

MINUTES OF THE MEETING
NATURAL RESOURCES SUBCOMMITTEE
MONTANA STATE
HOUSE OF REPRESENTATIVES

February 27, 1985

The meeting of the Natural Resources Subcommittee was called to order by Chairman Manuel on February 27, 1985 at 7:05 a.m. in Room 132 of the State Capitol.

ROLL CALL: All members were present.

DEPARTMENT OF PUBLIC SERVICE REGULATION

Modifieds:

Added Attorney: Representative Spaeth (68:B:108) made a motion to approve 1 FTE and \$31,642 in FY '86 and \$30,522 in FY '87. Discussion was held.

There are 4 attorneys on the staff at this time.

Discussion was held.

Representative Swift made a substitute motion to disapprove the request for 1 FTE and \$31,642 in FY '86 and \$30,522 in FY '87. Senator Smith seconded. Discussion was held.

A Voice vote was taken on Representative Swift's motion. The motion did not carry with Representative Spaeth, Senator Boylan, Senator Lane and Representative Manuel voting no.

A Voice vote was taken on Representative Spaeth's motion. The motion carried with Representative Swift, Representative Nathe and Senator Smith voting no.

Added Utility Economist: Senator Smith made a motion to disapprove 1 FTE and \$30,646 in FY '86 and \$29,596 in FY '87. Senator Boylan seconded. A Voice vote was taken and the motion carried unanimously.

Motor Carrier Enforcement/Added Clerical Accounting Staff/Pipeline Consultants: Representative Swift made a motion to disapprove 2 FTE's and \$83,330 in FY '86 and \$52,711 in FY '87 for Motor Carrier Enforcement, 2 FTE's and \$36,828 in FY '86 and \$33,331 in FY '87 for added Clerical Accounting Staff and \$72,800 in FY '86 and \$72,800 in FY '87 for Pipeline Consultants.

Eileen Shore, (68:B:375) Administrator, Legal Division, PSC, said \$40,000 of the \$72,800 for Pipeline Consultants is for the consultant being used on the Montana Power Pipeline. \$20,000 of this is for the Master Meter Program

and approximately \$12,000 is for the Northern Border Pipeline Compressor Station Construction.

The money for the Pipeline Consultants is 50% General Fund and 50% Federal Funds. This would have to be line itemed to be used just for Pipeline Consultants in order to get the matching Federal Funds.

Discussion was held.

Senator Smith made a motion to disapprove 2 FTE's and \$83,330 in FY '86 and \$52,711 in FY '87 for Motor Carrier Enforcement and 2 FTE's and \$36,828 in FY '86 and \$33,331 in FY '87 for added Clerical/Accounting Staff. Senator Boylan seconded. A Voice vote was taken and the motion carried unanimously.

Pipeline Consultants: Discussion was held.

They will have to obtain a waiver to start work on the north portion of the Montana Power Pipeline.

Ms. Shore said if the waiver is turned down the consultants services will end. The Consultant is used on an hourly basis. This person is on contract now.

Discussion was held.

Senator Smith (69:A:46) made a motion to approve \$72,800 each year from 50% Federal Funds and 50% General Fund and line item it to be used only for Consultants. Representative Nathe asked to put on the stipulation that the \$40,000 be spent only on the condition the waiver is obtained by Montana Power to complete the Northern section of the line.

Ms. Shore said the Consultant would be working with the PSC while Montana Power is trying to get the waiver.

Discussion was held.

Representative Nathe withdrew his stipulation.

Senator Boylan seconded Smith's motion.

Senator Smith amended the motion to allow \$40,000 each year for the Pipeline Consultant. This would be 50% Federal and 50% General Fund. Representative Swift seconded. A Voice vote was taken and the motion carried unanimously.

The \$20,000 in the Master Meter portion of this request is only for training of the Master Meter operators. These

Natural Resources Subcommittee
February 27, 1985
Page 202

would be group training sessions in different areas of the state to familiarize the Master Meter operators with the rules and regulations.

Discussion was held.

The Master Meter program would be a new program.

Senator Smith made a motion to approve \$10,000 each year of the biennium for this program and that a report be brought to the Committee in two years to show progress. Senator Lane seconded. Discussion was held. A Voice vote was taken and the motion carried unanimously.

The request for \$12,800 is for the rebuilding of two compressor stations and the construction of one new compressor station.

Discussion was held.

Senator Boylan made a motion to disapprove the request for \$12,800. Senator Smith seconded. A Voice vote was taken and the motion carried unanimously.

Training Funds: The PSC is requesting \$22,472 in FY '86 and \$23,820 in FY '87 for continuing education for Commissioners and the staff for upgrading their professions.

Discussion was held.

Representative Spaeth made a motion to approve \$5,000 per year of the biennium for training. Senator Boylan seconded. A Voice vote was taken and the motion carried unanimously.

Commercial Advertisement of Public Hearings: The PSC is requesting \$11,236 in FY '86 and \$11,910 in FY '87 for commercial advertising of PSC hearings.

Discussion was held.

Senator Smith made a motion to disapprove this request. Representative Swift seconded. A Voice vote was taken and the motion carried unanimously.

Participation in National Association of Regulatory Utility Commissioners: The PSC is requesting \$10,000 in FY '86 and \$10,500 in FY '87 for this.

Discussion was held.

Senator Boylan made a motion to approve \$5,000 each year of the biennium. Representative Spaeth seconded. A Voice vote was taken and the motion carried unanimously.

Consultants: There is nothing included in the current level budget for expert witnesses.

Discussion was held.

Senator Boyland made a motion to disapprove the request for \$50,000 in FY '86 and \$50,000 in FY '87.

Discussion was held.

Representative Spaeth made a substitute motion to approve \$40,000 as a biennial appropriation. Senator Smith seconded. A Voice vote was taken and the motion carried unanimously.

Madeline Cottrill (69:A:704), Administrator, Centralized Services, PSC, asked about getting some line itemed money for travel that the Legislative Auditors have written them up for.

This money would be reimbursed back to the General Fund or they could set up a contingent revolving account.

Representative Spaeth made a motion to approve a contingent revolving account and report back in two years and approve \$5,000 for a one time start up fund. Senator Lane seconded. A Voice vote was taken and the motion carried unanimously.

DEPARTMENT OF COMMERCE

Board of Horse Racing: Representative Spaeth made a motion to remove the line item on Harness Racing. Senator Boylan seconded. A Voice vote was taken and the motion carried unanimously.

(Economic Policy and Research Office) Keith Colbo, Director, Department of Commerce, said the previous request for this program was \$415,000 in FY '86 and \$414,000 in FY '87. All but \$20,000 of this each year was made up of General Fund.

Mr. Colbo presented Exhibit "IIIII".

Mr. Colbo said they have a revised request. Mr. Colbo said the Economic Policy and Research Office program has taken a 6% reduction.

Natural Resources Subcommittee
February 27, 1985
Page 204

Mr. Colbo said they are proposing to delete the \$40,000 per year request for Science and Technology and let it stand on its own.

The revised request is for \$375,109 in FY '86 and \$374,301 in FY '87 with \$20,000 each year made up of Federal Funds.

Discussion was held.

Representative Spaeth made a motion to disapprove the Montana Economic Reporting and Forecasting System for \$75,000 each year of the biennium. Senator Boylan seconded. A Voice vote was taken and the motion carried unanimously.

Census and Economic Information Center: This was transferred to the Department of Commerce from the Department of Administration as a result of the 1983 Session.

This has to do with how Federal Funds are distributed.

This also helps businesses decide if they should expand into the state.

Discussion was held.

Representative Spaeth made a motion to approve the FY '84 current level of \$165,111 instead of the request for \$192,470 in FY '86 and \$189,888 in FY '87. Senator Boylan seconded. A Voice vote was taken. The motion carried with Senator Smith voting no.

Representative Spaeth said the Department should look into how much good the Census and Economic Information Center actually does.

The meeting was adjourned at 8:55 a.m. and is to reconvene at 12:30 p.m.

The meeting of the Natural Resources Subcommittee was called to order by Chairman Manuel on February 27, 1985 at 12:35 p.m. in Room 132 of the State Capitol building.

ROLL CALL: All members were present with the exception of Senator Smith who was excused.

DEPARTMENT OF COMMERCE

Financial Budget: Fees will be collected and put in the General Fund.

Discussion was held.

Representative Spaeth made a motion to approve using the General Fund to fund the Financial Budget. Representative Swift seconded. A Voice vote was taken and the motion carried unanimously.

(Economic Policy and Research Office)

Mr. Colbo said their request are below the LFA's and the OBPP's budgets. See Exhibit "IIIII".

Discussion was held.

Governor's Council of Science and Technology: Representative Spaeth made a motion to take out the \$40,000 for Science and Technology as suggested by Director Colbo. Representative Swift seconded. A Voice vote was taken and the motion carried unanimously.

Modified Federal Fund Request: This is a request to move in some Federal money that may be available from EDA funds. If they become available they would like to have them budgeted into the Governor's Council on Economic Development for research projects.

Discussion was held.

Representative Spaeth made a motion to approve authorization to spend \$20,000 Federal Funds each year for studies. Representative Nathe seconded. A Voice vote was taken. The motion carried with Representative Swift voting no.

Administrative Charges: These are the charges that appear in each program in the Department of Commerce. They are the payment from that program to the Director's office and Management Services. See Exhibit "JJJJJ".

Discussion was held.

Representative Spaeth made a motion to approve the amounts to be added to the LFA's budget as shown on page 2 of Exhibit "JJJJJ". Senator Boylan seconded. A Voice vote was taken. The motion carried with Representative Nathe voting no.

Marketing in the Department of Agriculture: Discussion was held on the \$25,000 the Department of Agriculture wanted for marketing promotion on products other than wheat and beef.

The Committee decided to leave this as is for now.

Natural Resources Subcommittee
February 27, 1985
Page 206

(Legal Services Division)

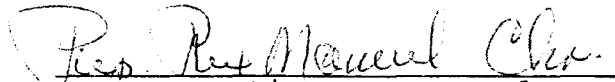
Emergency Cease and Desist: Representative Swift made a motion to delete the request for \$5,200. Representative Nathe seconded. A Voice vote was taken and the motion carried unanimously.

Contract Legal Expenses for the Public Contractor Program: Steve Huntington (70:A:82) said in the past all of the legal work that was done for the division was done with a single FTE inside the Consumer Affairs division. They transferred .50 of the FTE over to the Legal Division which is all proprietary funded. They are requesting \$5,600 to pay the proprietary fund for this persons' services.

Discussion was held.

Representative Spaeth made a motion to approve \$5,600 out of the General Fund for this. Representative Swift seconded. A Voice vote was taken and the motion carried unanimously.

The meeting was adjourned at 1:00 p.m.


Representative Rex Manuel
Chairman

NATURAL RESOURCES SUBCOMMITTEE

Date 2-27-85

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Economic Policy and Research Office
General Fund Summary

	FY 1984 <u>Actual</u>	FY 1985 <u>Budgeted</u>	Current FY 1986 <u>Request</u>	Current FY 1987 <u>Request</u>
Governor's Council on Economic Development	\$ 18,192	\$ 56,808	\$ 29,788	\$ 29,974
Governor's Council on Science & Technology	46,558	53,422	-0-	-0-
Census and Economic Information Center	165,111	164,839	192,470	189,888
Economic Reporting & Forecasting System	76,577	75,000	75,000	75,000
Administrative Unit	<u>48,331</u>	<u>51,594</u>	<u>57,851</u>	<u>59,439</u>
Total Request	<u>\$354,769</u>	<u>\$401,683</u>	<u>\$355,109</u>	<u>\$354,301</u>

Summary of Recommendations

	<u>FY 1986</u>	<u>FY 1987</u>
OBPP	423,075	419,876
LFA	396,105	387,203
Current Request	355,109	354,301

Modified Federal
Fund Request

20,000

20,000



STATE OF MONTANA
Office of the Legislative Fiscal Analyst

STATE CAPITOL
HELENA, MONTANA 59620
406/449-2986

JUDY RIPPINGALE
LEGISLATIVE FISCAL ANALYST

February 25, 1985

TO: Natural Resources Subcommittee

FROM: Curt Nichols,
Principal Analyst

SUBJECT: Administrative Charges

The following is a calculation of administrative charges to the various programs in the Department of Commerce to fund the Director's Office and Management services: These calculations are based upon the following.

1. The Director's Office/Management Services proprietary account will have a \$50,000 deficit at the end of the current biennium.
2. The account needs a working (ending) balance of \$50,000 at the end of the next biennium.
3. Current, February 25, committee action on current level and modifieds budget requests are to be funded.

These factors lead to an administrative assessment rate of 10.3 percent of personal services in fiscal 1986 and 8.3 percent of personal services in fiscal 1987. The legislative audit costs are allocated separately and already correctly distributed in the budget.

Current Level Administrative Charges

	- - - - Fiscal 1986 - - - -	- - - - Fiscal 1987 - - - -
	Administrative Charges	Administrative Charges
	Add To (Subtract From) LFA	Add to (Subtract From) LFA
Business License & Support	\$ 7,100	\$ 5,732
Weights and Measures	32,221	25,124
Financial	53,627	43,268
Milk Control	18,669	15,079
Professional and Occupational	100,492	83,990
Aeronautics	34,871	28,148
Transportation	48,493	39,144
Business Assistance	32,375	26,140
Montana Promotion	25,967	20,958
Housing	39,821	32,084
Community Development	24,027	19,415
Coal Board	7,930	6,591
Hard Rock Board	6,106	4,923
Economic Policy and Research	20,558	16,592
Local Government Audit	79,428	64,123
Accounting and Management Systems	25,742	20,780
Indian Affairs	7,245	5,841
Bonding Authority	24,879	20,089
Programmers	6,388	5,150
Legal Services	23,576	19,032
		\$ 375
		2,565
		2,830
		987
		23,197
		1,848
		9,747
		1,710
		1,371
		2,071
		1,270
		431
		322
		1,085
		4,194
		1,359
		404
		1,424
		(401)
		1,187

NATURAL RESOURCES SUB COMMITTEE

DATE February 27, 1985

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PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.