

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

February 13, 1985

The meeting of the General Government and Highways Subcommittee was called to order by Chairman Quillici on February 13, 1985 at 7:00 a.m. in Room 437 of the State Capitol.

ROLL CALL: All members were present, with the exception of Senator Stimatz. Also present were Cliff Roessner from the LFA Office, and Carolyn Doering from the Governor's Office.

EXECUTIVE SESSION

Legal Fiscal Analyst: Cliff Roessner went over the budget issues (63;B;01). There was discussion on contracted services and rent being line itemed, possibly.

Representative Lory moved approval of the 15 FTE with no vacancy savings and the OBPP budget for personal services, contracted services to be \$47,000 in FY 1986 and \$89,838 in FY 1987 with an additional \$20,000 to be line itemed for the biennium, for consultant services, the LFA budget for supplies and materials for both year, the LFA budget for communications, \$39,000 in FY 1986 and \$24,000 in FY 1987 for travel, the LFA budget for rent, and the OBPP budget for repair and maintenance, the LFA budget for other expenses, and the LFA budget on equipment. The motion was seconded, and PASSED unanimously.

There was discussion on the type of computer the LFA Office needed, and the difference in the kinds of personal computers. Representative Lory moved approval of Option B, and made the \$15,673 programming costs a biennial appropriation. The motion was PASSED unanimously.

There was then discussion on the budget modification for an additional 2.5 FTE (64;A;01), and the need for this in the LFA Office.

Senator Keating moved the budget modification for the additional 2.5 FTE. The motion was seconded, and PASSED unanimously.

There was a short recess.

DEPARTMENT OF REVENUE

Director's Office: Cliff Roessner went over the main budget issue of legal fees (64;A;315). Senator Keating moved the LFA budget of 7.5 FTE with 2 percent vacancy savings, \$165,300 in FY 1986 and \$66,775 for contracted services and an additional \$50,000 to be a line itemed biennial appropriation, and the LFA figures on the balance of the operating expenses and the equipment. The motion was PASSED unanimously.

Senator Keating went on record to say he opposed the legal fees in contracted services (64;A;545).

Senator Keating moved the LFA funding with the needed adjustments. The motion PASSED unanimously.

Centralized Services: Cliff Roessner explained the budget issue of a 1.25 FTE cut (64;A;600).

Representative Lory moved approval of the 37.27 FTE with 2 percent vacancy savings and the OBPP budget for personal services. The motion PASSED unanimously.

Representative Lory moved the LFA budget for operating expenses with an increase of \$1,000 to other expenses each year, and \$7,000 in FY 1986 and \$6,000 in FY 1987 for equipment. The motion PASSED unanimously.

Research and Information Division: Cliff Roessner went over the budget issues. There was discussion on the budget modification for additional FTE for data entry (64;B;143).

Senator Keating moved the 49.5 FTE with 2 percent vacancy savings, and the LFA budget for operating expenses with the adjustment of the \$10,000 transfer in contracted services to be in FY 1987 instead of FY 1986. The motion PASSED unanimously.

Senator Keating moved the OBPP budget for equipment and the OBPP funding. The motion PASSED unanimously.

For the budget modification, Senator Keating moved 2 FTE in FY 1986 and one additional FTE in 1987. The motion PASSED unanimously.

LEGAL DIVISION

Legal Program: There was discussion on the budget issues (64;B;460). Senator Keating moved a 2 percent vacancy savings for the Department of Revenue, with the exception of Motor Fuels. The motion was seconded, and PASSED unanimously.

Representative Lory moved approval of the LFA budget for the legal program, with the exception of the OBPP budget for travel, the funding was included in the motion. The motion PASSED unanimously.

Investigations Program: Cliff Roessner explained the budget issues, and there was discussion on them by the committee (64;B;600).

Senator Keating moved the LFA budget for 13.5 FTE with 2 percent vacancy savings for both years, the OBPP budget for contracted services and travel for both years, and the LFA budget for the balance of the categories in operating expenses. The motion PASSED unanimously.

Senator Keating moved the OBPP budget for equipment and the LFA budget for the funding. The motion PASSED unanimously.

There was then discussion on the budget modification for 2 FTE to keep up with investigation workload and provide clerical staff to avoid delays in completing investigations (65;A;01).

Representative Lory moved approval of the modification for the 2 additional FTE. The motion PASSED unanimously.

Child Support Program: Cliff Roessner went over the budget issues (65;A;100). There was discussion on the new data processing system and the yearly costs.

Senator Keating moved the OBPP budget with 2 percent vacancy savings and 41 FTE, the OBPP budget for operating expenses and equipment. The motion PASSED unanimously.

Representative Lory moved the budget modification for the 13 FTE required by the federal legislation. The motion PASSED unanimously.

Medicaid Fraud: There was discussion on the budget issues (65;A;360). Senator Keating moved the LFA budget with 4 FTE and 2 percent vacancy savings, and an increase in contracted services of \$3,986 for both years, and an increase in travel of \$3,083 for both years, the OBPP budget for equipment and the funding to be worked out. The motion PASSED unanimously.

Liquor Division: There was discussion on the liquor division budget and the performance using the concept of an open ended budget with expenditure limitation based on sales (65;A;450). Howard Heffelfinger, Administrator, answered questions from the committee, and reported that what power the legislature gave them last year worked well. The expenditures were less than the 15 percent allowed to them, and the net profits were 12.9 percent instead of the 13 percent, but that was due to a decrease in sales.

Representative Lory moved the same language as used last year with the proper numbers put in, which would read:

"Liquor Division proprietary funds necessary to maintain adequate inventories of liquor and wine and to operate the state liquor operation are appropriated. During the 1987 biennium, the division shall attempt to return at least 13% of net sales. Net sales are gross sales less discounts and all taxes collected. The division shall attempt to limit operational expenses of the liquor merchandising system to not more than 15% of net sales. Operational expenses may not include product costs, freight charges, or expenses allocable to other divisions or licensing bureau expenses.

The division retains full authority to determine store operating hours and the number and location of stores and employees. Nonprofitable or marginally profitable state stores shall be closed or converted to agency stores in an orderly manner. Agency stores shall be closed if the division considers them marginally profitable and other state stores or agencies are located within a reasonable distance."

The motion PASSED unanimously.

John LaFaver wanted it noted that the point of sales system was not included in this language.

Howard Heffelfinger, Cliff Roessner, and Carolyn Doering will get together and write the proper language for the committee to look at before it goes into Full Appropriations.

GENERAL GOVERNMENT AND HIGHWAYS
February 13, 1985
Page 5

Miscellaneous Tax: There was discussion on the budget issues that Cliff went over (65;B;60).

Senator Keating moved the 19.32 FTE with 2 percent vacancy savings, the LFA operating expenses and an adjustment to contracted services with \$6,368, and the OBPP budget for equipment. Cliff and Carolyn will work out the funding. The motion was PASSED unanimously.

There was discussion on the budget modification for the unclaimed property audit (65;B;135). It requests an auditor and support staff. This modification should produce \$225,000 in audit revenues.

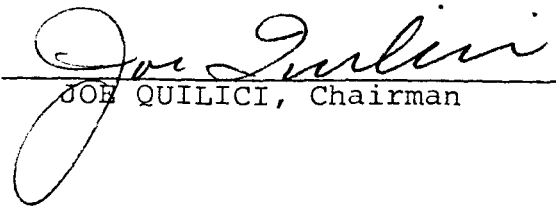
Senator Keating moved the 2 FTE budget modification and the unclaimed property funding. The motion PASSED unanimously.

The money from this modification would go into the permanent account and the interest goes to the foundation for schools.

There was then discussion on the budget modification to automate system, which will do things faster and with less error (65;B;200). It is for the computer data base system. This is a service to the public.

Representative Lory moved the budget modification to automate the system. The motion PASSED unanimously.

ADJOURN: There being no further business before the committee, the meeting was adjourned at 11:00 a.m.


JOE QUILICI, Chairman

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DAILY ROLL CALL

General Government and Highways SUB COMMITTEE

49th LEGISLATIVE SESSION -- 1985

Date 2/13/85

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COMMITTEE

Dept of Revenue

DATE _____

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SPONSOR

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

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.