

MINUTES OF THE MEETING
GENERAL GOVERNMENT AND HIGHWAYS SUBCOMMITTEE
MONTANA STATE
JOINT SUBCOMMITTEE

February 7, 1985

The meeting of the General Government and Highways Subcommittee was called to order by Chairman Quilici on February 7, 1985 at 7:00 a.m. in Room 437 of the State Capitol.

ROLL CALL: All members were present. Also present were Cliff Roessner from the LFA Office, and Doug Booker from the Governor's Office.

DEPARTMENT OF ADMINISTRATION

State Tax Appeal Board: Bob Raundal, Chairman, described the functions of the agency and told the committee more funds would be needed in the second year of the biennium to operate. Exhibit No. 1 is information on their backlog (51;B;01).

Exhibit No. 2 is the budget for the State Tax Appeal Board, the budget issues are listed on the second page.

Executive Action was taken on this agency immediately after the hearing. There was discussion on the budget issues. Senator Keating moved the LFA budget with no vacancy savings and the OBPP budget for travel, \$53,000 to be a biennial appropriation to be line itemed and used for the special increase caseload, and the 34 percent tax case hearings. The motion was seconded, and passed unanimously.

Workers' Compensation Judge: Clarice Beck presented the budget for Judge Reardon, who was out of town (52;A;07). Exhibit No. 3 gives information on the reasons for the workload increase. Exhibit No. 4 is the budget for the agency, the budget issues are listed on the second page.

Executive Action was taken on this agency immediately after the hearing. There was discussion on the budget issues (52;A;583).

Senator Keating moved the LFA budget for 9 FTE with 2 percent vacancy savings and adding the termination pay, for contracted services the OBPP budget plus \$9,000 a year line itemed for the Veteran's Preference case, the LFA budget for supplies and materials, and communications, the OBPP budget for travel, the OBPP budget rent figure with \$12,000 to be line itemed for meeting rooms,

the LFA budget for repair and maintenance and other expenses, and the LFA budget for equipment. The motion was seconded, and PASSED unanimously.

Board of Investments: Jim Howeth, Investment Officer for the Board, introduced Fritz Tossberg who is a member of the Board of Investments (52;B;155). Fritz Tossberg opened the presentation by giving the committee an overview of the board's functions. He said the funds managed by the Board of Investment's passed the \$2,000,000,000 mark and it's estimated that this year those investments will return some \$2,000,000 to the state. The growth of these funds has caused the need for additional people. Exhibit No. 5 is a list of budget issues and concerns of the Board of Investments. There was discussion on the facilities the agency is now using, and the need to move to a bigger place.

Senator Gage said that at one of the interim committee hearings, where the two new board member situation was addressed for the PERS and the Teacher Retirement people being on the board, they weren't so concerned about the expertise they might be able to lend to the board, as they were about just knowing what was going on. He was concerned at that time about Jim Howeth's indication to them that they were certainly invited to the meetings even if they were not board members, which seemed to him, would have filled the situation without costing the state or agencies another \$13,000. He wanted the record to indicate that he somewhat concurred with the fact that it wasn't really a necessity for them to be a member of the board to know what is going on

Chairman Quilici asked how much revenue the state is receiving on the agency's investment. Currently they are earning over two hundred million a year, which yeilds 11.83 percent a year.

Exhibit No. 6 is the budget for the Board of Investments, the budget modification, and the budget issues.

Executive Action was taken on this agency immediately after the hearing. There was discussion on the budget issues (53;A;10). Senator Keating moved the LFA budget for 19 FTE with 2 percent vacancy savings, with an increase of travel for \$1,516, and an increase in equipment for \$1,070 in FY 1986. The motion was seconded, and PASSED unanimously.

GENERAL GOVERNMENT AND HIGHWAYS

February 7, 1985

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Senator Keating moved the budget modification for one FTE. The motion was seconded, and PASSED unanimously.

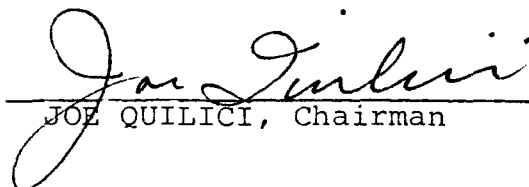
Representative Lory moved the budget modification to line item \$38,680 in FY 1986 and \$35,691 in FY 1987 to be used for new office space if it becomes available, with the approval of the Department of Administration. The motion was seconded, and PASSED unanimously.

Representative Lory moved approval of the budget modification for the exempt positions which will be line itemed, in addition to the personal services. The motion PASSED with 5 yes and 1 no.

Insurance and Legal Division: Mike Young explained the function of the division (53;A;240). Exhibit No. 7 is information on the different kinds of insurances and their cost. He told the committee, that he suspects that at some point in time the division is going to have to come to the committee and request some kind of a major increase (53;A;280). The evaluation at the end of the last fiscal year found them 11.2 million dollars in the whole, and they recommended a 400 percent increase in rates on liability claims over the biennium just to wipe out that deficit.

Exhibit No. 8 is the budget for the State Insurance and the budget modification for workload increases.

ADJOURN: There being a Full Appropriation Committee meeting, the meeting was adjourned at 10:30 a.m.


JOE QUILICI, Chairman

km

DAILY ROLL CALL

General Government and Highways SUB COMMITTEE

49th LEGISLATIVE SESSION -- 1985

Date 2/7/85

[illegible]

Exhibit #1
No. 1 2/7/85

COUNTY TAX APPEAL BOARD EXPENSES -- 1984

| | | | |
|---------------|-----------|-------------|--------------------|
| Beaverhead | \$ 461.68 | Meagher | \$ 81.90 |
| Big Horn | 1210.50 | Mineral | 540.99 |
| Blaine | 473.70 | Missoula | 4000.69 |
| Broadwater | 918.86 | McCone | 1070.62 |
| Carbon | 2043.54 | Park | 1471.73 |
| Carter | 376.85 | Petroleum | 165.01 |
| Cascade | 4570.66 | Phillips | 477.77 |
| Custer | 4085.27 | Pondera | 818.83 |
| Daniels | 378.14 | Powell | 617.47 |
| Dawson | 998.22 | Prairie | 921.73 |
| Deer Lodge | 2198.78 | Ravalli | 449.90 |
| Fallon | 968.86 | Richland | 2571.56 |
| Fergus | 553.46 | Roosevelt | 675.40 |
| Flathead | 4907.81 | Rosebud | 766.27 |
| Gallatin | 5886.49 | Sanders | 2329.51 |
| Garfield | 719.66 | Sheridan | 2382.34 |
| Glacier | 2607.84 | Silver Bow | 3940.26 |
| Golden Valley | 728.78 | Stillwater | 813.36 |
| Granite | 815.78 | Sweet Grass | 672.86 |
| Hill | 1391.33 | Teton | 858.91 |
| Jefferson | 992.88 | Toole | 263.42 |
| Judith Basin | 684.69 | Treasure | 289.20 |
| Lake | 252.02 | Valley | 1273.50 |
| Lewis & Clark | 11,621.09 | Wibaux | 651.48 |
| Liberty | 226.46 | Yellowstone | 3028.76 |
| Lincoln | 1508.16 | | |
| Madison | 551.15 | TOTAL | <u>\$ 83266.13</u> |

DISTRICT MEETINGS WITH COUNTY TAX APPEAL BOARDS-1984

| | | |
|---------------------|----------------------|---------------|
| March 26--Shelby | April 2--Great Falls | May 1--Helena |
| March 28--Kalispell | April 5--Butte | |
| March 29--Missoula | April 23--Havre | |
| | April 24--Wolf Point | |
| | April 25--Sidney | |
| | April 26--Miles City | |
| | April 27--Billings | |

2,204 Manual Disparity Appeals

Countryside Village II
decided by Montana Supreme Court

July 12, 1983

Hanley v. DOR
decided by Montana Supreme Court

December 22, 1983

STAB pre-hearing conference

January 16, 1984

Discovery Commences

January 27, 1984

Motions filed

Stipulations filed

Feb. 14, 1984

Discovery closes

March 14, 1984

Hearing on Motion
(Compel discovery and Motion in Liminae)

March 21, 1984

Appellants kept requesting more time for gathering data

Briefing

STAB order denying Motion to Compel

May 17, 1984

Taxpayers request for additional time to prepare case

May 20, 1984

STAB pre-hearing conference

May 29, 1984

Great Falls hearings commence

June 11, 12, 13, 14, 15, 1984

Great Falls Hearings Continue

July 12, 13, 14 & 15, 1984

Investigated Sales

DOR attorney on vacation all of August, 1984

DOR requests continuance

September, 1984

Kalispell hearings commence

October 16, 17, 18 & 19, 1984

Great Falls Hearings Continue

October 22, 23, 24, 25, 26

Stopped further hearings for briefing

Exhibits received DOR

November 5, 1984

Briefs filed

November 26, 1984

Final Brief

December 13, 1984

The 88 properties that we heard in Great Falls represent \$12,429,423 in valuation. The average reduction requested by taxpayers is 50%.

88 properties heard in Great Falls

40 properties heard in Kalispell

Puget Appeal -1983

| | |
|--|-------------------|
| Appeal filed | July 12, 1983 |
| DOR Answer filed | August 9, 1983 |
| Discovery schedule set | October 11, 1983 |
| Interrogatories and requests for production filed | October 25, 1983 |
| Answers to Interrogatories and responses to requests for production filed | November 29, 1983 |
| Motion for leave to file amended appeal | November 29, 1983 |
| Discovery to close | December 1, 1983 |
| Telephone communication between counsel for parties concerning discovery | Jan 9 & 12, 1984 |
| Filed amended complaint | January 21, 1984 |
| Puget's Motion to compel discovery | January 26, 1984 |
| DOR's Brief in opposition to Motion to Compel Discovery | February 8, 1984 |
| Hearing on Motion to Compel Discovery | February 15, 1984 |
| STAB order setting hearing date | February 16, 1984 |
| Notice of Deposition | February 24, 1984 |
| DOR's Motion to Compel Discovery | March 8, 1984 |
| STAB Order to comply with discovery | March 13, 1984 |
| Puget deposes John Nicolay | March 22 & 23 |
| Parties exchange hearing exhibits | April 30, 1984 |
| Puget files second amended appeal | May 7, 1984 |
| STAB order permitting second amended appeal | May 9, 1984 |
| Puget continues the Deposition of John Nicolay | May 28, 1984 |
| Puget files supplemental answers to interrogatories | May 31, 1984 |
| DOR files amended answer | June 15, 1984 |
| Puget files brief in opposition to motion in Limine | June 22, 1984 |

| | |
|---|----------------------------|
| Hearing on the appeal | June 25, 26, 27 & 28, 1984 |
| Parties exchange post-hearing exhibits | July 20, 1984 |
| DOR opening breif filed | August 8, 1984 |
| Puget moves for extension of time to file brief | August 3, 1984 |
| STAB order granting extension of time | August 7, 1984 |
| Puget files post hearing brief | August 21, 1984 |
| Puget moves for extension of time to file reply brief | September 4, 1984 |
| STAB order granting extension of time | September 6, 1984 |
| Reply briefs of parties filed | September 20, 1984 |
| Puget moves to strike portion of DOR brief | October 1, 1984 |
| DOR brief in opposition to Motion to Strike filed | October 15, 1984 |
| STAB order denying Motion to Strike | November 19, 1984 |
| STAB decision mailed (23 pages) | February 6, 1985 |

TALLY OF APPEALS HEARD BY THE STATE TAX APPEAL BOARD-CALENDAR YEAR 1984

*Denotes manual disparity appeals

| HEARINGS HELD OUTSIDE HELENA | NUMBER | HEARINGS HELD IN HELENA | NUMBER |
|---|--|-------------------------|--------------------------------|
| March 27-Kalispell | 1 | Jan. 3, 4, 5 & 6 | 3 (Haines Pipeline--4 days) |
| March 29-Missoula | 6 | Jan. 16 | 1 |
| March 30-Missoula | 1 | Jan. 18 | 1 |
| April 5-Butte | 1 | Feb. 8 & 9 | 6 |
| April 9-Virginia City | 3 | Feb. 15 | 1 (Hearing on Motion) |
| April 17-Livingston | 2 | Feb. 22 | 1 |
| April 25-Sidney | 2 | Feb. 28 | 2 |
| April 27-Billings | 1 | March 1 | 1 |
| May 21-Great Falls | 1 | March 2 | 1 |
| June 18, 19, 20, 21 & 22-Great Falls | 1 | March 5 | 1 |
| Aug. 27-Thompson Falls | 1 | March 6 | 1 |
| Aug. 28-Polson | 3 | March 8 & 9 | 8 |
| Sept. 19-Great Falls | 1 | March 12 | 1 |
| Sept. 19-Havre | 3 | March 15 & 16 | 3 (Champion Int'l--3 days) |
| Sept. 20-Cut Bank | 1 | March 21 | 1 |
| Sept. 21-Conrad | 2 | April 3 | 1 |
| Sept. 25-Missoula | 2 | April 10 | 1 |
| Sept. 26-Missoula | 5 | April 12 | 1 |
| Sept. 27-Superior | 3 | April 13 | 3 |
| Oct. 1-Ryegate | 1 | April 18, 19 & 20 | 1 (Cleveland Wrecking--3 days) |
| Oct. 1-Columbus | 2 | May 3 | 1 |
| Oct. 2-Billings | 3 | May 7 | 1 |
| Oct. 2-Hardin | 15 | May 8 | 1 |
| Oct. 3-Hysham | 1 | May 10 | 1 |
| Oct. 3-Miles City | 3 | May 14 | 1 |
| Oct. 4-Terry | 2 | May 15 | 1 |
| Oct. 4-Jordan | 4 | May 22 | 1 |
| Oct. 5-Lewistown | 1 | June 25, 26 & 27 | 1 (Puget Sound Power--3 days) |
| Oct. 15-Thompson Falls | 1 | June 28 | 1 |
| Oct. 16-Libby | 3 | July 18 | 1 |
| Oct. 16, 17, 18, 19-Kalispell | (Oct. properties heard total 40)* | Aug. 10 | 11 |
| Oct. 22, 23, 24, 25 & 26-Great Falls | (June & Oct. properties heard total 88)* | Aug. 21 | 1 |
| Oct. 29, 30, 31-Kalispell | (Oct. properties heard total 40)* | Sept. 17 | 7 |
| (heard by Ms. Peterson) | | Oct. 9 & 10 | 1 (Mobil Oil-2 days) |
| Oct. 29-Deer Lodge | 2 | Oct. 11 | 1 |
| (heard by Mr. Raundal & Mr. Dean) | | Nov. 5 | 1 |
| Oct. 29-Anaconda | 5 | Nov. 6 | 1 |
| (heard by Mr. Raundal & Mr. Dean) | | Dec. 10 | 1 |
| Oct. 30-Butte (Mr. Raundal & Mr. Dean) | 10 | | |
| Nov. 1 & 2-Kalispell | (Oct. properties heard total 40)* | | |
| Nov. 14, 15, 16 (also 4 days in Jan. 1984-heard in Butte) | | | |

GRAND TOTALS: 94 appeals heard outside Helena
73 appeals heard in Helena
128 properties heard outside Helena

TALLY OF APPEALS RECEIVED BY STAB: 1977 through 1984

| | <u>DIRECT APPEALS</u> | <u>PROPERTY TAX APPEALS</u> | <u>TOTAL</u> |
|------|-----------------------|-----------------------------|--------------|
| 1977 | 7 | 253 | 260 |
| 1978 | 15 | 1396 | 1411 |
| 1979 | 10 | 2762 | 2772 |
| 1980 | 15 | 2405 | 2420 |
| 1981 | 30 | 1123 | 1153 |
| 1982 | 48 | 1208 | 1256 |
| 1983 | 80 | 1115 | 1195 |
| 1984 | 83 | 371 | <u>454</u> |
| | GRAND TOTALS: | | 10,921 |

AGENCY:6101 DEPARTMENT OF ADMINISTRATION
 PROGRAM:37 STATE TAX APPEAL BOARD
 CONTROL:00000

BUDGET COMPARISONS
 LFA vs. OBPP
 CURRENT LEVEL

BUD37CL 1-30-85

Exhibit #2 2/7/85

| DESCRIPTION | FY 84 | OBPP FY 86 | LFA FY 86 | DIFF. FY 86 | OBPP FY 87 | LFA FY 87 | DIFF. FY 87 |
|---------------------------|---------|---------------|--------------|----------------|---------------|--------------|----------------|
| FTE | 5.50 | 5.50 | 5.50 | | 5.50 | 5.50 | |
| 1100 SALARIES | 121,230 | 123,943 | 123,943 | 0 | 123,943 | 123,943 | 0 |
| 1300 OTHER COMPENSATION | 47,429 | 47,429 | 49,184 | 1,755 | 47,429 | 49,184 | 1,755 |
| 1400 EMPLOYEE BENEFITS | 23,818 | 18,533 | 18,533 | 0 | 18,596 | 18,596 | 0 |
| 1500 HEALTH INSURANCE | | 7,200 | 7,200 | 0 | 7,200 | 7,200 | 0 |
| 1600 VACANCY SAVINGS | | (1,106) | (5,967) | (4,861) | (1,106) | (5,970) | (4,864) |
| TOTAL LEVEL | 192,477 | 195,999 | 192,893 | (3,106) | 196,062 | 192,953 | (3,109) |
| 2100 CONTRACTED SERVICES | 58,363 | 49,438 | 49,379 | (59) | 49,440 | 49,381 | (59) |
| 2200 SUPPLIES & MATERIALS | 7,919 | 8,261 | 8,261 | 0 | 8,261 | 8,261 | 0 |
| 2300 COMMUNICATIONS | 7,950 | 7,801 | 7,801 | 0 | 7,801 | 7,801 | 0 |
| 2400 TRAVEL | 13,117 | 15,671 | 14,503 | (1,168) | 15,671 | 14,503 | (1,168) |
| 2500 RENT | 7,164 | 6,837 | 7,164 | 327 | 6,906 | 7,164 | 258 |
| 2700 REPAIR & MAINTENANCE | 825 | 1,808 | 1,143 | (665) | 1,943 | 1,143 | (800) |
| 2800 OTHER EXPENSES | 1,346 | 1,496 | 1,346 | (150) | 1,496 | 1,346 | (150) |
| TOTAL LEVEL | 96,684 | 91,312 | 89,597 | (1,715) | 91,518 | 89,599 | (1,919) |
| 9999 INFLATION | | 3,682 | 6,064 | 2,382 | 4,233 | 10,431 | 6,198 |
| TOTAL W/INFLATION | 96,684 | 94,994 | 95,661 | 667 | 95,751 | 100,030 | 4,279 |
| 3100 EQUIPMENT | 1,898 | 3,000 | 3,000 | 0 | | | 0 |
| TOTAL PROGRAM | 291,059 | 293,993 | 291,554 | (2,439) | 291,813 | 292,983 | 1,170 |
| 2% CUT | | (5,880) | | 5,880 | (5,836) | | 5,836 |
| TOTAL PGM LESS CUT | 291,059 | 288,113 | 291,554 | 3,441 | 285,977 | 292,983 | 7,006 |
| 01000 GENERAL FUND | 291,059 | 288,113 | 291,554 | 3,441 | 285,977 | 292,983 | 7,006 |
| TOTAL PROGRAM | 291,059 | 288,113 | 291,554 | 3,441 | 285,977 | 292,983 | 7,006 |

STATE TAX APPEAL BOARD

Budget Differences

CURRENT LEVEL

Other Compensation:

OBPP shows per diem of \$47,429 and LFA shows per diem in the amount of \$49,184. So the difference is \$1,755. OBPP used the FY84 base. LFA gave an increase for the anticipated additional 34% tax case hearings.

Vacancy Savings:

OBPP calculated vacancy savings of \$1,106 for FY86 and FY87 exclusive of the board members' salaries. LFA's computation of \$5,967 for FY86 and \$5,970 for FY87 included the board members.

Travel:

The difference of \$1,168 in both years is represented by out-of-state travel. LFA left this at the FY84 current level. OBPP increased the budget for the board members to attend a Judicial College conference and a tax administrators conference.

Repair and Maintenance:

LFA and OBPP differ by \$665 in FY86 and \$800 in FY87 because LFA used a lower figure for typewriter maintenance. The amount needed by STAB for total repair and maintenance is \$1,083 in FY86 and \$1,218 in FY87. A breakdown of these figures follows:

| | <u>'86</u> | <u>'87</u> |
|----------------------------|---------------|---------------|
| Typewriters (4) 49/mo x 12 | \$ 588 | \$ 588 |
| Word Processor | 406 | 541 |
| Vehicle | <u>89</u> | <u>89</u> |
| | <u>\$1083</u> | <u>\$1218</u> |



Exhibit #3 2/7/85

5 SOUTH LAST CHANCE GULCH
P.O. BOX 537
HELENA, MONTANA 59624-0537
(406) 444-6540

Workers' Compensation Court

TIMOTHY W. REARDON
JUDGE

MEMORANDUM

To: Appropriations Subcommittee Members

From: Timothy W. Reardon, *wR*
Workers' Compensation Judge

Re: FY 86-87 Budget Proposal

Date: February 6, 1985

The proposed budget of the Workers Compensation Judge maintains nine authorized FTE's.

Funding for the Court operations is by means of assessments levied by the Division of Workers' Compensation against premiums paid by insurers. The total assessment levied by the Division for FY 84-85 was \$5,319,026. The Court's program cost for FY85 was \$308,524 which was slightly more than five percent of the Division's total assessment. The cost to Plan II represents .005 percent of premiums paid and to Plan III it is approximately .001 percent of the premiums paid. To Plan I, the cost is .0002 percent of the total payroll reported.

The Court's budget request includes a significant increase in travel costs. The travel budget is based on a maximum projection of five travel days in each week. The rules provide for the Court to travel two times per year to eight cities outside Helena at six month intervals. The schedule, now being followed on a trial basis, increases travel to five times a year to Billings, Great Falls, Missoula and Kalispell and four times to Butte. (See attached.) If the caseload continues to increase, the purpose of additional travel could easily be thwarted as there would be no time to dispose of the cases by opinion.

The rent cost is for rental of rooms in which to conduct trials when traveling to the eight areas outside Helena. It should be noted that under some circumstances it has also been necessary to rent city-county facilities in Helena.

Appropriations Subcommittee Members
Page 2

The contracted services cost includes legal defense costs for a veterans preference lawsuit which, in light of a recent Supreme Court ruling may be at an end. There are some additional issues pending in that suit and a request has been made of the attorney to provide a status report.

Pending Legislation:

HB515 regarding salaries for judges would affect the Court's budget because the Workers' Compensation Judge is entitled to the same salary as a district court judge, MCA § 2-15-1014(4).

SB218 - amending MCA § 39-71-741, if passed in its present form, may impact the Court. Cost projection would be speculative at this time.

TWR:lld:2b
Enclosures

REASONS FOR NEW TRIAL SCHEDULE

1. Petitioners presently may wait for six months for a trial date.
2. Due to the wait for a trial date the number of petitions which are filed as emergencies has increased considerably. Emergency petitions require special treatment by court staff and in those cases which are deemed as an emergency, the court makes every effort to schedule on an expedited basis. It must be noted this is not always possible due to the number of matters already set on the regular trial schedule.
3. The present rule allows for travel to the various areas twice yearly, and results in such a large trial calendar, with insufficient days to hear all matters, that some cases must be rescheduled, thus causing an additional delay for petitioners.
4. Delay in writing and issuing decisions, due in part to emergency hearings which decrease the in-office work time for the judge.

JUSTIFICATIONS

The new schedule, which requires a considerable increase in travel time, will benefit petitioners, defendants and the Court as follows:

1. The proposed travel schedule increases travel to five times a year to Billings, Great Falls, Missoula and Kalispell, and four times to Butte, eliminating the six-month wait for a trial setting in those areas.
2. Court experience showed that it would be possible to decrease the number of scheduled trial days in Miles City and Glasgow. This decrease will enable the court to schedule in-office time more efficiently for the judge.
3. The addition of a hearing examiner by the 1983 Legislature has allowed the court to split the trial calendar, giving both the hearing examiner and the judge more in-office time to work on decisions and orders. It must be noted that prior to the hiring of the hearing examiner it would not have been possible to adopt the new schedule.

4. Although somewhat intangible, we believe the presence of the court in an area facilitates settlements. Throughout the years a predictable result of the court being in an area is a dramatic increase in the resolution of matters which are pending trial.
5. It should be noted that FY84 was an atypical year for the Workers' Compensation Court regarding travel expenditures. Two specific reasons were, (a) the Veteran's Preference lawsuit; at the outset one term was cancelled in Great Falls and many matters were rescheduled; (b) the hearing examiner who had been hired was unable to travel as expected.

WORKERS' COMPENSATION COURT

November 27, 1984

MEMORANDUM

In response to requests for more frequent trial sessions in various venues, the Court will implement the following schedule on a test basis. At the end of June, 1985, an evaluation of whether or not this schedule is workable will be made and if it is concluded that, in fact, it is better for all parties, and the Court receives legislative approval of its travel budget, Rule A.R.M. 25.2.310 will be amended. We have set forth the deadlines for each venue which requires that a petition be filed 65 days in advance of the trial week. This increase by 5 days is necessary so that the Court can give the required 60-day notice to all parties of the time and place of trial and pretrial conference. Throughout this trial period, your comments regarding the schedule will be considered and appreciated.

TRIAL SCHEDULE - FEBRUARY, 1985 THROUGH JUNE, 1985

| VENUE | TRIAL DATE WEEK OF | PRETRIAL WEEK OF | FILING DEADLINE |
|------------------------|-----------------------|---------------------|--------------------|
| Billings | Feb. 4 Feb. 11* | Dec. 31 | Nov. 30 Dec. 7 |
| Great Falls | Feb. 19* | Jan. 7 | Dec. 14 |
| Butte | Feb. 25 | Jan. 14 | Dec. 21 |
| Missoula | March 4 | Jan. 21 | Dec. 28 |
| Kalispell | March 11 | Jan. 28 | Jan. 4 |
| Bozeman | March 18 | Feb. 4 | Jan. 11 |
| Helena | March 25 | Feb. 11* | Jan. 18 |
| Miles City/ Glasgow | April 1 | Feb. 19 | Jan. 25 |
| Billings | April 15 | March 4 | Feb. 8 |
| Great Falls | April 22 April 29 | March 11 | Feb. 15 Feb. 22 |
| Butte | May 6 | March 25 | March 1 |
| Missoula | May 13 | April 1 | March 8 |
| Kalispell | May 20 | April 8 | March 15 |
| Helena | May 27* | April 15 | March 22 |
| Billings | June 3 | April 22 | March 29 |
| Great Falls | June 10 | April 29 | April 5 |
| Missoula | June 17 | May 6 | April 12 |
| Kalispell | June 24 | May 13 | April 19 |

*State Holiday During Week

CVB/rc

AGENCY:6101 DEPARTMENT OF ADMINISTRATION
PROGRAM:33 WORKERS' COMPENSATION JUDGE
CONTROL:00000

BUDGET COMPARISONS
LFA vs. OBPP
CURRENT LEVEL

BUD33CL 1-30-85

| DESCRIPTION | FY 84 | OBPP FY 86 | LFA FY 86 | DIFF. FY 86 | OBPP FY 87 | LFA FY 87 | DIFF. FY 87 |
|-----------------------------|---------|---------------|--------------|----------------|---------------|--------------|----------------|
| FTE | 9.00 | 9.00 | 9.00 | | 9.00 | 9.00 | |
| 1100 SALARIES | 171,991 | 205,648 | 198,555 | (7,093) | 205,760 | 198,668 | (7,092) |
| 1400 EMPLOYEE BENEFITS | 29,721 | 26,395 | 25,728 | (667) | 26,713 | 26,044 | (669) |
| 1500 HEALTH INSURANCE | | 10,800 | 10,800 | 0 | 10,800 | 10,800 | 0 |
| 1600 VACANCY SAVINGS | | (9,713) | (9,333) | 380 | (10,061) | (9,346) | 715 |
| 1800 | | | 5,229 | 5,229 | | 5,233 | 5,233 |
| TOTAL LEVEL | 201,712 | 233,130 | 230,979 | (2,151) | 233,212 | 231,399 | (1,813) |
| 2100 CONTRACTED SERVICES | 31,836 | 15,984 | 22,309 | 6,325 | 13,490 | 19,815 | 6,325 |
| 2200 SUPPLIES & MATERIALS | 8,628 | 9,296 | 8,850 | (446) | 9,296 | 8,850 | (446) |
| 2300 COMMUNICATIONS | 6,828 | 7,148 | 6,827 | (321) | 7,148 | 6,827 | (321) |
| 2400 TRAVEL | 12,164 | 39,877 | 12,165 | (27,712) | 39,877 | 12,165 | (27,712) |
| 2500 RENT | 8,835 | 17,192 | 6,149 | (11,043) | 17,192 | 6,149 | (11,043) |
| 2700 REPAIR & MAINTENANCE | 3,030 | 3,701 | 3,701 | 0 | 3,701 | 3,701 | 0 |
| 2800 OTHER EXPENSES | 1,618 | 2,536 | 1,170 | (1,366) | 2,536 | 1,170 | (1,366) |
| TOTAL LEVEL | 72,939 | 95,734 | 61,171 | (34,563) | 93,240 | 58,677 | (34,563) |
| 9999 INFLATION | | 3,108 | 2,732 | (376) | 3,547 | 4,476 | 929 |
| TOTAL W/INFLATION | 72,939 | 98,842 | 63,903 | (34,939) | 96,787 | 63,153 | (33,634) |
| 3100 EQUIPMENT | 11,229 | 11,650 | 11,650 | 0 | 1,650 | 1,650 | 0 |
| TOTAL PROGRAM | 285,880 | 343,622 | 306,532 | (37,090) | 331,649 | 296,202 | (35,447) |
| 2% CUT | | (6,872) | | 6,872 | (6,633) | | 6,633 |
| TOTAL PGM LESS CUT | 285,880 | 336,750 | 306,532 | (30,218) | 325,016 | 296,202 | (28,814) |
| 02447 WORKERS COMP COURT SR | 285,880 | 336,750 | 306,532 | (30,218) | 325,016 | 296,202 | (28,814) |
| TOTAL PROGRAM | 285,880 | 336,750 | 306,532 | (30,218) | 325,016 | 296,202 | (28,814) |

WORKERS' COMPENSATION JUDGE

Budget Differences

Personal Services

Two categories are affected. The first is overtime. The OBPP budget includes \$2,262 for overtime of the clerk and deputy clerk positions. These positions earn overtime in the normal operation of the division as a direct result of the workload for the Court. The LFA budget has an overtime figure of \$1,028. Differences are \$1,234 in both years.

The second category relates to the law clerk. This position is hired for one year only and terminates by June 30 each fiscal year. As a result, the position has accrued vacation and sick leave time that must be paid out at each year end. The OBPP budget includes \$1,430 for this termination pay. The LFA budget does not allow any funds for the payout. Difference of \$1,430 each fiscal year.

Contracted Services

Two categories are affected. First, the present Judge of the Court has been named in a lawsuit regarding Veteran's Preference. This suit will be continuing into the next biennium. The OBPP budget does not include any funds for this lawsuit. The LFA budget includes \$9,000 in each year.

Second, the OBPP budget includes \$2,830 for education and training for the Judge, hearing examiner and rest of the Court staff. The LFA budget was left at current level of \$55. Difference of \$2,775 in each year.

Travel

The OBPP budget includes increases for both in-state and out-of-state travel to handle the increased workload of the Court. The LFA budget left travel at current level. Difference of \$27,712 in both fiscal years.

Rent

Two categories are affected. First, by mistake the LFA budget includes \$1,585 twice for photo copy rental. The OBPP budget has the correct figure.

Second, the OBPP budget includes an increase to rent meeting rooms to hold court in Helena and outlying areas. The LFA budget left room rental at current level. Differences of \$12,628 each year.

Other Expenses

The OBPP budget includes increases for dues of staff members and registration fees for the Judge and hearing examiners to attend continuing legal education programs. The LFA budget does not include these increases. Difference of \$1,305 in both years.

Exhibit #5
2/7/85

BUDGET ISSUES & CONCERNS
OF THE
BOARD OF INVESTMENTS
February 7, 1985

ISSUES WITHIN THE RECOMMENDED BUDGET FOR FY '86 & FY '87

PERSONAL SERVICES

A. Exempt Positions

Section 2-18-103, MCA exempts the Investment Officer and Assistant Investment Officer from the State Pay Plan. The salaries then are set by the Board of Investments itself. The salaries for FY '86 and FY '87 have been set within a range. The maximum incremental amounts being:

| <u>FY '86</u> | <u>FY '87</u> |
|---------------|---------------|
| \$20,000 | \$23,000 |

B. Vacancy Savings

Vacancy savings have been applied to the FY '86 and FY '87 budgets by both the OBPP and LFA in excess of \$22,000. We currently have only 17 FTEs filled and would like to fill all 19 FTEs during the coming biennium.

The 2 FTEs which are vacant are basically training positions for Securities Analysts. Due to turnover and advancements these are not the same two FTEs that were vacant at the beginning of the current biennium. Lack of current office space has also been a contributing factor to the vacant positions. If the recommended vacancy savings are not put back into the budgets for FY '86 and FY '87 we will not be able to fill all approved FTEs.

C. New FTE

One new FTE is requested to perform the duties and functions of HB371 from the last session. The new FTE would be directly involved with investment in Montana related real estate. The LFA has not addressed this modified request:

| <u>FY '86</u> | <u>FY '87</u> |
|---------------|---------------|
| \$27,131 | \$27,142 |

FUNDING

The Board of Investments currently operates as a proprietary fund. LFA has recommended that the BOI operation be placed in the State special revenue fund. The logic given to us for this change appears to be thin. The BOI is currently in the process of installing a major data processing system that has been developed over the last two years. At this point, we have no real handle on what this sytem will cost to operate on a monthly basis. We have requested \$84,000 per year in FY '86 and FY '87.

The current classification of the BOI as a proprietary fund gives us the flexibility of using the budget amendment process to provide for additional funds if necessary for the operation of this data processing system.

ISSUES RELATING TO PENDING LEGISLATION

A. Senate Bill 8

Senate Bill 8 relates to the adding of two new board members to the BOI. The passage of this legislation will have costs associated with the attendance by the two new members to the monthly Board meetings. The costs involved are travel, lodging, meals and per diem. Based on the makeup of the current Board, the projected costs for the two new members would be:

| <u>FY '86</u> | <u>FY '87</u> |
|---------------|---------------|
| \$5,784 | \$5,784 |

B. Senate Bill 9

Senate Bill 9 relates to the exempting of four additional staff members of the BOI. The salaries then would be set by the Board itself. The passage of this legislation would require maximum incremental funding in personal services of:

| <u>FY '86</u> | <u>FY '87</u> |
|---------------|---------------|
| \$25,000 | \$25,000 |

OTHER ISSUES

Existing Office Space

We have 17 FTEs located in two different houses rented from the State. The space allocation within these two houses is such that people are in effect, sitting on top of each other, let alone the inefficiency involved in trying to manage and communicate with employees not all under one roof. The BOI has been approached by a private contractor who would put up a new building and lease 6,000 square feet of the space to the BOI at \$7.50 per square foot with the option of leasing more space in the future.

The BOI has recently addressed its need for a new location to the Director of the Department of Administration, including the proposal from the private contractor. We don't think there is any doubt that we will have to relocate in the coming biennium. The question at this point is, whether there will be adequate space available within State owned buildings. Under the assumption that a bid similar to the \$7.50 per square foot was the only viable alternative the BOI has, the following costs were arrived at:

| | <u>FY '86</u> | <u>FY '87</u> |
|--|---------------------------|---------------------------|
| Office rent (6,000 sq. ft. x \$7.50 = \$45,000) | \$45,000 | \$45,000 |
| (Less) recommended LFA | <u>14,720</u> \$30,280 | <u>15,309</u> \$29,691 |
| Utilities (annual) | 3,600 | 3,600 |
| Moving expense | 2,400 | |
| Janitorial expense | <u>2,400</u> | <u>2,400</u> |
| Total | \$ 38,680 | \$ 35,691 |

| DESCRIPTION | FY 84 | OBPP FY 86 | LFA FY 86 | DIFF. FY 86 | OBPP FY 87 | LFA FY 87 | DIFF. FY 87 |
|---------------------------|---------|---------------|--------------|----------------|---------------|--------------|----------------|
| FTE | 19.00 | 19.00 | 19.00 | | 19.00 | 19.00 | |
| 1100 SALARIES | 406,342 | 474,049 | 474,049 | 0 | 474,866 | 474,866 | 0 |
| 1300 OTHER COMPENSATION | 4,300 | 4,300 | 4,300 | | 4,300 | 4,300 | |
| 1400 EMPLOYEE BENEFITS | 73,305 | 66,661 | 66,661 | 0 | 67,403 | 67,403 | 0 |
| 1500 HEALTH INSURANCE | | 22,800 | 22,800 | 0 | 22,800 | 22,800 | 0 |
| 1600 VACANCY SAVINGS | | (22,712) | (22,449) | 263 | (22,774) | (22,479) | 295 |
| 1800 | | | | 0 | | | 0 |
| TOTAL LEVEL | 483,947 | 545,098 | 545,361 | 263 | 546,595 | 546,890 | 295 |
| 2100 CONTRACTED SERVICES | 156,661 | 144,686 | 144,446 | (240) | 144,695 | 144,455 | (240) |
| 2200 SUPPLIES & MATERIALS | 4,783 | 4,784 | 4,784 | 0 | 4,784 | 4,784 | 0 |
| 2300 COMMUNICATIONS | 11,814 | 11,759 | 11,759 | 0 | 11,759 | 11,759 | 0 |
| 2400 TRAVEL | 9,291 | 10,807 | 9,291 | (1,516) | 10,807 | 9,291 | (1,516) |
| 2500 RENT | 15,660 | 14,443 | 15,660 | 1,217 | 14,589 | 15,660 | 1,071 |
| 2700 REPAIR & MAINTENANCE | 1,343 | 1,343 | 1,343 | 0 | 1,343 | 1,343 | 0 |
| 2800 OTHER EXPENSES | 8,490 | 4,967 | 4,792 | (175) | 4,967 | 4,792 | (175) |
| TOTAL LEVEL | 208,042 | 192,789 | 192,075 | (714) | 192,944 | 192,084 | (860) |
| 9999 INFLATION | | 6,712 | 2,156 | (4,556) | 7,535 | 4,610 | (2,925) |
| TOTAL W/INFLATION | 208,042 | 199,501 | 194,231 | (5,270) | 200,479 | 196,694 | (3,785) |
| 3100 EQUIPMENT | 4,282 | 12,770 | 11,700 | (1,070) | 7,200 | 7,200 | 0 |
| TOTAL PROGRAM | 696,271 | 757,369 | 751,292 | (6,077) | 754,274 | 750,784 | (3,490) |
| 2% CUT | | (15,147) | | 15,147 | (15,085) | | 15,085 |
| TOTAL PGM LESS CUT | 696,271 | 742,222 | 751,292 | 9,070 | 739,189 | 750,784 | 11,595 |
| 06527 INVESTMENT PROGRAM | 696,271 | 742,222 | 751,292 | 9,070 | 739,189 | 750,784 | 11,595 |
| | | | | 0 | | | 0 |
| | | | | 0 | | | 0 |
| TOTAL PROGRAM | 696,271 | 742,222 | 751,292 | 9,070 | 739,189 | 750,784 | 11,595 |

| DESCRIPTION | OBPP FY 86 | LFA FY 86 | DIFF. FY 86 | OBPP FY 87 | LFA FY 87 | DIFF. FY 87 |
|---------------------------|---------------|--------------|----------------|---------------|--------------|----------------|
| FTE | 1.00 | | (1.00) | 1.00 | | (1.00) |
| 1100 SALARIES | 22,654 | | (22,654) | 22,654 | | (22,654) |
| 1400 EMPLOYEE BENEFITS | 3,277 | | (3,277) | 3,288 | | (3,288) |
| 1500 HEALTH INSURANCE | 1,200 | | (1,200) | 1,200 | | (1,200) |
| 1600 VACANCY SAVINGS | (1,085) | | 1,085 | (1,086) | | 1,086 |
| TOTAL LEVEL | 26,046 | 0 | (26,046) | 26,056 | 0 | (26,056) |
| 3100 EQUIPMENT | 760 | | (760) | | | 0 |
| TOTAL PROGRAM | 26,806 | 0 | (26,806) | 26,056 | 0 | (26,056) |
| 2% CUT | (536) | | 536 | (521) | | 521 |
| TOTAL PGM LESS CUT | 26,270 | 0 | (26,270) | 25,535 | 0 | (25,535) |
| 06527 INVESTMENT DIVISION | 26,270 | | (26,270) | 25,535 | | (25,535) |
| TOTAL PROGRAM | 26,270 | 0 | (26,270) | 25,535 | 0 | (25,535) |

INVESTMENTS

Budget Differences

CURRENT LEVEL (Page 1 of Budget Comparisons)

Travel:

OBPP has increased travel costs to allow the Investment Division staff to attend out-of-state classes in order to keep current on investment policies. The LFA budget reflects costs at the current level. The difference is \$1,516 in each year.

Equipment:

The OBPP 1986 budget includes costs for bookcases and calculators requested by the division. The LFA budget does not include these costs. The difference is \$1,070 in fiscal year 1986.

MODIFIED LEVEL (Page 2 of Budget Comparisons)

One FTE is requested to perform the duties set out in HB371 passed last session. This bill allowed a 10% investment in Montana related real estate. The costs associated with this position are \$26,806 in 1986 and \$26,056 in 1987.

Exhibit #7
2/7/85

DEPARTMENT OF ADMINISTRATION
Insurance and Legal Division

PART I - Insurance protection provided

| | <u>Annual Cost</u> | | |
|---|----------------------|----------------------|----------------------|
| | <u>FY85 (actual)</u> | <u>FY86 (budget)</u> | <u>FY87 (budget)</u> |
| <u>A. Commercial Insurance:</u> | | | |
| Property Insurance ¹ | 126,468 | 176,920 | 191,074 |
| Auto Fleet Insurance | 355,683 | 415,586 | 431,034 |
| Boiler Insurance | 13,635 | 16,857 | 16,968 |
| Fidelity Bond | 12,680 | 14,104 | 14,166 |
| Fine Arts Policy | 14,000 | 18,710 | 21,030 |
| Airport Liability | 5,850 | 7,050 | 7,050 |
| Money & Securities | 3,940 | 5,256 | 5,466 |
| Aircraft Liability & Physical Damage | 25,252 | 28,737 | 30,215 |
| Helicopter Liability & Physical Damage | 34,141 | 41,967 | 42,190 |
| Misc. Inland Marine Policies | 11,651 | 43,500 | 45,240 |
| TOTALS | <u>603,300</u> | <u>768,687</u> | <u>804,433</u> |

B. Self-Insured:

| | | | |
|--------------------------------------|-----------|------------------|------------------|
| Comp General Liability | 1,440,000 | 1,615,680 | 1,618,560 |
| Retail Liquor Stores | 12,365 | 13,500 | 13,500 |
| Auto Physical Damage | 10,679 | 12,000 | 12,000 |
| Inland Marine | 240 | 400 | 400 |
| Prop. Ins. - Deductible ² | | 120,000 | 120,000 |
| TOTALS | | <u>1,761,580</u> | <u>1,764,460</u> |

PART II - Self Insured Comp-General Liability

A. Actual payments made for claims and expenses:

| | <u>FY78&79</u> | <u>FY80&81</u> | <u>FY82&83</u> | <u>FY&84</u> | <u>FY&85³</u> |
|------------|--------------------|--------------------|--------------------|------------------|------------------------------|
| Claims | | | | | |
| Paid | 47,115 | 144,339 | 2,943,589 | 1,305,784 | 1,313,746 |
| Leg. Fees | 19,956 | 137,840 | 299,270 | 308,749 | 164,774 |
| Misc. Exp. | 578 | 14,007 | 95,085 | 74,728 | 79,394 |
| TOTALS | <u>67,649</u> | <u>296,186</u> | <u>3,337,944</u> | <u>1,689,261</u> | <u>1,557,914</u> |

B. Income by Fiscal Year:

| | <u>Billings to Agencies</u> | <u>Interest Earned</u> | <u>Total</u> |
|-------------------|-----------------------------|------------------------|--------------|
| FY78 | 1,047,684 | 150,534 | 1,198,218 |
| FY79 | 1,260,030 | 345,821 | 1,605,851 |
| FY80 | 1,106,604 | 526,532 | 1,633,136 |
| FY81 | 1,166,625 | 815,119 | 1,981,744 |
| FY82 | 1,016,058 | 1,062,550 | 2,078,608 |
| FY83 | 1,006,865 | 950,949 | 1,957,814 |
| FY84 ³ | 1,440,000 | 260,729 | 1,700,729 |
| FY85 | 1,440,000 | 659,875 | 2,099,875 |

PART III - Fund Balance by Fiscal Year - Comp-General Liability

| | <u>Beg. F. Balance</u> | <u>Receipts</u> | <u>Expenses</u> | <u>Ending F. Balance</u> |
|-------------------|------------------------|------------------------|-----------------|--------------------------|
| FY78 | -0- | 1,823,218 ⁵ | 36,037 | 1,787,181 |
| FY79 | 1,787,181 | 2,230,851 ⁵ | 31,612 | 3,986,420 |
| FY80 | 3,986,420 | 1,633,136 | 71,921 | 5,547,635 |
| FY81 | 5,547,635 | 1,981,744 | 224,265 | 7,305,114 |
| FY82 | 7,305,114 | 2,078,608 | 797,844 | 8,585,878 |
| FY83 | 8,585,878 | 1,957,814 | 2,540,100 | 8,003,592 |
| FY84 ⁴ | 8,003,592 | 1,700,729 | 1,689,261 | 8,015,060 ⁶ |
| FY85 ⁴ | 8,015,060 | 2,099,875 | 1,557,914 | 8,557,021 ⁶ |

PART IV - Comp-General Liability Claims Filed by Year of Occurrence

| <u>FY78</u> | <u>FY79</u> | <u>FY80</u> | <u>FY81</u> | <u>FY82</u> | <u>FY83</u> | <u>FY84</u> | <u>FY85</u> | <u>Total</u> |
|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|--------------|
| 107 | 110 | 151 | 94 | 113 | 107 | 145 | 54 | 881 |

¹ Base +4.2% each year for increase in property value; 8% added for FY87, additional increase in FY86 for addition of new buildings

² Figure not known until fiscal year end

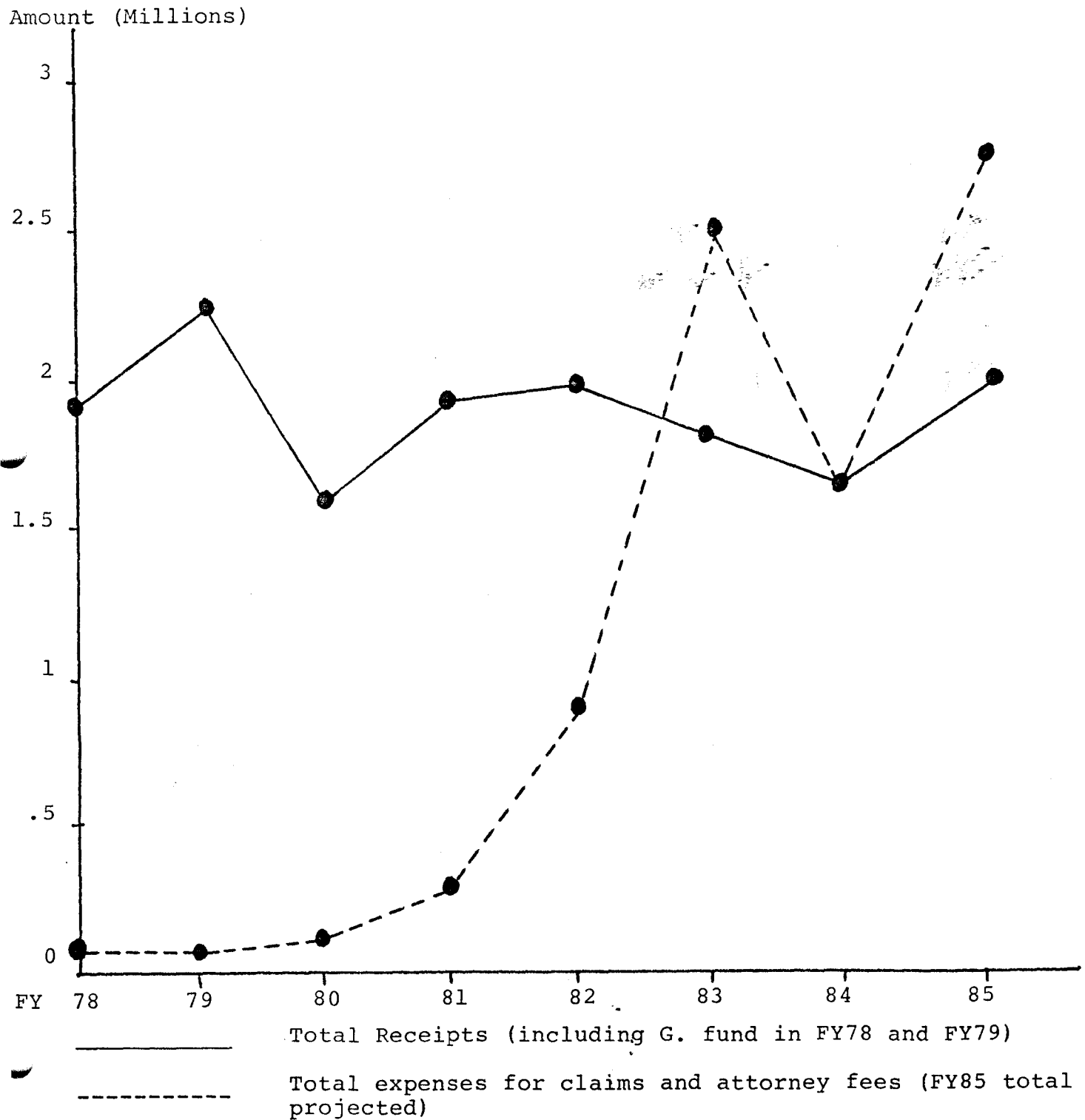
³ Amounts to 12/31/84

⁴ Figures for FY85 include full fiscal year billing (income) and one-half year's expenses (to 12/31/84)

⁵ In FY78 and FY79, General Fund appropriations were utilized to augment the self-insurance fund. This General Fund support was discontinued in the 80-81 biennium.

⁶ Of the present fund balance, \$5,638,200 has been reserved to pay existing claims and the balance will be used to pay incurred but not reported claims and catastrophe losses.

PART V - Graphical Analysis of the Comprehensive General Liability
Self-Insurance Fund



CLAIMS EXPENDITURES

| | <u>Attorney Fees</u> | <u>Misc. Expenses</u> ¹ | <u>Total</u> |
|--------------------|--------------------------|--|--------------|
| FY 83 | 157,080 | 55,735 | 212,815 |
| FY 84 | 308,749 | 74,728 | 383,477 |
| FY 85 ² | 164,774 | 79,394 | 244,168 |
| FY 86 | 378,980 | 182,606 | 561,586 |
| FY 87 | 435,827 | 210,000 | 645,827 |

¹Consists of travel, phone, depositions, witness fees, private investigators, professional photography, expert witness reports, laboratory analysis and court costs.

²Amounts from 7/1/84 to 12/31/84

AGENCY:6101 DEPARTMENT OF ADMINISTRATION
 PROGRAM:24 STATE INSURANCE
 CONTROL:00000

BUDGET COMPARISONS
 LFA vs. OBPP
 CURRENT LEVEL

Exhibit #18
 BUD24CL 2-4-85

2/7/85

PAGE 1

| DESCRIPTION | OBPP FY 86 | LFA FY 86 | DIFF. FY 86 | OBPP FY 87 | LFA FY 87 | DIFF. FY 87 |
|----------------------------|---------------|--------------|----------------|---------------|--------------|----------------|
| FTE | 7.00 | 7.00 | | 7.00 | 7.00 | |
| 1100 SALARIES | 200,160 | 200,160 | 0 | 200,516 | 200,516 | 0 |
| 1400 EMPLOYEE BENEFITS | 27,214 | 27,214 | 0 | 27,444 | 27,444 | 0 |
| 1500 HEALTH INSURANCE | 8,400 | 8,400 | 0 | 8,400 | 8,400 | 0 |
| 1600 VACANCY SAVINGS | (9,430) | (9,325) | 105 | (9,454) | (9,334) | 120 |
| 1800 | | 61 | 61 | | 61 | 61 |
| TOTAL LEVEL | 226,344 | 226,510 | 166 | 226,906 | 227,087 | 181 |
| 2100 CONTRACTED SERVICES | 772,108 | 711,831 | (60,277) | 812,354 | 716,331 | (96,023) |
| 2200 SUPPLIES & MATERIALS | 6,526 | 6,431 | (95) | 6,526 | 6,431 | (95) |
| 2300 COMMUNICATIONS | 6,462 | 5,872 | (590) | 6,557 | 5,872 | (685) |
| 2400 TRAVEL | 12,025 | 8,666 | (3,359) | 12,025 | 8,666 | (3,359) |
| 2500 RENT | 6,795 | 6,839 | 44 | 6,864 | 6,839 | (25) |
| 2700 REPAIR & MAINTENANCE | 3,666 | 3,648 | (18) | 3,666 | 3,648 | (18) |
| 2800 OTHER EXPENSES | 1,111 | 1,111 | 0 | 1,111 | 1,111 | 0 |
| TOTAL LEVEL | 808,693 | 744,398 | (64,295) | 849,103 | 748,898 | (100,205) |
| 9999 INFLATION | 1,606 | 54,424 | 52,818 | 2,378 | 88,999 | 86,621 |
| TOTAL W/INFLATION | 810,299 | 798,822 | (11,477) | 851,481 | 837,897 | (13,584) |
| TOTAL PROGRAM | 1,036,643 | 1,025,332 | (11,311) | 1,078,387 | 1,064,984 | (13,403) |
| 2% CUT | (20,733) | | 20,733 | (21,568) | | 21,568 |
| TOTAL PGM LESS CUT | 1,015,910 | 1,025,332 | 9,422 | 1,056,819 | 1,064,984 | 8,165 |
| 01100 GENERAL FUND | | 39,759 | | | 45,614 | 45,614 |
| 06511 ST LIAB INS RSK RTEN | | | | | 129 | 129 |
| 06524 INSURANCE PREMIUM | 1,015,910 | 985,573 | (30,337) | 1,056,819 | 1,019,241 | (37,578) |
| TOTAL PROGRAM | 1,015,910 | 1,025,332 | (30,337) | 1,056,819 | 1,064,984 | 8,165 |

AGENCY:6101 DEPARTMENT OF ADMINISTRATION
 PROGRAM:24 STATE INSURANCE
 CONTROL:24001 WORKLOAD INCREASE

BUDGET COMPARISONS
 LFA vs. OBPP
 MODIFIED LEVEL

BUD24001 2-4-85

PAGE 2

| DESCRIPTION | OBPP FY 86 | LFA FY 86 | DIFF. FY 86 | OBPP FY 87 | LFA FY 87 | DIFF. FY 87 |
|---------------------------|---------------|--------------|----------------|---------------|--------------|----------------|
| FTE | 2.00 | 2.00 | | 2.00 | 2.00 | |
| 1100 SALARIES | 46,155 | | (46,155) | 46,155 | | (46,155) |
| 1400 EMPLOYEE BENEFITS | 6,867 | | (6,867) | 6,890 | | (6,890) |
| 1500 HEALTH INSURANCE | 2,400 | | (2,400) | 2,400 | | (2,400) |
| 1600 VACANCY SAVINGS | (2,216) | | 2,216 | (2,218) | | 2,218 |
| TOTAL LEVEL | 53,206 | 0 | (53,206) | 53,227 | 0 | (53,227) |
| 2100 CONTRACTED SERVICES | 200,800 | | (200,800) | 200,800 | | (200,800) |
| 2200 SUPPLIES & MATERIALS | 1,250 | | (1,250) | 1,250 | | (1,250) |
| 2300 COMMUNICATIONS | 1,765 | | (1,765) | 1,715 | | (1,715) |
| 2400 TRAVEL | 4,425 | | (4,425) | 4,425 | | (4,425) |
| TOTAL LEVEL | 208,240 | 0 | (208,240) | 208,190 | 0 | (208,190) |
| 9999 INFLATION | 336 | | (336) | 415 | | (415) |
| TOTAL W/INFLATION | 208,576 | 0 | (208,576) | 208,605 | 0 | (208,605) |
| 3100 EQUIPMENT | 1,450 | | (1,450) | 1,450 | | (1,450) |
| TOTAL PROGRAM | 263,232 | 0 | (263,232) | 263,282 | 0 | (263,282) |
| 2% CUT | (5,265) | | 5,265 | (5,266) | | 5,266 |
| TOTAL PGM LESS CUT | 257,967 | 0 | (257,967) | 258,016 | 0 | (258,016) |
| 06524 INSURANCE PREMIUM | 257,967 | | (257,967) | 258,016 | | (258,016) |
| TOTAL PROGRAM | 257,967 | 0 | (257,967) | 258,016 | 0 | (258,016) |

INSURANCE AND LEGAL

Budget Differences

Current Level (Page 1 of Budget Comparisons)

Contracted Services

The \$60,277 difference in FY'86 and \$96,023 difference in FY'87 is the result of LFA and OBPP using different approaches on their calculations for insurance premiums.

Travel

LFA left travel at the current level. OBPP included travel expenses for attendance of the annual National Insurance and Fund Manager's meeting, the taking of out-of-state depositions, and the performance of various out-of-state legal services. The difference amounts to \$3,359 in each year.

Communications

LFA left communications at the current level. OBPP has increased the budget for long distance telephone use and postage and mailing costs. These increases are the result of adding an additional attorney and an increase in the number of cases. The difference is \$590 in FY'86 and \$685 in FY'87.

Modification Request (Page 2 of Budget Comparisons)

One secretary and one attorney are requested because of the increase in workload for the division.

Cost: FY'86 - \$63,232 FY'87 - \$63,282

Also, an additional \$200,000 in contracted services is requested for both years. This request is for a new insurance policy that would cover the state in case claims paid in one year would exceed two million dollars. The policy would pay for claims over the 2 million dollar level up to 10 million.

VISITORS' REGISTER

Gen. Govt & Highways COMMITTEE

Administration - State Tax Appeals
Workers Comp Judge, Board of Investigation

Agencies
BILL NO. Insurance & Legal, Treasury
Publications & Graphics

DATE 2/7/85

SPONSOR _____

[illegible]

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

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.