cents per acre. In the Fall of 1982 they notified the department and said they are no longer going to do this. They are going to charge the full cost recovery. At that time they cited it at 66 cents per acre. Since then the figures have bounced all over. They told the department if they will equalize the imbalance, in other words, if they will go into a program where they will slowly take all of those private and state acres or an equivalent of acres under the department's protection, through the period it takes to reach that imbalance, they will continue to protect the private and state acres for 16 cents per acre. The department is proposing in the White Sulphur Springs Block, to take on the second block or the second segment of that equalization and thereby keep them on the 16 cents per acre on the differential acres and the department will be taking on an increased protection area.

Chairman Bardanoue said this is one modified that has already been taken into consideration in the estimate of expenses because they feel this is an obligation they have already put into the budget figures for the biennium.

Representative Bradley asked for more information on the County Cooperative Fire Program. Mr. Hemmer (279) said the County Cooperative Fire Program is a program where the department meets an understanding with the county. They agree to enhance their protection and the department goes in and trains them and gives them a certain level of equipment. In return, if the county has a fire that gets out of hand the state aids with suppression of it. If it is not a co-op county the department can not come in to the county until they get a disaster declaration or until it crosses into another county that belongs to the co-op. There are 11 counties not covered by fire districts.

Department of Fish, Wildlife and Parks

Representative Manuel read from the narrative, Pages 27 - 38.

(Centralized Services)

Representative Manuel read from the narrative, Page 30.

Representative Waldron asked why there is a decrease in the Proprietary Account. Curt Nichols said Centralized Services

purchases all the vehicles, gasoline and maintenance and they bill it out to the other programs.

Representative Peck asked for clarification on a statement on Page 29, Exhibit that says "The committee includes appropriation authority for federal and private grants that currently undetermined. This authority will allow the agency to receive and expend the funds without a budget amendment." Jim Flynn (397), Director, said over the past four to six years the department has entered in, during any fiscal year, a certain number of contracts with private corporations or the federal government to conduct fish and wildlife studies for various purposes. Four years ago they attempted to set up the legislative contract authority. This was a sum of money given to the department for spending authority and they did not know how many contracts they would be signing. In the last biennium they processed around 30 budget amendments. This session, instead of going with the smaller number they know they will get, they tried to estimate what they might get and obtain spending authority so if they do materialize, they will not have to go through the paper work of obtaining a budget amendment.

(Tape 23:A:023)

Pete Test, Chairman, Montana State Council, Trout Unlimited supported spending \$100,000 for studies at Canyon Ferry and the lower Missouri. He said the money being asked for is 75 percent Wallop-Breaux and Dingle-Johnson expansion money and 25 percent will come out of fishing license fees. The money will bring in a biologist to do a study of the whole system and determine how to increase fishing opportunities in that region.

Thomas Mullen, Treasurer, Missouri River Chapter, Trout Unlimited, supported the study (EXHIBIT 5).

Department of Natural Resources and Conservation

Representative Manuel read the narratives for these programs, Pages 39 through 46 of Exhibit 3.

Curt Nichols (121) said one of the large differences between the LFA current level and the subcommittee and the Executive budgets is that in the LFA current level, Water Development Funds were used to replace the Resource Indemnity Trust Funds (RIT). This was not done by the subcommittee. Water Development Funds continued to be available for the Water Development projects.

Representative Donaldson asked what the logic was in replacing General Fund with Water Development Funds. Curt (133) said they looked at the description of what the Water Development program covers and it covers a broad range of activities. The description covers everything included in the Water Resources Division. He said they felt it would be appropriate under the law to use those funds there and this is something the committee should consider.

(Centralized Services)

Representative Jack Moore asked when the DNRC will occupy their new building. Larry Fasbender, Director, said the building is scheduled to be completed in October and they hope to occupy the building by December. This depends on what happens with the furniture because the bids were rejected as being too high.

Representative Donaldson asked what the Adjudication Lawyer would do. Larry Fasbender (196) said in the adjudication process the DNRC is required to do a lot of the field verification. In instances where those verifications don't come up to what the claimant has asked for, the DNRC goes in and objects if they are above a certain percent level. Originally they were objecting when they were above 50 percent. That has changed. The federal requirement is to be within the 10 percent level. They now object when it goes beyond 7 percent. With the acceleration of the number of claims, the department work is snowballing and they don't think they can keep up. Representative Donaldson asked how many lawyers they now have. Larry Fasbender said four and they are asking for one more to look at the hydro-power situation.

(Conservation Districts)

Herb Pasha (283), Chairman, Triangle Conservation District, said they originally requested funding from the Legacy Program for the Triangle Saline Seep project. The criteria for funding from the Legacy Program changed, so they had to rework their request. The main purpose of the request is to continue what they have been doing, which has been a successful program, and also further the program for the other counties in the state that need this assistance. This would be about 21 or 22 counties in addition to the original 10 they had in the Triangle Conservation District. He said they are now having problems with water quality. They have had to apply for a Water Development Fund through the DNRC and through the Legacy Fund for new equipment.

The following people supported this project:

Butch Andresen, Poplar, MT
Jane Holzer, Conrad, MT
Einar Hoveland, Cascade County
Skip Neuman, Cascade County
John Zinne, Stillwater County
Ellis Hagen, Sheridan County
Lloyd Berry, Golden Valley County
John Holzer, Judith Basin County
Alvin Boxwell, Glacier County
Pete Purvis, Roosevelt County

(Water Resources)

Representative Manuel read the narrative, Page 44, Exhibit 3.

Representative Moore asked when Cooney Dam will be finished. Mr. Fasbender (395) said they are asking for a reauthorization of \$75,000 that was left from the last biennium to finish this up.

Mr. Fasbender (418) said the Middle Creek Project came in for request under the Water Development program. He said it may be possible they will have the use of Bureau of Reclamation (BOR) funds. The interest on these will be cheaper. The DNRC is asking authorization of the expenditure of \$4.1 million subject to receiving BOR funds. If they do not come in, it would be up to the Legislature to make a determination as to whether or not the project could go ahead under the Water Development program. The Long Range Planning Committee will eventually be presenting the various projects they have gone through since the session started. This is a backup so they can save some money if they can get BOR funds.

(Energy Planning)

Representative Manuel read the narrative, Page 46, Exhibit 3.

Larry Fasbender (469) said they would like to use Alternative Energy funds for retrofitting state buildings.

Department of Commerce

Representative Manuel read the narratives from Pages 47 through 70 (EXHIBIT 4).

(Business License and Support Program)

Representative Manuel said 4 percent vacancy savings was taken overall in the Department of Commerce. The subcommittee left it up to the Director to determine where the vacancy savings will come from.

(Weights and Measures)

Keith Colbo (639), Director, said the policy in the past has been that the fees be set at approximately 50 percent in the Weights and Measures Division. He said this is reviewed periodically and there are no plans to increase the fees this biennium.

Chairman Bardanoue asked Keith Colbo to check when the fees were last adjusted.

(Tape 23:B:)

(Professional and Occupational Licensing)

Representative Moore asked where the Board of Dentistry is. Representative Manuel said the status of this Board is not known at this time. Chairman Bardanoue said someone should contact this Board to present their budget.

Appropriations Committee
March 15, 1985

He said someone should contact the Governor's office so this Board can be notified they have to present their budget, or they won't have an appropriation.

(Community Assistance/Local Government Block)

Keith Colbo (410) said this is underfunded. It depends on what level of funding the Legislature determines. The base in FY 84 included a one-time \$1.5 million which went out in special assistance grants approved by the Legislature.

Chairman Bardanouve said the committee will go through the budgets agency-by-agency and look at the modifieds, then work to process these budgets as rapidly as it can.

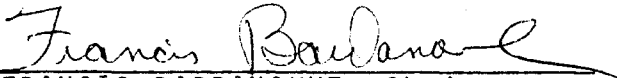
E X E C U T I V E A C T I O N

EDUCATION BUDGET

(Teacher Certification)

Representative Donaldson made a motion that the committee permit him to sponsor a bill raising the cost of teacher certification. A voice vote was taken and the motion carried unanimously.

Adjourn: The meeting adjourned at 12:25 p.m.


FRANCIS BARDANOUE, Chairman

DAILY ROLL CALL

APPROPRIATIONS COMMITTEE

49th LEGISLATIVE SESSION -- 1985

Date March 15, 1985

NAME	PRESENT	ABSENT	EXCUSED
BARDANOUE	X		
DONALDSON	X		
BRADLEY	X		
CONNELLY	X		
ERNST	X		
HAND	X		
LORY	X		
MANUEL	X		
MENAHAN	X		
MILLER	X		
MOORE (JACK)	X		
NATHE	X		
PECK	X		
QUILICI	X		
REHBERG	X		
SPAETH	X		
SWIFT	X		
THOFT	X		
WALDRON	X		
WINSLOW	X		

NARRATIVE FOR HOUSE BILL 500
by the
General Government and Highways Subcommittee

March 13, 1985

SUBCOMMITTEE ACTION

Agency: Department of Highways

Program: Agency Summary

	FY 1984 Actual	Fiscal 1986			Fiscal 1987			FY 84-86 % Change
		Executive	Current Level	Subcommittee	Executive	Current Level	Subcommittee	
FTE	1,930.36	2,005.50	1,934.35	1,971.85	1,985.75	1,932.85	1,944.45	2.1
Personal Services	\$ 46,840,651	\$ 51,565,575	\$ 50,074,296	\$ 50,924,290	\$ 51,133,575	\$ 50,167,708	\$ 50,351,405	8.7
Operating Expenses	162,038,137	244,123,776	238,289,369	240,132,251	210,092,204	205,472,983	206,217,379	48.2
Equipment	5,860,036	8,042,314	5,439,345	6,291,002	6,279,994	5,391,045	5,779,994	7.3
Non-Operating	9,514,270	33,389,536	19,207,193	19,289,536	33,747,389	19,618,862	19,647,389	100.0
Total Exp.	\$ 224,253,094	\$ 337,121,201	\$ 313,010,203	\$ 316,637,079	\$ 301,253,162	\$ 280,650,598	\$ 281,996,167	41.2

FUNDING

State Special Rev.	\$103,265,032	\$193,887,091	\$175,835,032	\$177,103,392	\$170,529,481	\$152,633,947	\$154,183,547	71.5
Federal Revenue	108,018,074	128,463,613	124,078,157	126,328,033	115,701,264	114,750,997	114,173,497	17.0
Proprietary	12,969,988	14,770,497	13,097,014	13,205,654	15,022,417	13,265,654	13,639,123	1.8
Total Funding	\$224,253,094	\$337,121,201	\$313,010,203	\$316,637,079	\$301,253,162	\$280,650,598	\$281,996,167	41.2

Language in Bill: In the event additional federal highway funds become available, additional spending authority and additional FTE may be requested through budget amendment.

The department shall manage the program with the intent to end the 1987 biennium with approximately a \$10 million cash balance in the highway special revenue account in the state special revenue fund.

Funding may be transferred among all programs including stores inventory to reflect actual personal services expenditures.

The department is appropriated \$32,050,000 in fiscal year 1986 and \$29,600,000 in fiscal year 1987 for a cash transfer from the highway special revenue account to the highway reconstruction trust account.

Program Description: The Montana Department of Highways is responsible for designing, constructing, maintaining, and regulating Montana's roads. To accomplish its task, the department is organized into a number of programs. These programs are: preconstruction, responsible for planning roads up to the time projects are let; construction, responsible for letting and inspecting projects, maintenance, responsible for maintaining roads; equipment, responsible for supplying equipment needs of the department; gross vehicle weight, responsible for protecting the highways; general operations, responsible for supporting other programs; service revolving, an internal group of bureaus such as printing which provides support to other programs; and the motor pool, responsible for providing vehicles to state agencies in Helena.

Current Level Budget: The budget increases 41.2 percent from fiscal 1984 to fiscal 1986. This is directly related to the Construction Program and estimated contractor payments for construction. The appropriation from the state special revenue account, which is supported primarily with fuel tax funds and GVW fees, increases 71.5 percent over fiscal 1984. This increase is related to the anticipated increase in activity associated with the Reconstruction Trust Program which is 100 percent state funded and increased use of bond proceeds for construction which are recorded in the state special revenue fund.

#2 CURRENT LAW
NO FUEL TAX INCREASE

STATE OF MONTANA
DEPARTMENT OF HIGHWAYS
EARMARK CASH FLOW

03/14/85

	FY84	FY85	FY86	FY87
BEGINNING CASH BALANCE	29,046,148	43,402,981	60,741,733	45,897,824
REVENUE				
G.V.W.	22,624,855	23,157,280	23,388,853	23,622,742
GAS TAX	60,194,402	61,916,500	61,664,500	61,289,500
DIESEL TAX	17,793,067	18,737,000	18,925,000	19,114,000
ACCOUNT RECEIVABLE	662,645	686,048	681,048	681,048
INTEREST INCOME	0	0	5,574,838	2,372,620
MODIFIED	0	0	400,000	550,000
ACI CONVERSION	0	0	2,973,000	2,526,000
TOTAL REVENUE	101,274,969	104,496,828	113,607,239	110,155,910
AVAILABLE FUNDS	130,321,117	147,899,809	174,348,972	156,053,734
EXPENDITURE				
G.V.W.	2,898,668	3,207,546	3,113,357	3,195,827
GENERAL OPERATIONS	4,361,323	4,903,896	5,060,459	5,090,959
CONSTRUCTION	7,997,849	4,328,367	4,199,657	26,130,929
MAINTENANCE	37,388,152	41,729,404	40,211,558	40,201,981
PRECONSTRUCTION	3,597,786	3,482,615	3,407,288	2,935,908
EQUIPMENT	3,002,594	2,568,000	2,788,210	2,555,637
HDQTRS. BLDG.	580,208	587,245	646,106	588,505
A & E	652,455	500,000	762,100	762,100
LOCAL GOVERNMENT	14,150,001	14,150,000	14,150,000	14,150,000
BOND INTEREST & PRINCIPAL	5,306,234	4,898,063	14,127,230	15,975,094
TRSF. TO RTF	0	0	32,315,000	29,300,000
REVENUE	681,707	757,959	845,899	825,672
JUSTICE	6,301,159	6,044,981	6,202,653	6,204,890
PAYPLAN @2 1/2%	0	0	621,631	1,368,183
TOTAL EXPENDITURE	86,918,136	87,158,076	128,451,148	149,285,685
ENDING CASH BALANCE SUBTOTAL	43,402,981	60,741,733	45,897,824	6,768,049
MODIFIED (FY85-HB203)		1,743,376	1,822,559	986,817
DEPT.OF JUSTICE MODIFICATION				1,453,238
ENDING CASH BALANCE TOTAL	43,402,981	58,998,357	42,331,889	762,059

*** ASSUME GASOHOL REDUCTION OF \$ 800,000 IN FY86,
\$1,200,000 IN FY87,
\$1,800,000 THEREAFTER.

ASSUME NO GAS OR DIESEL TAX INCREASES.

ASSUME COAL TAX BEGINS IN FY87.

ASSUME 10.83% INTEREST RATE IN FY86 & 10.97% THEREAFTER.

#2 CURRENT LAW
NO HB19 (COAL SEVERANCE)

STATE OF MONTANA
RTF CASH FLOW
DEPARTMENT OF HIGHWAYS
03/14/85

	FY84	FY85	FY86	FY87
BEGINNING CASH BALANCE	1,189,489	8,537,252	6,564,249	388,385
REVENUE				
MINERAL ROYALTIES	8,969,324	8,500,000	7,564,000	7,598,000
COAL TAX REVENUE	0	0	0	6,722,000
TRSF. FROM EARMARK	0	0	32,315,000	29,300,000
TOTAL REVENUE	8,969,324	8,500,000	39,879,000	43,620,000
AVAILABLE FUNDS	10,158,813	17,037,252	46,443,249	44,008,385
EXPENDITURE				
CONSTRUCTION	1,520,926	9,823,003	44,054,864	41,812,205
PRECONSTRUCTION	100,635	650,000	2,000,000	2,000,000
TOTAL EXPENDITURE	1,621,561	10,473,003	46,054,864	43,812,205
ENDING CASH BALANCE SUBTOTAL	8,537,252	6,564,249	388,385	196,180
MODIFIED (FY85-HB203)		0	96,782	93,995
DEPT.OF JUSTICE MODIFICATION				
ENDING CASH BALANCE TOTAL	8,537,252	6,564,249	291,603	5,403

*** ASSUME MINERAL ROYALTIES CONTINUE FOR ALL YEARS.
ASSUME COAL TAX BEGINS IN FY87.

SUBCOMMITTEE ACTION

Agency: Department of Highways

Program: General Operations

	FY 1984 Actual	Executive	Fiscal 1986 Current Level	Subcommittee	Executive	Fiscal 1987 Current Level	Subcommittee	FY 84-86 % Change
FTE	130.03	142.53	138.35	141.03	142.53	137.03	141.03	8.4
Personal Services	\$3,027,609	\$3,570,085	\$3,485,567	\$3,545,235	\$ 3,575,747	\$3,462,314	\$3,550,887	17.1
Operating Expenses	2,201,804	2,753,142	2,650,052	2,777,222	2,804,031	2,684,178	2,846,357	26.1
Equipment	489,203	467,587	422,980	467,587	426,736	422,980	426,736	(5.0)
Grants	193,066	14,300,000	300,000	300,000	14,300,000	300,000	300,000	100.0
Debt Service	-0-	25,682	-0-	25,682	25,682	-0-	25,682	100.0
Total Exp.	\$5,911,682	\$21,116,496	\$6,858,599	\$7,115,726	\$21,132,196	\$6,869,472	\$7,149,662	20.4
FUNDING								
State Special Rev.	\$4,635,480	\$19,060,619	\$4,869,605	\$5,060,459	\$19,071,721	\$4,877,325	\$5,090,959	9.2
Federal Revenue	1,276,202	2,055,877	1,988,994	2,055,267	2,060,475	1,992,147	2,058,703	61.0
Total Funding	\$5,911,682	\$21,116,496	\$6,858,599	\$7,115,726	\$21,132,196	\$6,869,472	\$7,149,662	20.4

Program Description: The general operations program provides administrative and support services to the highway department.

Current Level Budget: The subcommittee approved the reinstatement of 1.5 FTE associated with the SBAS conversion project with the intent that phase II of the SBAS project be completed by the end of the 1987 biennium. The subcommittee also approved the transfer of 1 FTE word processor from the preconstruction program to aid in increased word processing activity expected from right-of-way centralization. Increases above current level were approved for contract services of \$50,000 for several items including federal contracts of \$28,000 for minority businesses. Travel was increased by \$48,000 associated with civil rights program development. Other minor increases were approved in supplies and materials for production of "invite a friend" maps, \$10,761, and communications increased as public demand for the road report increase costs by \$9,146. Included in the equipment budget is \$399,999 for high band radios each year of the biennium. The \$14,000,000 shown in the executive budget is passthrough monies for cities and counties. It is provided for by statutory appropriation. The \$300,000 are grants for minority business and transportation studies. The debt service pays for fees for maintaining records and issuance of bond certificates.

Modified Recommendations: (1) Word Processing - The subcommittee approved 1.5 FTE positions for additional word processor staff. The additional staff was added to help in Helena due to the anticipated workload increase from the centralization of the right-of-way agents to Helena. The costs in fiscal 1986 is \$24,850 and in fiscal 1987 is \$24,860.

SUBCOMMITTEE ACTION

Agency: Department of Highways

Program: Gross Vehicle Weight

	FY 1984 Actual	Executive	Fiscal 1986 Current Level	Subcommittee	Executive	Fiscal 1987 Current Level	Subcommittee	FY 84-86 % Change
FTE	103.14	107.14	103.14	103.14	118.14	103.14	103.14	-0-
Personal Services	\$2,175,012	\$2,338,411	\$2,258,502	\$2,258,502	\$2,565,164	\$2,262,805	\$2,262,805	3.8
Operating Expenses	689,951	815,008	752,739	820,765	907,547	788,342	899,462	19.0
Equipment	33,708	34,090	24,669	34,090	33,560	12,669	33,560	1.1
Total Exp.	\$2,898,671	\$3,187,509	\$3,035,910	\$3,113,357	\$3,506,271	\$3,063,816	\$3,195,827	7.4
FUNDING								
State Special Rev.	\$2,895,671	\$3,187,509	\$3,035,910	\$3,113,357	\$3,506,271	\$3,063,816	\$3,195,827	7.4
Federal Revenue	3,000	-0-	-0-	-0-	-0-	-0-	-0-	(100.0)
Total Funding	\$2,898,671	\$3,187,509	\$3,035,910	\$3,113,357	\$3,506,271	\$3,063,816	\$3,195,827	7.4

Program Description: The Gross Vehicle Weight Division provides enforcement of the statutes and regulations relating to vehicle weights on the state's highways.

Current Level Budget: Travel was increased \$63,911 in fiscal 1986 and \$64,805 in fiscal 1987 for a concentrated enforcement effort which involves moving scales carried in a vehicle or mounted on a trailer. This gives the GWV officer the capability of stopping trucks any place on the highway to check them for overloads and other violations. In fiscal 1987 an increase in computer processing of \$46,000 was allowed for processing accounting and managerial reports.

Modified Recommendations: Additional GWV Officers - The subcommittee approved a modification for 4 assistant district supervisors in fiscal 1986 and 11 GWV officers in fiscal 1987. Three of these additional 11 officers will be placed at Havre and eight will be placed at the port of entry at Saltese at proposed weigh stations. The cost is \$104,723 in fiscal 1986 and \$371,733 in fiscal 1987. Funding is from the highway special revenue account.

SUBCOMMITTEE ACTION

Agency: Department of Highways

Program: Construction

	FY 1984 Actual	Fiscal 1986			Fiscal 1987			FY 84-86 % Change
		Executive	Current Level	Subcommittee	Executive	Current Level	Subcommittee	
FTE	608.76	650.40	592.25	633.25	619.65	592.25	605.85	4.0
Personal Services	\$ 13,652,885	\$ 16,558,740	\$ 15,273,152	\$ 16,182,735	\$ 15,813,825	\$ 15,326,848	\$ 15,517,040	18.5
Operating Expenses	117,869,238	193,647,340	193,040,535	193,354,771	158,708,584	158,939,392	158,524,913	64.0
Equipment	125,739	217,976	69,288	217,976	149,685	69,288	149,685	27.0
Debt Service	464,993	-0-	-0-	-0-	-0-	-0-	-0-	(100.0)
Total Exp.	\$132,112,855	\$210,424,056	\$208,382,975	\$209,755,482	\$174,672,094	\$174,335,528	\$174,191,638	58.7

FUNDING

State Special Rev.	\$ 32,431,054	\$ 91,490,154	\$ 92,907,142	\$ 92,300,155	\$ 67,526,505	\$ 67,437,431	\$ 67,943,134	184.6
Federal Revenue	99,681,801	118,933,902	115,475,833	117,455,327	107,145,589	106,898,097	106,248,504	17.8
Total Funding	\$132,112,855	\$210,424,056	\$208,382,975	\$209,755,482	\$174,672,094	\$174,335,528	\$174,191,638	58.7

Language in Bill: The Department of Highways is directed to submit to the 1987 legislature a construction work plan for the 1989 biennium that is detailed by year, project phase, and fund. This work plan must specify, by road system or project area, proposed projects on which \$1 million or more would be spent during the 1989 biennium and an aggregate cost for projects with anticipated expenditures of less than \$1 million. Costs must be detailed by year, fund, and project phase.

Program Description: The Construction Program is responsible for assuring that roads and bridges are constructed and reconstructed to meet the needs of Montana citizens.

Current Level Budget: The FTE level drops from a fiscal 1986 level of 633.85 to 605.85 in fiscal 1987 as the workload is expected to peak in fiscal 1986. The construction budget shows a significant increase over the fiscal 1984 level. This is because contractor payments related to construction were less than anticipated in fiscal 1984 and activity in fiscal 1986 is expected to be greater than in prior years. Contractor payments in fiscal 1986 are budgeted at \$189,012,793 in fiscal 1986 and \$154,209,386, including utility relocation costs in fiscal 1987. 36 FTE that had been deleted from current level have been reinstated by the subcommittee on the basis that the construction management system is now in operation and indicates these FTE will be needed in the 1987 biennium. The state special revenue account increases 185 percent over fiscal 1984 due primarily to an anticipated increase in activity in the reconstruction trust program which is 100 percent state funded and increased construction activity which will be paid for by bond proceeds.

Modified Recommendations: 1) Increased Workload - 17.15 FTE in fiscal 1986 and 13.80 FTE in fiscal 1987 were approved. The construction management system indicates that additional staff and operating expenses will be needed to supervise contracted construction projects. The workload should peak in fiscal 1986 and expenses should decline in fiscal 1987. The costs are \$488,153 in fiscal 1986 and \$384,452 in fiscal 1987.

SUBCOMMITTEE ACTION

Agency: Department of Highways

Program: Maintenance

	FY 1984 Actual	Executive	Fiscal 1986 Current Level	Subcommittee	Executive	Fiscal 1987 Current Level	Subcommittee	FY 84-86 % Change
FTE	662.83	662.83	662.83	662.83	662.83	662.83	662.83	-0-
Personal Services	\$16,595,014	\$17,372,563	\$17,413,257	\$17,413,257	\$17,410,281	\$17,452,150	\$17,452,150	4.9
Operating Expenses	21,440,440	23,749,756	22,038,475	22,785,247	23,939,594	22,505,463	23,075,549	6.3
Equipment	172,147	419,231	76,436	419,231	80,363	76,436	80,363	(143.5)
Capital Outlay	11,366	100,000	-0-	-0-	100,000	-0-	-0-	(100.0)
Total Exp.	\$38,218,967	\$41,641,550	\$39,528,168	\$40,617,735	\$41,530,238	\$40,034,049	\$40,608,062	6.3
FUNDING								
State Special Rev.	\$38,218,967	\$41,641,550	\$39,528,168	\$40,617,735	\$41,530,238	\$40,034,049	\$40,608,062	6.3

Language in Bill: The legislature anticipates that the Maintenance Division will receive, by budget amendment, spending authority for any funds in excess of \$394,098 in fiscal 1986 and \$400,073 in fiscal 1987 that it collects from damage situations.

Program Description: The Maintenance Program is responsible for managing and maintaining state highways and related facilities.

Current Level Budget: The increase over current level is due to: (1) an increase in equipment rental rates of 5 percent which costs \$367,000; (2) an increase in repair and maintenance of \$179,067 for oil mixed materials and traffic line paint; and (3) an increase in communications of \$35,500, for a new telephone system in Missoula which costs \$25,000, a new telephone system in Havre which costs \$10,000, and additional telephones in Butte which cost \$500. For fiscal 1986, the subcommittee approved \$315,000 for nine storage tanks that will be used for the bulk paint storage operation.

Modified Recommendations: 1) Increased Rest Area Caretaker Service - The subcommittee approved increased rest area caretaker service of \$150,000 per year in order to have cleaner rest areas during the peak summer months.

2) Land Purchase - An appropriation of \$100,000 per year to purchase land for future gravel sources was approved. Funding for both modifications is from the highway special revenue account.

SUBCOMMITTEE ACTION

Agency: Department of Highways

Program: Preconstruction

	FY 1984 Actual	Fiscal 1986				Fiscal 1987				FY 84-86 % Change
		Executive	Current Level	Subcommittee	Executive	Current Level	Subcommittee	Current Level	Subcommittee	
FTE	225.00	243.00	238.00	232.00	242.00	238.00	232.00	238.00	232.00	3.1
Personal Services	\$ 5,926,483	\$ 6,591,594	\$ 6,503,174	\$ 6,383,917	\$ 6,626,734	\$ 6,514,038	\$ 6,418,970	\$ 6,514,038	\$ 6,418,970	7.7
Operating Expenses	1,425,632	2,376,891	1,336,392	1,632,062	2,436,082	1,419,111	1,623,470	1,419,111	1,623,470	14.5
Equipment	50,409	1,268,230	5,084	18,230	1,650	5,084	1,650	5,084	1,650	(63.8)
Capital Outlay	3,352,965	4,190,518	4,190,518	4,190,518	2,758,108	2,758,108	2,758,108	2,758,108	2,758,108	24.9
Total Exp.	\$10,755,491	\$14,427,233	\$12,035,168	\$12,224,727	\$11,822,574	\$10,696,341	\$10,802,198	\$10,696,341	\$10,802,198	13.7

FUNDING

State Special Rev.	\$ 3,698,420	\$ 6,953,399	\$ 5,421,838	\$ 5,407,288	\$ 5,327,374	\$ 4,835,588	\$ 4,935,908	\$ 4,835,588	\$ 4,935,908	46.2
Federal Revenue	7,057,071	7,473,834	6,613,330	6,817,439	6,495,200	5,860,753	5,866,290	5,860,753	5,866,290	3.4
Total Funding	\$10,755,491	\$14,427,233	\$12,035,168	\$12,224,727	\$11,822,574	\$10,696,341	\$10,802,198	\$10,696,341	\$10,802,198	13.7

Language in Bill: The legislature anticipates the department will proceed during the 1987 biennium with the projects and right-of-way acquisitions listed in its revised work plan presented to the legislative subcommittee on general government and highways and spend funds substantially in accordance with the estimated expenditures shown on that work plan. The department shall report to the 1987 legislature any significant deviation in projects undertaken or funds expended from that work plan. The department will be allowed to adjust appropriations in the construction and preconstruction programs between fiscal years and funding sources to reflect actual expenditures related to the projected work plan.

Program Description: The Preconstruction Program carries out the planning stages of highway development including determining location and design, conducting necessary public hearings, acquiring right-of-way, and processing highway projects for contract award.

Current Level Budget: The subcommittee accepted the department's proposal of moving 6 former right-of-way positions to the construction program. The subcommittee added: approximately \$200,000 for the completion of the centralization of right-of-way activity to pay for right-of-way appraiser fees, travel, and relocation costs; \$50,000 for legal fees and court costs; and \$40,000 for education and training. Capital outlay is the purchase of right-of-way. State special revenue expenditures are up 46.2 percent over fiscal 1984 due to increased activity associated with the reconstruction trust program which is 100 percent state funded.

Modified Recommendations: (1) Additional FTE - The subcommittee approved 11 additional FTE related to increased bridge work. Additional federal funds for bridge replacement and repair will be available in the 1987 biennium. This increase will allow the state to apply for federal funds to repair bridges around the state while the funds are available. The cost is \$759,677 in fiscal 1986 and \$763,764 in fiscal 1987.

(2) Computer - Purchase of computer-aided drafting and design system was authorized for \$1,355,000 in fiscal 1986 and \$205,000 in fiscal 1987.

SUBCOMMITTEE ACTION

Agency: Department of Highways

Program: Internal Service

	FY 1984 Actual	Fiscal 1986			Fiscal 1987			FY 84-86 % Change
		Executive	Subcommittee	Current Level	Executive	Subcommittee	Current Level	
FTE	74.25	73.25	73.25	73.25	73.25	73.25	73.25	(2.4)
Personal Services	\$1,785,271	\$1,856,010	\$1,858,600	\$1,858,654	\$1,862,339	\$1,862,339	\$1,862,339	4.1
Operating Expenses	984,483	1,117,663	998,667	1,128,739	1,024,668	1,024,668	1,117,522	10.8
Equipment	39,990	42,200	40,888	238,000	29,588	29,588	238,000	2.2
Total Exp.	\$2,809,744	\$3,015,873	\$2,898,155	\$3,225,393	\$2,916,595	\$2,916,595	\$3,217,861	6.4

FUNDING

Proprietary	\$2,809,744	\$3,015,873	\$2,898,155	\$3,225,393	\$2,916,595	\$3,217,861	6.4
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Language in Bill: The Internal Service Program contains \$210,000 in fiscal year 1987 for overhaul of the department's airplane. In the event the repair is not required, the department shall revert this spending authority.

Program Description: This program provides certain support services such as printing, data processing, photography, airplane use, and material testing common to all divisions.

Current Level Budget: The subcommittee approved an increase of \$68,000 in fiscal 1986 and \$77,699 in fiscal 1987 over current level for Department of Administration data processing services. Inflation was reduced by \$8,748 in fiscal 1986 and \$14,055 in fiscal 1987 on contract services at the department's request. Repair and Maintenance contracts were increased by \$14,450 each year for contracts on data processing equipment.

In fiscal 1987, \$210,000 was line itemed for an overhaul of the department's airplane engine. (Approved)

The Internal Service Program is funded from other divisions within the highway department which are charged a fee for services provided.

SUBCOMMITTEE ACTION

Agency: Department of Highways

Program: Motor Pool

FY 1984	Fiscal 1986	Fiscal 1987	Fiscal 1986	Fiscal 1987	FY 84-86
Actual	Executive	Subcommittee	Executive	Current Level	% Change
FTE	6.00	6.00	6.00	6.00	0.00
Personal Services	\$146,130	\$136,289	\$136,033	\$136,651	(6.8)
Operating Expenses	217,825	218,096	277,115	227,801	247,348
Equipment	294,075	300,000	350,000	275,000	350,000
Total Exp.	\$658,030	\$654,385	\$763,148	\$639,452	\$733,999
FUNDING					11.0
Proprietary	\$658,030	\$654,385	\$763,148	\$639,452	\$733,999
					11.0

Program Description: The State Motor Pool Program operates and maintains a fleet of rental vehicles available to all state offices and employees in the Helena area.

Current Level Budget: The budget allows for replacements of 37 vehicles in fiscal 1986 and 33 vehicles in fiscal 1987. An increase over current level was approved in gasoline of \$18,262 each year. This was associated with an expected increase in usage associated with right-of-way construction. The increase will allow a total purchase of 63,000 gallons of gasoline at \$0.96 per gallon and 77,000 gallons for credit card purchases at \$1.20 per gallon. The motor pool is financed through a proprietary fund account. Agencies are charged a user fee to cover costs.

Modified Recommendations: 1) Vehicle Replacement - A modification for \$160,000 was approved for replacement of 18 additional vehicles in fiscal 1986.

* Includes the modification

Motor Pool Working Capital
Fiscal 1984 -- Fiscal 1987

	FY 84	FY 85	FY 86	FY 87
Beginning Balance	\$ 255,994	\$ 361,783	\$ 391,532	\$213,599
Revenue	764,332	703,110	712,224	747,835
Total Funds Available	\$1,020,326	\$1,064,893	\$1,103,756	\$961,434
Deductions	658,543	673,361	890,157	733,999
Ending Balance	\$ 361,783	\$ 391,532	\$ 213,599	\$227,435

SUBCOMMITTEE ACTION

Agency: Department of Highways

	FY 1984 Actual	Fiscal 1986				Fiscal 1987				FY 84-86 % Change
		Executive	Current Level	Subcommittee	Executive	Current Level	Subcommittee	Current Level	Subcommittee	
FTE	120.35	120.35	120.35	120.35	120.35	120.35	120.35	120.35	120.35	0.00
Personal Services	\$2,969,931	\$3,142,456	\$3,145,755	\$3,145,755	\$3,147,137	\$3,150,563	\$3,150,563	\$3,150,563	\$3,150,563	5.9
Operating Expenses	4,467,492	5,268,721	4,435,857	4,384,918	5,311,063	4,640,078	4,592,337	4,592,337	4,592,337	(1.6)
Equipment	4,654,765	4,993,000	4,500,000	4,743,000	5,000,000	4,500,000	4,500,000	4,500,000	4,500,000	1.9
Total Exp.	\$12,092,188	\$13,404,177	\$12,081,612	\$12,273,673	\$13,458,200	\$12,290,641	\$12,242,900	\$12,242,900	\$12,242,900	1.5
<u>FUNDING</u>										
State Special Rev.	\$2,589,974	\$2,657,362	\$2,537,138	\$2,788,210	\$2,424,324	\$2,581,034	\$2,555,637	\$2,555,637	\$2,555,637	(0.8)
Proprietary	9,502,214	10,746,815	9,544,474	9,485,463	11,033,876	9,709,607	9,687,263	9,687,263	9,687,263	0.2
Total Funding	\$12,092,188	\$13,404,177	\$12,081,612	\$12,273,673	\$13,458,200	\$12,290,641	\$12,242,900	\$12,242,900	\$12,242,900	1.5

Program Description: The Equipment Program is responsible for the purchase, distribution, and maintenance of all highway equipment.

Current Level Budget: The subcommittee allowed an increase above current level for supplies and materials of \$27,925 in fiscal 1986 and a decrease of \$12,575 in fiscal 1987 for gasoline and diesel fuel as requested by the department. The reduction in operating expenses is associated with the decreasing of inflation to 4 percent, 3 percent, and 3 percent for fiscal 1985, 1986, and 1987, respectively. The additional equipment in fiscal 1986 is for nine 3-ton tandem axle trucks that will be used in the paint spraying operation. Funding is generated primarily from the maintenance program.

Modified Recommendations: 1) Additional Equipment - The subcommittee approved additional equipment purchases in fiscal 1986 costing \$250,000 and \$500,000 in fiscal 1987. This is a change in the equipment replacement program based on management's replacement projections. The new equipment includes:

<u>FY 1986</u>		<u>FY 1987</u>	
5 one-cubic yard loaders		5 one-cubic yard loaders	
2 two cubic yard loaders		2 two cubic yard loaders	
		8 two-ganged tractor mowers	

SUBCOMMITTEE ACTION

Agency: Department of Highways

Program: Capital Outlay

	FY 1984 Actual	Fiscal 1986			Fiscal 1987			FY 84-86 % Change
		Executive	Subcommittee	Executive	Current Level	Subcommittee		
FTE	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Total Exp.	<u>\$5,491,876</u>	<u>\$14,773,336</u>	<u>\$14,773,336</u>	<u>\$14,773,336</u>	<u>\$16,563,599</u>	<u>\$16,563,597</u>	<u>16.9</u>	
<u>FUNDING</u>								
State Special Rev.	<u>\$5,491,876</u>	<u>\$14,773,336</u>	<u>\$14,773,336</u>	<u>\$14,773,336</u>	<u>\$16,563,599</u>	<u>\$16,563,597</u>	<u>16.9</u>	

Program Description: The Capital Outlay Program constitutes the sinking fund for retirement of the department's headquarters building bonds and the repayment of the first bond issue of \$64 million in fiscal 1983 for the Highway Revenue Bond program.

Current Level Budget: Bond payments are made from this program for the highway complex and the bonds issued in 1983 which paid for the state's share of the costs of construction, reconstruction and repair of various state projects. Funds to repay the Highway Complex bonds are from revenues collected from gas taxes and license fees.

SUBCOMMITTEE ACTION

Agency: Department of Highways

Program: Stores

	FY 1984 Actual	Executive	Fiscal 1986 Current Level	Subcommittee	Executive	Fiscal 1987 Current Level	Subcommittee	FY 84-86 % Change
FTE	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Personal Services	\$ 1,013,956	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	(100.0)
Operating Expenses	12,289,634	14,123,162	12,761,895	13,042,852	14,579,449	13,241,105	13,290,421	6.1
Total Exp.	\$13,303,590	\$14,123,162	\$12,761,895	\$13,042,852	\$14,579,449	\$13,241,105	\$13,290,421	(2.0)
<u>FUNDING</u>								
State Special Rev.	\$13,303,590	\$14,123,162	\$12,761,895	\$13,042,852	\$14,579,449	\$13,241,105	\$13,290,421	(2.0)

Language in Bill: The department is authorized to transfer \$3,700,000 from the highway special revenue account to the Stores Program account as contributed capital in fiscal 1986. The department is instructed to develop a pricing structure in the Stores Inventory Program to maintain a cash balance and prepare budgets for the 1989 biennium in accordance with this plan.

Program Description: The Stores Program is used to purchase and store materials such as sand, road oil, and gasoline which is needed for other programs.

Current Level Budget: Three adjustments were made to the current level budget. Rental rates paid to the equipment bureau were increased \$41,482 in fiscal 1986 and 1987. Supplies were increased by \$191,332 in fiscal 1986 and \$233,377 in fiscal 1987 for an expected increase in gas and diesel usage. Traffic line paint was increased \$227,869 in fiscal 1986 and \$175,365 in fiscal 1987. The total increase over current level is 3.2 percent or \$416,000. The reason the entire \$416,000 increase above current level does not show at the subcommittee level is inflation reductions of \$135,027 in fiscal 1986 and \$329,850 in fiscal 1987 made by all committees.

SUBCOMMITTEE ACTION

Agency: Teachers Retirement System

Program: Summary

	FY 1984 Actual	Fiscal 1986		Fiscal 1987		FY 84-86 % Change	
		Executive	Current Level	Executive	Current Level	Subcommittee	
FTE	10.58	-0-	-0-	-0-	-0-	11.00	4.0
Personal Services	\$187,258	\$-0-	\$-0-	\$-0-	\$-0-	\$237,312	27.1
Operating Expenses	308,320	-0-	-0-	-0-	-0-	169,507	(27.9)
Equipment	-0-	-0-	-0-	-0-	-0-	-0-	--
Total Exp.	\$495,578	\$-0-	\$-0-	\$-0-	\$-0-	\$406,819	(6.9)
FUNDING							
Other	\$495,578	\$-0-	\$-0-	\$-0-	\$-0-	\$406,819	(6.9)

Program Description: The function of the Teachers Retirement Board is to provide retirement, disability, and survivor benefits for the state's teachers. The program is regulated by Title 19, Chapter 4, MCA.

Current Level Budget: The new treasury fund structure placed the administration costs for the PERD in the pension trust fund, as non-budgeted fund. Because of this the OBPP did not require a budget be submitted for the program. The Legislative Services Committee directed that a bill be drafted requiring the budgeting of the administrative costs for the program. House Bill 655 was introduced and then passed the House to the Senate. The committee requested that the program submit a proposed budget for their review. The program responded with a budget which was passed by the Committee.

A 2 percent vacancy savings was set. The committee increased the FTE by a .42 secretary to assist with an increasing paper workload. Systems development costs decrease by \$97,680 as the Teachers Retirement System computer system is nearing completion.

Attorney fees increase by \$7,000 each year to pay one-fourth of the salary of an attorney at the Department of Administration. These services had been provided free of charge in the past.

SUBCOMMITTEE ACTION

Agency: Adjutant General

Program: Agency Summary

	FY 1984 Actual	Fiscal 1986			Fiscal 1987			FY 84-86 % Change
		Executive	Current Level	Subcommittee	Executive	Current Level	Subcommittee	
FTE	58.50	70.00	58.00	57.50	70.00	58.00	57.50	1.8
Personal Services	\$1,183,527	\$1,410,517	\$1,226,153	\$1,231,196	\$1,412,648	\$1,228,253	\$1,233,040	4.0
Operating Expenses	1,465,779	1,477,312	1,498,507	1,475,366	1,500,372	1,556,115	1,526,736	0.7
Equipment	132,984	2,400	749	-0-	6,000	749	6,000	(100.0)
Non-Operating	2,280	2,280	2,280	2,280	2,280	2,280	2,280	0.0
Total Exp.	\$2,784,570	\$2,892,509	\$2,727,689	\$2,708,842	\$2,921,300	\$2,787,397	\$2,768,056	(2.7)
<u>FUNDING</u>								
General Fund	\$1,733,614	\$1,628,229	\$1,652,437	\$1,620,292	\$1,649,000	\$1,680,164	\$1,648,889	(6.5)
Federal Revenue	1,050,956	1,264,280	1,075,252	1,088,550	1,272,300	1,107,233	1,119,167	3.6
Total Funding	\$2,784,570	\$2,892,509	\$2,727,689	\$2,708,842	\$2,921,300	\$2,787,397	\$2,768,056	(2.7)

Language in Bill: If utilities expenditures exceed the amounts appropriated for utilities, the department may ask for a supplemental appropriation. If utilities do not exceed the amount anticipated for utilities, the difference may be used for energy conservation measures. The following amounts are appropriated for utilities.

	FY 1986	FY 1987
Administration	\$ 24,650	\$ 25,619
Army	398,630	415,198
Air	304,092	327,237

Program Description: The Adjutant General's Office oversees all activities of the Army National Guard, the Air Guard Programs, and the Veteran's Affairs.

Current Level Budget: The subcommittee approved a reorganization that reduced the Adjutant's General's administration program by one FTE accounting technician position and centralized the accounting functions for the four programs under the General's supervision. In addition, one FTE was moved from

the Adjutant General's Army Guard Program to the Administration Program. This position was an accounting technician. The net reduction in FTE related to the reorganization was one. The subcommittee reinstated a .50 FTE administrative secretary position that was vacant 60 percent of fiscal 1984 on the basis that this position would help with the increase in number of veteran contracts and claims.

After establishing the current level budget, the committee reduced total expenditures by 2 percent. The result is a 1.5 percent decrease in operating expenses from fiscal 1984 to fiscal 1986. The subcommittee approved \$7,000 more in repair and maintenance for the department's repair and maintenance program, \$6,000 more in communication costs, and \$6,000 more in supplies than current level. In fiscal 1987 operating expenses are over current level primarily in association with utilities being approved at the agency's request. Non-operating expenses are for disability payments for a guardsmen injured while on active duty.

Federal funding for this agency is based on four contracts; these are the Army National Guard Service Contract, Air National Guard Service Contract, Telephone Communications Service Agreement, and Army National Guard Training Site Contract. The Administration Program is 100 percent general fund, the Army Program operating expenses are funded 28.8 percent with federal funds in fiscal 1986 and fiscal 1987, and the Air Program operating expenses are funded 78.7 percent federal funds in fiscal 1986 and fiscal 1987.

SUBCOMMITTEE ACTION

Agency: Adjutant General

Program: Administration

FY 1984 Actual	Fiscal 1986			Fiscal 1987			FY 84-86 % Change
	Executive	Current Level	Subcommittee	Executive	Current Level	Subcommittee	
FTE	4.00	4.00	4.00	4.00	4.00	4.00	0.00
Personal Services	\$116,952	\$121,827	\$118,474	\$116,664	\$122,102	\$118,500	5.2
Operating Expenses	74,675	64,678	48,044	42,798	62,518	43,235	(34.4)
Equipment	450	450	-0-	-0-	450	-0-	188.0
Total Exp.	\$192,077	\$186,955	\$164,518	\$159,462	\$185,070	\$161,735	(9.7)
FUNDING							
General Fund	\$192,077	\$186,955	\$157,277	\$152,216	\$185,070	\$154,489	(13.5)
Federal Revenue	-0-	-0-	7,241	7,246	-0-	7,246	100.0
Total Funding	\$192,077	\$186,955	\$164,518	\$159,462	\$185,070	\$161,735	9.7

Program Description: The administration program provides fiscal management and supervisory support for the Army and Air National Guard Programs.

Current Level Budget: One FTE accounting technician position has been deleted from current level and one FTE accounting technician position has been transferred to this program from the Army Guard Program. Vacancy savings was set at 4 percent. The difference in the current level budget and what the subcommittee approved is primarily in the areas of communications. The reorganization called for the transfer of most communication costs of \$20,000 in current level to the Army Guard Program. A \$5,200 decrease in current level for anticipated savings from radio use was put back in the budget based on the fact a reduction of \$6,000 was taken from the last biennium. The subcommittee approved an increase in utilities associated with the remodeling of the Helena Armory, \$3,722, and \$1,000 for increased travel. The increased travel allows four people to attend the National Guard Association annual meeting to support the Adjutant General's voting block for obtaining support and funds for guard operations. After the committee had established the budget, it reduced the budget 2 percent as requested by the Governor. Those reductions totaled \$3,143 in fiscal 1986 and \$3,044 in fiscal 1987.

SUBCOMMITTEE ACTION

Agency: Adjutant General

Program: Army Guard Program

	FY 1984 Actual	Executive	Fiscal 1986 Current Level	Subcommittee	Executive	Fiscal 1987 Current Level	Subcommittee	FY 84-86 % Change
FTE	16.00	15.00	16.00	15.00	15.00	16.00	15.00	6.3
Personal Services	\$ 270,338	\$ 304,242	\$ 298,137	\$ 285,461	\$ 304,499	\$ 298,396	\$ 285,712	5.6
Operating Expenses	988,430	1,011,342	972,415	995,056	1,032,111	1,010,905	1,026,467	0.4
Equipment	132,523	1,100	299	-0-	6,000	299	6,000	(100.0)
Non-Operating	2,280	2,280	2,280	2,280	2,280	2,280	2,280	
Total Exp.	\$1,393,571	\$1,318,964	\$1,273,131	\$1,282,797	\$1,344,890	\$1,311,880	\$1,320,459	(8.0)
FUNDING								
General Fund	\$ 980,891	\$ 904,064	\$ 895,012	\$ 892,444	\$ 930,557	\$ 922,252	\$ 920,516	9.0
Federal Revenue	412,680	414,900	378,119	390,353	414,333	389,628	399,943	(5.4)
Total Funding	\$1,393,571	\$1,318,964	\$1,273,131	\$1,282,797	\$1,344,890	\$1,311,880	\$1,320,459	(8.0)

Program Description: The Army Guard Program provides trained and equipped military organizations for the Governor in the event of a state emergency.

Current Level Budget: Vacancy savings was set at 4 percent. One FTE accounting technician from this program was transferred to the Administration Program. Communication costs transferred to this program as the result of the internal reorganization total \$25,127 for the Army Guard Program and \$9,600 from the Air Guard Program. Supplies were increased by \$6,000 above current level, which brought supplies back to the fiscal 1984 level. The subcommittee also approved an increase in repair and maintenance of \$7,000 over current level for painting armories in fiscal 1986 and 1987. After establishing the current level budget, the committee reduced the budget by 2 percent in accordance with the Governor's recommendation. The result was a reduction of \$27,474 in fiscal 1986 and \$32,002 in fiscal 1987. Funding for this program is based on a service contract. Operating expenses are set at a ratio of 28.8 percent federal and 71.2 percent state funds.

Modified Recommendations: 1) Environmental Planner - An environmental planner position will insure the department's compliance with federal and state environmental laws and regulations. This position is funded with 50 percent general fund and 50 percent federal funds. Total costs are \$23,059 fiscal 1986 and \$23,059 in fiscal 1987.

SUBCOMMITTEE ACTION

Agency: Adjutant General

Program: Air Guard Program

	FY 1984	Executive	Fiscal 1986	Subcommittee	Executive	Fiscal 1987	Subcommittee	FY 84-86
	Actual		Current Level			Current Level		% Change
FTE	20.50	31.00	20.00	20.00	31.00	20.00	20.00	(2.4)
Personal Services	\$403,639	\$587,442	\$414,159	\$425,614	\$588,540	\$415,209	\$426,679	5.4
Operating Expenses	337,945	353,427	394,938	367,362	362,931	417,664	392,509	8.7
Total Exp.	\$741,584	\$940,869	\$809,097	\$792,976	\$951,471	\$832,873	\$819,188	6.9
<u>FUNDING</u>								
General Fund	\$103,308	\$ 98,730	\$111,964	\$102,020	\$100,750	\$115,268	\$107,210	1.3
Federal Revenue	638,276	842,139	697,133	690,956	850,721	717,605	711,978	8.2
Total Funding	\$741,584	\$940,869	\$809,097	\$792,976	\$951,471	\$832,873	\$819,188	6.9

Program Description: The Air Guard program provides clerical facilities maintenance and fire protection support to the Air National Guard base at Great Falls.

Current Level Budget: Vacancy Savings was set at 4 percent. Communication costs of \$9,600 have been moved from this program to the Army Guard Program as the result of the reorganization. The increase from 1986 to 1987 is in the area of utilities for new buildings coming on line in fiscal 1987 and inflation related to utilities. After establishing the current level budget, the committee reduced the budget by 2 percent in accordance with the Governor's proposal. The reductions totaled \$9,875 in fiscal 1986 and \$10,075 in fiscal 1987. Operating expenses are 78.7 percent federal.

Modified Recommendations: 1) Security Guards - 11 FTE security guards were approved for additional security at the air guard base. The guards will provide security to the areas presently secured and also areas determined to be classified where private contract security guards can presently not go. Cost of the security guards is \$177,919 in fiscal 1986 and \$177,995 in fiscal 1987. Funds are 100 percent federal and are based in an Air Guard Service Contract.

SUBCOMMITTEE ACTION

Agency: Adjutant General

Program: Veteran's Affairs

	FY 1984 Actual	Executive	Fiscal 1986 Current Level	Subcommittee	Executive	Fiscal 1987 Current Level	Subcommittee	FY 84-86 % Change
FTE	18.50	18.50	18.00	18.50	18.50	18.00	18.50	0.00
Personal Services	\$392,598	\$402,442	\$392,030	\$401,647	\$402,945	\$392,546	\$402,149	2.3
Operating Expenses	64,729	65,882	66,476	66,904	62,532	65,028	64,525	3.3
Equipment	11	-0-	-0-	-0-	-0-	-0-	-0-	(100.0)
Total Exp.	\$457,338	\$468,324	\$458,506	\$468,551	\$465,477	\$457,574	\$466,674	2.5
<u>FUNDING</u>								
General Fund	\$457,338	\$468,324	\$458,506	\$468,551	\$465,477	\$457,574	\$466,674	2.5

Program Description: The function of the Veterans' Affairs Division is to establish a statewide service for assisting discharged veterans and their families, to file claims, to cooperate with state and federal agencies having to do with the affairs of veterans and their families, and to promote the general welfare of veterans and their families. Assistance to veterans includes providing veterans with information on veterans' benefits, provision of Veterans' Administration (VA) forms, guidance in completing these forms, and representations before regional VA appeals boards.

Current Level Budget: Vacancy savings for this program was set at 4 percent. A .50 FTE administrative secretary was deleted from current level because the position had been vacant for 60 percent of fiscal 1984. This position was reinstated by the subcommittee with the understanding that the position would be used to help with the anticipated increase in claims over the coming biennium. ~~After establishing the budget, the committee reduced the budget by 2 percent as recommended by the Governor. These reductions totaled \$9,365 in fiscal 1986 and \$9,310 in fiscal 1987.~~

Modified Recommendations: 1) Equipment - The subcommittee approved a request for \$6,500 for equipment in fiscal 1986. The equipment approved includes the following list of equipment in Veteran's Affairs Division. Funding is general fund.

2 copiers	-	\$3,500
4 desks	-	1,900
2 secretary chairs	-	174
3 book cases	-	226
4 file cabinets	-	700
Total		\$6,500

SUBCOMMITTEE ACTION

Agency: Disaster and Emergency Services

Program: Agency Summary

	FY 1984 Actual	Fiscal 1986			Fiscal 1987			FY 84-86 % Change
		Executive	Current Level	Subcommittee	Executive	Current Level	Subcommittee	
FTE	21.75	22.50	21.00	21.00	22.50	21.00	21.00	0.0
Personal Services	\$524,528	\$ 572,165	\$542,843	\$543,260	\$ 573,458	\$544,078	\$544,946	3.6
Operating Expenses	123,283	180,435	135,863	127,199	174,056	132,791	122,596	3.1
Equipment	12,359	4,500	897	21,500	898	897	898	73.9
Grants	-0-	2,000,000	-0-	-0-	2,065,000	-0-	-0-	0.0
Total Exp.	\$660,170	\$2,757,100	\$679,603	\$691,959	\$2,813,412	\$677,766	\$668,440	4.8
<u>FUNDING</u>								
General Fund	\$216,003	\$ 229,152	\$225,667	\$223,534	\$ 227,975	\$224,967	\$222,867	3.5
Federal Revenue	444,167	2,527,948	453,936	468,425	2,585,437	452,799	445,573	5.5
Total Funding	\$660,170	\$2,757,100	\$679,603	\$691,959	\$2,813,412	\$677,766	\$668,440	4.8

Program Description: The Disaster and Emergency Services Division is responsible for the preparation, update, coordination, and testing of all state emergency preparedness, response and recovery plans.

Current Level Budget: The subcommittee approved 4 percent vacancy savings for both programs in this budget. The grants shown in the executive budget are provided as a statutory appropriation through 10-3-203, MCA. They are passthrough monies to local political subdivisions for local civil defense reimbursement.

Agency: Disaster and Emergency Services

Program: Disaster Coordination and Response

FY 1984 Actual	Fiscal 1986		Fiscal 1987		FY 84-86 % Change
	Executive	Current Level	Executive	Current Level	
FTE	14.00	14.00	14.00	14.00	0.0
Personal Services	\$362,349	\$373,632	\$369,245	\$374,690	1.8
Operating Expenses	78,317	86,017	115,463	83,529	.1
Equipment	897	897	898	898	1,795.0
Total Exp.	\$441,563	\$460,546	\$485,606	\$459,116	5.1
FUNDING					
General Fund	\$216,003	\$225,667	\$227,975	\$224,967	3.5
Federal Revenue	225,560	234,879	257,631	234,149	6.6
Total Funding	\$441,563	\$460,546	\$485,606	\$459,116	5.1

Program Description: This program is responsible for coordinating emergency preparedness throughout the state. The program also provides support services for all disaster related programs.

Current Level Budget: Vacancy savings was set at 2 percent. Computer equipment of \$17,000 was included in the budget. The equipment is to be 100 percent federally funded. Passthrough monies for disaster and emergency services are not included in the fiscal 1986 or 1987 budget; they are provided for through statutory appropriation. Federal funding is on a contract basis and is set at 50 percent federal, 50 percent state, excluding the \$17,000 in equipment which is all federal. After establishing the current level budget, the committee reduced the program by 2 percent in accordance with the Governor's proposal. The reductions totaled \$6,980 in fiscal 1986 and \$6,842 in fiscal 1987.

Modified Recommendations: 1) Travel Funds - Federal funds for travel of \$29,656 in fiscal 1986 and \$29,656 in fiscal 1987 were approved. These funds are for travel by disaster and emergency personnel to attend federally sponsored training seminars.

2) Public Service Announcements - Funding to implement a public service announcement program was approved. This program will increase the awareness of citizens to potential disasters and action they should take to mitigate the impacts of such disasters. Costs are \$2,185 in fiscal 1986 and \$2,278 in fiscal 1987. Funding is 50 percent general fund and 50 percent federal.

SUBCOMMITTEE ACTION

Agency: Disaster and Emergency Services

Program: Nuclear Civil Protection

	FY 1984 Actual	Fiscal 1986		Fiscal 1987		FY 84-86 % Change
		Executive	Current Level	Executive	Current Level	Subcommittee
FTE	7.00	8.50	7.00	8.50	7.00	0.00
Personal Services	\$156,030	\$204,021	\$169,211	\$204,123	\$169,388	\$175,199
Operating Expenses	41,280	60,619	49,846	58,593	49,262	47,506
Equipment	12	4,500	-0-	-0-	-0-	-0-
						374.0
Total Exp.	\$197,322	\$269,140	\$219,057	\$262,716	\$218,650	\$222,705
						15.5
FUNDING						
Federal Revenue	\$197,322	\$269,140	\$219,057	\$262,716	\$218,650	\$222,705
						15.5

Program Description: This program supplements the disaster coordination and response program in the preparation and updating of local and state emergency preparedness plans.

Current Level Budget: Vacancy savings for this program was set at zero percent. The subcommittee approved \$4,500 for a telecopier in fiscal 1986.

Modified Recommendations: 1) Training - 1.5 FTE were approved to assist in testing state and local government disaster plans and procedures. These FTE are a full-time training officer and a .50 administrative person. Funding for the 1.5 FTE is 100 percent federal. The cost is \$45,506 in fiscal 1986 and \$45,629 in fiscal 1987.

REVISED
General Government and Highways
Subcommittee Modified Recommendations

	- - - - - Fiscal 1986 - - - - -			- - - - - Fiscal 1987 - - - - -		
Agency	General Fund	Other	Total	General Fund	Other	Total
Department of Justice						
1. Investigation	\$ -0-	\$ 33,333	\$ 33,333	\$ -0-	\$ 33,426	\$ 33,426
2. Supervisor Training	3,541	-0-	3,541	3,541	-0-	3,541
3. Microfilm Feasibility Study	-0-	20,000	20,000	-0-	20,000	20,000
4. Patrol Officers	162,838	131,415	294,253	183,318	278,499	461,817
5. Advanced Training	-0-	32,000	32,000	-0-	32,000	32,000
6. Highband Radio	-0-	389,750	389,750	-0-	-0-	-0-
7. 55 mph Enforcement	20,056	111,440	131,496	-0-	141,063	141,063
8. Recruit School	35,089	-0-	35,089	30,765	-0-	30,765
9. Recruit School 55 mph	20,056	-0-	20,056	-0-	-0-	-0-
10. Communication tech	-0-	40,918	40,918	-0-	68,629	68,629
11. Software Up-grade	-0-	42,625	42,625	-0-	2,914	2,914
12. Automate Counties	-0-	25,313	25,313	-0-	34,330	34,330
13. Programmer Analyst	-0-	26,997	26,997	-0-	26,175	26,175
14. Deputy Fire Marshall	43,454	-0-	43,454	33,005	-0-	33,005
15. Finger Print examiner	23,930	-0-	23,930	23,017	-0-	23,017
16. Missing Persons Support	8,698	-0-	8,698	5,276	-0-	5,276
17. Dispatchers	-0-	221,288	221,288	-0-	322,739	322,739
18. C/B Secretary	23,839	-0-	23,839	18,904	-0-	18,904
19. RMIN	-0-	69,231	69,231	-0-	70,292	70,292
20. Computer Operators	50,303	-0-	50,303	48,788	-0-	48,788
21. Evidence Camera	-0-	2,500	2,500	-0-	-0-	-0-
22. Forensic Scientist	-0-	30,636	30,636	-0-	30,037	30,037
Total	<u>\$391,804</u>	<u>\$1,177,446</u>	<u>\$1,569,250</u>	<u>\$346,614</u>	<u>\$1,060,104</u>	<u>\$1,406,718</u>
Department of Administration						
23. Financial Advisory Council	\$ 2,096	\$ -0-	\$ 2,096	\$ 2,096	\$ -0-	\$ 2,096
24. GASB	11,700	-0-	11,700	11,700	-0-	11,700
25. Attorney	-0-	32,556	32,556	-0-	32,476	32,476
26. A&E Secretary	-0-	16,372	16,372	-0-	15,890	15,890
27. Building Codes Attorney	-0-	50,960	50,960	-0-	35,024	35,024
28. Record Mgmt Specialist	21,655	-0-	21,655	21,655	-0-	21,656
29. Technical/Director	-0-	29,666	29,666	-0-	29,666	29,665
30. Workload Increase	-0-	652,090	652,090	-0-	933,905	933,905
31. Contract Programming	-0-	99,840	99,840	-0-	104,832	104,832
32. Communications FTE	-0-	80,018	80,018	-0-	78,561	78,561
33. Pass Through Funds	-0-	1,320,715	1,320,715	-0-	1,391,123	1,391,123
34. Rent and Moving Costs	-0-	38,680	38,680	-0-	35,691	35,691
35. Insurance and Legal 2 FTE	-0-	257,967	257,967	-0-	\$258,016	258,016
Total	<u>\$ 35,451</u>	<u>\$2,578,864</u>	<u>\$2,614,315</u>	<u>\$ 35,451</u>	<u>\$2,915,184</u>	<u>\$2,950,635</u>
Department of Revenue						
36. Data Processing FTE	\$ 30,423	\$ 10,141	\$ 40,564	\$ 40,885	\$ 13,628	\$ 54,513
37. Investigation Staff	6,510	53,309	59,819	5,175	43,322	48,497

General Government and Highways
Subcommittee Modified Recommendations
Continued

	- - - - Fiscal 1986 - - - -			- - - - Fiscal 1987 - - - -		
Agency	General Fund	Other	Total	General Fund	Other	Total
38. Child Support Staff	97,810	228,223	326,033	86,543	201,932	288,475
39. Systems Dev. FTE	265,640	-0-	265,640	334,902	-0-	334,902
40. Administrative Support	68,234	-0-	68,234	57,695	-0-	57,695
41. Audit Staff 6 FTE	131,307	-0-	131,307	110,897	-0-	110,897
42. Collection Staff	186,749	-0-	186,749	155,125	-0-	155,125
43. Auditors	65,972	-0-	65,972	62,454	-0-	62,454
44. Clerical Help	40,642	-0-	40,642	32,807	-0-	32,807
45. State Lands Auditor	-0-	32,986	32,986	-0-	31,227	31,227
46. Royalty Auditor	-0-	138,121	138,121	-0-	136,224	136,224
47. Unclaimed Prop. Audit	-0-	60,478	60,478	-0-	58,478	58,478
48. D/P Gross Receipts	23,299	-0-	23,299	-0-	-0-	-0-
49. D/P Unclaimed Property	-0-	-0-	-0-	-0-	43,805	43,805
50. D/P Fuel Tax	-0-	54,400	54,400	-0-	30,000	30,000
51. Appraisal FTE	387,530	-0-	387,530	-0-	-0-	-0-
52. Data Entry	88,526	-0-	88,526	-0-	-0-	-0-
53. Attorney	34,196	-0-	34,196	34,211	-0-	34,211
54. Airline Litigation	120,000	-0-	120,000	-0-	-0-	-0-
Total	<u>\$1,546,838</u>	<u>\$577,658</u>	<u>\$2,124,496</u>	<u>\$920,694</u>	<u>\$558,616</u>	<u>\$1,479,310</u>

Legislative Fiscal Analyst

55. Computerization	\$26,043	\$ -0-	\$26,043	\$ 1,200	\$ -0-	\$ 1,200
56. 2.5 FTE	<u>70,646</u>	<u>-0-</u>	<u>70,646</u>	<u>67,301</u>	<u>-0-</u>	<u>67,301</u>
Total	<u>\$96,689</u>	<u>\$ -0-</u>	<u>\$96,689</u>	<u>\$68,501</u>	<u>\$ -0-</u>	<u>\$68,501</u>

Governor's Office

57. Clark Fork River Basin	-0-	\$267,772	\$267,772	-0-	\$267,773	\$267,773
58. Federal State Coord.	\$25,027		25,027	\$25,037	-0-	25,037
59. Client Assistant Prog.	<u>-0-</u>	<u>50,000</u>	<u>50,000</u>	<u>-0-</u>	<u>50,000</u>	<u>50,000</u>
Total	<u>\$25,027</u>	<u>\$317,772</u>	<u>\$342,799</u>	<u>\$25,037</u>	<u>\$317,773</u>	<u>\$342,810</u>

Adjutant General

60. Environmental Planner	\$ 5,765	\$ 17,294	\$ 23,059	\$ 5,765	\$ 17,304	\$ 23,069
61. Security Guards	-0-	177,919	177,919	-0-	177,995	177,995
62. Travel	-0-	29,656	29,656	-0-	29,656	29,656
63. Public Service Prob.	1,092	1,092	2,184	1,139	1,139	2,278
64. Training	-0-	45,506	45,506	-0-	45,629	45,629
65. Equipment	<u>6,518</u>	<u>-0-</u>	<u>6,518</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Total	<u>\$ 13,375</u>	<u>\$ 271,467</u>	<u>\$ 284,842</u>	<u>\$ 6,904</u>	<u>\$ 271,723</u>	<u>\$ 278,627</u>

General Government and Highways
Subcommittee Modified Recommendations
Continued

Agency	Fiscal 1986			Fiscal 1987		
	General Fund	Other	Total	General Fund	Other	Total
Secretary of State						
66. Microfilming	\$ 81,601	\$ -0-	\$ 81,601	\$ 15,120	\$ -0-	\$ 15,120
State Auditor						
67. Travel to NASA mtngs.	\$ 6,000	\$ -0-	\$ 6,000	\$ 6,000	\$ -0-	\$ 6,000
68. Reorganization of Auditor's Office	63,040	-0-	63,040	74,991	-0-	74,991
69. Training Funds	5,310	-0-	5,310	5,310	-0-	5,310
70. Contingency Fndg-Ins.	10,000	-0-	10,000	10,000	-0-	10,000
71. Contingency Fndg-Secur.	25,000	-0-	25,000	25,000	-0-	25,000
72. Systems Development	95,000	-0-	95,000	110,000	-0-	110,000
73. Senior Citizens Prog	4,000	-0-	4,000	4,000	-0-	4,000
74. Emergency Equip. Repl.	26,000	-0-	26,000	-0-	-0-	-0-
Total	\$ 234,350	\$ -0-	\$ 234,350	\$ 235,301	\$ -0-	\$ 235,301
Judiciary						
75. Additional FTE	\$ 81,036	\$ -0-	\$ 81,036	\$ 81,078	\$ -0-	\$ 81,078
76. Microfilm Project	71,500	-0-	71,500	71,500	-0-	71,500
77. Sentencing Data Pjt.	5,700	-0-	5,700	-0-	-0-	-0-
78. Supplies	900	-0-	900	900	-0-	900
79. Equipment	7,060	-0-	7,060	7,868	-0-	7,868
Total	\$ 166,196	\$ -0-	\$ 166,196	\$ 161,346	\$ -0-	\$ 161,346
Department of Highways						
80. Word Processing FTE	\$ -0-	\$ 24,850	\$ 24,850	-0-	\$ 24,860	\$ 24,860
81. GVW FTE	-0-	104,723	104,723	-0-	371,733	371,733
82. Const FTE(17.15 FY 86-13.80 FY 87)	-0-	488,153	488,153	-0-	384,452	384,452
83. Rest Area Contracts	-0-	150,000	150,000	-0-	150,000	150,000
84. Gravel Site Purchase	-0-	100,000	100,000	-0-	100,000	100,000
85. Preconstruction FTE	-0-	864,677	864,677	-0-	968,764	968,764
86. Computer Aided Design system	-0-	1,250,000	1,250,000	-0-	-0-	-0-
87. Increased authority for motor pool	-0-	160,000	160,000	-0-	-0-	-0-
88. New Equipment	-0-	250,000	250,000	-0-	500,000	500,000
Total		\$3,392,403	\$ 3,392,403	-0-	\$2,499,809	\$2,499,809
Total Subcommittee	\$2,591,331	\$8,315,610	\$10,906,941	\$1,814,968	\$7,623,209	\$9,438,177

NARRATIVE FOR HOUSE BILL 500
on the
Natural Resources Subcommittee

March 15, 1985

Agency: Public Service Commission

Program: Public Service Regulation

FY 1984 Actual	Fiscal 1986			Fiscal 1987			FY 84-86 % Change
	Executive	Current Level	Subcommittee	Executive	Current Level	Subcommittee	
FTE	46.84	49.00	45.00	49.00	45.00	46.00	(3.9)
Personal Services	\$1,162,210	\$1,338,511	\$1,249,990	\$1,341,133	\$1,252,261	\$1,301,844	11.8
Operating Expenses	371,086	332,254	297,426	325,534	291,975	297,364	(17.8)
Equipment	65,081	16,282	16,282	38,276	25,762	25,762	(75.0)
Total Exp.	<u>\$1,598,377</u>	<u>\$1,687,047</u>	<u>\$1,563,698</u>	<u>\$1,704,943</u>	<u>\$1,569,998</u>	<u>\$1,624,970</u>	<u>1.4</u>
FUNDING							
General Fund	\$1,498,924	\$1,640,419	\$1,517,070	\$1,654,024	\$1,519,079	\$1,574,051	5.0
Federal Revenue	99,453	46,628	46,628	50,919	50,919	50,919	(53.3)
Total Funding	<u>\$1,598,377</u>	<u>\$1,687,047</u>	<u>\$1,563,698</u>	<u>\$1,704,943</u>	<u>\$1,569,998</u>	<u>\$1,624,970</u>	<u>1.4</u>

Program Description: The Public Service Commission regulates public utilities, motor carriers, and railroads. It maintains natural gas pipeline and motor carrier safety programs. Fees assessed by the PSC are deposited in the general fund. In fiscal 1984 \$1,138,896 was deposited to the general fund, an amount equal to 76 percent of fiscal 1984 general fund expenditures.

Current Level Budget: Three FTE that had been vacant in fiscal 1984 are eliminated in the current level budget. This includes a hearings reporter, auditor, and computer technician. A systems analyst position is changed to an attorney. It is the committee's intent that the savings resulting from elimination of these positions be used to fund phase II of the PSC's data processing plan which is listed as a modified. Two percent vacancy savings is applied to the remaining positions. The committee added \$5,838 per year for printing and telephone use. After moving to its new location in the highway department building, the PSC found these costs had increased. Equipment funds provide for the replacement of three vehicles and camera and office equipment.

Modified Recommendations: (1) Phase II Data Processing. The committee recommends \$134,480 in fiscal 1986 and \$137,620 in fiscal 1987 from general funds for phase II of the PSC's data processing plan. The commission stated this was its highest priority for expenditure in the coming biennium. The data processing addition to the PSC was initiated last session with the appropriation of \$182,996. These additional funds will allow completion of contracted development, equipment purchases, and software purchases.

(2) Motor Carrier Safety Assistance Program. The committee recommends \$308,000 per year of federal funds for MCSAP. This program was initiated by budget amendment in fiscal 1984 and 1985. The appropriation, \$308,000, is the maximum the PSC feels it can receive with available "soft match". Further federal funds are available but would require a cash "hard match" of 20 percent. The recommended level will add six FTE.

(3) Pipeline Consultants. The committee recommends \$30,000 in the biennium to have a consultant assist in waiver review on the MPC gas pipeline. Approval of the waiver would allow construction to begin on the northern half of this line. This expert in fracture mechanics will provide guidance to the PSC in its decisions relating to this pipeline. Funds are 50 percent general fund and 50 percent federal pipeline safety funds. The committee recommends this be line-itemed to revert to the extent not used.

(4) Training. The committee recommends \$5,000 per year general fund to provide training for staff and commissioners. The complex nature of utility regulation requires the additional training.

(5) Expert Witnesses. The committee recommends \$40,000 general fund in the biennium for expert witnesses. These experts would assist the commission in rate issues where current staff lacks the required knowledge.

(6) Travel Reimbursements. The committee recommends \$5,000 to establish a contingent revolving fund for reimbursed travel when auditors travel out-of-state to review a utility's records.

Agency: Department of Livestock

	FY 1984	Actual
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	FY 84-86	% Change
1. Total	1,000	0
2. Non-Federal	1,000	0
3. Federal	1,000	0
4. Total	1,000	0
5. Non-Federal	1,000	0
6. Federal	1,000	0
7. Total	1,000	0
8. Non-Federal	1,000	0
9. Federal	1,000	0
10. Total	1,000	0
11. Non-Federal	1,000	0
12. Federal	1,000	0
13. Total	1,000	0
14. Non-Federal	1,000	0
15. Federal	1,000	0
16. Total	1,000	0
17. Non-Federal	1,000	0
18. Federal	1,000	0
19. Total	1,000	0
20. Non-Federal	1,000	0
21. Federal	1,000	0
22. Total	1,000	0
23. Non-Federal	1,000	0
24. Federal	1,000	0
25. Total	1,000	0
26. Non-Federal	1,000	0
27. Federal	1,000	0
28. Total	1,000	0
29. Non-Federal	1,000	0
30. Federal	1,000	0
31. Total	1,000	0
32. Non-Federal	1,000	0
33. Federal	1,000	0
34. Total	1,000	0
35. Non-Federal	1,000	0
36. Federal	1,000	0
37. Total	1,000	0
38. Non-Federal	1,000	0
39. Federal	1,000	0
40. Total	1,000	0
41. Non-Federal	1,000	0
42. Federal	1,000	0
43. Total	1,000	0
44. Non-Federal	1,000	0
45. Federal	1,000	0
46. Total	1,000	0
47. Non-Federal	1,000	0
48. Federal	1,000	0
49. Total	1,000	0
50. Non-Federal	1,000	0
51. Federal	1,000	0
52. Total	1,000	0
53. Non-Federal	1,000	0
54. Federal	1,000	0
55. Total	1,000	0
56. Non-Federal	1,000	0
57. Federal	1,000	0
58. Total	1,000	0
59. Non-Federal	1,000	0
60. Federal	1,000	0
61. Total	1,000	0
62. Non-Federal	1,000	0
63. Federal	1,000	0
64. Total	1,000	0
65. Non-Federal	1,000	0
66. Federal	1,000	0
67. Total	1,000	0
68. Non-Federal	1,000	0
69. Federal	1,000	0
70. Total	1,000	0
71. Non-Federal	1,000	0
72. Federal	1,000	0
73. Total	1,000	0
74. Non-Federal	1,000	0
75. Federal	1,000	0
76. Total	1,000	0
77. Non-Federal	1,000	0
78. Federal	1,000	0
79. Total	1,000	0
80. Non-Federal	1,000	0
81. Federal	1,000	0
82. Total	1,000	0
83. Non-Federal	1,000	0
84. Federal	1,000	0
85. Total	1,000	0
86. Non-Federal	1,000	0
87. Federal	1,000	0
88. Total	1,000	0
89. Non-Federal	1,000	0
90. Federal	1,000	0
91. Total	1,000	0
92. Non-Federal	1,000	0
93. Federal	1,000	0
94. Total	1,000	0
95. Non-Federal	1,000	0
96. Federal	1,000	0
97. Total	1,000	0
98. Non-Federal	1,000	0
99. Federal	1,000	0
100. Total	1,000	0

FTE	122.61	122.61	121.61	121.61	122.61	121.61	121.61	(.8)
Personal Services	\$2,922,626	\$3,060,059	\$2,961,978	\$3,086,133	\$3,066,761	\$2,968,369	\$3,092,863	5.6
Operating Expenses	1,366,950	1,540,125	1,497,971	1,517,907	1,549,681	1,518,711	1,517,629	11.0
Equipment	77,090	170,220	88,810	136,605	165,762	98,220	131,542	77.2
Non-Operating Exp.	3,377	2,300	2,300	2,300	2,300	2,300	2,300	(31.9)
Total Exp.	<u>\$4,370,043</u>	<u>\$4,772,704</u>	<u>\$4,551,059</u>	<u>\$4,742,945</u>	<u>\$4,784,504</u>	<u>\$4,587,600</u>	<u>\$4,744,334</u>	<u>8.5</u>
FUNDING								
General Fund	\$ 593,536	\$ 664,101	\$ 591,974	\$ 613,918	\$ 663,014	\$ 594,765	\$ 618,309	3.4
State Special Rev.	3,258,112	3,520,603	3,371,085	3,541,027	3,533,490	3,404,835	3,538,025	8.7
Federal Revenue	518,395	588,000	588,000	588,000	588,000	588,000	588,000	13.4
Total Funding	<u>\$4,370,043</u>	<u>\$4,772,704</u>	<u>\$4,551,059</u>	<u>\$4,742,945</u>	<u>\$4,784,504</u>	<u>\$4,587,600</u>	<u>\$4,744,334</u>	<u>8.5</u>

The Department of Livestock is administered by the Board of Livestock, whose seven members are appointed by the Governor. Each member must be an active livestock producer. Day-to-day supervision of the department is handled by the executive secretary. The current level budget approved by the committee draws 87 percent of its support from assessments and taxes on livestock with the remainder coming from the general fund. The general fund is used to support the Milk and Egg program and parts of Centralized Services, the Diagnostic Laboratory and Rabies Control programs.

One FTE is eliminated from the Disease Control Program as a result of departmental reorganization.

The committee recommends increases for computer equipment in several programs to allow automation of various aspects of department work. These enhancements are intended to improve the efficiency of the department and its ability to respond to the demands placed upon it while reducing the staff by one. The equipment is added in disease control, milk and egg, and inspection and control programs.

SUBCOMMITTEE ACTION

Agency: Department of Livestock

Program: Centralized Services

FY 1984 Actual	Fiscal 1986			Fiscal 1987			FY 84-86 % Change
	Executive	Current Level	Subcommittee	Executive	Current Level	Subcommittee	
FTE	9.50	9.00	9.00	9.00	9.00	9.00	5.3
Personal Services	\$225,746	\$263,028	\$273,085	\$263,231	\$263,684	\$273,745	21.0
Operating Expenses	130,053	142,939	137,052	123,841	132,078	125,370	5.4
Equipment	669	700	700	12,974	12,974	12,974	4.6
Total Exp.	\$356,468	\$406,667	\$410,837	\$400,046	\$408,736	\$412,089	15.3

FUNDING

General Fund	\$ 65,423	\$ 59,983	\$ 61,626	\$ 71,904	\$ 59,211	\$ 61,813	(5.8)
State Special Rev.	291,045	346,684	349,211	328,142	349,525	350,276	20.0
Total Funding	\$356,468	\$406,667	\$410,837	\$400,046	\$408,736	\$412,089	15.3

Program Description: Centralized Services is responsible for accounting, budgeting, payroll, personnel, legal services, and purchasing for the department. This includes the Livestock Crimestoppers Program. Funding is based upon funding shares within the entire department; general fund provides 15 percent of the support for this program.

Current Level Budget: Department reorganization has increased the personal services cost of this program. The executive secretary and programmer were moved into the program. Two word processor operators and a part-time clerk were moved out to the Disease Control Program. No vacancy savings is anticipated. Purchase of a vehicle for the executive secretary is included in fiscal 1987.

SUBCOMMITTEE ACTION

Agency: Department of Livestock

Program: Diagnostic Lab

	FY 1984 Actual	Fiscal 1986			Fiscal 1987			FY 84-86 % Change
		Executive	Current Level	Subcommittee	Executive	Current Level	Subcommittee	
FTE	19.80	19.00	19.00	19.00	19.00	19.00	19.00	(4.0)
Personal Services	\$495,523	\$486,772	\$482,610	\$502,213	\$488,609	\$484,352	\$504,072	1.4
Operating Expenses	167,483	185,139	184,374	176,787	188,940	194,519	179,048	5.6
Equipment	994	16,725	8,550	8,550	9,000	-0-	-0-	760.2
Total	\$664,000	\$688,636	\$675,534	\$687,550	\$686,549	\$678,871	\$683,120	3.5
General Fund	\$312,615	\$321,324	\$317,284	\$329,908	\$322,684	\$318,953	\$327,689	5.5
State Special Revenue	351,385	367,312	358,250	357,642	363,865	359,918	355,431	1.8
Total Funding	\$664,000	\$688,636	\$675,534	\$687,550	\$686,549	\$678,871	\$683,120	3.5

Program Description: The Diagnostic laboratory provides diagnostic support to veterinarians and livestock producers and improves marketability of livestock. In addition, it performs diagnostic tests on suspected rabies cases and tests dairy products. Funding for 1.5 FTE comes from federal sources; the remaining costs are shared equally by general fund and livestock assessments.

Current Level Budget: Department reorganization has reduced the number of FTE by .8 in this program. Purchase of a milk cryoscope, photography system, and ultra low temperature freezer is included in equipment. No vacancy savings is applied as turnover in this program has been very low.

Modified Recommendations: (1) Milk Testing Equipment. The committee recommends \$78,000 in fiscal 1986 for the purchase of an infrared milk analyzer and a cell counting machine. These equipment items are for determining the fat, protein, lactose, and solid contents of milk and milk products and to test milk for mastitis. The equipment will be purchased with livestock earmarked funds which will be repaid from testing fees.

SUBCOMMITTEE ACTION

Agency: Department of Livestock

Program: Disease Control

	FY 1984 Actual	Fiscal 1986		Fiscal 1987		FY 84-86 % Change
		Executive	Subcommittee	Executive	Subcommittee	
FTE	13.10	15.30	15.30	15.30	15.30	16.8
Personal Services	\$400,028	\$401,813	\$418,225	\$402,468	\$418,895	4.5
Operating Expenses	93,702	120,223	125,028	131,202	136,547	33.4
Equipment	10,365	33,391	24,871	20,826	20,826	140.0
Non-Operating	2,316	2,300	2,300	2,300	2,300	(.7)
Total Exp.	\$506,411	\$557,727	\$570,424	\$556,796	\$578,568	12.6
FUNDING						
State Special Rev.	\$506,411	\$557,727	\$570,424	\$556,796	\$578,568	12.6

Program Description: Disease Control is funded from a tax on livestock for the purpose of prevention, control, and eradication of livestock diseases. The staff enforces sanitary standards, inspects animals at auction markets, and enforces import-export requirements.

Current Level Budget: Department reorganization has added 2.2 FTE to the program. No vacancy savings is applied in this program. Out-of-state travel funds have been increased approximately \$5,000 per year to allow staff to attend regional meetings important to coordinating its work with surrounding states. Three replacement vehicles are included in the biennium. An automation development is approved for \$74,673 in the biennium to replace the current system for maintenance and access to serology and import records. This includes \$16,351 for three computer terminals and a printer and the remainder for computer processing, data transmission lines, and repair and maintenance on the system. Funds received from sale of the current displaywriter system will be deposited in the state special revenue account.

SUBCOMMITTEE ACTION

Agency: Department of Livestock

Program: Milk and Egg

	FY 1984 Actual	Executive	Fiscal 1986 Current Level	Subcommittee	Executive	Fiscal 1987 Current Level	Subcommittee	FY 84-86 % Change
FTE	7.20	6.70	6.70	6.70	6.70	6.70	6.70	(6.9)
Personal Services	\$170,287	\$180,587	\$181,316	\$188,791	\$180,807	\$181,517	\$188,997	10.9
Operating Expenses	26,954	30,441	27,909	28,525	31,859	28,503	28,996	5.8
Equipment	13,271	18,020	9,560	9,560	23,674	9,220	14,454	(28.0)
Total	\$210,512	\$229,048	\$218,785	\$226,876	\$236,340	\$219,240	\$232,447	7.8
<u>FUNDING</u>								
General Fund	\$196,012	\$211,048	\$200,785	\$208,876	\$218,340	\$201,240	\$214,447	6.6
Federal Revenue	14,500	18,000	18,000	18,000	18,000	18,000	18,000	24.1
Total Funding	\$210,512	\$229,048	\$218,785	\$226,876	\$236,340	\$219,240	\$232,447	7.8

Program Description: The Milk and Egg Program is responsible for sampling, laboratory testing, and product and site inspection to insure eggs and dairy products are fit for human consumption.

Current Level Budget: The Milk and Egg Program lost .5 FTE due to department reorganization. Two replacement vehicles are allowed in the 1987 biennium, one in each year. A personal computer is authorized in fiscal 1987 for \$5,234 to improve the efficiency of field inspectors. No vacancy savings is anticipated.

SUBCOMMITTEE ACTION

Agency: Department of Livestock

Program: Inspection and Control

FY 1984 Actual	Fiscal 1986		Fiscal 1987		FY 84-86 % Change (.3)	
	Executive	Subcommittee	Executive	Current Level	Subcommittee	
FTE	68.61	68.61	68.61	68.61	68.61	
Personal Services	\$1,518,750	\$1,609,090	\$1,611,851	\$1,550,378	\$1,611,851	5.9
Operating Expenses	233,783	238,051	261,793	243,913	241,584	7.6
Equipment	51,791	86,724	93,088	64,606	77,088	67.4
Non-operating	1,061	-0-	-0-	-0-	-0-	0.0
Total Exp.	\$1,805,385	\$1,845,030	\$1,966,732	\$1,858,897	\$1,930,523	7.9
State Special Rev.	\$1,805,385	\$1,845,030	\$1,966,732	\$1,858,897	\$1,930,523	7.9

Language in Bill: The appropriation for computer terminals in market offices is for the biennium.

Program Description: The Inspection and Control Program inspects and records livestock brands, investigates livestock thefts, and maintains files of livestock security interests and licenses dealers. It is supported through an assessment on livestock.

Current Level Budget: The current level budget includes replacement of six trucks and one automobile each year of the biennium. These vehicles are specially equipped for enforcement action. No vacancy savings is applied. Funding is provided to put computer terminals in four market offices at a cost of \$31,292 in the biennium. This is to speed the checking of brand and security interest information on livestock and reduce duplicate record-keeping at market offices.

SUBCOMMITTEE ACTION

Agency: Department of Livestock		Program: Beef and Pork Research and Marketing					
FY 1984		Fiscal 1986		Fiscal 1987		FY 84-86	
Actual		Executive	Current Level	Executive	Current Level	Subcommittee	% Change
FTE	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Personal Services	\$ 150	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	(100.0)
Operating Expenses	503,744	570,000	570,000	570,000	570,000	570,000	13.2
Total Exp.	503,894	570,000	570,000	570,000	570,000	570,000	13.1
FUNDING							
Private Revenue	503,894	570,000	570,000	570,000	570,000	570,000	13.1

Program Description: The program is to promote research and the production of beef and pork and to promote their marketing.

Current Level Budget: The appropriation includes \$55,000 per year from pork producers and \$515,000 per year from beef producers. The funds are distributed to the Montana Pork Council and the Montana Beef Council who in turn use the funds for promotional activities in conjunction with their respective national councils, provide market information, and fund research and educational programs.

SUBCOMMITTEE ACTION

Agency: Department of Livestock

Program: Predatory Animal Control

FY 1984 Actual	Fiscal 1986			Fiscal 1987			FY 84-86 % Change
	Executive	Current Level	Subcommittee	Executive	Current Level	Subcommittee	
FTE	3.00	3.00	3.00	3.00	3.00	3.00	(28.6)
Personal Services	\$ 94,579	\$ 90,816	\$ 94,579	\$ 95,153	\$ 91,385	\$ 95,153	(15.7)
Operating Expenses	200,630	205,090	200,665	201,602	214,418	206,874	13.5
Equipment	6,200	2,200	6,200	6,200	2,200	6,200	0.00
Total	\$301,409	\$298,106	\$301,444	\$302,955	\$308,003	\$308,227	4.3

FUNDING

State Special Rev.	\$301,409	\$298,106	\$301,444	\$302,955	\$308,003	\$308,227	4.3
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Program Description: The Predatory Animal Control Program provides protection to livestock producers by controlling predators, primarily coyotes, that kill or injure livestock. The predators are destroyed by aerial hunting. In fiscal 1984, the program was successful in destroying 2,314 coyotes and fox. Funding is from an assessment on livestock.

Current Level Budget: The drop of 1.2 FTE from fiscal 1984 is the result of departmental reorganization as a secretary and a .50 FTE programmer were moved to the Inspection and Control Program. No vacancy savings is applied. The major expenses for this program are gasoline and maintenance for helicopters and pilot salaries. Maintenance funds are increased to reflect sharply rising costs for parts for the helicopters. The current helicopters are out of production and parts are very expensive. The department is purchasing a new helicopter in fiscal 1985 which will replace two of the currently owned crafts. This will result in the elimination of one FTE pilot. This position is continued in the budget.

SUBCOMMITTEE ACTION

Agency: Department of Livestock

Program: Rabies Control

	FY 1984 Actual	Fiscal 1986		Fiscal 1987		FY 84-86 % Change
		Executive	Subcommittee	Executive	Subcommittee	
		Current Level		Current Level		
FTE	0.00	0.00	0.00	0.00	0.00	0.00
Operating Expenses	\$34,486	\$36,266	\$28,508	\$36,266	\$29,360	(17.3)
<u>FUNDING</u>						
General Fund	\$19,486	\$21,266	\$13,508	\$21,266	\$14,360	(30.7)
State Special Rev.	15,000	15,000	15,000	15,000	15,000	0.0
Total Funding	\$34,486	\$36,266	\$28,508	\$36,266	\$29,360	(17.3)

Program Description: The Rabies Control Program is responsible for preventing exposure of domestic animals and humans to rabid animals, primarily skunks. Funding of \$15,000 per year is provided by the Department of Fish, Wildlife and Parks, with the remainder being general fund.

Current Level Budget: The budget at current level indicates a decline of 16.1 percent as a supplemental appropriation of general fund was granted in fiscal 1984 to respond to an outbreak of rabies. The funds are used to pay rabies agents on a contract basis for control work.

SUBCOMMITTEE ACTION

Agency: Department of Agriculture

Program: Agency Summary

	FY 1984 Actual	Executive	Current Level	Subcommittee	Executive	Current Level	Subcommittee	FY 84-86 % Change
FTE	97.77	98.62	87.74	85.74	98.62	87.74	85.74	(12.3)
Personal Services	\$2,017,053	\$2,212,849	\$2,089,012	\$2,081,354	\$2,216,100	\$2,092,287	\$2,070,645	3.2
Operating Expenses	705,538	924,721	815,411	766,130	917,864	812,989	773,442	8.6
Equipment	114,203	270,904	147,666	86,056	125,862	137,630	73,144	(24.6)
Non Operating Exp.	937,993	1,036,097	1,035,000	766,000	1,036,097	1,035,000	766,000	(18.3)
Total Exp.	\$3,774,787	\$4,444,571	\$4,087,089	\$3,699,540	\$4,295,923	\$4,077,906	\$3,683,231	(2.0)

FUNDING

General Fund	\$1,514,204	\$1,723,172	\$1,480,664	\$1,503,201	\$1,600,182	\$1,484,298	\$1,472,256	(.7)
State Special Rev.	467,608	569,784	581,147	558,631	548,976	560,425	565,832	19.6
Federal Revenue	1,494,708	1,686,112	1,587,353	1,234,958	1,680,484	1,592,610	1,235,639	(17.4)
Proprietary	298,267	465,503	437,925	402,750	466,281	440,573	409,704	35.0
Total Funding	\$3,774,787	\$4,444,571	\$4,087,089	\$3,699,540	\$4,295,923	\$4,077,906	\$3,683,231	(2.0)

The Department of Agriculture consists of four divisions: Centralized Services, Environmental Management, Plant Industry, and Agriculture Development. Attached to the department are the Hail Insurance Unit and Wheat Research and Marketing Program. The decline in FTE shown above is due primarily to the elimination of eight in the state grain laboratory in Great Falls.

General fund provides 40 percent of the funding for the Department of Agriculture in the 1987 biennium, approximately the same percentage as fiscal 1984. Federal and private funds fall as Environmental Protection Agency funds are reduced and Wheat Research and Marketing grants are reduced as income is anticipated to fall.

SUBCOMMITTEE ACTION

Agency: Department of Agriculture

Program: Centralized Services

	FY 1984 Actual	Fiscal 1986			Fiscal 1987			FY 84-86 % Change
		Executive	Current Level	Subcommittee	Executive	Current Level	Subcommittee	
FTE	8.50	12.00	11.00	11.00	12.00	11.00	11.00	29.4
Personal Services	\$245,357	\$318,339	\$294,321	\$319,016	\$319,016	\$295,000	\$295,000	30.0
Operating Expenses	55,365	83,415	63,191	62,995	62,995	44,318	47,406	13.8
Equipment	434	14,992	506	13,876	13,876	-0-	1,500	309.7
Total	<u>\$301,156</u>	<u>\$416,746</u>	<u>\$358,018</u>	<u>\$395,887</u>	<u>\$395,887</u>	<u>\$339,318</u>	<u>\$343,906</u>	<u>31.5</u>
<u>FUNDING</u>								
General Fund	\$212,973	\$307,380	\$249,506	\$289,142	\$289,142	\$229,560	\$235,656	35.8
State Special Revenue	24,713	18,527	29,863	19,487	19,487	30,881	30,468	(21.1)
Federal Special Funds	42,518	55,149	45,099	52,504	52,504	45,323	49,918	23.5
Proprietary and Other	20,952	35,690	33,550	34,754	34,754	33,554	27,864	65.9
Total Funding	<u>\$301,156</u>	<u>\$416,746</u>	<u>\$358,018</u>	<u>\$395,887</u>	<u>\$395,887</u>	<u>\$339,318</u>	<u>\$343,906</u>	<u>31.5</u>

Language in Bill: The appropriations listed under proprietary funds includes \$23,067 in fiscal 1986 and \$21,030 in fiscal 1987 from revenues received under the provisions of Section 80-2-221, MCA, for hail insurance and \$4,101 in fiscal 1986 and \$4,834 in fiscal 1987 from revenue available under Section 80-2-103, MCA, for rural development.

Program Description: Centralized services provides administrative services for the department. This includes the director, deputy director, lawyer, and accounting and clerical staff. Funding is from the various sources of revenue used to finance the programs administered by the department.

Current Level Budget: The FTE increase in this program as a result of departmental reorganization which consolidated word processing and legal functions in centralized services. These increases are matched by reductions in other programs. Vacancy savings is taken at 4 percent in this program. Operating expenses rise as travel funds are increased \$1,834 each year and maintenance cost for word processing equipment is consolidated here. Equipment allowed includes a computer work station each year of the biennium, a microfiche reader, calculator, and secretary chair.

Modified Recommendations: (1) Weed Coordinator. The committee recommends \$31,803 in fiscal 1986 and \$33,071 in fiscal 1987 from the general fund for a weed coordinator. This coordinator is to work with counties, state agencies and the public to organize weed control efforts.

(2) Trade Teams. The committee recommends \$5,000 per year of federal and other special revenue authority be given to allow the department to receive and expend contributions received for the expenses of foreign trade teams that occasionally visit the state.

(3) Market Improvement. The committee recommends \$64,100 of federal authority be granted to expend a U.S. Department of Agriculture grant for market improvement. The initial award was for \$129,800. Part will be expended in fiscal 1985 through budget amendment, but \$64,100 will be carried over for expenditure in fiscal 1986.

(4) Image of Agriculture. The committee recommends \$15,000 of federal funds in fiscal 1986 for the Image of Agriculture Program. This program, funded by a grant from the state of Minnesota, is to conduct a public awareness program on the impacts of agriculture on the American economy. The initial grant was \$25,000, \$10,000 of which will be spent through budget amendment in fiscal 1985.

SUBCOMMITTEE ACTION

Agency: Department of Agriculture

Program: Hail Insurance

	FY 1984	Fiscal 1986				Fiscal 1987				FY 84-86
	Actual	Executive	Current Level	Subcommittee	Executive	Current Level	Subcommittee	Executive	Current Level	% Change
FTE	6.05	6.05	6.05	6.05	6.05	6.05	6.05	6.05	6.05	0.00
Personal Services	\$102,986	\$116,134	\$115,598	\$116,134	\$116,208	\$115,672	\$116,208	\$116,208	\$116,208	12.8
Operating Expenses	41,182	46,053	44,125	45,654	46,612	45,123	46,394	46,394	46,394	10.9
Equipment	5,323	2,000	2,000	2,000	3,000	3,000	3,000	3,000	3,000	(62.4)
Total	\$149,491	\$164,187	\$161,723	\$163,788	\$165,820	\$163,795	\$165,602	\$165,602	\$165,602	9.6
<u>FUNDING</u>										
Proprietary	\$149,491	\$164,187	\$161,723	\$163,788	\$165,820	\$163,795	\$165,602	\$165,602	\$165,602	9.6

Language in Bill: The appropriations listed under proprietary fund columns are expendable trust funds generated under the provision of Section 80-2-221, MCA for hail insurance.

Program Description: The Hail Insurance Program provides for the administration of the state's crop hail insurance. The administrative expenses are listed in the budget, while the insurance awards do not require appropriation and are not listed. In fiscal 1984, the program provided insurance on 1,206,835 acres and paid losses of \$369,708.

Current Level Budget: The major expenses of hail insurance administration are the part-time adjuster salaries and travel expenses. There are three full-time employees and 3.05 FTE part-time adjusters which involve 12 individuals working the hail season. No vacancy savings is applied in the program. Equipment allowed includes a computer work station and a printer.

Modified Recommendations: (1) Hail Adjuster. The committee recommends the addition of .25 FTE hail adjuster and related travel expenses. This costs \$5,117 in fiscal 1986 and \$5,118 in fiscal 1987 from hail insurance funds. This position will only be implemented if hail damage incidence justifies.

SUBCOMMITTEE ACTION

Agency: Department of Agriculture

Program: Wheat Research and Marketing

	FY 1984 Actual	Fiscal 1986		Fiscal 1987		FY 84-86 % Change	
	Executive	Current Level	Subcommittee	Executive	Current Level	Subcommittee	
FTE	3.12	3.12	3.12	3.12	3.12	3.12	0.00
Personal Services	\$ 91,069	\$ 91,191	\$ 97,131	\$ 99,718	\$ 91,229	\$ 97,168	6.7
Operating Expenses	132,249	168,387	170,469	173,260	173,072	173,260	28.9
Equipment	12,682	250	250	---	---	-0-	(98.0)
Non-Operating Expenses	925,599	1,019,000	750,000	1,019,000	1,019,000	750,000	(19.0)
Total	\$1,161,599	\$1,278,828	\$1,017,850	\$1,291,978	\$1,283,301	\$1,020,428	(12.4)

FUNDING

Federal Revenue	\$1,161,599	\$1,278,828	\$1,017,850	\$1,291,978	\$1,283,301	\$1,020,428	(12.4)
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Program Description: The Wheat Research and Marketing Committee uses assessments against wheat and barley to fund research, promotional activities, and education relating to these crops.

Current Level Budget: The budget includes \$30,000 per year for leased lines, an increase of \$13,000 over the fiscal 1984 level, for expansion of news services. Per diem for increased meetings of the Wheat Research and Marketing committee is allowed as well as an increase in-state travel for these meetings. The total allowed for travel is \$48,500 per year. Consultant contracts are increased \$2,264 to monitor freight rates and provide rail cost data. No vacancy savings is applied in this program due to the small size of the staff. The level of grants is reduced in anticipation of lower revenues.

SUBCOMMITTEE ACTION

Agency: Department of Agriculture

Program: Environmental Management

	FY 1984 Actual	Fiscal 1986			Fiscal 1987			FY 84-86 % Change
		Executive	Current Level	Subcommittee	Executive	Current Level	Subcommittee	
FTE	32.51	32.51	30.01	32.51	32.51	30.01	28.01	(13.8)
Personal Services	\$ 723,068	\$ 767,425	\$ 712,669	\$673,687	\$ 768,993	\$ 714,260	\$675,263	(6.8)
Operating Expenses	266,276	326,734	276,898	240,757	334,266	282,638	247,629	(9.6)
Equipment	62,323	220,986	123,640	66,924	69,280	94,794	38,094	7.4
Total	<u>\$1,051,667</u>	<u>\$1,315,145</u>	<u>\$1,113,207</u>	<u>\$981,368</u>	<u>\$1,172,539</u>	<u>\$1,091,692</u>	<u>\$960,986</u>	<u>(6.7)</u>
<u>FUNDING</u>								
General Fund	\$ 758,380	\$ 860,570	\$ 720,663	\$712,396	\$ 756,898	\$ 731,949	\$693,461	(6.1)
State Special Revenue	103,199	174,373	174,373	150,801	141,572	141,572	149,354	46.1
Federal Special	190,088	280,202	218,171	118,171	274,069	218,171	118,171	37.8
Total Funding	<u>\$1,051,667</u>	<u>\$1,315,145</u>	<u>\$1,113,207</u>	<u>\$981,368</u>	<u>\$1,172,539</u>	<u>\$1,091,692</u>	<u>\$960,986</u>	<u>(6.7)</u>

Program Description: The Environmental Management Program administers the Montana Pesticides Act, the Noxious Plant Management Assistance Act, and the Insect Surveillance and Detection Act. It also administers the state's Rodent Control Program. The program includes funding for the state, pesticides and feed and fertilizer laboratory, the pesticide field enforcement staff, and other technical and administrative staff. Funding, which prior to fiscal 1983 came primarily from the federal Environmental Protection Agency, has been largely shifted to the state general fund as EPA has reduced its level of assistance to \$109,671 per year.

Current Level Budget: As a result of departmental consolidation of word processing and legal functions in centralized services, 1.25 FTE were transferred out. The committee eliminated 2 FTE, an entomologist and a laboratory technician, as the decline in federal funds had placed the burden on the state general fund. Operating expenses of \$5,500 relating to the transferred and eliminated positions were reduced in the budget. Vacancy savings is applied at 4 percent. The committee partially funded the laboratory equipment replacement schedule with the expectation that funds from modifieds and potential budget amendments would provide the remaining funds.

Modified Recommendations: (1) Pesticide Training Fees. The committee recommends \$14,666 in fiscal 1986 and \$14,930 in fiscal 1987 of pesticide training fees be appropriated to cover the costs of such training. The training is provided to dealers and applicators of pesticides in order to license and certify these individuals.

(2) EPA Samples. The committee recommends \$76,986 in fiscal 1986 and \$100,589 in fiscal 1987 of federal EPA funds be appropriated for laboratory expenses required to process toxic samples.

(3) Tribal Pesticide Training. The committee recommends \$2,500 and \$4,000 in fiscal 1986 and 1987, respectively, to provide pesticide enforcement training to tribal enforcement personnel. The funds will be federal EPA money received through the Indian tribes.

SUBCOMMITTEE ACTION

Agency: Department of Agriculture

Program: Agriculture Development

FY 1984 Actual	Fiscal 1986			Fiscal 1987			FY 84-86 % Change
	Executive	Current Level	Subcommittee	Executive	Current Level	Subcommittee	
FTE	9.25	9.0	9.00	9.0	9.0	9.00	(2.7)
Personal Services	\$170,141	\$239,755	\$219,881	\$239,952	\$214,985	\$220,070	29.2
Operating Expenses	50,734	140,438	99,068	141,417	119,203	112,441	95.3
Equipment	4,408	2,867	2,107	648	398	398	(52.2)
Non-Operating Expenses	13,232	16,000	16,000	16,000	16,000	16,000	20.9
Total	\$238,515	\$399,060	\$337,056	\$398,017	\$350,586	\$348,909	41.3

FUNDING

General Fund	\$ 87,213	\$102,506	\$ 96,208	\$102,437	\$ 77,662	\$102,655	10.3
State Special Revenue	7,601	37,054	37,054	37,633	37,460	37,633	387.5
Federal Special	36,176	37,895	37,895	38,455	38,455	38,455	4.8
Proprietary and Other	107,525	221,605	165,899	219,492	197,009	170,166	54.3
Total Funding	\$238,515	\$399,060	\$337,056	\$398,017	\$350,586	\$348,909	41.3

Language in Bill: The appropriation listed under proprietary funds include \$65,899 in fiscal 1986 and \$65,166 in fiscal 1987 from expendable trust fund revenues available from Section 80-2-103, MCA.

The general fund loan authorized for the establishment of the Beginning Farm Loan Program in HB 447 of the 48th Legislature is extended until June 30, 1987.

Program Description: This program provides funding for the Beginning Farm Loan Program, crop and livestock statistical reporting, market research and assistance for Montana agricultural products, the Alfalfa Seed Program, and the Rural Development Program. The Beginning Farm Loan Program is funded from loan fees and a general fund loan for start-up. The following table shows the funding for the various parts of the program.

Agriculture Development Funding

Program	Fiscal 1986	Fiscal 1987	Source
Beginning Farm Loan Program	\$100,000	\$105,000	Loan Fees
Crop and Livestock and Marketing	134,103	141,110	General Fund, Wheat Research and Marketing and Federal Funds
Rural Development	65,899	65,166	Expendable Trust Fund
Alfalfa Seed	37,054	37,633	Assessments on seed sales

Current Level Budget: The large growth shown in this budget results as the alfalfa seed and Beginning Farm Loan program were starting in fiscal 1984; delays in hiring and getting work up to a normal schedule caused expenditures to be abnormally low. The current level budget shows a reduction of .25 FTE moved to centralized services as part of the consolidation of legal and word processing staff. No vacancy savings is applied to this program.

The committee recommends the general fund loan for the Beginning Farm Loan Program be extended until June 30, 1987 as federal legislation delayed the start of the program until the middle of fiscal 1985. The late start has not allowed the program to generate the revenues needed for self-support or to pay back the loan.

SUBCOMMITTEE ACTION

Agency: Department of Agriculture

Program: Plant Industry

	FY 1984 Actual	Fiscal 1986			Fiscal 1987			FY 84-86 % Change
		Executive	Current Level	Subcommittee	Executive	Current Level	Subcommittee	
FTE	37.56	28.89	28.56	28.56	28.89	28.56	28.56	(24.0)
Personal Services	\$670,383	\$671,515	\$660,434	\$666,407	\$672,213	\$661,141	\$666,936	(.6)
Operating Expenses	140,574	157,612	145,320	144,224	159,314	148,635	146,312	2.6
Equipment	715	30,906	19,579	12,769	40,155	39,438	30,152	1,685.9
Total	\$811,672	\$860,033	\$825,333	\$823,400	\$871,682	\$849,214	\$843,400	1.4
<u>FUNDING</u>								
General Fund	\$455,641	\$452,716	\$433,928	\$432,596	\$451,705	\$445,127	\$440,484	(5.1)
State Special Revenue	332,095	339,830	340,024	338,242	350,284	350,512	348,377	1.9
Federal Special Funds	1,000	23,466	7,360	8,667	23,478	7,360	8,667	766.7
Proprietary	22,936	44,021	44,021	43,895	46,215	46,215	45,872	91.4
Total Funding	\$811,672	\$860,033	\$825,333	\$823,400	\$871,682	\$849,214	\$843,400	1.4

Program Description: This program includes funding for the Alfalfa Leafcutter Bee Program, the state grain laboratory, located at Great Falls, and state programs for enforcement of regulatory laws controlling marketing, production and manufacturing of agricultural commodities. The grain lab and leafcutter bee sections are fully funded from fees and assessments.

Current Level Budget: The budget reflects a reduction of .9 FTE as one FTE was transferred out as part of the consolidation of word processing in centralized services and 8 FTE in the state grain laboratory were eliminated. The department reduced the employees at the grain laboratory because use of the lab and subsequently the fees upon which it operates have dropped off significantly. Vacancy savings is taken at 4 percent in this program. Equipment allowed includes a van for the grain lab in fiscal 1986, a computer work station, some office furniture, two replacement vehicles in fiscal 1987 and an infrared protein analyzer.

Modified Recommendations: (1) Feed Contaminants. The committee recommends \$16,106 and \$16,118 of federal funds in fiscal 1986 and 1987, respectively to analyze animal feeds for the presence of pesticides and PCB's.

SUBCOMMITTEE ACTION

Agency: Department of State Lands

Program: Agency Summary

	FY 1984 Actual	Fiscal 1986			Fiscal 1987			FY 84-86 % Change
		Executive	Current Level	Subcommittee	Executive	Current Level	Subcommittee	
FTE	260.35	306.33	266.43	266.43	317.86	266.43	266.43	2.3
Personal Services	\$ 5,917,006	\$ 7,143,384	\$ 6,318,668	\$ 6,322,295	\$ 7,390,641	\$ 6,332,168	\$ 6,345,364	7.0
Operating Expenses	4,599,646	5,767,428	4,580,946	5,116,935	5,595,585	4,512,834	4,978,107	11.2
Equipment	500,231	904,287	532,146	448,580	572,953	550,048	422,398	10.3
Non-Operating	3,558,715	6,693,771	6,658,769	6,668,769	7,280,176	7,245,176	7,255,176	87.4
Total Exp.	\$14,575,598	\$20,508,870	\$18,090,529	\$18,566,579	\$20,839,355	\$18,640,226	\$19,001,045	27.4
FUNDING								
General Fund	\$ 5,033,534	\$ 7,338,817	\$ 6,369,529	\$ 6,373,344	\$ 7,234,818	\$ 6,451,403	\$ 6,346,495	26.6
State Special Rev.	2,742,560	3,505,565	2,447,132	2,950,462	3,471,824	2,427,552	2,890,497	7.6
Federal Revenue	6,696,949	9,506,668	9,131,548	9,088,516	9,943,693	9,587,751	9,578,175	35.4
Proprietary and Other	102,555	157,820	142,320	154,257	189,020	173,520	185,878	50.4
Total Funding	\$14,575,598	\$20,508,870	\$18,090,529	\$18,566,579	\$20,839,355	\$18,640,226	\$19,001,045	27.4

The Department of State Lands administers lands owned and held in trust by the state of Montana. The primary purpose of the department is to secure the highest reasonable return from the lands it manages. In addition, the department has responsibility for fire protection on state and private lands and administers strip, underground, open-cut and hard rock mining permits. The department administers the federal abandoned mine reclamation program.

The large increase in general fund to support the department results as Resource Indemnity Trust (RIT) interest funds used in the 1985 biennium to support operating expenses are replaced with general fund. The use of RIT funds for operational expense was prohibited in HB447 of the 1983 legislature. In fiscal 1984, \$1,173,543 of RIT funds were expended. Adjusting for the replacement of RIT funds, the 1984-86 general fund increase is only 2.7 percent.

The increase is non-operating expenses is primarily the result of an anticipated higher level of abandoned mine reclamations. These are funded from federal sources.

Agency: Department of State Lands

Program: Central Management

FY 1984 Actual	Fiscal 1986			Fiscal 1987			FY 84-86 % Change
	Executive	Current Level	Subcommittee	Executive	Current Level	Subcommittee	
FTE	19.00	18.00	18.00	18.00	17.00	17.00	(10.5)
Personal Services	\$ 515,736	\$ 503,530	\$ 487,661	\$ 504,832	\$ 479,219	\$ 488,953	(7.4)
Operating Expenses	274,435	360,224	801,541	810,665	369,029	776,605	192.1
Equipment	17,833	45,000	45,000	16,000	-0-	16,000	152.3
Non-Operating	255,000	265,000	265,000	265,000	255,000	265,000	3.9
Total Exp.	\$1,063,004	\$1,661,731	\$1,599,202	\$1,596,497	\$1,103,248	\$1,546,558	50.4

FUNDING

General Fund	\$ 844,462	\$ 881,556	\$ 814,788	\$ 846,857	\$ 809,728	\$ 791,134	(3.5)
State Special Rev.	-0-	472,355	460,157	410,620	-0-	399,546	--
Federal Revenue	115,987	150,000	170,000	150,000	120,000	170,000	29.3
Proprietary	102,555	157,820	154,257	189,020	173,520	185,878	50.4
Total Funding	\$1,063,004	\$1,661,731	\$1,599,202	\$1,596,497	\$1,103,248	\$1,546,558	50.4

Program Description: Central Management provides administrative services to the department including accounting, payroll, budgeting, and systems development. It maintains the department's aircraft unit. Funding for administrative functions is a mixture of general fund and federal administrative charges. Proprietary funds provided for part of the expenses of the aircraft unit. The proprietary funds are derived from hourly charges for aircraft usage. State special revenues from the resource development account are used to fund most of the data processing enhancement.

Current Level Budget: The budget includes \$872,589 for development of expended data processing capability. The expansion is funded from the 2.5 percent assessment on income from lands managed by the department. The data processing expansion provides \$61,000 for equipment, \$484,885 for contracted systems development, \$301,136 for computer processing, \$21,150 for microfilming, and \$4,418 for data processing supplies.

The budget proves \$69,400 per year for airplane gasoline; \$34,000 was spent on gasoline in fiscal 1984 for airplane gasoline. The department's aircraft unit operates on \$340,135 of proprietary funds in the biennium. This excludes the pilot's salary which is entirely general fund.

Two FTE are transferred to other divisions of the department causing the reduction in personal services. These positions had been funded from the general fund and will continue to be so in their new assignment. Vacancy savings of 4 percent is taken. The budget increases \$10,000 per year, the amount for equalization payments to counties with in excess of 6 percent of their land state owned.

Modified Recommendations: (1) Trust Proofing. The committee recommends to hire an abstractor to review the department's trust land deeds at a cost of \$10,400 general fund in fiscal 1986. This will determine the extent of right-of-ways and easements on state lands and consolidate existing records.

(2) Pilot. The committee recommends to add a pilot transferred from the Department of Natural Resources. This will cost \$25,869 in fiscal 1986 and \$25,879 in fiscal 1987 from the general fund.

SUBCOMMITTEE ACTION

Agency: Department of State Lands

Program: Reclamation

	FY 1984 Actual	Fiscal 1986			Fiscal 1987			FY 84-86 % Change
		Executive	Current Level	Subcommittee	Executive	Current Level	Subcommittee	
FTE	42.00	45.00	42.00	42.00	45.00	42.00	42.00	0.00
Personal Services	\$ 976,326	\$1,185,515	\$1,106,063	\$1,112,173	\$1,188,110	\$1,108,763	\$1,114,736	13.9
Operating Expenses	2,153,146	2,141,640	2,026,694	2,092,090	2,034,672	1,945,481	2,012,153	(2.7)
Equipment	26,768	91,552	23,687	38,122	33,667	24,447	33,667	42.4
Non-Operating	2,998,477	5,756,184	5,756,184	5,756,184	6,273,359	6,273,359	6,273,359	92.0
Total Exp.	\$6,154,717	\$9,174,891	\$8,912,628	\$8,998,569	\$9,529,808	\$9,352,050	\$9,433,915	46.2

FUNDING

General Fund	\$ -0-	\$ 676,769	\$ 418,392	\$ 622,355	\$ 616,624	\$ 442,207	\$ 601,612	--
State Special Rev.	792,930	816,596	844,036	815,652	772,722	795,109	768,346	2.9
Federal Revenue	5,361,787	7,681,526	7,650,200	7,560,562	8,140,462	8,114,734	8,063,957	41.0
Total Funding	\$6,154,717	\$9,174,891	\$8,912,628	\$8,998,569	\$9,529,808	\$9,352,050	\$9,433,915	46.2

Program Description: The Reclamation Program consists of the Hardrock, Open cut and Strip Mining Bureaus which are financed from the general fund and administers this state's Strip and Underground Mine Reclamation Act, Open Cut Mining Act, and Strip and Underground Mine Siting Act. Federal funds are used for the federal abandoned mine reclamation program. State special revenues are used in fiscal 1986 and 1987 for the Environmental Analysis Bureau.

In fiscal 1984, \$424,793 of Resource Indemnity Trust Interest (RIT) funds were used in the program; however, House Bill 447 of the 48th legislature required that RIT funds not be used for agency operating expenses. The general fund replaces the RIT funds in this budget.

Current Level Budget: Current employees are maintained with a 4 percent vacancy savings allowance. One current level secretarial position is upgraded to reclamation specialist. Consultant contracts of \$3.03 million are allowed in the biennium. This includes: \$1.74 million for federal abandoned mine reclamation projects, \$902,400 for environmental impact statements funded from fees, and \$48,000 for reclamation research on hardrock mines funded from hardrock reclamation funds. The budget allows \$39,300 for printing rule changes required by the federal Office of Surface Mining in fiscal 1986. Aircraft rental is increased \$13,000 per year for increased aerial inspection of small mines. Travel funds are increased \$9,000 in fiscal 1987. General fund of \$58,670 is added in the biennium for anticipated legal fees and court costs relating to controversial mining permits. Equipment amounts allow for replacement of six vehicles, two typewriters, desk, chairs and file cabinets. The non-operating expenses represent federal funds used for abandoned mine reclamation.

Modified Recommendations: (1) Attorney--The committee recommends to add one attorney to handle additional workload resulting from mining permit litigation. This requires \$27,700 in fiscal 1986, \$27,690 in fiscal 1987. Twenty percent is financed from general funds and 80 percent from federal funds.

SUBCOMMITTEE ACTION

Agency: Department of State Lands

Program: Land Administration

	FY 1984 Actual	Executive	Fiscal 1986 Current Level	Subcommittee	Executive	Fiscal 1987 Current Level	Subcommittee	FY 84-86 % Change
FTE	14.62	23.62	15.62	15.62	23.62	15.62	15.62	6.8
Personal Services	\$317,565	\$517,669	\$351,625	\$351,513	\$518,264	\$352,162	\$352,037	10.7
Operating Expenses	66,528	136,736	78,468	73,737	132,732	77,693	70,767	10.8
Equipment	-0-	81,917	2,197	20,000	42,800	---	10,000	--
Total Exp.	\$384,093	\$736,322	\$432,290	\$445,250	\$693,796	\$429,855	\$432,804	15.9

FUNDING

General Fund	\$297,619	\$736,322	\$432,290	\$445,250	\$693,796	\$429,855	\$432,804	49.6
State Special Rev.	86,474	-0-	-0-	-0-	-0-	-0-	-0-	(100.0)
Total Funding	\$384,093	\$736,322	\$432,290	\$445,250	\$693,796	\$429,855	\$432,804	15.9

Program Description: This program provides for the supervision, management, and development of the state's non-forest trust lands. These lands represent 4.5 million acres of surface leases and 6.2 million acres of mineral leases. In fiscal 1984, \$86,474 of Resource Indemnity Trust (RIT) interest funds were used in this program. It is replaced with general fund in the budget as House Bill 447 requires RIT funds no longer be used for agency operations.

Current Level Budget: An FTE is transferred to this program from central management, increasing personal services costs. Vacancy savings is taken at 4 percent. The equipment amount allows the purchase of three replacement vehicles. The budget includes an additional \$2,000 per year for helicopter use in remote area land inspections.

Modified Recommendations: (1) Land Use Specialists. The committee recommends adding three land use specialists to investigate and follow-up on land abuse, poor farming or grazing practices, and failures to accurately report income from state lands. This would cost \$111,313 in fiscal 1986 and \$76,485 in fiscal 1987 from the general fund. It would be offset by increased land transaction fees which are deposited in the general fund. The addition of these specialists, the department believes, will increase revenue from state lands by more than the additional cost. The committee recommends language be inserted with this modified requiring an increase in transaction fees to cover the cost.

SUBCOMMITTEE ACTION

Agency: Department of State Lands

Program: Resource Development

FY 1984 Actual	Fiscal 1986			Fiscal 1987			FY 84-86 % Change
	Executive	Subcommittee	Current Level	Executive	Subcommittee	Current Level	
FTE	7.00	7.00	7.00	7.00	7.00	7.00	---
Personal Services	\$137,805		\$169,548	\$176,638		\$169,618	23.0
Operating Expenses	54,459	39,756	40,183	40,136		40,136	(27.0)
Equipment	1,596	-0-	-0-	-0-		---	---
Non-Operating	259,956	647,587	647,585	716,817		716,817	149.1
Total Exp.	\$453,816	\$863,908	\$857,316	\$933,591		\$926,571	88.8

FUNDING

State Special Rev.	\$453,816	\$863,908	\$857,316	\$933,591	\$926,571	88.8
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Program Description: Land development projects including irrigation, range renovation, stockwater, and golf courses are undertaken by this program to increase revenue from state lands and improve and preserve the value of the land. The program is funded by an assessment of up to 2.5 percent of the income from state lands.

Current Level Budget: The committee's recommendations include \$1,364,402 for land development projects in the 1987 biennium. The projects funded are listed below. The major operating expense for this program is travel with over one-half being applied for travel expenses. Vacancy savings is taken at 4 percent in this program.

Fiscal Year 1986

Fiscal Year 1987

Stockwater Projects	\$ 45,000	Stockwater Projects	\$ 65,000
Irrigation Projects	111,654	Irrigation Projects	156,316
Range Renovation	39,228	Range Renovation	117,686
Saline Seep	13,203	Saline Seep	52,815
Commercial Projects	413,500	Commercial Projects	150,000
		Weed Control	50,000
		Bridges on Forest Lands	100,000
Title Perfection, Island Surveys		Title Perfection, Island Surveys,	
Navigability Studies	25,000	Navigability Studies	25,000
Total	\$647,585	Total	\$716,817

SUBCOMMITTEE ACTION

Agency: Department of State Lands

Program: Forestry

FY 1984 Actual	Fiscal 1986		Executive	Subcommittee		Executive	Fiscal 1987		Subcommittee	FY 84-86 % Change
	Current Level	Subcommittee		Current Level	Subcommittee					
FTE	177.73	212.71	184.81	224.24	184.81	184.81	4.0			
Personal Services	\$3,969,574	\$4,760,105	\$4,213,537	\$5,002,797	\$4,222,406	\$4,220,020	6.1			
Operating Expenses	2,051,078	2,601,095	2,109,811	2,577,380	2,078,902	2,078,446	2.9			
Equipment	454,034	685,818	345,458	480,486	525,601	362,731	(23.9)			
Non-Operating Exp.	45,282	25,000	---	25,000	---	---				
Total Exp.	\$6,519,968	\$8,072,018	\$6,666,669	\$8,085,663	\$6,826,909	\$6,661,197	2.3			

FUNDING

General Fund	\$3,891,453	\$5,044,170	\$4,682,387	\$5,077,541	\$4,769,613	\$4,520,945	15.4
State Special Rev.	1,409,340	1,352,706	745,780	1,354,891	704,279	796,034	(42.0)
Federal Revenue	1,219,175	1,675,142	1,361,348	1,653,231	1,353,017	1,344,218	11.4
Total Funding	\$6,519,968	\$8,072,018	\$6,789,515	\$8,085,663	\$6,826,909	\$6,661,197	2.3

Language in Bill: The appropriation contains \$2,539,819 in fiscal 1986 and \$2,534,602 in fiscal 1987 for fire protection.

Program Description: The forestry program funds the management of state lands classified as forest land encompassing such activities as timber sales, brush removal, and replanting. This program provides for assistance to private foresters, loggers, and wood processors and maintains the state forest tree seedling nursery. It provides for fire protection on state and private lands in Montana. Fees are assessed for fire protection, timber stand improvement, and brush and slash removal. In fiscal 1984 \$662,276 of resource indemnity trust (RIT) interest funds had been used in this program. As a result of language contained in HB 447, these funds are no longer available to fund operating expenses and are replaced with general funds.

Current Level Budget: Personal services and FTE increase as one FTE is transferred from the Central Management Program and employees authorized by the 1983 legislature for fire protection on the Libby Block are added. Vacancy savings is applied at 4 percent. Funds are added for increased forest thinning contracts of \$30,991 in the biennium, contract slash and brush removal of \$24,000 in the biennium, equipment contracts for \$18,916 in the biennium, and tree planting for \$30,710 in the biennium. The committee added \$14,000 of supplies to start a second crop at the greenhouse. An additional \$18,500 was provided each year for aircraft rent for fire protection on the Libby Block. Equipment is funded at the fiscal 1984 level after adjusting for start-up equipment purchased for the Libby Block.

Modified Recommendations: NOTE: The first three modifieds are related to expanding the timber harvest on state lands by 18 million board feet per year. You may want to consider them as a group.

Expanded Timber Harvest Modifieds

Modified	General Fund	Other Funds	Total
1	\$ -0-	\$551,118	\$ 551,118
2	625,625	-0-	625,625
3	129,017	396,000	525,017
Total	<u>\$754,642</u>	<u>\$947,118</u>	<u>\$1,701,760</u>

(1) Expanded Brush Program: The committee recommends \$267,472 and \$283,646 in fiscal 1986 and 1987, respectively, for expansion of brush removal relating to an increase in the annual timber harvest of 18 million board feet. This would add 4 FTE. It is funded by \$198,000 per year received from an \$11 per thousand board feet assessment on the additional 18 million board feet harvested and cash balances in the brush account.

(2) Expanded Timber Sales: The committee recommends \$308,496 in fiscal 1986 and \$317,129 in fiscal 1987 general fund to prepare and sell an additional 18 million board feet of timber on state lands. To accomplish this, 7.92 FTE in fiscal 1986 and 9.5 FTE in fiscal 1987 are added. Income from the sales will accrue to the public school funds. The department estimates the expanded harvest will yield \$1.3 million per year.

(3) Expanded Timber Stand Improvement: The committee recommends \$248,758 and \$276,259 in fiscal 1986 and 1987, respectively, for expanded timber stand improvement program. This will add 1.75 FTE in fiscal 1986 and 3.50 FTE in fiscal 1987. It would be funded by \$198,000 per year received from an assessment of \$11 per thousand board feet on the 18 million board feet of timber harvest. The remainder of \$50,758 in fiscal 1986 and \$78,259 in fiscal 1987 is from the general fund.

(4) Forest Economist: The committee recommends the addition of 1 FTE forest economist with federal funds. The cost of this is \$29,215 in fiscal 1986 and \$30,374 in fiscal 1987. This position aids in the preparation of cost-benefit analysis of department projects.

(5) Improved Nursery Production: The committee recommends \$31,696 in fiscal 1986 and \$31,707 in fiscal 1987 to improve production at the tree seedling nursery. Funds would be \$18,000 federal with the remainder from nursery sales.

(6) White Sulphur Springs Block: The committee recommends \$197,299 and \$182,560 in fiscal 1986 and 1987, respectively, to provide fire protection on the White Sulphur Springs Block of forest lands. One-third of this would be funded by fire protection assessments with the remainder general fund. This is part of a program to provide direct state fire protection on more lands rather than purchasing the fire protection from the federal government.

(7) County Cooperative Fire Program: The committee recommends adding eleven counties to the county cooperative fire program at a cost of \$275,000 per year. Two-thirds of this will be supported by general fund.

(8) Knapweed Research: The committee recommends \$43,000 in fiscal 1986 and \$42,000 in fiscal 1987 of federal funds for knapweed research. The funds will be regrant to the University of Montana.

SUBCOMMITTEE ACTION

Agency: Department of Fish, Wildlife and Parks

Program: Agency Summary

	FY 1984 Actual	Fiscal 1986				Fiscal 1987				FY 84-86 % Change	
		Executive	Subcommittee	Executive	Current Level	Executive	Current Level	Subcommittee	Current Level	Subcommittee	% Change
FTE	511.29	495.85	459.47	496.73	459.47	496.73	459.47	459.47	459.47	459.47	(10.1)
Personal Services	\$12,250,852	\$12,664,086	\$11,950,744	\$12,701,195	\$11,961,756	\$12,701,195	\$11,961,756	\$11,970,926	\$11,970,926	\$11,970,926	(2.4)
Operating Expenses	7,449,499	8,493,825	7,375,005	8,506,531	7,142,363	8,506,531	7,142,363	7,116,377	7,116,377	7,116,377	(1.0)
Equipment	1,141,021	1,558,023	1,153,384	1,248,662	730,277	1,248,662	730,277	1,061,914	1,061,914	1,061,914	1.1
Non-Operating	1,425,083	4,012,848	3,416,082	3,587,373	3,299,009	3,587,373	3,299,009	3,324,009	3,324,009	3,324,009	139.7
Total Exp.	\$22,266,455	\$26,728,782	\$23,895,215	\$26,043,761	\$23,133,405	\$26,043,761	\$23,133,405	\$23,473,226	\$23,473,226	\$23,473,226	7.3

FUNDING

General Fund	\$ 624,724	\$ 624,730	\$ 512,330	\$ 624,730	\$ 533,553	\$ 624,730	\$ 533,553	\$ 533,553	\$ 533,553	\$ 533,553	(18.0)
State Special Rev.	14,399,260	16,798,697	15,056,266	16,180,659	14,113,843	16,180,659	14,113,843	14,697,495	14,697,495	14,697,495	4.6
Federal Revenue	5,308,088	7,066,167	6,534,220	6,946,754	6,756,700	6,946,754	6,756,700	6,428,413	6,428,413	6,428,413	23.1
Proprietary	1,934,383	2,239,188	1,792,399	2,291,618	1,729,309	2,291,618	1,729,309	1,813,765	1,813,765	1,813,765	(7.3)
Total Funding	\$22,266,455	\$26,728,782	\$23,895,215	\$26,043,761	\$23,133,405	\$26,043,761	\$23,133,405	\$23,473,226	\$23,473,226	\$23,473,226	7.3

The Department of Fish, Wildlife and Parks is responsible for the preservation and protection of all forms of Montana's wildlife, their habitat, and the natural and cultural resources of aesthetic, scenic, historic, scientific, and archaeological significance.

The department consists of eight divisions: Centralized Services, Field Services, Fisheries, Law Enforcement, Wildlife, Parks and Recreation, Conservation Education, and Administration. The previous Ecological Services Division was eliminated under the department's reorganization. The responsibilities of the Ecological Services Division were transferred to the Fisheries, Wildlife, Administration, and Field Services Division. The Field Services Division is a newly created division which includes the field activities of the seven regional headquarters, department personnel functions, game damage activities, aircraft, and private land owner relations.

The department is supported by a variety of revenues, the largest of which is the general hunting and fishing licenses. The following table lists revenue applied in the fiscal 1986 and 1987 current level budget approved by the committee.

Department of Fish, Wildlife and Parks Revenue

	Fiscal 1986	Fiscal 1987
<u>Funding Source</u>		
General Fund	\$ 512,330	\$ 533,553
Non-Game Wildlife	45,000	45,000
Snowmobile Fuel Tax	239,202	238,164
Coal Tax Trust Earnings	359,209	389,250
General License	12,910,371	12,446,194
State Parks Income	436,358	440,358
Motor Boat Fuel Tax	618,249	685,314
Motor Boat ID	42,361	44,400
Snowmobile Registration	37,748	37,748
Fishing Access Site Acquisition	77,768	81,067
Warden's Retirement--Fines	290,000	290,000
Federal	6,534,220	6,428,413
Print Shop--Proprietary	138,456	134,877
Equipment--Proprietary	1,270,940	1,308,757
Warehouse--Proprietary	226,983	227,162
Capitol Grounds--Proprietary	156,020	142,969
Total	<u>\$23,895,215</u>	<u>\$23,473,226</u>

The committee includes appropriation authority for federal and private grants that currently are undetermined. This authority will allow the agency to receive and expend the funds without a budget amendment. In order to maintain legislative oversight on this authority, the committee recommends the following language be inserted in the appropriation act.

"The appropriation of legislative contract authority are subject to the following provisions.

1. Legislative contract authority applies only to federal and private funds.
2. Legislative contract authority expenditures must be reported on state accounting records separately from current level operations.
3. A report shall be submitted by the department to the Legislative Fiscal Analyst following the end of fiscal 1986 and following the end of fiscal 1987 which includes the following.
 - a. A description of the additional services provided by each grant of federal or private funds.
 - b. An evaluation of the effectiveness of the additional services relating to each grant."

SUBCOMMITTEE ACTION

Agency: Department of Fish, Wildlife and Parks

Program: Centralized Services

FY 1984 Actual	Fiscal 1986			Fiscal 1987			FY 84-86 % Change
	Executive	Subcommittee	Current Level	Executive	Subcommittee	Current Level	
FTE	42.66	43.52	43.52	46.52	43.52	43.52	2.0
Personal Services	\$ 889,363	\$ 979,256	\$ 978,941	\$1,032,494	\$ 980,292	\$ 980,292	10.2
Operating Expenses	1,983,925	1,973,378	1,993,814	2,078,656	1,966,434	1,966,434	.5
Equipment	587,369	470,607	489,607	659,295	515,795	515,795	(16.6)
Non Operating	-0-	40,000	40,000	176,000	40,000	40,000	---
Total Exp.	\$3,460,657	\$3,463,241	\$3,502,362	\$3,946,445	\$3,502,521	\$3,502,521	1.2

FUNDING

State Special Rev	\$1,491,468	\$1,735,071	\$1,455,070	\$1,572,977	\$1,451,501	\$1,540,128	5.5
Federal Revenue	226,543	293,006	390,792	291,597	390,082	291,597	29.3
Proprietary	1,742,646	1,985,238	1,617,379	2,055,824	1,606,296	1,670,796	(6.1)
Total Funding	\$3,460,657	\$4,013,315	\$3,463,241	\$3,946,445	\$3,447,879	\$3,502,521	1.2

Program Description: This program funds administrative services for the department and manages the vehicle fleet, and equipment and supply warehouses. It also manages the license drawings. Funding is provided by a mixture of license fees, gasoline taxes, coal tax trust revenues, and federal funds. The print shop, warehouse and vehicle fleet are operated as proprietary funds with revenue coming from the programs within the department.

Current Level Budget: Personal services increase as vacancy savings was 6 percent in fiscal 1984. Vacancy savings is taken at 4 percent in the 1987 biennium. The budget includes \$627,369 for commissions for license agents in the biennium which represents a 1.3 percent increase over fiscal 1984. Funds are provided to replace 91 vehicles in the biennium. This is based on the department's policy to replace vehicles at 85,000 miles. Non-operating expenses of \$40,000 per year is authority to expend federal and private funds that may become available and would normally require a budget amendment.

Modified Recommendations:

Description	FTE		Funding	
	Fiscal 1986	Fiscal 1987	Source	Fiscal 1987
1. Special License Drawing Staff	1.00	1.00	General License	\$ 24,039
2. Purchasing Manager	1.00	1.00	General License	5,858
			Coal Tax Trust	5,857
			Snowmobile Fuel	5,857
			Motor Boat Fuel	5,858
3. Vehicles Supplies and Maintenance Relating to Modifieds	-0-	-0-	Equipment Proprietary	128,308
4. Vehicle Supplies and Maintenance Relating to Legislative Contract Authority	-0-	-0-	Equipment Proprietary	135,000
5. Equity Transfer	-0-	-0-	General License	100,000

SUBCOMMITTEE ACTION

Agency: Department of Fish, Wildlife and Parks

Program: Fisheries

FTE	FY 1984 Actual	Fiscal 1986			Executive	Subcommittee	Fiscal 1987		Subcommittee	FY 84-86 % Change
		Executive	Current Level	Subcommittee			Executive	Current Level		
	91.12	99.29	90.79	90.79	99.29	90.79	90.79	90.79	(.4)	
Personal Services	\$2,316,537	\$2,488,404	\$2,315,075	\$2,313,374	\$2,492,430	\$2,319,136	\$2,317,329	\$2,317,329	(.1)	
Operating Expenses	1,029,518	1,197,907	986,914	1,037,420	1,188,660	1,020,936	999,633	999,633	.8	
Equipment	73,688	130,150	58,350	109,150	98,730	31,355	83,730	83,730	48.1	
Non-Operating	5,000	1,266,500	1,266,500	1,266,500	1,217,000	1,217,000	1,217,000	1,217,000	---	
Total Exp.	\$3,424,743	\$5,082,961	\$4,626,839	\$4,726,444	\$4,996,820	\$4,588,427	\$4,617,692	\$4,617,692	38.0	

FUNDING

State Special Rev	\$3,111,872	\$2,782,128	\$2,584,184	\$2,683,789	\$2,782,640	\$2,609,942	\$2,639,207	(13.8)
Federal Revenue	312,871	2,300,833	2,042,655	2,042,655	2,214,180	1,978,485	1,978,485	552.9
Total Funding	\$3,424,743	\$5,082,961	\$4,626,839	\$4,726,444	\$4,996,820	\$4,588,427	\$4,617,692	38.0

Program Description: This program provides funds to manage Montana's fishing resources to provide optimum sport fishing. This includes operation of hatcheries, fishing habitat improvement, and research.

Current Level Budget: The budget applies vacancy savings at a rate of 4 percent. Major operating expenses of this program are travel at \$291,000 per year, fish food at \$110,000 per year, and computer processing at \$77,000 per year. The budget includes \$26,000 per year for emergency waterway repairs. The committee authorized printing of a fishing regulation booklet in fiscal 1986. The amount allowed for equipment includes \$35,000 to replace a research boat and \$42,500 for a tractor and forage harvester. The budget includes \$1,247,000 in fiscal 1986 and \$1,201,000 in fiscal 1987 to expend unanticipated federal and private grants.

Modified Recommendations:

Description	FTE		Funding	
	Fiscal 1986	Fiscal 1987	Source	Fiscal 1986 Fiscal 1987
1. Angler Preference Survey	.50	.50	General License	\$18,450 \$20,347
			Federal	55,312 61,004
2. Lower Clark Fork Study	3.00	3.00	General License	23,236 18,271
			Federal	69,709 57,812
3. Warm Water Fish Program	2.00	2.00	General License	12,201 13,271
			Federal	36,603 39,813
4. Painted Rock Water Purchase	-0-	-0-	General License	20,000 20,000
5. Beaverhead National Forest Fish Inventory	1.00	1.00	General License	25,667 25,678

Agency: Department of Fish, Wildlife and Parks

Program: Law Enforcement

FTE	FY 1984 Actual	Fiscal 1986			Fiscal 1987			FY 84-86 % Change
		Executive	Current Level	Subcommittee	Executive	Current Level	Subcommittee	
	88.33	87.83	86.33	86.33	87.83	86.33	86.33	(2.3)
Personal Services	\$2,513,340	\$2,598,169	\$2,544,419	\$2,561,079	\$2,602,673	\$2,548,979	\$2,565,569	1.9
Operating Expenses	706,264	875,597	734,592	759,468	880,939	764,478	764,271	7.5
Equipment	153,497	84,014	67,970	72,825	56,000	44,400	47,900	(52.5)
Non-Operating	272,841	374,000	374,000	374,000	374,000	374,000	374,000	37.1
Total Exp.	\$3,645,942	\$3,931,780	\$3,720,981	\$3,767,372	\$3,913,612	\$3,731,857	\$3,751,740	3.3

FUNDING

State Special Rev	\$3,645,942	\$3,847,780	\$3,636,981	\$3,683,372	\$3,829,612	\$3,647,857	\$3,667,740	1.0
Federal Revenue	-0-	84,000	84,000	84,000	84,000	84,000	84,000	---
Total Funding	\$3,645,942	\$3,931,780	\$3,720,981	\$3,767,372	\$3,913,612	\$3,731,857	\$3,751,740	3.3

Program Description: The law enforcement program is responsible for enforcement of fish and game laws and regulations, administration of special purpose licenses, assisting land owners, alleviating wildlife damage, and conservation officer training.

Current Level Budget: One position authorized in the previous session for a Colstrip warden is taken out of current level as Coal Board funding was not received. This position is presented as a modified. Vacancy savings is anticipated at 4 percent in this program. The major operating expense in the program is the cost of warden travel at \$493,000 per year. This budget includes the addition of \$9,938 in the biennium to establish a physical fitness program for the wardens. The elimination of mandatory retirement makes it desirable to implement such a program. The budget includes \$20,000 per year for relocation of employees. Equipment includes \$21,170 for sirens and light bars for enforcement vehicles, \$58,000 for replacement snowmobiles, \$17,000 for replacement boats, \$5,000 for horses, and \$19,555 for other items. Non-operating expenses include \$290,000 per year as a contribution to the game wardens retirement system and \$84,000 per year of authority for unanticipated federal and private grants.

Modified Recommendations:

Description	FTE		Funding	
	Fiscal 1986	Fiscal 1987	Source	Fiscal 1986
1. Colstrip Warden	1.00	1.00	General License	\$40,901
2. Operation Game Thief	-0-	-0-	General License	11,020
3. Increase Warden Travel to 20,000 Miles Per Year from Current 18,000	-0-	-0-	General License	27,040
				\$40,967
				11,438
				27,040

SUBCOMMITTEE ACTION

Agency: Department of Fish, Wildlife and Parks

Program: Wildlife

FTE	FY 1984 Actual	Fiscal 1986		Executive	Subcommittee	Fiscal 1987		Executive	Subcommittee	FY 84-86 % Change
		Current Level	89.14			89.14	89.14			
	88.79	95.49	89.14	95.76	89.14	89.14	89.14	95.76	89.14	.4
Personal Services	\$2,512,341	\$2,614,343	\$2,457,756	\$2,614,343	\$2,455,752	\$2,461,966	\$2,459,842	\$2,625,101	\$2,461,966	(2.3)
Operating Expenses	1,545,098	1,919,928	1,332,732	1,919,928	1,592,452	1,392,616	1,609,651	1,990,610	1,392,616	3.1
Equipment	40,782	243,260	39,160	243,260	108,660	36,467	45,468	83,618	36,467	166.4
Non-Operating	19,275	1,041,729	1,032,009	1,041,729	1,032,009	995,009	995,009	1,004,729	995,009	0.0
Total Exp.	\$4,117,496	\$5,819,260	\$4,861,657	\$5,819,260	\$5,188,873	\$4,886,058	\$5,109,970	\$5,704,058	\$4,886,058	26.0

FUNDING

State Special Revenue	\$2,154,937	\$2,618,911	\$1,892,456	\$2,219,672	\$2,533,920	\$1,954,906	\$2,178,818	3.0
Federal Special	1,962,559	3,200,349	2,969,201	2,969,201	3,170,138	2,931,152	2,931,152	51.3
Total Funding	\$4,117,496	\$5,819,260	\$4,861,657	\$5,188,873	\$5,704,058	\$4,886,058	\$5,109,970	26.0

Program Description: The Wildlife Division is responsible for game management including operation and maintenance of wildlife management areas and survey, inventory and research on the state's wildlife.

Current Level Budget: Vacancy savings is taken at 4 percent in this program. Operating expenses, held basically at the fiscal 1984 level, include \$380,000 per year for travel; \$74,875 in fiscal 1986 and \$77,985 in fiscal 1987 for big game and grizzly bear research; \$50,000 per year for contract maintenance on wildlife management areas; \$77,500 per year for timber harvest on Mt. Hagan ranch, and \$271,000 per year for aircraft rental. Equipment allowed includes \$49,601 for a tractor with backhoe, frontend loader, post hole digger and post driver, \$20,500 for replacement checking station trailers, and \$12,000 for replacement snowmobiles. Non-operating expenses include \$1,015,000 in fiscal 1986 and \$978,000 in fiscal 1987 authority for unanticipated federal and private grants.

Modified Recommendations:

Description	FTE		Funding	
	Fiscal 1986	Fiscal 1987	Source	Fiscal 1987
1. Hunter Preference Survey	.50	.50	General License	\$ 17,177
			Federal	53,330
2. Grizzly/Black Bear Trends	1.00	1.00	General License	60,392
3. Deer/Elk/Antelope Population Predictions	-0-	-0-	General License	25,832
			Federal	77,295
4. Landowner Cooperative Management	2.10	2.10	General License	72,705
5. Furbearers Study	.50	.50	General License	32,535
6. Weed Control Evaluation	-0-	-0-	General License	20,395
7. Computer Programmer	1.00	1.00	General License	7,610
			Federal	22,828
8. Equipment Reimbursement to Federal Government	-0-	-0-	General License	90,200
				-0-

SUBCOMMITTEE ACTION

Agency: Department of Fish, Wildlife and Parks

Program: Parks and Recreation

FY 1984 Actual	Fiscal 1986		Executive	Subcommittee		Executive	Fiscal 1987		Subcommittee	FY 84-86 % Change
	Executive	Current Level		Current Level	Current Level		Current Level	Current Level		
FTE	87.13	100.21	100.21	87.43	87.43	100.57	87.43	87.43	87.43	.3
Personal Services	\$1,596,222	\$1,968,424	\$1,968,424	\$1,771,253	\$1,771,253	\$1,977,369	\$1,779,035	\$1,774,418	\$1,774,418	11.0
Operating Expenses	897,515	1,218,612	1,218,612	996,870	996,870	1,167,070	995,662	999,713	999,713	11.1
Equipment	55,600	233,107	233,107	92,840	92,840	199,890	54,890	97,890	97,890	67.0
Non-Operating	1,045,156	790,046	790,046	500,000	500,000	617,644	500,000	500,000	500,000	(52.2)
Total Exp.	\$3,594,493	\$4,210,189	\$4,210,189	\$3,360,963	\$3,360,963	\$3,961,973	\$3,329,587	\$3,372,021	\$3,372,021	(6.5)
FUNDING										
General Fund	\$ 624,724	\$ 624,730	\$ 624,730	\$ 512,330	\$ 512,330	\$ 624,730	\$ 533,553	\$ 533,553	\$ 533,553	(18.0)
State Special Rev.	1,821,137	2,831,509	2,831,509	2,192,613	2,192,613	2,601,449	2,173,021	2,195,499	2,195,499	20.4
Federal Revenue	1,042,370	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	(52.0)
Proprietary	106,262	253,950	253,950	156,020	156,020	235,794	123,013	142,969	142,969	46.8
Total Funding	\$3,594,493	\$4,210,189	\$4,210,189	\$3,360,963	\$3,360,963	\$3,961,973	\$3,329,587	\$3,372,021	\$3,372,021	(6.5)

Program Description: Parks and Recreation is responsible for operation and maintenance of the state park system and its parks, recreation areas, monuments, recreational waterways, trails, and fishing access sites. It administers the federal Land and Water Conservation Funds and snowmobile recreation programs and provides grounds maintenance for the capitol complex.

Current Level Budget: The current level budget shows a substantial increase in personal services as vacancies exceeded 10 percent in fiscal 1984. A 4 percent vacancy rate is applied in the 1987 biennium. The budget allows \$22,000 to replace unreadable and damaged signs and install signs where they are missing or violate highway safety standards. Major equipment purchases allowed include \$60,050 for tractors, \$21,100 for a snow plow and sander for the capitol complex, \$84,280 to replace mowers, and \$7,900 for high band mobile radios.

The budget for capitol grounds maintenance is \$156,020 in fiscal 1986 which includes the purchase of a snow plow and sander and \$142,969 in fiscal 1987. Of these amounts, \$96,216 and \$104,265 in fiscal 1986 and 1987, respectively, are contracted services.

Modified Recommendations:

Description	FTE		Funding	
	Fiscal 1986	Fiscal 1987	Source	Fiscal 1987
1. Landscaping and Maintenance	1.00	1.00	Coal Tax Trust Earnings	\$ 7,281
			General License	7,281
			Motor Boat Fuel Tax	7,281
			Capitol Grounds Proprietary	7,282
2. Region 3 Fishing Access	.25	.25	General License	3,640
3. Region 6 Park Manager	.50	.50	General License	7,157
			Motor Boat Fuel Tax	14,312
4. Coal Tax Parks Operations and Maintenance	2.11	2.11	Coal Tax Trust Earnings	53,547
5. Region 2 Site Maintenance	.80	.80	Motor Boat Fuel Tax	19,116
6. Region 7 Recreation Site Improvement	1.00	1.00	Coal Tax Trust Earnings	7,703
			Motor Boat Fuel Tax	7,702
7. Region 5 Recreation Site Improvement	.50	.50	General License	2,114
			Coal Tax Trust Earnings	2,113
			Motor Boat Fuel Tax	2,113
8. Recreation Fee Collection	2.72	2.72	Motor Boat Fuel Tax	42,860
9. Land Based Parks--Operation and Maintenance	2.26	2.26	Coal Tax Trust Earnings	60,003
10. Lone Pine Park Operation and Maintenance	1.00	1.00	Coal Tax Trust Earnings	14,893
11. Cabin Site Appraisals	-0-	-0-	Motor Boat Fuel Tax	52,000
12. Snowgroomer Replacement	-0-	-0-	Snowgroomer Proprietary	100,000
13. Establish Snowgroomer Proprietary Account	-0-	-0-	Snowmobile Fuel Tax	290,046
14. Improve Weed Control	-0-	-0-	Coal Tax Trust Earnings	5,304
			Motor Boat Fuel Tax	5,304
15. Bannack Interpreter	.15	.15	Coal Tax Trust Earnings	2,561
16. Sommers Rest Area	.39	.39	Motor Boat Fuel Tax	17,544
17. Newlan Creek Reservoir	.10	.10	Motor Boat Fuel Tax	2,690
18. Capitol Complex Mapping	-0-	-0-	Capitol Grounds Proprietary	6,240
19. Anaconda Stack Operation	-0-	-0-	Coal Tax Trust Interest	1,000
			Federal and Private Funds	1,500
				\$ 7,028
				7,028
				7,028
				7,029
				3,643
				6,610
				13,219
				45,921
				16,289
				7,706
				7,705
				2,114
				2,114
				2,114
				38,776
				50,012
				14,610
				-0-
				100,000
				117,644
				5,304
				5,304
				2,500
				7,546
				1,867
				5,307
				1,000
				1,500

SUBCOMMITTEE ACTION

Agency: Department of Fish, Wildlife and Parks

Program: Conservation Education

FY 1984 Actual	Fiscal 1986		Fiscal 1987		FY 84-86 % Change	
	Executive	Current Level	Subcommittee	Executive	Current Level	Subcommittee
FTE	19.25	23.00	20.25	23.25	20.25	20.25
Personal Services	\$542,397	\$ 603,878	\$ 603,540	\$ 662,150	\$ 604,392	\$ 604,039
Operating Expenses	402,710	492,528	439,230	518,975	431,680	465,526
Equipment	12,184	44,424	22,214	37,404	9,040	14,604
Non Operating	-0-	30,000	30,000	30,000	30,000	30,000
Total Exp.	\$957,291	\$1,224,246	\$1,094,984	\$1,248,529	\$1,075,112	\$1,114,169

FUNDING

State Special Rev	\$813,712	\$ 965,126	\$ 992,745	\$1,132,488	\$ 972,902	\$1,011,959	22.0
Federal Revenue	143,579	102,239	102,239	116,041	102,210	102,210	(28.8)
Total Funding	\$957,291	\$1,067,365	\$1,094,984	\$1,248,529	\$1,075,112	\$1,114,169	14.4

Program Description: This program funds public relations functions of the department, Montana Outdoors Magazine, and beginning this biennium, Hunter and Boating Safety Programs. These latter programs are transferred from the Law Enforcement Program.

Current Level Budget: The current level budget adds one FTE and expenses to reflect the transfer of Hunter and Boating Safety Programs to this program. Vacancy savings is taken at 4 percent. Operating expenses are increased \$41,800 in the biennium for printing costs of Montana Outdoors and information brochures and \$13,000 in the biennium for production of films. Equipment includes \$4,290 for replacement films for the library, \$5,545 for animal skins, \$5,000 for video tape players/recorders, \$3,875 for office equipment, and \$8,108 for photographic equipment. Non-operating expense represent \$30,000 per year of authority for unanticipated federal and private grant funds.

Modified Recommendations:

Description	FTE		Funding		Fiscal 1987	
	Fiscal 1986	Fiscal 1987	Source	Fiscal 1986	Fiscal 1987	Fiscal 1987
1. Video Taping/Hunter Education	.50	.50	General License	\$12,040	\$ 6,804	
			Snowmobile Fuel Tax	10,030	5,103	
			Motor Boat Fuel Tax	10,030	5,103	
			Motor Boat Certification	10,030	5,103	
			Federal	10,030	5,103	
2. Montana Outdoors Promotion	-0-	-0-	General License	3,000	3,000	
			Snowmobile Fuel	3,000	3,000	
			Coal Tax Trust Earnings	3,000	3,000	
			Motor Boat Fuel	3,000	3,000	
3. Regulations Production	.50	.50	General License	12,584	12,957	
4. Administrative Aid	.25	.25	General License	4,044	4,050	

SUBCOMMITTEE ACTION

Agency: Department of Fish, Wildlife and Parks

Program: Administration

	FY 1984 Actual	Executive	Fiscal 1986 Current Level	Subcommittee	Executive	Fiscal 1987 Current Level	Subcommittee	FY 84-86 % Change
FTE	14.19	13.01	13.01	13.01	13.01	13.01	13.01	(8.3)
Personal Services	\$451,296	\$ 482,619	\$479,977	\$482,619	\$483,746	\$481,117	\$483,746	6.9
Operating Expenses	213,454	244,929	218,652	224,975	244,778	221,585	224,838	5.4
Equipment	48,759	175,200	4,600	160,200	600	600	600	228.6
Non Operating	80,000	157,000	95,000	95,000	95,000	95,000	95,000	18.8
Total Exp.	\$793,509	\$1,059,748	\$798,229	\$962,794	\$824,124	\$798,302	\$804,184	21.3
FUNDING								
State Special Rev.	\$710,198	\$ 860,744	\$528,109	\$763,790	\$626,145	\$528,698	\$606,205	7.6
Federal Revenue	83,311	199,004	270,120	199,004	197,979	269,604	197,979	138.9
Total Funding	\$793,509	\$1,059,748	\$798,229	\$962,794	\$824,124	\$798,302	\$804,184	21.3

Program Description: This funds the director's office and staff and the Fish and Game Commission. It also includes the resource assessment unit and planning unit.

Current Level Budget: The personal services are budgeted with a 4 percent vacancy savings. Funds for out-of-state travel are increased \$6,000 per year. The budget contains \$30,000 per year for private legal counsel to work with water rights adjudication. Equipment includes \$56,000 for computers for four regional offices, \$8,000 for a computer communications network, \$13,000 for word processing equipment, \$3,600 for a SBAS terminal, \$4,000 to replace two typewriters, \$1,200 for mounted animals, and \$75,000 for the Natural Heritage Program. The latter item is to be expended only for the purpose named.

Modified Recommendations:

Description	Fiscal 1986	FTE	Fiscal 1987	Source	Fiscal 1986	Fiscal 1987
1. Stream Access	-0-		-0-	General License	\$65,000	\$65,000
2. Payment to Federal Government	-0-		-0-	General License	62,000	-0-

SUBCOMMITTEE ACTION

Agency: Department of Fish, Wildlife and Parks

Program: Field Services

FY 1984 Actual	Fiscal 1986		Fiscal 1987		FY 84-86 % Change	
	Executive	Current Level	Executive	Current Level	Subcommittee	
FTE	29.07	29.00	30.50	29.00	29.00	(.2)
Personal Services	\$ 746,640	\$ 784,942	\$ 825,232	\$ 786,490	\$ 785,691	5.0
Operating Expenses	296,285	324,018	436,843	339,463	334,908	11.6
Equipment	4,370	18,292	113,125	102,230	7,330	2,140.0
Non-Operating	2,811	53,573	73,000	48,000	73,000	2,695.2
Total Exp.	\$1,050,106	\$1,180,825	\$1,448,200	\$1,276,183	\$1,200,929	27.0

FUNDING

State Special Rev.	\$1,049,562	\$ 678,735	\$1,075,381	\$ 775,016	\$ 857,939	(9.7)
Federal Revenue	544	502,090	372,819	501,167	342,990	631.6
Total Funding	\$1,050,106	\$1,180,825	\$1,448,200	\$1,276,183	\$1,200,929	27.0

Program Description: Field services is responsible for coordinating and supervising field activities of the seven regional headquarters, personnel functions, aircraft operations, landowner relations, and game damage control activities.

Current Level Budget: Personal services increases as vacancy savings was nearly 5 percent in fiscal 1984. A 4 percent rate is applied in the 1987 biennium. Funds are provided to obtain a helicopter to replace the one damaged in January. The budget includes \$25,000 per year for emergency repairs to the department facilities. Equipment includes replacement of two copy machines, a refrigerator, office furniture, a snow plow, and purchase of big game trapping equipment. Non-operating expenses include \$45,000 authority for anticipated federal and private funds, \$8,573 to repave a parking lot at region headquarters, and \$3,000 to connect Region 5 headquarters to the city sewer.

Modified Recommendations:

Description	FTE		Funding	
	Fiscal 1986	Fiscal 1987	Source	Fiscal 1987
1. Insurance on Aircraft Passengers	-0-	-0-	General License	\$24,000
2. Landowner Livestock Damage Insurance	-0-	-0-	General License	20,000
3. Game Damage Control	1.0	1.0	General License	75,000
4. Data Processing	1.0	1.0	Federal Overhead	30,540
5. Expend Insurance Awards Resulting from Damages to Department Buildings	-0-	-0-	Insurance Proceeds	25,000
6. Landowner Meetings	-0-	-0-	General License	2,000

SUBCOMMITTEE ACTION

Agency: Department of Natural Resources and Conservation

Program: Agency Summary

	FY 1984 Actual	Fiscal 1986		Executive	Fiscal 1987		Subcommittee	FY 84-86 % Change
		Current Level	Subcommittee		Current Level	Subcommittee		
FTE	266.90	257.79	248.09	256.79	248.59	248.59	(7.0)	
Personal Services	\$ 5,808,159	\$ 6,434,324	\$ 6,039,724	\$ 6,417,672	\$ 6,059,824	\$ 6,173,893	6.0	
Operating Expenses	3,032,862	6,942,746	4,617,998	4,811,757	4,486,808	4,699,157	63.2	
Equipment	140,580	111,272	117,585	51,497	58,704	51,497	(23.7)	
Non-operating	3,616,736	3,621,414	1,572,714	1,479,206	1,479,206	1,479,206	(34.4)	
Total Exp.	\$12,598,337	\$17,109,756	\$12,348,021	\$12,760,132	\$12,084,542	\$12,403,753	7.8	
<u>FUNDING</u>								
General Fund	\$ 4,318,642	\$ 5,938,603	\$ 4,472,581	\$ 5,706,439	\$ 4,371,160	\$ 5,393,803	28.7	
State Special Rev.	6,817,966	7,975,909	6,679,600	5,872,170	6,525,515	5,864,614	(.9)	
Federal Revenue	1,448,525	3,195,244	1,195,840	1,181,523	1,187,867	1,145,336	(12.6)	
Proprietary	13,204	-0-	-0-	-0-	-0-	-0-	0.0	
Total Funding	\$12,598,337	\$17,109,756	\$12,348,021	\$12,760,132	\$12,084,542	\$12,403,753	7.8	

The Department of Natural Resources is responsible for maintenance and enhancement of Montana's land, water, and energy resources. The conservation districts division provides leadership and financial assistance to the state's 59 conservation districts. The oil and gas division regulates the exploration for and production of oil and gas. The water resources division administers the state's water development program, state owned water projects, and water rights recording. The energy division operates the alternative energy program and administers the facility siting program.

General fund appropriated to the department rises substantially as Resource Indemnity Trust (RIT) interest funds are no longer used for operating expenses in the agency. In fiscal 1984, \$1,470,111 of RIT interest funds were expended. Adjusting for the replacement of RIT interest funds with general fund, the general fund change from fiscal 1984 to 1986 would be a 4 percent reduction.

SUBCOMMITTEE ACTION

Agency: Department of Natural Resources and Conservation

Program: Centralized Services

FTE	FY 1984 Actual	Fiscal 1986		Executive	Subcommittee		Fiscal 1987		% Change
		Executive	Current Level		Executive	Current Level	Executive	Current Level	
44.37		42.00	40.50		40.50	42.00	41.00		
Personal Services	\$1,094,234	\$1,128,786	\$1,084,651		\$1,087,651	\$1,130,745	\$1,093,589		
Operating Expenses	318,449	614,187	460,297		498,536	464,776	369,137		
Equipment	3,583	37,372	4,178		25,963	4,827	2,066		
Total Exp.	\$1,416,266	\$1,780,345	\$1,549,126		\$1,612,150	\$1,600,348	\$1,464,792		

FUNDING

General Fund	\$1,069,230	\$1,283,059	\$1,105,624	\$1,154,679	\$1,098,375	\$1,015,859	\$1,019,383		
State Special Rev.	314,664	327,286	287,471	287,471	331,973	292,902	292,902		
Federal Revenue	32,372	170,000	156,031	170,000	170,000	156,031	170,000		
Total	\$1,416,266	\$1,780,345	\$1,549,126	\$1,612,150	\$1,600,348	\$1,464,792	\$1,482,085		

Program Description: Centralized services is responsible for budgeting accounting, purchasing, data processing, publications, and general administration for the department. Chiefly funded from the general fund, the program also receives support from various state and federal revenues used in the other programs within the department.

Current Level Budget: The FTE decline as two are transferred to the oil and gas program and a pilot is transferred to the Department of State Lands. A secretarial position, vacant in fiscal 1984, is reinstated as .50 FTE in fiscal 1986 and 1.0 FTE in fiscal 1987. Vacancy savings is taken at 4 percent.

Rent costs were adjusted to reflect the department's move to its new building in mid fiscal 1986. Rent is paid on both old and new buildings for a one month period during the move. A one-time \$20,000 amount is included in fiscal 1986 to pay moving costs. The increase in operating expenses in fiscal 1986, when compared to fiscal 1984, is largely attributable to consolidation of Helena Office rent expenses in this program. Offsetting reductions occur in other programs. Total Helena Office rent costs are \$292,415 in fiscal 1986 and \$246,069 in fiscal 1987.

The budget includes \$20,000 to print the Natural Resources Series. Cost of the printing will be paid from the general fund and reimbursed from sales, primarily to schools. The Board of Natural Resources is provided \$9,000 per year for private legal counsel. Equipment includes 2 terminals, memory, disk storage, and ports.

Modified Recommendations: (1) Adjudication Lawyer: The committee recommends the addition of an attorney to assist with the increased workload resulting from water adjudication. This position will be funded 70 percent from the general fund and 30 percent from water development funds.

(2) Programmer/Analyst: The committee recommends the addition of a programmer/analyst to assist the various programs within the department with their data processing requirements. This position would be funded from water development, alternative energy, and oil and gas commission funds.

(3) Grant and Loan Monitoring System: The committee recommends the addition of \$46,400 in the biennium for a grant and loan monitoring system. Funds would be used for development or purchase of such a system. Funding is shared based upon the shares of grants and loans within the department; \$6,032 would come from the general fund.

Agency: Department of Natural Resources and Conservation

Program: Oil and Gas Conservation

	FY 1984 Actual	Executive	Fiscal 1986 Current Level	Subcommittee	Executive	Fiscal 1987 Current Level	Subcommittee	FY 84-86 % Change
FTE	23.00	24.00	24.00	24.00	24.00	24.00	24.00	4.3
Personal Services	\$519,562	\$607,216	\$583,195	\$607,216	\$608,798	\$584,546	\$608,798	16.9
Operating Expenses	203,931	244,274	248,479	270,022	240,888	244,780	270,761	32.4
Equipment	38,156	24,630	30,820	24,630	28,700	27,652	28,700	(35.4)
Total Exp.	\$761,649	\$876,120	\$862,494	\$901,868	\$878,386	\$856,978	\$908,259	18.4

FUNDING

State Special Rev.	\$761,649	\$876,120	\$862,494	\$901,868	\$878,386	\$856,978	\$908,259	18.4
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Language in Bill: The appropriation for travel of \$2,500 in fiscal 1986 and \$5,000 in fiscal 1987 is contingent upon filling all inspector positions.

The oil and gas conservation division is authorized to spend any funds received from bonds authorized in Section 82-11-123 (5), MCA, on oil and gas wells and such funds are appropriated for those purposes.

Program Description: The oil and gas conservation program regulates explorations and production of crude oil and natural gas including issuance of drilling permits, classification of wells, establishing well spacing units and pooling orders, inspection of drilling, production of seismic operations, investigation of complaints, and maintenance of well data and production information. It is funded through a tax on production.

Current Level Budget: The personal services increases as two positions were vacant the entire year of fiscal 1984 due to a lack of exploration activity. One position added in fiscal 1985 by the 1983 legislature comes into the budget. No vacancy savings is applied to the program. Travel and gasoline are increased to allow for the filling of the vacant position and one additional FTE. Software rent, data processing expenses and repair and maintenance for data processing equipment are increased as the program's part of the agency's data processing enhancement.

Modified Recommendations: The committee recommends that \$25,000 be line-item appropriated for litigation costs relating to the applicability of the Montana Environmental Policy Act (MEPA) to drilling permits issued by the Oil and Gas Commission.

SUBCOMMITTEE ACTION

Agency: Department of Natural Resources and Conservation

Program: Conservation Districts

	FY 1984 Actual	Fiscal 1986			Fiscal 1987			FY 84-86 % Change
		Executive	Current Level	Subcommittee	Executive	Current Level	Subcommittee	
FTE	5.20	5.20	5.00	5.20	5.20	5.00	5.20	0.0
Personal Services	\$107,878	\$129,176	\$126,695	\$134,411	\$129,615	\$126,838	\$134,854	24.6
Operating Expenses	106,658	295,703	110,282	293,096	316,809	111,531	314,106	174.8
Equipment	6,224	9,827	9,827	9,827	250	250	250	57.9
Non-Operating	282,138	320,000	320,000	320,000	320,000	320,000	320,000	13.4
Total Exp.	\$502,898	\$754,706	\$566,804	\$757,334	\$766,674	\$558,619	\$769,210	50.6

FUNDING

General Fund	\$ -0-	\$280,949	\$270,804	\$286,184	\$275,321	\$262,619	\$280,560	---
State Special Rev.	500,514	471,150	296,000	471,150	488,650	296,000	488,650	(5.9)
Federal Revenue	2,384	2,607	---	---	2,703	---	---	(100.0)
Total Funding	\$502,898	\$754,706	\$566,804	\$757,334	\$766,674	\$558,619	\$769,210	50.6

Program Description: This program provides supervision, coordination, and assistance to the 59 conservation districts in the state, administers the rangeland resource loan program, and the conservation district grant program. The rangeland resources loans are funded from Renewable Resources Development funds (RRD). The conservation district grant program is funded from the coal severance tax. Watershed planning is funded from RRD funds. The division's administrative costs and a \$100,000 per year subsidy for conservation district administrative costs are financed from general fund.

Current Level Budget: Personal services increase as a resource program specialist and .2 FTE typist position were vacant all of fiscal 1984. No vacancy savings is applied to this program. Operating expenses show a substantial increase as rangeland resource loans of \$175,150 and \$195,150 in fiscal 1986 and 1987, respectively, are shown here. These are not listed as expenses in the fiscal 1984 figure. Travel is increased \$3,716 per year as fiscal 1984 was a year of abnormally low operations due to vacancies previously discussed. Non-operating costs include \$220,000 per year for conservation district projects grants and \$100,000 to assist conservation districts with administrative costs. Equipment allowed includes one vehicle in fiscal 1986. The budget includes \$68,000 per year for contracts with conservation districts for watershed planning.

Modified Recommendations. (1) Triangle Saline Seep. The committee recommends \$75,000 per year general fund for a grant to the Triangle Saline Seep Project. This funds a field team who work with farmers to prevent saline seep and reclaim land lost to saline seep.

(2) Corps of Engineers Office. The committee recommends \$2,607 in fiscal 1986 and \$2,703 in fiscal 1987 of federal authority to expend payments from the Corps of Engineers for costs associated with sharing an office.

Agency: Department of Natural Resources and Conservation

Program: Water Resources

	FY 1984 Actual	Fiscal 1986			Fiscal 1987			FY 84-86 % Change
		Executive	Subcommittee		Executive	Subcommittee		
FTE	141.59	143.59	140.59	140.59	140.59	140.59	(.7)	
Personal Services	\$3,027,443	\$3,427,183	\$3,322,993	\$3,434,436	\$3,250,862	\$3,330,263	9.8	
Operating Expenses	1,628,176	1,238,980	1,202,346	1,262,545	1,195,583	1,230,917	(26.2)	
Equipment	90,067	35,724	31,604	14,470	25,486	14,470	(64.9)	
Non-Operating	1,229,680	2,026,500	808,500	8,500	8,500	8,500	(34.3)	
Total Exp.	\$5,975,366	\$6,728,587	\$5,365,443	\$4,719,951	\$4,480,431	\$4,584,150	(10.2)	
<u>FUNDING</u>								
General Fund	\$2,703,027	\$3,745,285	\$3,652,065	\$3,710,932	\$2,535,996	\$3,626,659	35.1	
State Special Rev.	3,202,548	2,940,502	1,670,578	966,219	1,901,635	914,691	(47.8)	
Federal Revenue	69,791	42,800	42,800	42,800	42,800	42,800	(38.7)	
Total Funding	\$5,975,366	\$6,728,587	\$5,365,443	\$4,719,951	\$4,480,431	\$4,584,150	(10.2)	

Program Description: The Water Resources Program includes funds for water rights, water management, water engineering, water development, and water resources administration bureaus. The water rights bureau, funded by general fund, administers the new appropriations of water and the filing and field investigation of previous rights prior to adjudication by the Water Court. The water management bureau, funded with general fund, maintains the state water plan, provides technical assistance to the other bureaus, and provides legal and technical assistance to the reserved Water Rights Compact Commission. The Engineering Bureau is responsible for state-owned water development projects, floodplain management, and provides engineering and technical assistance to water user's associations. The Water Development Bureau, funded with water development funds, is responsible for issuance of bonds to fund water development loans and review of projects.

Current Level Budget: One FTE associated with the National Water Use Data System is eliminated as this federally funded program is terminated. Vacancy savings are taken at 5 percent as the program experienced a 10 percent rate in fiscal 1984. Operating expenses decline as rent for Helena offices is consolidated in centralized services. Also the engineering bureau's work on projects approved previously is completed, including Cooney, Tongue, Middle Creek and Petrolia. Increases in operating expenses are allowed as the water adjudication process progresses adding \$93,890 for computer processing, \$31,850 for printing, and \$11,606 for microfilming in the biennium. The department is allowed \$135,000 per year for a cooperative program of stream gauging with the U.S. Geological Survey. Non-operating expenses in the 1987 biennium do not include the water development or renewable resource development project grants. The budget includes \$800,000 from water development funds for state water projects.

Modified Recommendations: (1) Water Development FTE. The committee recommends the addition of an engineer funded with water development funds to assist small agricultural projects in applying for grants and loans. This will cost \$25,962 in fiscal 1986 and \$25,764 in fiscal 1987.

(2) Water Rights Field Investigation Travel. The committee recommends the addition of \$11,550 per year general fund to increase travel for field investigation of water rights claims.

(3) Secretary for Reserved Water Rights Compact Commission. The committee recommends the addition of a secretary at a cost of \$12,000 each year of the biennium of general fund for the Reserved Water Rights Compact Commission.

(4) Cooney Dam. The committee recommends reauthorization of \$75,000 from resource indemnity trust interest funds for completion of the Cooney dam project. If not used for the project, funds will be used to pay off water users debt.

(5) Middle Creek. The committee recommends \$4.1 million of Bureau of Reclamation small project loan funds to rehabilitate this water project.

(6) Debt Service and Issuance Fees. The committee recommends appropriation of \$7,350,254 for debt service and bond issuance costs on water bonds. This appropriation may be deleted upon passage of HB 12 creating statutory appropriations of these funds.

SUBCOMMITTEE ACTION

Agency: Department of Natural Resources and Conservation

Program: Energy Planning

	FY 1984 Actual	Executive	Fiscal 1986 Current Level	Subcommittee	Executive	Fiscal 1987 Current Level	Subcommittee	FY 84-86 % Change
FTE	39.00	43.00	38.00	38.00	42.00	38.00	38.00	(2.6)
Personal Services	\$1,002,183	\$1,141,963	\$1,001,734	\$1,001,734	\$1,114,078	\$1,003,989	\$1,003,989	--
Operating Expenses	719,083	4,549,602	2,688,972	2,684,319	2,526,739	2,509,277	2,502,104	273.3
Equipment	2,157	3,519	3,519	15,237	3,250	3,250	3,250	606.4
Non-Operating	1,772,422	1,274,914	1,244,214	1,244,214	1,150,706	1,150,706	1,150,706	(29.8)
Total Exp.	\$3,495,845	\$6,969,998	\$4,938,439	\$4,945,504	\$4,794,773	\$4,667,222	\$4,660,049	41.5

FUNDING

General Fund	\$ 546,385	\$ 629,310	\$ 552,930	\$ 466,165	\$ 621,811	\$ 556,686	\$ 467,401	(14.7)
State Special Rev.	2,038,591	3,360,851	3,332,000	3,425,830	3,206,942	3,178,000	3,260,112	68.0
Federal Revenue	897,665	2,979,837	1,053,509	1,053,509	966,020	932,536	932,536	20.0
Proprietary	13,204	---	---	---	---	---	---	0.0
Total Funding	\$3,495,845	\$6,969,998	\$4,938,439	\$4,945,504	\$4,794,773	\$4,667,222	\$4,660,049	41.5

Language in Bill: Included in the appropriation of federal revenue is \$113,000 for the Lake Broadview mitigation project. This amount is appropriated for the biennium.

Program Description: The Energy Division administers the Alternative Energy Program and the Major Facility Siting Act. The division includes the administration, planning and analysis, and conservation and renewable energy and facility siting bureaus. Administration is funded with a mixture of general fund, alternative energy funds, and federal funds. Planning and analysis is funded from the general fund. Facility Siting is funded with general fund and fees. Conservation and renewable energy is funded with coal tax and federal funds.

Current Level Budget: One FTE is deleted as the federal oil overcharge funds financing these positions are ending. Vacancy savings is taken at 4 percent. Operating expenses increase substantially as alternative energy funds previously expended as grants are listed as contracts and \$1.0 million per year of contract authority is allowed for expenditures of facility siting fees while only \$226,018 of these funds were spent in fiscal 1984. General fund support of the core staff in the facility siting bureau is reduced \$40,000 to approximately \$165,000 per year

Modified Recommendations: (1) Residential Standards Demonstration Program. The committee recommends \$276,328 in fiscal 1986 and \$33,484 in fiscal 1987 to complete the RSDP. Funds are provided by the federal government. Three FTE are employed. This provides for the completion of this program which demonstrated the effectiveness of insulation and construction modifications in reducing energy consumption.

(2) Rock Creek Mitigation. The committee recommends \$1,650,000 of settlement funds for the Rock Creek environmental impact mitigation. The funds are held in trust by the department for the groups prevailing in this action.

NARRATIVE FOR HOUSE BILL 500
on the
Natural Resources Subcommittee

March 15, 1985

SUBCOMMITTEE ACTION

Agency: Department of Commerce

Program: Agency Summary

	FY 1984 Actual	Fiscal 1986			Fiscal 1987			FY 84-86 % Change	
		Executive	Current Level	Subcommittee	Executive	Current Level	Subcommittee		
FTE	233.63	250.33	233.83	233.83	251.33	233.83	233.83	--	--
Personal Services	\$ 5,618,769	\$6,719,589	\$6,302,800	\$6,361,634	\$6,754,763	\$6,320,269	\$6,368,058	13.2	13.2
Operating Expenses	5,155,449	6,839,555	5,679,889	6,237,088	6,880,273	5,576,073	6,014,015	21.0	21.0
Equipment	183,730	182,734	105,109	114,846	54,714	64,649	51,805	(37.5)	(37.5)
Non-Operating Exp.	35,990,028	53,459,100	39,025,920	41,520,387	54,537,426	39,348,332	39,048,255	15.4	15.4
Total Exp.	<u>\$46,947,976</u>	<u>\$67,200,978</u>	<u>\$51,113,718</u>	<u>\$54,233,955</u>	<u>\$68,227,176</u>	<u>\$51,309,323</u>	<u>\$51,482,133</u>	<u>15.5</u>	<u>15.5</u>

FUNDING

General Fund	\$ 9,479,624	\$ 7,560,364	\$ 7,433,299	\$ 7,541,446	\$ 7,504,615	\$ 7,433,203	\$ 7,449,645	(20.4)	(20.4)
State Special Rev.	26,269,052	26,956,517	23,940,102	25,301,628	24,891,578	24,232,648	24,296,583	(3.7)	(3.7)
Federal Revenue	9,026,616	29,021,350	16,703,869	18,207,579	32,123,716	16,694,703	16,665,011	101.7	101.7
Proprietary	2,172,684	3,662,747	3,036,448	3,183,302	3,707,267	2,948,769	3,070,894	46.5	46.5
Total Funding	<u>\$46,947,976</u>	<u>\$67,200,978</u>	<u>\$51,113,718</u>	<u>\$54,233,955</u>	<u>\$68,227,176</u>	<u>\$51,309,323</u>	<u>\$51,482,133</u>	<u>15.5</u>	<u>15.5</u>

The Department of Commerce encompasses regulatory programs, programs of local assistance, and programs designed to promote economic growth and development. Regulatory programs include Weights and Measures, Milk Control, Financial, Aeronautics, and Professional and Occupational Licensing. Programs of local assistance are Community Development, Hard Rock Impact, Coal Board, Local Government Block Grant, Indian Affairs Coordinator, Accounting and Management Systems, and Local Government Audit. Programs promoting economic development are Business Assistance, Bonding Authority, Montana Promotion, Transportation, Housing and Economic Policy, and Research.

Local assistance is provided through direct cash payments as is the case with local government block grants, Coal Board Grants and District Court grants and through technical assistance and consultation.

SUBCOMMITTEE ACTION

Agency: Department of Commerce

Program: Business License and Support Program

FY 1984 Actual	Fiscal 1986			Fiscal 1987			FY 84-86 % Change
	Executive	Current Level	Subcommittee	Executive	Current Level	Subcommittee	
FTE	2.30	2.30	2.30	2.30	2.30	2.30	0.00
Personal Services	\$66,463	\$68,936	\$68,872	\$68,998	\$69,065	\$68,998	3.7
Operating Expenses	10,561	11,210	13,735	14,878	10,134	11,820	6.1
Equipment	31	-0-	-0-	-0-	-0-	-0-	0.0
Total Exp.	\$77,055	\$80,146	\$82,607	\$83,876	\$79,199	\$80,818	4.0
FUNDING							
General Fund	\$19,917	\$22,377	\$21,478	\$21,810	\$22,100	\$21,013	12.4
State Special Rev.	57,138	57,769	61,129	62,066	57,099	59,805	1.1
Total Funding	\$77,055	\$80,146	\$82,607	\$83,876	\$79,199	\$80,818	4.0

Program Description: This program provides administrative support to the Weights and Measures and Milk Control Programs and professional and occupational licensing boards.

Current Level Budget: The current level budget includes \$2,690 per year for increased travel and legal assistance. Vacancy savings is taken at 4 percent. Executive 2 percent reductions were applied generating a reduction of \$1,262 in fiscal 1986 and \$1,241 in fiscal 1987.

SUBCOMMITTEE ACTION

Agency: Department of Commerce

Program: Weights and Measures

	FY 1984 Actual	Executive	Fiscal 1986 Current Level	Subcommittee	Executive	Fiscal 1987 Current Level	Subcommittee	FY 84-86 % Change
FTE	12.00	12.00	12.00	12.00	12.00	12.00	12.00	0.00
Personal Services	\$275,849	\$300,728	\$290,453	\$312,821	\$290,590	\$290,819	\$302,693	13.4
Operating Expenses	124,060	144,373	121,806	134,925	135,520	118,584	126,684	8.8
Equipment	14,300	22,000	22,000	22,000	5,298	9,000	5,298	53.8
Total Exp.	\$414,209	\$467,101	\$434,259	\$469,746	\$431,408	\$418,403	\$434,675	13.4

FUNDING

General Fund	\$414,209	\$467,101	\$434,259	\$469,746	\$431,408	\$418,403	\$434,675	13.4
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Program Description: The Weights and Measures Program is responsible for licensing and testing of measuring and weighing devices and quality control of petroleum products. Fees collected by this program are deposited to the general fund. In fiscal 1984, the fees equalled 52 percent of expenses.

Current Level Budget: To allow for the retirement of two senior employees, \$10,500 was added in fiscal 1986 to help pay for accrued sick and annual leave (department estimates the current accrued obligation is \$22,712). An additional \$6,442 in fiscal 1986 and \$6,969 in fiscal 1987 is allowed for gasoline in contemplation of increased travel; \$6,733 had been spent in fiscal 1984. Vacancy savings is not applied to this program.

SUBCOMMITTEE ACTION

Agency: Department of Commerce

Program: Financial

	FY 1984 Actual	Executive	Fiscal 1986 Current Level	Subcommittee	Executive	Fiscal 1987 Current Level	Subcommittee	FY 84-86 % Change
FTE	19.00	21.00	19.00	19.00	21.00	19.00	19.00	---
Personal Services	\$482,152	\$564,643	\$520,653	\$520,377	\$565,293	\$521,302	\$521,010	7.9
Operating Expenses	174,416	225,641	186,008	189,278	226,170	178,445	173,890	8.5
Equipment	980	1,737	832	832	550	550	550	(15.1)
Total Exp.	\$657,548	\$792,021	\$707,493	\$710,487	\$792,013	\$700,297	\$695,450	8.1

FUNDING

General Fund	\$657,548	\$ -0-	\$707,493	\$710,487	\$ -0-	\$700,297	\$695,450	7.6
State Special Revenue	-0-	792,021	-0-	-0-	792,013	-0-	-0-	---
Total Funding	\$657,548	\$792,021	\$707,493	\$710,487	\$792,013	\$700,297	\$695,450	8.1

Program Description: The financial program provides for chartering, licensing, supervising, and examining state banks, credit unions, savings and loan associations, consumer loan and sales finance companies. Fees charged for examination are deposited in the general fund. In fiscal 1984, fees were equal to 71 percent of expenditures.

Current Level Budget: The committee approved an increase in travel of \$10,833 per year from the fiscal 1984 level of \$108,723. Fiscal 1984 travel was reduced due to vacancies in two examiner positions for part of the year. Vacancy savings of 4 percent is applied. Executive proposed 2 percent reductions of \$15,840 per year are taken.

SUBCOMMITTEE ACTION

Agency: Department of Commerce

Program: Milk Control

	FY 1984 Actual	Executive	Current Level	Subcommittee	Executive	Current Level	Subcommittee	FY 84-86 % Change
FTE	8.00	8.00	8.00	8.00	8.00	8.00	8.00	0.00
Personal Services	\$173,658	\$181,252	\$181,256	\$181,252	\$181,655	\$181,670	\$181,655	4.4
Operating Expenses	70,835	87,343	75,921	85,358	85,713	74,022	80,250	20.5
Equipment	183	-0-	-0-	-0-	-0-	-0-	-0-	
Total Exp.	\$244,676	\$268,595	\$257,177	\$266,610	\$267,368	\$255,692	\$261,905	9.0
Funding								
State Special Revenue	\$244,676	\$268,595	\$257,177	\$266,610	\$267,368	\$255,692	\$261,905	9.0

Program Description: This program is responsible for regulating the milk industry by setting minimum milk prices and eliminating unfair trade practices. It is funded from an assessment on milk of 8 cents per hundred weight.

Current Level Budget: The committee adds \$6,589 per year for travel as base year travel was down due to vacancies. Vacancy savings is taken at 4 percent.

Modified Recommendations: (1) Expert witnesses. This modified allows \$6,000 per year to provide expert witnesses for milk pricing. This is needed for the board as the industry brings experts to these hearings.

SUBCOMMITTEE ACTION

Agency: Department of Commerce

Program: Professional and Occupational Licensing

	FY 1984 Actual	Executive	Fiscal 1986 Current Level	Subcommittee	Executive	Fiscal 1987 Current Level	Subcommittee	FY 84-86 % Change
FTE	35.49	38.49	35.49	---	39.49	35.49	35.49	0.0
Personal Services	\$ 824,591	\$ 972,911	\$ 923,610	\$ 955,388	\$1,007,516	\$ 930,071	\$ 961,864	15.9
Operating Expenses	864,089	1,138,682	944,764	1,278,278	1,167,984	939,570	1,244,710	28.8
Equipment	12,464	83,546	10,019	14,144	11,742	9,299	11,742	13.5
Non-Operating Exp.	1,500	2,500	1,500	2,500	2,500	1,500	2,500	66.7
Total Exp.	\$1,702,644	\$2,197,639	\$1,879,893	\$2,250,310	\$2,189,742	\$1,880,440	\$2,220,816	22.5
FUNDING								
State Special Rev.	\$1,702,644	\$2,197,639	\$1,879,893	\$2,250,310	\$2,189,742	\$1,880,440	\$2,220,816	22.5

Language in Bill: The interentity loan in the amount of \$20,000 to the Board of Private Investigation may be extended until June 30, 1987.

Program Description: This program provides funding for the professional and occupational licensing boards, their clerical and administrative expenses, and board costs. The thirty current boards are covered by this budget.

Current Level Budget: The budget requests of boards for current level are approved which includes \$168,586 in fiscal 1986 and \$213,890 in fiscal 1987 for increased travel and legal expenses. The following table lists the boards covered by these appropriations. No vacancy savings was applied to the boards.

Boards Covered by Appropriations

Administration	Electrical	Pharmacists	Psychologists
Polygraph Licensing	Hearing Aid Dispensers	Plumbers	Sanitariums
Architects	Horse Racing	Prof. Engineers/Surveyors	Private Investigators
Athletics	Medical Examiners	Public Accountants	Landscape Architects
Barbers	Morticians	Real Estate	Speech Pathologists
Chiropractors	Nursing	Veterinarians	Radiologic Technologists
Cosmetologists	Nursing Home Adm.	Water Well Contractors	Social Workers
Dentistry	Optometrists	Physical Therapists	

Modified Recommendations: (1) Nursing. The committee recommends the addition of 1 FTE and related expenses to the board of nursing at a cost of \$31,625 in fiscal 1987. This will be funded from the board's revenues.

(2) Administration. The committee recommends \$82,926 in fiscal 1986 and \$21,530 in fiscal 1987 to add a receptionist and office automation equipment to the POL administration program. This addition will assist all boards with licensing and relicensing. It will be funded through assessments against all the boards.

(3) Horse Racing. The committee recommends \$53,920 per year for the Board of Horse Racing to pay veterinarian fees at races and to allow up to 27 days of harness racing. This is funded from horse racing revenues.

	FY 1984 Actual	Fiscal 1986			Fiscal 1987			FY 84-86 % Change
		Executive	Current Level	Subcommittee	Executive	Current Level	Subcommittee	
FTE	12.84	13.84	12.84	12.84	13.84	12.84	12.84	0.00
Personal Services	338,238	\$365,219	\$338,557	\$338,146	\$365,786	\$339,129	\$338,702	.1
Operating Expenses	263,374	368,702	268,589	294,693	357,531	268,970	278,905	11.9
Equipment	50,834	23,400	48,200	23,400	23,200	33,200	23,200	(54.0)
Non-Operating	50,940	10,940	16,500	10,940	10,940	16,500	10,940	(78.5)
Total Exp.	<u>\$703,386</u>	<u>\$768,261</u>	<u>\$671,846</u>	<u>\$667,179</u>	<u>\$757,457</u>	<u>\$657,799</u>	<u>\$651,747</u>	<u>(5.1)</u>
<u>Funding</u>								
State Special Revenue	\$631,645	\$642,869	\$584,508	\$574,579	\$632,040	\$572,339	\$558,769	(9.0)
Proprietary	71,741	125,392	87,338	92,600	125,417	85,460	92,978	29.1
Total Funding	<u>\$703,386</u>	<u>\$768,261</u>	<u>\$671,846</u>	<u>\$667,179</u>	<u>\$757,457</u>	<u>\$657,799</u>	<u>\$651,747</u>	<u>(5.1)</u>

Program Description: Aeronautics manages state owned airports, the largest of which is West Yellowstone and provides technical and financial assistance to local airports for airport development, navigational aid development, communications, air safety and airport planning. It is financed from a 1 cent per gallon tax on aviation fuel, licenses and registration fees. The West Yellowstone Airport operates from a proprietary fund with airport revenue providing for expenses.

Current Level Budget: The current level budget contains an additional \$26,000 to update and print the Montana Aeronautical Chart and \$16,000 to print an update of the State's airport system plan. Equipment allowed includes emergency locator homers for search and rescue and air navigation equipment for the state's electronic air navigation system. Vacancy savings is taken at 4 percent in the program. Executive proposed 2 percent reductions of \$15,365 in fiscal 1986 and \$15,149 in fiscal 1987 are taken. The expenditure level contained in this budget will enable the program to operate through the biennium without an increase in the aviation gas tax.

SUBCOMMITTEE ACTION

Agency: Department of Commerce	FY 1984 Actual	Fiscal 1986				Fiscal 1987				Program: Transportation	FY 84-86 % Change
		Executive	Current Level	Subcommittee	Executive	Current Level	Subcommittee	Current Level	Subcommittee		
FTE	15.91	16.00	15.00	16.00	16.00	15.00	16.00	15.00	16.00		.6
Personal Services	\$ 438,384	\$ 475,144	\$447,487	\$ 475,144	\$ 475,939	\$ 448,287	\$ 475,939	\$ 448,287	\$ 475,939		8.4
Operating Expenses	352,678	201,093	192,984	180,559	197,874	187,814	168,244	187,814	168,244		(48.8)
Equipment	14,386	2,336	2,336	2,336	380	380	380	380	380		(83.8)
Non-Operating	748,691	2,596,408	2,596,408	2,596,408	2,588,484	2,588,484	2,588,484	2,588,484	2,588,484		246.8
Total Exp.	\$1,554,139	\$3,274,981	\$3,239,215	\$3,254,447	\$3,262,677	\$3,224,965	\$3,233,047	\$3,224,965	\$3,233,047		109.4

FUNDING

General Fund	\$ 564,544	\$ 408,622	\$ 372,856	\$ 388,088	\$ 404,243	\$ 366,531	\$ 374,613	\$ 366,531	\$ 374,613		(31.3)
State Special Rev.	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000		--
Federal Special Rev.	914,595	2,791,359	2,791,359	2,791,359	2,783,434	2,783,434	2,783,434	2,783,434	2,783,434		205.2
Total Funding	\$1,554,139	\$3,274,981	\$3,239,215	\$3,254,447	\$3,262,677	\$3,224,965	\$3,233,047	\$3,224,965	\$3,233,047		109.4

Program Description: Transportation provides various types of technical and financial assistance to providers and users of transportation in Montana. The program provides funding for rail planning and construction/rehabilitation from federal sources, aid to public transit systems with state gas tax and federal funds, and rate analysis and litigation with general fund and wheat research and marketing funds. In fiscal 1984, this program spent \$185,300 general fund through supplemental appropriation for a lawsuit over the Burlington Northern's abandonment of the Geraldine line.

Current Level Budget: The abandoned rail line study approved in HB 815 of the 1983 legislature is incorporated in current level. The budget includes \$10,000 per year for legal fees and court costs relating to rail abandonment cases. Also included is \$50,000 per year for consultants to provide expertise in work on the rail plan update, rail abandonments, and McCarty Farms/Staggers Act cases. Vacancy savings is taken at 4 percent. Executive 2 percent cuts of \$8,172 in fiscal 1986 and \$8,084 in fiscal 1987 are taken.

Modified Recommendations: 1) McCarty Farms/ Staggers 229 Litigation. The committee recommends \$100,000 per year general fund to pursue litigation in this rail rate overcharge case. If this case can be successfully pursued, a \$64 million benefit could accrue to grain shippers in the state. The committee stipulates that should the case be won, the state general fund would be repaid from settlement funds for its expenditures, plus 10 percent interest.

2) Passenger Transit. The committee recommends \$88,112 in fiscal 1986 and \$44,000 in fiscal 1987 of federal authority to expend additional passenger transit funds. These funds would assist communities in the purchase of equipment.

3) Maritime Study. The committee recommends \$18,518 of carryover federal funds for the completion of the Maritime Study authorized last session.

4) Burlington Northern Loan Repayments. The committee recommends appropriation of \$3,416,750 of federal funds received from the BN's repayment of federal loans. The funds will be used in rehabilitation and operation of the Geraldine Branch line.

SUBCOMMITTEE ACTION

Agency: Department of Commerce

Program: Business Assistance

	FY 1984 Actual	Fiscal 1986		Fiscal 1987		FY 84-86 % Change
		Executive	Current Level	Executive	Current Level	
FTE	9.00	11.00	10.00	11.00	10.00	11.1
Personal Services	\$264,383	\$344,601	\$314,317	\$345,217	\$314,943	18.9
Operating Expenses	340,443	574,317	527,162	574,173	525,183	35.9
Equipment	12,475	5,890	5,000	5,000	5,000	(60.0)
Non-Operating	63,094	-0-	-0-	-0-	-0-	--
Total Exp.	\$680,395	\$924,808	\$846,479	\$924,390	\$845,126	14.9
FUNDING						
General Fund	\$648,562	\$923,308	\$844,979	\$922,890	\$843,626	20.4
Federal Revenue	31,833	1,500	1,500	1,500	1,500	(95.3)
Total Funding	\$680,395	\$924,808	\$846,479	\$924,390	\$845,126	14.9

Program Description: This program provides help to businesses with product marketing, international trade, financial packaging, federal contract procurement, and licensing. It also assists local development organizations and promotes Montana as a location for businesses. A major portion of the activity of this program was initiated through House Bill 1 of the 1983 legislature.

Current Level Budget: Because much of the program was initiated in fiscal 1984, that year doesn't represent the full operational level of the program and increases to fiscal 1986 are substantial. One FTE is transferred from the Promotion Program to Business Assistance. Vacancy savings are taken at 4 percent. The bulk of the expenditures in the program are contract services; this includes \$6,000 per year for the 49th Parallel Institute, \$50,000 per year for development of marketing strategies for Montana made products, \$70,000 per year to promote Montana as a location for basic industries, \$60,000 per year to assist local development organizations in organization, finance and industrial site work, \$15,000 per year for exhibiting Montana products in five out-of-state shows, and in excess of \$120,000 per year to provide professional expertise to businesses in marketing, finance, production management, and the like. The university business management training which had been funded in this program is eliminated. Supplies, communications, and travel are increased \$25,000 to reflect the less than full operations in fiscal 1984. Executive proposed 2 percent reductions of \$18,466 in fiscal 1986 and \$18,457 in fiscal 1987 are taken.

SUBCOMMITTEE ACTION

Agency: Department of Commerce

Program: Montana Promotion

	FY 1984 Actual	Fiscal 1986			Fiscal 1987			FY 84-86 % Change
		Executive	Current Level	Subcommittee	Executive	Current Level	Subcommittee	
FTE	12.00	11.00	11.00	11.00	11.00	11.00	11.00	(8.3)
Personal Services	\$ 246,914	\$ 251,330	\$ 252,102	\$ 251,330	\$ 251,718	\$ 252,502	\$ 251,718	1.8
Operating Expenses	1,306,603	1,730,531	1,371,481	1,703,870	1,721,085	1,415,084	1,689,246	30.4
Equipment	5,486	3,000	---	3,000	3,000	---	3,000	(45.3)
Total Exp.	<u>\$1,559,003</u>	<u>\$1,984,861</u>	<u>\$1,623,583</u>	<u>\$1,958,200</u>	<u>\$1,975,803</u>	<u>\$1,667,586</u>	<u>\$1,943,964</u>	<u>25.6</u>

FUNDING

General Fund	\$1,265,994	\$1,284,861	\$ 923,583	\$1,258,200	\$1,275,803	\$ 967,586	\$1,243,964	(.6)
State Special Revenue	<u>293,009</u>	<u>700,000</u>	<u>700,000</u>	<u>700,000</u>	<u>700,000</u>	<u>700,000</u>	<u>700,000</u>	<u>238.9</u>
Total Funding	<u>\$1,559,003</u>	<u>\$1,984,861</u>	<u>\$1,623,583</u>	<u>\$1,958,200</u>	<u>\$1,975,803</u>	<u>\$1,667,586</u>	<u>\$1,943,964</u>	<u>25.6</u>

Program Description: This program promotes Montana as a vacation destination and location for motion picture filming. It is funded with state general fund and supplemented by private contributions. The state special revenue figures represent the private contributions. Private contributions have increased from \$90,000 in fiscal 1982 to nearly \$300,000 in fiscal 1984.

Current Level Budget: One FTE was transferred to the Business Assistance Program by the department. The majority of expenditures in the program, \$1.97 million in the biennium, is for national advertising. Postage costs are \$369,000 in the biennium and contract printing is \$457,600 in the biennium. Vacancy savings of 4 percent is taken. The executive proposed 2 percent reductions of \$25,697 in fiscal 1986 and \$26,126 in fiscal 1987 are taken.

SUBCOMMITTEE ACTION

Agency: Department of Commerce

Program: Housing

FY 1984 Actual	Fiscal 1986			Fiscal 1987			FY 84-86 % Change
	Executive	Current Level	Subcommittee	Executive	Current Level	Subcommittee	
FTE	15.00	21.00	15.00	21.00	15.00	15.00	0.00
Personal Services	\$ 369,217	\$ 524,520	\$ 386,621	\$ 525,015	\$ 386,913	\$ 386,552	4.7
Operating Expenses	433,757	921,760	657,609	1,057,059	563,627	663,574	51.6
Equipment	6,092	24,177	1,454	2,254	1,454	1,454	(76.1)
Non-Operating	4,524,082	7,698,808	6,698,808	7,698,808	6,698,808	6,698,808	48.1
Total Exp.	\$5,333,148	\$9,169,265	\$7,668,212	\$9,283,136	\$7,650,802	\$7,750,388	45.2
FUNDING							
Federal Revenue	\$4,743,534	\$7,953,855	\$6,917,274	\$7,952,966	\$6,916,413	\$6,914,561	45.8
Proprietary	589,614	1,215,410	750,117	1,330,170	734,389	835,827	40.3
Total Funding	\$5,333,148	\$9,169,265	\$7,668,212	\$9,283,136	\$7,650,802	\$7,750,388	45.2

Program Description: The housing program administers the State Housing Act, issues bonds, and uses the proceeds to purchase low interest loans and administers federal housing programs of rent subsidy and housing rehabilitation. The state housing activities are funded through a proprietary fund using a portion of the bond proceeds.

Current Level Budget: The committee approved budget includes increased funds as a result of the Housing Board's increased loan portfolio. The increases primarily relate to expenses for bond trustee fees up \$156,000, foreclosure fees up \$44,000, microfilming up \$9,000, and computer processing up \$10,000. Increased travel funds of \$15,400 per year are added as activities increase both in federal and state housing programs. Vacancy savings is taken at 4 percent. Executive proposed 2 percent reductions are taken at \$24,327 in fiscal 1986 and \$26,762 in fiscal 1987.

Modified Recommendations: 1) Housing Bonds. The committee recommends two FTE and \$219,197 in fiscal 1986 and \$342,186 in fiscal 1987 from proprietary funds to allow the Board of Housing to sell additional bonds and purchase mortgages. As much as \$400,000,000 in bonds may be issued in the next biennium which would finance as many as 8,000 additional mortgages.

2) Single Family Tax Credits. The committee recommends two FTE and \$79,641 in fiscal 1986 and \$78,095 in fiscal 1987 of proprietary funds for a single family tax credit program. This provides a tax credit to home buyers as an alternative to selling tax exempt bonds and providing low interest loans.

3) Rental Rehabilitation. The committee recommends \$1,367,289 and \$1,367,297 federal funds in fiscal 1986 and 1987, respectively, for a rental rehabilitation program. The program anticipates rehabilitation of 160 units per year which would be used for low income housing.

SUBCOMMITTEE ACTION

Agency: Department of Commerce

Program: Community Assistance Community Development

FY 1984 Actual	Executive	Fiscal 1986 Current Level	Subcommittee	Executive	Fiscal 1987 Current Level	Subcommittee	FY 84-86 % Change
FTE	9.00	8.50	8.50	8.50	8.50	8.50	(5.6)
Personal Services	\$ 178,402	\$ 233,761	\$ 233,761	\$ 234,391	\$ 233,917	\$ 234,391	31.0
Operating Expenses	217,346	173,336	221,870	172,486	220,700	164,613	(21.9)
Equipment	11,113	349	349	199	199	199	(96.9)
Non-Operating	<u>3,252,455</u>	<u>17,791,307</u>	<u>8,104,000</u>	<u>20,902,857</u>	<u>6,543,440</u>	<u>6,538,888</u>	<u>149.2</u>
Total Exp.	<u>\$3,659,316</u>	<u>\$18,198,753</u>	<u>\$8,507,951</u>	<u>\$21,309,933</u>	<u>\$6,998,256</u>	<u>\$6,938,091</u>	<u>132.5</u>
FUNDING							
General Fund	\$ 205,505	\$ 210,000	\$ 206,505	\$ 210,000	\$ 250,200	\$ 202,127	.5
State Special Revenue	414,117	414,117	504,000	414,117	475,000	470,448	21.7
Federal Special	<u>3,039,694</u>	<u>17,574,636</u>	<u>7,797,446</u>	<u>20,685,816</u>	<u>6,273,056</u>	<u>6,265,516</u>	<u>156.5</u>
Total Funding	<u>\$3,659,316</u>	<u>\$18,198,753</u>	<u>\$8,507,951</u>	<u>\$21,309,933</u>	<u>\$6,998,256</u>	<u>\$6,938,091</u>	<u>132.5</u>

Program Description: The community development program provides technical and financial assistance to local governments. It manages and distributes federal community development block grant funds and coal tax county land planning funds.

Current Level Budget: The budget reflects a reduction in operating expenses as costs of the infrastructure study are removed. This study was completed in the current biennium. This is offset by higher personnel services cost as one position was vacant in fiscal 1984. Vacancy savings are taken at 4 percent. Coal tax planning grants were based upon the coal tax estimate in HJR 9. The large increase in non-operating funds is attributable to anticipated increased grants of federal community development block grant funds.

SUBCOMMITTEE ACTION

Agency: Department of Commerce

Program: Community Assistance/Hard Rock

	FY 1984 Actual	Fiscal 1986			Fiscal 1987			FY 84-86 % Change
		Executive	Current Level	Subcommittee	Executive	Current Level	Subcommittee	
FTE	1.50	2.00	2.00	2.00	2.00	2.00	2.00	33.3
Personal Services	\$34,368	\$ 60,021	\$ 59,290	\$ 60,021	\$ 60,043	\$ 59,313	\$ 60,043	74.6
Operating Expenses	26,194	83,025	87,462	79,823	72,428	73,999	68,537	204.7
Equipment	4,398	575	575	575	-0-	-0-	-0-	0.0
Non-Operating	-0-	445,000	418,598	359,581	460,000	498,635	371,420	0.0
Total	\$64,960	\$588,621	\$565,925	\$500,000	\$592,471	\$631,947	\$500,000	669.7
<u>FUNDING</u>								
General Fund	\$64,960	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	--
State Special Revenue	-0-	588,621	565,925	500,000	592,471	631,947	500,000	--
Total Funding	\$64,960	\$588,621	\$565,925	\$500,000	\$592,471	\$631,947	\$500,000	669.7

Program Description: The Hard Rock Mining Board administers the Hard Rock Mining Impact Act. It also administers impact grant funds for close-out impacts of hard rock mining. Funded from the general fund in the current biennium, it will change to funding from one-third of the metal mines license tax in the 1987 biennium.

Current Level Budget: The lack of loan and grant activities and delays in major mineral developments make fiscal 1984 an abnormally low year and therefore a substantial rise is seen to fiscal 1986. Vacancy savings is taken at 4 percent. Executive proposed 2 percent reductions take \$2,872 in fiscal 1986 and \$2,649 in fiscal 1987. Total funding is based upon revenue estimates contained in HJR 9. The non-operating expenses are for impact grants.

The committee recommends the appropriation for this program be made biennial.

SUBCOMMITTEE ACTION

Agency: Department of Commerce

Program: Community Assistance/Local Government Block

FY 1984 Actual	----- Fiscal 1986 -----	----- Fiscal 1987 -----	FY 84-86 % Change
	Executive	Subcommittee	
	Current Level	Executive	Subcommittee
Non-Operating Expenses \$17,141,739	\$15,396,000	\$13,730,000	\$13,417,000
	\$13,730,000	\$14,006,000	(19.8)

FUNDING

General Fund \$ 3,000,000	\$ 1,500,000	\$ 1,500,000	\$ 1,500,000	(50.0)
State Special Revenue 14,141,739	13,896,000	12,230,000	11,917,000	(13.4)
	\$15,396,000	\$13,730,000	\$14,006,000	(19.8)
Total Funding \$17,141,739	\$15,396,000	\$13,730,000	\$13,417,000	

Program Description: This is direct cash assistance to local governments. State special revenue earmarked for this purpose is one-third of the oil severance tax.

Current Level Budget: The amounts provided above will be \$8 million short of funding the general purposes block grant based on LFA cost estimates and HJR 9 estimates of oil severance tax revenues. The estimated cost of the general purpose block grant as calculated under the provisions of Section 61-3-536, MCA, is \$17,278,000 in fiscal 1986 and \$17,975,000 in fiscal 1987.

Agency: Department of Commerce

Program: Community Assistance/Local Government Block

	FY 1984	Actual
1. Federal Government	100.00	100.00
2. State Government	0.00	0.00
3. Local Government	0.00	0.00
4. Other	0.00	0.00
5. Total	100.00	100.00

	FY 84-86	% Change
1. Total	1,000	0
2. Federal	1,000	0
3. State	1,000	0
4. Local	1,000	0
5. Other	1,000	0
6. Total	1,000	0
7. Federal	1,000	0
8. State	1,000	0
9. Local	1,000	0
10. Other	1,000	0
11. Total	1,000	0
12. Federal	1,000	0
13. State	1,000	0
14. Local	1,000	0
15. Other	1,000	0
16. Total	1,000	0
17. Federal	1,000	0
18. State	1,000	0
19. Local	1,000	0
20. Other	1,000	0
21. Total	1,000	0
22. Federal	1,000	0
23. State	1,000	0
24. Local	1,000	0
25. Other	1,000	0
26. Total	1,000	0
27. Federal	1,000	0
28. State	1,000	0
29. Local	1,000	0
30. Other	1,000	0
31. Total	1,000	0
32. Federal	1,000	0
33. State	1,000	0
34. Local	1,000	0
35. Other	1,000	0
36. Total	1,000	0
37. Federal	1,000	0
38. State	1,000	0
39. Local	1,000	0
40. Other	1,000	0
41. Total	1,000	0
42. Federal	1,000	0
43. State	1,000	0
44. Local	1,000	0
45. Other	1,000	0
46. Total	1,000	0
47. Federal	1,000	0
48. State	1,000	0
49. Local	1,000	0
50. Other	1,000	0
51. Total	1,000	0
52. Federal	1,000	0
53. State	1,000	0
54. Local	1,000	0
55. Other	1,000	0
56. Total	1,000	0
57. Federal	1,000	0
58. State	1,000	0
59. Local	1,000	0
60. Other	1,000	0
61. Total	1,000	0
62. Federal	1,000	0
63. State	1,000	0
64. Local	1,000	0
65. Other	1,000	0
66. Total	1,000	0
67. Federal	1,000	0
68. State	1,000	0
69. Local	1,000	0
70. Other	1,000	0
71. Total	1,000	0
72. Federal	1,000	0
73. State	1,000	0
74. Local	1,000	0
75. Other	1,000	0
76. Total	1,000	0
77. Federal	1,000	0
78. State	1,000	0
79. Local	1,000	0
80. Other	1,000	0
81. Total	1,000	0
82. Federal	1,000	0
83. State	1,000	0
84. Local	1,000	0
85. Other	1,000	0
86. Total	1,000	0
87. Federal	1,000	0
88. State	1,000	0
89. Local	1,000	0
90. Other	1,000	0
91. Total	1,000	0
92. Federal	1,000	0
93. State	1,000	0
94. Local	1,000	0
95. Other	1,000	0
96. Total	1,000	0
97. Federal	1,000	0
98. State	1,000	0
99. Local	1,000	0
100. Other	1,000	0
101. Total	1,000	0
102. Federal	1,000	0
103. State	1,000	0
104. Local	1,000	0
105. Other	1,000	0
106. Total	1,000	0
107. Federal	1,000	0
108. State	1,000	0
109. Local	1,000	0
110. Other	1,000	0
111. Total	1,000	0
112. Federal	1,000	0
113. State	1,000	0
114. Local	1,000	0
115. Other	1,000	0
116. Total		

	Fiscal 1986		Fiscal 1987	
	Executive	Subcommittee	Executive	Subcommittee
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Non-Operating Expenses \$17,141,739

(19.8)

FUNDING

General Fund	\$ 3,000,000	\$ 1,500,000	\$ 1,500,000	\$ 1,500,000	\$ 1,500,000	\$ 1,500,000	(50.0)
State Special Revenue	<u>14,141,739</u>	<u>13,896,000</u>	<u>12,230,000</u>	<u>12,250,000</u>	<u>14,635,000</u>	<u>12,506,000</u>	<u>(13.4)</u>
Total Funding	\$17,141,739	\$15,396,000	\$13,730,000	\$13,750,000	\$16,135,000	\$14,006,000	<u>(19.8)</u>
						\$13,417,000	(13.4)
						<u>11,917,000</u>	<u>(13.4)</u>

Program Description: This is direct cash assistance to local governments. State special revenue earmarked for this purpose is one-third of the oil severance tax.

Current Level Budget: The amounts provided above will be \$8 million short of funding the general purposes block grant based on LFA cost estimates and HJR 9 estimates of oil severance tax revenues. The estimated cost of the general purpose block grant as calculated under the provisions of Section 61-3-536, MCA, is \$17,278,000 in fiscal 1986 and \$17,975,000 in fiscal 1987.

SUBCOMMITTEE ACTION

Agency: Department of Commerce		Program: Community Assistance/Coal Board					
FY 1984		Fiscal 1986		Fiscal 1987		FY 84-86	
Actual		Current Level		Current Level		Subcommittee	
		Executive		Executive		Subcommittee	
		2.50		2.50		2.50	
FTE		2.50		2.50		2.50	
Personal Services	\$ 73,103	\$ 79,471	\$ 76,808	\$ 81,790	\$ 79,222	\$ 81,790	8.7
Operating Expenses	83,478	118,943	110,445	111,134	100,061	105,105	37.0
Equipment	12,951	2,028	2,028	-0-	-0-	-0-	(84.3)
Non-Operating	8,832,526	7,818,137	7,652,262	5,038,837	7,628,490	8,045,945	(2.4)
Total	\$9,002,058	\$8,018,579	\$7,841,543	\$5,231,761	\$7,807,773	\$8,232,840	(2.0)
<u>FUNDING</u>							
State Special Revenue	\$9,002,058	\$8,018,579	\$7,841,543	\$5,231,761	\$7,807,773	\$8,232,840	(2.0)

Program Description: The Coal Board administers grants and loans to local governments impacted by coal development. It is funded from 8.75 percent of the coal tax; unused funds revert to the education trust fund.

Current Level Budget: Vacancy savings are taken at 4 percent for the Coal Board. Operating expenses include \$78,800 in the biennium for expert assistance in reviewing proposed projects. The current level budget is increased \$9,885 in the biennium to allow more travel to review funded coal board projects and applicants. Total funding is based on HJR 9 estimates.

SUBCOMMITTEE ACTION

Agency: Department of Commerce

Program: Economic Policy and Research

	FY 1984 Actual	Fiscal 1986			Fiscal 1987			FY 84-86 % Change
		Executive	Subcommittee	Current Level	Executive	Subcommittee	Current Level	% Change
FTE	7.00	7.00	7.00	7.00	7.00	7.00	7.00	0.00
Personal Services	\$160,651	\$199,201	\$199,201	\$199,595	\$199,500	\$199,500	\$199,500	24.0
Operating Expenses	191,697	221,584	48,150	189,891	220,146	47,735	47,735	(74.9)
Equipment	2,421	2,290	2,290	6,619	230	230	230	5.4
Total Exp.	\$354,769	\$423,075	\$249,641	\$396,105	\$419,876	\$247,465	\$247,465	(29.6)
FUNDING								
General Fund	\$354,769	\$423,075	\$249,641	\$396,105	\$419,876	\$247,465	\$247,465	(29.6)

Program Description: This program finances the Governor's Councils on Science and Technology and Economic Development, Montana Economic Forecasting, and the census and economic information center. Montana Economic Forecasting represents a contract with the Bureau of Bureaus and Economic Research at the University of Montana.

Current Level Budget: The recommended budget eliminates funding for the Council on Science and Technology (\$40,000/year) and Montana Economic Forecasting (\$7,500/year). The former is to become a part of the Science and Technology Program continued in HB 812. The latter, a contract with the University of Montana, is eliminated. The budget for the census and economic information center is held at the fiscal 1984 level. Vacancy savings is taken at 4 percent. Executive proposed reductions of 2 percent take \$27,966 in fiscal 1986 and \$25,575 in fiscal 1987.

SUBCOMMITTEE ACTION

Agency: Department of Commerce		Program: Local Government Audit					
FY 1984		Fiscal 1986		Fiscal 1987		FY 84-86	
Actual		Executive	Subcommittee	Executive	Current Level	Subcommittee	% Change
FTE	28.70	28.70	28.70	28.70	28.70	28.70	0.00
Personal Services	\$ 665,718	\$ 770,849	\$ 770,849	\$ 772,241	\$ 772,572	\$ 772,241	15.8
Operating Expenses	219,660	260,860	237,120	256,803	232,131	217,222	7.9
Equipment	205	---	-0-	---	---	-0-	(100.0)
Non-Operating	<u>1,375,000</u>	<u>1,700,000</u>	<u>1,375,000</u>	<u>1,700,000</u>	<u>1,375,000</u>	<u>1,375,000</u>	<u>0.0</u>
Total Exp.	<u>\$2,260,583</u>	<u>\$2,731,709</u>	<u>\$2,382,969</u>	<u>\$2,729,044</u>	<u>\$2,379,703</u>	<u>\$2,364,463</u>	<u>5.4</u>
<u>FUNDING</u>							
General Fund	\$1,462,306	\$1,789,750	\$1,444,288	\$1,789,750	\$1,461,600	\$1,443,870	(1.2)
Proprietary	<u>798,277</u>	<u>941,959</u>	<u>938,681</u>	<u>939,294</u>	<u>918,103</u>	<u>920,593</u>	<u>17.6</u>
Total Funding	<u>\$2,260,583</u>	<u>\$2,731,709</u>	<u>\$2,382,969</u>	<u>\$2,729,044</u>	<u>\$2,379,703</u>	<u>\$2,364,463</u>	<u>5.4</u>

Program Description: This program provides auditing and technical assistance to local governments and emergency district court aid. The major portion of general fund and all \$1,375,000 non-operating expenses are emergency aid for district courts. The remaining general fund is used for technical assistance to local governments. Proprietary funds pay for the auditing of local governments through charges to those receiving the audits.

Current Level Budget: The current level budget includes \$1,375,000 per year for district court aid. This is the level appropriated in fiscal 1984 and 1985. The committee recommends that the district court aid be appropriated in a separate line-item. Vacancy savings is taken at 4 percent. Actual vacancy savings in fiscal 1984 exceeded 10 percent. The major operating expense in this program is travel expenses of the auditors which accounts for over one-third of operating expenses. Executive proposed 2 percent reductions take \$20,462 in fiscal 1986 and \$20,880 in fiscal 1987.

SUBCOMMITTEE ACTION

Agency: Department of Commerce

Program: Accounting & Management Systems

	FY 1984 Actual	Executive	Fiscal 1986 Current Level	Subcommittee	Executive	Fiscal 1987 Current Level	Subcommittee	FY 84-86 % Change
FTE	9.30	9.00	9.00	9.00	9.00	9.00	9.00	(3.2)
Personal Services	\$233,145	\$249,861	\$249,927	\$249,861	\$250,289	\$250,366	\$250,289	7.2
Operating Expenses	120,295	126,327	121,607	117,899	124,588	119,479	110,707	(2.0)
Total Exp.	<u>\$353,440</u>	<u>\$376,188</u>	<u>\$371,534</u>	<u>\$367,760</u>	<u>\$374,877</u>	<u>\$369,845</u>	<u>\$360,996</u>	<u>4.1</u>
<u>FUNDING</u>								
General Fund	\$353,440	\$ 89,211	\$ 89,211	\$ 81,849	\$ 89,211	\$ 89,211	\$ 81,404	(76.8)
State Special Rev.	---	286,977	282,323	285,911	285,666	280,634	279,592	--
Total Funding	<u>\$353,440</u>	<u>\$376,188</u>	<u>\$371,534</u>	<u>\$367,760</u>	<u>\$374,877</u>	<u>\$369,845</u>	<u>\$360,996</u>	<u>4.1</u>

Program Description: The accounting and management systems program is responsible for designing and installing accounting and budgeting systems for local governments. Beginning in fiscal 1985, the division will work with school districts on modernizing and standardizing accounting systems. The schools will pay for 5 FTE and expenses in this program through proprietary funds. The remainder, funded with general fund, assists in maintenance of city, town, and county systems.

Current Level Budget: The budget includes 4 percent vacancy savings and \$7,362 in fiscal 1986 and \$7,807 in fiscal 1987 taken as the executive proposed 2 percent cuts.

SUBCOMMITTEE ACTION

Agency: Department of Commerce

Program: Indian Affairs Coordinator

FY 1984 Actual	Fiscal 1986			Fiscal 1987			FY 84-86 % Change
	Executive	Current Level	Subcommittee	Executive	Current Level	Subcommittee	
FTE	3.00	3.00	3.00	3.00	3.00	3.00	0.00
Personal Services	\$44,804	\$ 70,058	\$70,058	\$ 70,368	\$ 70,087	\$70,087	56.4
Operating Expenses	36,786	31,173	38,149	42,173	30,721	36,686	3.7
Equipment	625	-0-	-0-	-0-	-0-	-0-	--
Total Exp.	\$82,215	\$101,231	\$108,207	\$112,541	\$100,808	\$106,773	31.6
<u>FUNDING</u>							
General Fund	\$82,215	\$101,231	\$108,207	\$112,541	\$100,808	\$106,773	31.6

Program Description: The Indian affairs coordinator is the Governor's liaison with the state's Indian tribes and provides information and policy support to state, local, and federal officials regarding tribal affairs and Indian law.

Current Level Budget: The substantial increase in expenses between fiscal 1984 and 1986 results as the coordinator's administrative assistant position was vacant most of fiscal 1984. In addition, the coordinator was upgraded in fiscal 1985 from grade 15 to grade 18. The budget contains \$2,000 per year to develop an automated information base. Vacancy savings are taken at 4 percent. Travel is increased \$2,787 per year over the fiscal 1984 level to allow the coordinator to spend more time with each tribe.

SUBCOMMITTEE ACTION

Agency: Department of Commerce

Program: Bonding Authority

	FY 1984 Actual	Fiscal 1986		Fiscal 1987		FY 84-86 % Change
		Executive	Current Level	Executive	Current Level	
FTE	5.00	7.00	7.00	7.00	7.00	40.0
Personal Services	\$ 64,246	\$241,548	\$240,076	\$242,033	\$240,621	\$242,033
Operating Expenses	137,704	169,871	172,118	172,670	174,571	166,901
Equipment	9,630	256	256	1,561	1,561	1,561
Total Exp.	\$211,580	\$411,675	\$412,450	\$416,264	\$416,753	\$410,495
FUNDING						
General Fund	\$194,103	\$193,737	\$194,512	\$192,155	\$192,644	\$186,386
State Special Rev.	17,477	217,938	217,938	224,109	224,109	1,147.0
Total Funding	\$211,580	\$411,675	\$412,450	\$416,264	\$416,753	\$410,495

Program Description: This program provides funding for the Montana Economic Development Board and the Montana Health Facility Authority. The Economic Development Board administers the Coal Tax Loan Program, Industrial Revenue Bond Programs, Montana Capital Companies Program, and the Municipal Bond Pooling Program. The Health Facility Authority administers individual and pooled financing for non-profit health institutions. General funds support the Economic Development Board, while bond fee income supports the Health Facility Authority. This program has issued over \$33.4 million of financing since its inception last session.

Current Level Budget: The budget shows a substantiated increase from fiscal 1984 as these programs were created by the 1983 legislature and fiscal 1984 was the start-up year. Two FTE are added for the health facility authority. Major operational expenses are audit fees for bond programs, approximately \$24,000 per year, and travel for the board and staff, approximately \$38,000 per year. Vacancy savings is taken at 4 percent.

Modified Recommendations: (1) Accountant. The committee recommends the addition of an accountant to the program for bonding and loan activities. This position will be funded from proprietary funds of \$28,250 in fiscal 1986 and \$22,000 in fiscal 1987.

(2) Clerical Assistance. The committee recommends the addition of 1 FTE to provide clerical assistance. This position, with additional operating expenses for computer maintenance and attorney fees, will cost \$29,887 in fiscal 1986 and \$30,579 in fiscal 1987 from proprietary funds.

SUBCOMMITTEE ACTION

Agency: Department of Commerce

Program: Director's Office

	FY 1984 Actual	Executive	Fiscal 1986 Current Level	Subcommittee	Executive	Fiscal 1987 Current Level	Subcommittee	FY 84-86 % Change
FTE	18.09	20.00	17.50	17.50	20.00	17.50	17.50	(3.3)
Personal Services	\$428,363	\$536,423	\$448,718	\$452,804	\$537,075	\$449,339	\$453,419	5.7
Operating Expenses	108,810	157,502	149,749	160,690	95,143	88,300	99,989	33.9
Equipment	24,538	11,150	5,036	40,150	1,300	3,036	1,300	(58.6)
Total Exp.	\$561,711	\$705,075	\$603,503	\$653,644	\$633,518	\$540,675	\$554,708	8.4
FUNDING								
General Fund	\$ 1,666	\$ 1,731	\$ 1,800	\$ 1,731	\$ 1,731	\$ 1,874	\$ 1,731	3.9
Proprietary	560,045	703,344	601,703	651,913	631,787	538,801	552,977	
Total Funding	\$561,711	\$705,075	\$603,503	\$653,644	\$633,518	\$540,675	\$554,708	8.4

Program Description: This program contains the central service/management functions of the Director's office, the management services section which provides payroll, accounting, budgeting, mail and financial support to the department, and the programmers section which provides data processing support to the department. These functions are paid for by assessments and charges to the other programs in the department through a proprietary fund. The general fund is for the county printing board.

Current Level Budget: The current level budget contains \$63,000 for the department's audit by the legislative auditor in fiscal 1986. Travel funds were increased \$2,000 per year to allow the director to travel more in-state. An additional \$3,580 per year is provided for computer processing. Equipment authorized includes two calculators, a high speed printer, and office furniture. Vacancy savings is taken at 4 percent. The budget includes \$15,000 per year for rent in the new DNRC building and \$30,000 for panels for this space. Executive proposed 2 percent reductions of \$12,841 per year are taken.

Modified Recommendations: (1) Deputy Director and Clerk. The committee recommends the addition of a deputy director and clerk at a cost of \$55,375 in fiscal 1986 and \$53,838 in fiscal 1987. The funds are derived from charges to the programs within the department based on personal services expenditures. The department has grown considerably with the addition of the "Build Montana" program and transfers of local government information centers from other agencies requiring this addition.

SUBCOMMITTEE ACTION

Agency: Department of Commerce

Program: Legal Services

	FY 1984 Actual	Fiscal 1986			Fiscal 1987			FY 84-86 % Change
		Executive	Subcommittee	Current Level	Executive	Subcommittee	Current Level	
FTE	8.00	8.00	8.00	8.00	8.00	8.00	8.00	0.00
Personal Services	\$208,613	\$228,895	\$228,895	\$230,046	\$229,306	\$229,306	\$229,306	9.7
Operating Expenses	57,615	76,941	67,684	57,977	74,715	59,828	59,828	17.5
Equipment	303	-0-	-0-	181	-0-	-0-	181	0.0
Total Exp.	\$266,531	\$305,836	\$296,579	\$291,273	\$304,021	\$289,134	\$289,134	11.3
FUNDING								
General Fund	\$131,001	\$134,109	\$127,367	\$122,006	\$133,197	\$124,316	\$124,316	(2.8)
State Special Rev.	135,530	171,727	169,212	169,267	170,824	164,818	164,818	24.9
Total Funding	\$266,531	\$305,836	\$296,579	\$291,273	\$304,021	\$289,134	\$289,134	11.3

Program Description: Legal services provides legal assistance to the various programs in the department for which it charges \$39 per hour. It also operates the public contractor licensing program and enforces state consumer protection laws relating to sale of merchandise for personal use, deceptive business practices, fair debtor/creditor relationships, and truth-in-lending. The consumer protection and public contractor functions require 3.5 FTE and are supported with general fund. The remaining 4.5 FTE provide agency legal services which is supported through proprietary funds.

Current Level Budget: The budget is approved with 4 percent vacancy savings taken. The executive proposed 2 percent reductions take another \$5,200 per year.



3.13.85
HB 500
(Exhibit 5.)

Missouri River Chapter • 344 Clancy • Helena, MT 59601

March 13, 1985

Montana Senate
Helena, Mt.

Dear Sirs:

Our chapter of 125 members wishes to go on record in strong support of the Canyon Ferry Reservoir study that the Dept. of Fish Wildlife & Parks wants to undertake.

Only 25% of the money for the study must be paid by the state, and that money comes from license fees. Trout Unlimited has been a staunch supporter of the last two license fee increases because the Dept. has indicated in advance what those extra fees would be used for. Fish Wildlife and Parks got our support for the most recent license fee increase because they very much wanted to do the Canyon Ferry study.

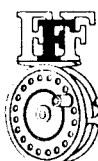
This study is badly needed because the fishery has taken a nosedive in the last four years, and this fishery is one of the most heavily used lakes in the state. Fishermen come from several of Montana's major cities in large numbers. A way must be found to restore the fishery, whose decline is creating economic losses to businessmen in the Townsend and Helena area.

Our own club members could relate in detail how disappointing their fishing experiences on Canyon Ferry and the river above the lake have been in recent years.

We urge the Senate to approve this study. Restoration of the fishery must be based on biological data if it is to be successful.

Sincerely,

Thomas Mullen
Treasurer



AFFILIATED WITH NATIONAL TROUT UNLIMITED
AND THE FEDERATION OF FLY FISHERMEN

VISITORS' REGISTER

APPROPRIATIONS

COMMITTEE

(General Government & Highways Budgets)
 (NATURAL RESOURCES BUDGETS)

BILL NO. HOUSE BILL 500DATE March 15, 1985SPONSOR BARDANOUE

NAME (please print)	RESIDENCE	SUPPORT	OPPOSE
John Hobbs	Stanford	Yes	
Saline Sheep Control Program			
Walt Beilly	Stanford	Yes	
Saline Sheep			
George Deegan	Stanford	yes	
Saline sheep	program		
Walt Beilly	Holma	yes	
Walt Beilly	"	"	
Walt Beilly	Ind. Ill.		
Don Gruehl	V. A.		
	Dept of Highways		
	Administrator Maint Equip	yes	
Bruce Barrett	Dept of Hwys		
	Chief Equip Bureau	Yes	
Gary Wicks	Director, WPOH	Yes	
Norm Costello	OSPP		
Madeleine Citreuil	BSC	Yes	
Darrell Lagen	admin/IST	✓	

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

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

VISITORS' REGISTER
APPROPRIATIONS COMMITTEE

(NATURAL RESOURCES BUDGETS)

BILL NO. _____ HOUSE BILL 500

DATE March 15, 1985

SPONSOR BARDANOUE

NAME (please print)	RESIDENCE	SUPPORT	OPPOSE
Terb Pasha	Highwood Mt.	T.C.D.	
ALVIN D BOWWELL	CUT BANK MT	T.C.D.	
Pete Purvis	Trace, Mont	T.C.D.	
Ellis Hagen	Wentz Mont	T.C.D.	
Lloyd Berry	Ryegate, Vt.	S.C.D.	
John Zinne	Rapids Mt.	Southern Saline & Seep.	
KEITH KELLY	MT. DEPT. OF AGRICULTURE		
Tom Mullen	HELENA.	T.U.	
PETE TEST	HELENA	T.U.	
Butch Andersen	Poplar Mt Roosevelt	T.C.D.	
Jane Helzer	Contract, MT	T.C.D. ^{DNR/CDD}	
Jon Burns	Chenook	T.C.D. ^{supervisor}	
Erica Hoeland.	St Falls. Cascade.	T.C.D.	
Spig Weimer	Pawnee	T.C.D.	
John Helzer	Stanford	T.C.D.	

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

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.