

MINUTES OF THE MEETING
FINANCE AND CLAIMS COMMITTEE
MONTANA STATE SENATE

March 22, 1985

The 12th meeting of the Senate Finance and Claims Committee met on the above date in room 108 of the State Capitol. Roll call was taken and Senator Regan, Chairman, called the meeting to order at 8:03 a.m.

ROLL CALL: All members present except Senators Hammond and Bengtson who were excused, and Senator Smith.

CONSIDERATION OF HOUSE BILL 565: Representative Fritz, chief sponsor of House Bill 565, said this is an act appropriating money to refurbish historical highway markers and to add historical highway markers. He said it appropriates federal revenue sharing money to add to the system of road-side historical markers which are approaching their 50th birthday. They began to be installed in the 1930's. The writing was done by Robert Fletcher and they have a letter flair of their own. Shorty Shope was the artist. The revenue sharing money has been kind-of earmarked for this purpose.

PROPOSERS FOR HOUSE BILL 565: Dr. Robert Archibald, Director of the Montana Historical Society said he was in favor of the bill and his testimony is attached as exhibit 1, HB 565.

Dr. Carroll Van West, Historical Consultant, Helena and working on this project for the Historical Society said that he had traveled about 20,000 miles in 14 weeks or so on the Shope-Fletcher signs and noticed the regrettable shape of the signs. His testimony is attached as exhibit 2, HB 565.

Brenda Schye, Montana Arts Advocacy representative, said she is in support of H. B. 565 and her testimony is attached as exhibit 3, HB 565

John Wilson, Administrator of the Montana Promotion of the Department of Commerce said they support the bill. He said between 1979 and 1983 the number of non-resident visitors went from 2 million to 2.2 million and from \$202 million to \$224 million--an 11% increase. \$45 million in taxes and 2600 new jobs in the period between 1979 and 1983. I can think of no better way to educate the people of the history of Montana than these historical markers. They can be enjoyed by Montanans as well as tourists. The Department of Commerce is in full support of the bill.

Bill Gosnell, Department of Highways said they are in support of the bill for the reasons already stated.

There were no opponents to the bill and the Chairman asked if there were questions from the committee.

QUESTIONS FROM THE COMMITTEE: Senator Keating: I have 2 questions, 1. Is there any matching funds, and 2. Who will do the work on the refurbishing?

Dr. Archibald: We have not established this.

Senator Keating: Would it be private artists, the Historical Society, the Department of Highways or what?

Dr. Archibald: We have not worked out the details. The Historical Society would probably be responsible for part of it.

Senator Aklestad: What other areas could have federal revenue money? What areas could this money be used in? Representative Fritz?

Representative Fritz: This is all the money that is left in it. We don't have it yet, but it has been earmarked for this project.

Senator Aklestad: Can these monies be used for any other areas besides this?

Dave Hunter, budget and planning office, said there are no restrictions on revenue sharing monies. There are some procedural requirements. There must be hearings, public notices etc.--3 to 4 weeks for hearings. The Legislature could appropriate it for use for any other purpose, but I am not sure we could meet the procedural requirements to use it.

Senator Story: The revenue money we can use any other way and depending on whether we pass this or plug it into the general fund money, we have the same amount of time for the hearings etc.

Senator Boylan: I think this would be a good project for the prison and we got into that about 3 or 4 years ago. I could ask Director South about it. We got into that on the votech center there. Is the prison making any signs?

Carroll South, Director, Department of Institutions, said very few.

Senator Boylan: Don't you think it would be a good project for your people down there?

Mr. South: I would have to know more about it. If it meant sending inmates to Plentywood to do signs, we couldn't do it. I would have to make sure what is involved.

Senator Himsl: In regard to this project--is this the last amount of money in revenue sharing? Is this the end of it now?

Dave Hunter: This is the last amount. It is the last revenue sharing allocated to the state and if we meet the procedural requirements we can get it for this project.

Dr. Archibald: This money was left over from 1979 --it did not get spent in that year. It is still for Montana. Montana has not gone through the process of holding the hearings, etc. to get it.

Senator Himsl: I just wanted to know if there was any more.

Senator Gage: What historical events do you have in mind for highlighting for the new highway?

Dr. Archibald: We would use all this money that was available for refurbishing the present signs. Dr. West, who has done a lot of work on this, has a good sense of topics not addressed, and those would be addressed first. A lot of signs that have never been installed.

Senator Haffey: Is one example of these signs the one at the bottom of McDonald Pass? Answer: yes.

Representative Fritz in closing said tourism is the second primary industry in Montana. It is behind farming, but ahead of lumbering. I have been surprised at how undeveloped these sites are.

Senator Regan declared the hearing on House Bill 565 closed and said we would hear H. B. 342.

CONSIDERATION OF HOUSE BILL 342: Representative Lory, chief sponsor of the bill, said this bill is an act authorizing the Department of Administration to transfer funds from the Long-Range Building Program revenue sources to a special revenue fund, and giving an immediate effective date. It corrects some mistakes made last session. The Architects and Engineering Department in 500 stated that the expenses should be paid out of the LRB bill. When we had the new treasury structured we should have made a statement that those funds should transfer to the special revenue fund from the Capitol projects account. We left the architects and engineers with no funds. In the statutes we have never defined what the costs should be. This definitely sets what the costs should be. They definitely know what charges are against the fund. It is set up when the Legislature sets up the fund and it would then be transferred to the right fund. At the same time it will appropriate from the capitol fund to the special revenue fund.

PROPOSERS FOR HOUSE BILL 342: Karen Munro, Department of Administration, said she would like to stress two points. 1. Definition of the costs. We have discussed this in 3 sections of the bill. The other is related to HB 500. On this the architects and engineers were overlooked for this program.

There were no opponents and Senator Regan asked if there were any questions from the committee.

Senator Story: We appropriated and turned into bonds \$6.8 of the \$6.9 million for Capitol construction 4 years ago and the money has been sitting there in that account. I understand that \$200,000 was taken from that for other uses.

Phil Hauck, Department of Administration, said he was not aware of that, and David Hunter, OBPP said he could not answer the statement.

Senator Story: All the money that was put into the account is there? No one knows the answer?

Senator Regan: Interest on the bonds goes into the general fund?
Is this correct?

Phil Hauck: It goes back into the LRB and will be reappropriated now.

Senator Story: Is it put in just for the Capitol building program?

Phil Hauck: No, not for that.

Senator Story: We were told at one time there was no hurry since we are getting more interest on that account than the inflation.

Dave Hunter: The money--it does not accrue to the individual project. The interest is accrued back to the LRB program. If the next legislative session wanted to appropriate it back into the renovation project they can do so, if not--no.

Senator Story: But that is really why we are behind the 8 ball now.

Senator Gage: Title 18 chapter 2 deals only with the Capitol?

Senator Hims1: With the Capitol projects, and that does not mean this building. This is general building funds. If we transfer from general projects to earmarked designation, do we not increase the elasticity of the money? It goes right into the earmarked instead of the Capitol building funds and what?

Karen Munro: There is money for consideration to appropriate for the LRB but also administrative costs for the A & E division. The administration budget is included. We are just asking to take the administration portion and move it into this account.

Senator Hims1: When we transfer to the special revenue account--it used to be special earmarked funds. There is a deficiency in capitol funds and they are short. We used to use special earmarked funds for---.

Karen Munro: This is a special earmarked fund. The money is from the LRB. We have to have this to move the money over.

Senator Hims1: When you move the money to a special revenue account it seems to me you have a lot more flexibility. I would like to have Curt address this.

Curt Nichols, Legislative Fiscal Analyst, said this has been done historically they take the money out for administrative use. When we converted, they needed the authority to move the money. It used to be done without special authority. It is just the amount on the A&E.

Representative Lory: It must be appropriated by the Legislature.

Representative Lory said in closing that as he had explained this is a housekeeping bill. It must be appropriated, it does not increase the flexibility.

CONSIDERATION OF HOUSE BILL 842: Representative Lory, chief sponsor of the bill said this bill is a little more creative financing. This bill is an act creating a state employee contingency account derived from $\frac{1}{2}$ of 1% of all state agencies' unexpended spending authority for personnel, operations, and equipment at the end of each fiscal year; providing that disbursements may be made from such account to pay certain state employee termination liabilities and to replace funds anticipated but unrealized from employee vacancy savings. When Sonny Omholt retired there were several employees with accumulated sick leave and vacation time who also retired and it really caused a problem. The statute says 12 days of sick leave for each year. Vacation goes along with longevity. 1 day through 10 years--15 days credit; 10 through 15 years--18 days credit; 15 through 20 years--21 days credit, and 20 years on--24 days credit. This must be charged to the state. In the case of the State Auditor there was \$74,740 that we had to appropriate. This is an unfunded liability to the state. If everyone decided to quit at once and demanded their pay it would be drastic, and this bill is an attempt to help that. At the end of the year the excess unused is reverted to the fund from which it comes. $\frac{1}{2}$ of that returning would be placed into a contingency fund and would accumulate slowly and fund this liability. We set it up so that the fund would accumulate. We may be skirting some constitutional rights, and to take care of this the Governor would take care of that branch, etc. The approving authority means the Governor would be designated representative for the executive branch agencies, the chief justice of the supreme court or his designated representative for judicial branch agencies, the appropriate legislative committees for the legislative branch and the Board of regents for the University system. If an agency had some retirement and no funds available they could apply to this account. If the deficiency was caused from spending it for unauthorized use, it would be denied. We also had some trouble with the vacancy savings and we did put in "if an agency did not generate anticipated vacancy savings and the lack of such savings were not a result of personnel upgrades or other action by the agency not contemplated when the appropriation authority was given". It comes from a smaller agency where we require a 4% vacancy savings and no way can they meet it. This sets up the contingency fund. If the fiscal note shows \$1 million plus, please tear it up. They appropriated $\frac{1}{2}$ of 1% to the total and it went out of sight.

There were no other proponents of the bill and Senator Regan asked if there were opponents.

OPPONENTS TO HOUSE BILL 842: Dave Hunter, Director of the Office of Budget and Program Planning, said they opposed the bill for 3 reasons. 1. The bill in principle does not make any sense in conserving general fund for the state of Montana. A small solution to a large problem, and it is defective in that it probably creates legal problems with the federal funding.

If the bill was passed, I think it would create an incentive for not managing your vacancy savings. We are creating a fund to allow agencies to handle their retirement. The few supplemental that relate to retirement is very small compared to the savings from vacancy savings. If there is no incentive to manage their agencies to take care of this, we are encouraging poor management of an agency.

Mr. Hunter did not have a copy of the corrected fiscal note but went on to say the unfunded liability is about \$35 million for annual leave and sick leave. This bill takes $\frac{1}{2}$ of 1% of the reversions for the fund. You are talking about \$30,000 a year. It will be a long time before that fund deals with the problems we have. Even at a very small amount--even if the individual was \$100 each--it would more than eat up the fund each year. In the last section on page 4-- This legislature provided last session, a flexibility that helps to deal with vacancy savings. It allows the agency to roll forward from one year to the second year which helps, and it helps to take care of retirement costs. \$1.8 million of general fund was rolled forward last year. That is just the general fund. There was also \$2 million of state special and \$1.6 million of federal and special revenue. In SRS alone there was \$296,000; OPI \$69,500. We are removing that flexibility. We are creating a worse problem in this bill than the bill would solve. I am sceptical that even with amendments there would still be problems.

Mr. Hunter said this bill would take all the reversions and put them in one pool and they were not convinced they could do it. He said some of the money was federal and could not be reverted or used for anything other than what it was intended for, often there might be a co-mingling of several funds that would have to be sorted out, and the cost could be as high as the reversion. You would have to have statutory authority in every agency, and he did not feel the Legislature would want to give that. He said some agencies, like SRS, would be hard to know how much was actually "operating" budget and how much was benefit payments in the program itself. He said he did not think it possibly to write all the amendments that it would take to get around the mechanical defects in the bill. He said Representative Lory had a resolution in to study this and he would suggest that it would be a much better way to go.

Carroll South, Director of Institutions said we have more employees than any other agency. Millions of dollars in this agency. Once the Legislature decides that the Department of Institutions is to do this, it may be \$1 million or \$2 million, but once they say it, it means I have to generate savings. I may have to lay off people or whatever. I think it is far better as a program, if the Legislature looked at the up-front and if you think they cannot make it. Once you make the decision, you should expect each agency to live up to it. This forces

one agency to save money so that another agency could use it. I don't think I should scrimp and save in my agency so that it could be used in another branch.

Jim Flynn, Director, Fish, Wildlife, & Parks, said he is opposed to House Bill 842 since for one thing, the administrative procedure is cumbersome and outweighs the benefits received, and second, License funds may jeopardize our federal funds. \$12 million for 1984. This account -- the calculating etc--provide for a complicated administrative procedure. This complicated work could exceed the money. If any federal funds are diverted we could lose our federal funding. Testimony attached, exh. 1

Bill Gosnell, Department of Highways, said he would give an example --We let \$177 million in construction in 1984. We budgeted \$137 million; \$114 million was spent in construction payments in 1984. We were in to increase to pay for it. The \$17 million would be \$742. The cash did not revert. We could not fund it without a lot of mechanism. Federal Highways are not going to give us money to go into another agencies budget.

Rodger Sager, representing Labor and Industry, said they are concerned with 4 problem areas. The Department is primarily federally funded and with this contingency fund the federal government will probably not approve this with federal monies provided for us. Co-mingling of funds; potentially federal funds could be used to fund a short fall. This would not be acceptable to the federal government. The carry-over expected of federal funds. This is mostly federal funds and if one extended authority this year with particular approval, we can carry it into the next period. If we have \$1 million of this, do we then have \$1 million or not? The basic language in the statute--when you authorize appropriate authority it is to the extent funds are available. What if \$1 million but only \$5,000 in cash? If you have no cash, then what?

Kathy Fabiano, Accounting Division Administrator, Department of Administration said there are some technical problems in the contingency related to the accounting department. She gave her written testimony, attached as exhibit 2.

Bob Robinson, Department of Natural Resources said they have the same problem as Flynn mentioned as to federal funds. We have the same problem as Carroll South as to our agency trying to save money and another agency gets their first then we are funding them. We have \$564,000 to recover in vacancy savings. If no money spent, then \$60,000 to the government and that is not enough money to even cover our vacancy savings with such a small percent.

John Skufca, Department of Livestock, said they oppose the bill for many of the same reasons that the other agencies have mentioned.

There were no further opponents, and Chairman Regan asked if there were questions from the committee.

Senator Christiaens: What kind of money is needed to represent this?

Dave Hunter: I think the system we have now is the way you ought to work it. If an agency does not achieve then they have to come before the Legislature for a supplemental and they have to be able to convince you it was out of their power to control and that there was really no way they could handle it.

Senator Christiaens: My question was, what is the amount?

Dave Hunter: I do not have a dollar amount.

Senator Christiaens: Can you get that?

Dave Hunter: I can get you the amount of the supplementals that have been requested.

Senator Christiaens: I think it is important to see what kind of problems we are looking at.

Senator Keating: On invested liability. As the budget director don't you think this is some kind of a problem without funding?

Dave Hunter: Invested liability only if you stopped state government today. Some of those employees --they are not going to quit today. That is a figure right off the personnel system.

Senator Keating: You don't think there should be some contingency for excessive annual liability in the event of some situation like the auditor's office where 8 or 10 old timers quit all at once? With the numerous bills for early retirement, we might have to come up with 5 or 10 million dollars for retirement. You wouldn't think some preparation should be made for something like this?

Dave Hunter: We do not feel we need a contingency fund. Supplementals can be used in those cases. In Senator Fuller's bill they agreed there was no problem. There was no cost since the vacancy savings would handle it.

Senator Hims1: This has been generally accepted. We laid it on the auditors a few years ago. They said that they should establish this liability in each agency. As the audits have been made they have detailed if the whole shop shut down what it would be. We have in the past handled it this way. We have had appropriations here to handle it. I think we are doing it correctly now.

Senator Keating: Could this bill be addressed to just state money?

Representative Lory closed by saying I might go back in history. I asked the agencies questions on state liability and on vacancy savings and sick leave. When they wrote it up in the bill they put in vacancy savings also and I do not think this was correct.

The agencies that appeared today, appeared in the House in support of the bill. I have a resolution to address vacancy savings. I would hope you would pass this bill, but if not then we will have to continue to live with the problem.

Senator Regan declared the hearing closed on House Bill 842, and called for an explanation of SJR 34.

CONSIDERATION OF SENATE BILL 34: Senator Hims1, Senate District 3, Kalispell, said Senate Joint Resolution 34 is a joint resolution requesting an interim study of the compensation of Montana's elected officials and certain appointed officials. He handed in his testimony which is attached as exhibit 1, SJR 34.

Senator Hims1 said it seemed to him it would be time to have a study made and it shouldn't cost a great deal and there should be someone there--probably the legislature--to make the review of the old salary structure.

Steve Brown, Montana Judges Association, gave a hand out, and said he had been involved in the legislative process since 1973. Often the lower grades are getting a higher percentage than those above. It is a tough and sensitive issue but the kind of thing that should be addressed. The salary commission tried to do this. I am talking about comparable worth in looking at what is done and making value judgement as to who gets paid what for who does what. This study suggested to do it at the state level. If you look at the handout you can see the comparison by state.

Pat Melby, State Bar Association said they support the resolution. Our judges are now some of the lowest paid judges in the country and I think it good to compare their salary with other judges of other states, and other elected officials.

There were no opponents to SJR 34, and Senator Regan asked if there were questions from the committee.

Senator Aklestad: I don't know if I have a question. I am a little fearful of this process because of the testimony given. There is an over riding assumption that we will probably be going to be able to raise the judges salary in the state. We got into this trouble when we done this on the university and used them as a peer to compare. Are we going to get ourselves into the same position? Salaries to judges are more in Wyoming and therefore we must pay more to them in the next year.

Senator Hims1: I see it just the opposite. The data now is on agencies in other states. Government agencies as against agencies with no reference to the private sector. Using some measure as of what private sector is paying for comparable service. It should be made as to what we are paying. Unless someone is

watching this, you will see that there is some increase in the salary of the administrative system of the university. I think the legislature should watch this. There are pages of these in the university that are receiving over \$48,000. Staff people here that are making more than district judges. Some are making more than the directors of their agencies. If we don't do it you will be a victim of just what you are talking about.

Senator Regan declared the hearing closed on SJR 34 and said no executive action would be taken this day since both Senators Bengtson and Hammond were unable to attend and she had promised them she would take no executive action.

The meeting was adjourned at 9:17 a.m.



PAT REGAN, CHAIRMAN

3-22-85

VISITORS' REGISTER

NAME	REPRESENTING	BILL #	Check One	
			Support	Oppose
C. Van Wert	private consultant, Helena	565	X	
KAREN MUNRO	Dept of Admin	HB 342	✓	
Don Harriott	Dept of Highway	HB 565	X	
Kathy Fabiano	Dept of Admin	HB 842		X
Bill Gosner	MD of Highway	HB 842		X
John Shuford	Livestock	842		X
Jim Wilson	Commerce	565	X	
Brenda Schye	Mont. Art Advocacy	565	X	
Rod Sager	DOLE	HB 842		X
Evelyn	Ref Dist 59	HB 842	✓	
Evelyn	Ref Dist 59	HB 342	✓	
James	DOT	842		✓
Nancy Evans	Agriculture	842		✓
David Hunter	OBPR	"		✓
Pat Melby	State Bar of Mont	SR 34	✓	
Lauri Craig	Mt Univ System	SR 37		

(Please leave prepared statement with case agent.)

ROLL CALL

SENATE FINANCE AND CLAIMS

COMMITTEE

49th LEGISLATIVE SESSION - - 185

Date 3-22-85

NAME	PRESENT	ABSENT	EXCUSED
SENATOR REGAN	✓		
SENATOR HAFLEY	✓		
SENATOR JACOBSON	✓		
SENATOR AKLESTAD	✓		
SENATOR HAMMOND			✓
SENATOR LANE	✓		
SENATOR CHRISTIAENS	✓		
SENATOR GAGE	✓		
SENATOR HIMSL	✓		
SENATOR STIMATZ	✓		
SENATOR BOYLAN	✓		
SENATOR STORY	✓		
SENATOR SMITH			
SENATOR MANNING (Dick)	✓		
SENATOR BENGTON			✓
SENATOR KEATING	✓		

HB 565
Testimony - HB565 "An Act appropriating money for the refurbishment, improvement, replacement or addition of Montana's historical highway marker system and providing for an immediate effective date.

From: Montana Historical Society, Robert Archibald

This legislation will appropriate \$190,525 of Federal Revenue Sharing monies for refurbishment of, and additions to, Montana's historical highway marker system. The project will be a cooperative undertaking between the Department of Highways, Department of Commerce and the Montana Historical Society over a three year period.

Montana's existing highway markers, commonly known as the "Fletcher Signs" were erected in the 1930's and 1940's. Text for the signs were written by Bob Fletcher and illustrated by artist "Shorty" Shope. These signs are an important historic resource in their own right and are fondly viewed by tourists and Montanans alike. The first priority of this project will be to repair, refurbish or recreate the existing signs as written by Fletcher and illustrated by Shope. The signs have a Montana flavor which should not be tampered with. Many of these signs have been vandalized, weather worn or destroyed. It is our plan to have them refurbished well in advance of our upcoming Centennial.

Depending on how far we can stretch the available funds we will develop new texts and signs which will reflect thematic and geographic balance. All new sign placement will be planned for existing pull out areas where right-of-way will not have to be acquired and access is available. All new signage will

use the same format as the existing Fletcher/Shope signs.

Refurbishment of the Fletcher/Shope signs will protect an important element of Montana's heritage. New signage, if possible with available funds, will create a legacy for the future. As a whole, this project will add to the enjoyment of Montana travelers, promote tourism and is a uniquely appropriate way to celebrate 100 years of statehood.

The Montana Historical Society supports HB565.

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24²
HB 565

I am Dr. Carroll Van West, a historical consultant from Helena. In 1984, under contract with the State Historic Preservation Office of the Montana Historical Society, I traveled throughout Montana, looking at its historic places.

In all, I traveled approximately 20,000 miles.

During these travels, I noticed the poor condition of many of the original highway historical markers, conceived and executed by Shorty Shope and Bob Fletcher in the 1940s. The signs not only tell tourists about important places in Montana history--they also remind Montanans of our rich heritage.

In themselves, the Shope/Fletcher markers are important and valuable historic artifacts. Preserving these signs, and adding new markers along the state ^{highway} Interstate system, will be of great service to the historical education of Montanans today and in the future.

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HB 565

Montana Arts Advocacy

committee of the Montana Institute of the Arts Foundation

TESTIMONY OF BRENDA SCHYE ON HB 565

March 22, 1985

SENATE FINANCE AND CLAIMS COMMITTEE

I am Brenda Schye, and I represent the Montana Arts Advocacy, a broad cross-section of Montanans who are committed to the development of our state's cultural resources. A significant aspect of that general goal is to increase awareness of our state's past.

The fact that our state has a rich history is not disputed. But much of the value of that heritage lies in people's awareness of it. That is true as much for Montana citizens as it is for people visiting from out of state.

The historical markers have great value not only for the information they present, but they are also a statement of pride in our heritage. As we approach our ^{state's} 100th birthday celebration, we hope you will see fit to refurbish these important acknowledgments of our legacy by approving HB 565.

K. Paul Stahl—Helena
James Poor—Great Falls
Mary Hudspeth—Glendive
Charles Tooley—Billings
Eric Myhre—Helena

Donna Gray—Pray
B.J. Hawkins—White Sulphur Springs
Claudette Morton—Helena
Reed Robinson—Missoula
Deborah Schlesinger—Helena

Sydney Sonneborn—Miles City
C. Karen Stanton—Hardin
J.D. Holmes—Helena
John Koch—Miles City
Joan Hendricks—Executive Secretary-Billings

eh 2
TESTIMONY - HB 842

By Kathy Fabiano, Accounting Division Administrator
Representing Department of Administration

The Department of Administration is opposed to HB 842. The current provision allowing unexpended appropriation balances in the first year of the biennium to be transferred to the second year to offset the cost of pay increases is preferred over the State Employee Contingency Account created by the bill.

Also, there are several technical problems related to the accounting for activity in the Contingency Account.

Briefly -

1. The Contingency Account is created in the State Special Revenue Fund. The bill specifically includes universities and vocational-technical centers, however, according to generally accepted accounting principles (GAAP) and State law (Section 17-2-102, MCA), those agencies should not use a Special Revenue Fund.
2. For accounting and financial reporting purposes, there are two types of appropriations. One gives the agency expenditure authority to, for example, pay vendors. The other gives the agency authority to only transfer cash between accounting entities. An example of a transfer is the movement of cash from the General Fund to support the foundation program.

Currently, an appropriation must be established on the State's accounting system as either expenditure authority or transfer authority; it cannot be established as both. Under HB 842, all expenditure appropriations must also be transfer appropriations to allow agencies to properly record the transfer of cash to the Contingency Account. This will require that we remove certain SBAS controls, or edits, that are designed to ensure the proper accounting of State financial activities.

3. Finally, the bill requires that transfers to the contingency account be made at the end of the fiscal year. The amount to be transferred is based on each agency's unexpended appropriation authority. Agencies will not know, for certain, what their unexpended appropriation balance is until they know that all accounting transactions input for the year have been processed. This means that we will have to close the accounting system, make sure all other activity for the year has been properly recorded and that no transactions are rejecting, produce a report showing agencies their unexpended appropriation balances, then reopen SBAS so they can record the transfer to this contingency account. After the transfer we will have to close SBAS again and produce another final set

of year-end reports. Such a process would be inefficient and would delay the closing of one fiscal year and opening of the next.

SENATE JOINT RESOLUTION 34

SENATOR MATT HIMSL

Two years ago there was an action in the Senate establishing a supervisory board over the legislative agencies to bring uniformity and some control over personnel salaries. The idea died in the House.

Just recently the Senate supported a House proposal to amend the constitution removing the salary commission (Art. 13, Sec. 3) and its function of recommending compensation for the judiciary and elected members of the legislative and executive branches. All recognize the commission system hasn't worked, probably because those who propose the salaries didn't have to pay them out of their budgets.

This resolution would have a study made by the legislature of a lot of data already on record and related them to salaries of elected officials, judges, governor appointees, commissions of political practices, tax appeal board, university system, and agencies of the legislature. It would, hopefully, also gather data on salaries from the private sectors.

We don't argue about the present salary scales or the comparative worth or why some staff draw more than directors, or who are executives, who are administrators, etc. We just think it is right, proper, and timely that an objective study be made.

JUDICIAL SALARIES
GENERAL TRIAL COURT

1.	ALASKA	87,780
2.	NEW JERSEY	70,000
3.	MICHIGAN	68,080
4.	GEORGIA	67,328
5.	ALABAMA	67,200
6.	CALIFORNIA	67,063
7.	NEW YORK	65,163
8.	PENNSYLVANIA	65,000
9.	MARYLAND	63,300
10.	S. CAROLINA	63,128
11.	VIRGINIA	62,780
12.	ARIZONA	62,500
13.	MISSOURI	62,500
14.	WYOMING	61,000
15.	TENNESSEE	60,600
16.	ILLINOIS	60,500
17.	OHIO	60,500
18.	MINNESOTA	60,500
19.	LOUISIANA	60,169
20.	MASSACHUSETTS	60,000
21.	WASHINGTON	60,000
22.	CONNECTICUT	59,600
23.	FLORIDA	58,247
24.	NEVADA	56,000
25.	DELAWARE	55,500
26.	TEXAS	54,500
27.	NEBRASKA	54,322
28.	COLORADO	54,000
29.	IOWA	54,000
30.	KENTUCKY	52,038
31.	RHODE ISLAND	52,000
32.	KANSAS	51,417
33.	MISSISSIPPI	51,000
34.	ARKANSAS	50,703
35.	WISCONSIN	50,659

36.	N. DAKOTA	50,600
37.	HAWAII	50,490
38.	NEW HAMPSHIRE	50,434
39.	N. CAROLINA	50,328
40.	W. VIRGINIA	50,000
41.	INDIANA	50,000
42.	NEW MEXICO	49,300
43.	OKLAHOMA	49,280
44.	S. DAKOTA	49,140
45.	OREGON	48,356
46.	UTAH	48,000
47.	MONTANA	47,693
48.	IDAHO	45,300
49.	VERMONT	45,050
50.	MAINE	43,736*

*The Maine Legislature recently granted Maine's judges a 75% increase in salary to be implemented over the next 5 years.