

MINUTES OF THE MEETING  
APPROPRIATIONS COMMITTEE  
49TH LEGISLATURE SPECIAL SESSION III  
HOUSE OF REPRESENTATIVES

June 18, 1986

The meeting of the Appropriations Committee was called to order by Chairman Bardanouve on June 18, 1986 at 8:00 a.m. in Room 104 of the State Capitol.

ROLL CALL: All members were present with the exception of Rep. Fritz who was excused.

(Tape 4:A:000)

NATURAL RESOURCES SUBCOMMITTEE

Rep. Manuel, Chairman of the Natural Resources Subcommittee, presented the recommended budget cuts from Exhibits 1 and 1A.

FISH, WILDLIFE AND PARKS: The subcommittee recommended a 5% cut from the general fund. They felt the earmarked funds should go into the reserve, since sportsmen have bought the licenses to fund the projects.

Rep. Bardanouve (125) advised that the executive proposal is held together by the agencies agreement that they would all be cut the same. The legislature can change the executive proposal, but it does cause concern in other agencies when the full 5% is not taken from all budgets.

PUBLIC SERVICE COMMISSION: Across-the-board cuts of 5% were taken. The governor had recommended that all travel be cut and meetings held in Helena. The subcommittee felt the commission should go to the people and retained the travel budget.

DEPARTMENT OF STATE LANDS: A cut of 4.8% was taken. This excluded \$13,500 of general funding for payment-in-lieu-of taxes to counties with large state land holdings.

DEPARTMENT OF LIVESTOCK: A 5% cut was taken. As a policy issue, the subcommittee approved using RIT money to finance the Rabies Control Program. The subcommittee also approved \$100,000 of RIT interest to fund a strychnine study that was demanded by the E.P.A. There have been several outbreaks of rabies, and the state must proceed with the study. The state of Wyoming is sharing the cost of the program with the state of Montana.

DEPARTMENT OF NATURAL RESOURCES: A cut of 5% was recommended by the subcommittee.

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Larry Fasbender (348) reported that the alternative energy program has ongoing grants and some personnel will be there to do collection work. He also advised there is about \$400,000 available to retrofit state buildings. The department plans to leverage those monies against federal funds that are available.

DEPARTMENT OF AGRICULTURE: Across-the-board cuts of 5% were taken.

DEPARTMENT OF COMMERCE: Across-the-board cuts of 5% were taken.

KEITH COLBO (520) said he felt the department would be able to absorb the deep cuts and still do an adequate job.

Rep. Moore (625) inquired if the Board of Denturity was self supporting yet. Mr. Colbo thought it was not, and Rep. Moore asked for a status report on that board.

Sen. Ed Smith (648) raised a question regarding 4.5 positions vacant for bank examiners. Mr. Colbo advised that three of those positions are now filled. There were some problems in hiring untrained people, then having to train them.

Rep. Manuel reported that the Department of Natural Resources had cut their budget more than the executive proposal had recommended.

RECESS: The meeting was recessed until 1:00 p.m.

TAPE 5:A:00

RECONVENE: The meeting was reconvened at 1:00 p.m. Chairman Bardanouve advised that if the committee would wrap the bill up today it could be heard Saturday morning.

Representative Winslow, Chairman of the Human Services Subcommittee, presented the recommended budget cuts from Exhibit 2.

DEPARTMENT OF HEALTH AND ENVIRONMENTAL SCIENCES: A cut of 4.1% was taken by a combination of general fund and state special revenue reductions. The subcommittee approved the general fund reductions in the governor's proposal, with the exception of 1) reduction in the End-State Renal Disease Program; 2) reduction for personal services in the Air Quality Bureau; and 3) reduction of RIT interest in the Superfund Program. The subcommittee voted to transfer \$25,000 from the waste water operator's account to the general fund.

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Dr. Drynan (140) advised that the department wanted to continue to monitor Flathead Lake for trophic damage. The E.P.A. has agreed to continue the study but the department will have to receive \$15,000 spending authority for the Water Pollution Control Program to continue.

Rep. Moore made a motion to appropriate \$15,000 for the study. The motion was seconded by Rep. Nathe.

A voice vote was taken and the motion CARRIED.

DEPARTMENT OF LABOR AND INDUSTRY: Cuts in this area totaled only 3.5% in general fund reductions, but the subcommittee approved the elimination of the Apprenticeship Bureau.

Rep. Quilici (205) questioned what would happen to the 850 persons presently under the program if it were to be eliminated. This program takes three or four years to complete.

Gene Huntington (243) advised the committee that this program fills a vital function, training workers in Montana. There are 856 people in training now in conjunction with 262 businesses. Eighty-three percent of the programs are not affiliated with the union. Over 50% of the programs are in rural areas. The governor has recommended that the program be funded through the unemployment penalty and interest money.

Bob Scott (290), Director of the United States Department of Labor, Apprenticeship and Training Bureau, advised the committee that his office would not be capable of taking over the state program. Federal funding will be drastically reduced and he will not be able to put on extra staff. For youth who do not attend college apprenticeship is a classic alternative. He advised that his office has always experienced a good relation with their state counterparts, and they have shared the workload on this outstanding program.

Walt Russell (352), Vice-president of Electrical Operations, Montana Power Company (Exhibit 3) urged the committee to vote against abolition of the apprenticeship program. Montana Power Company has made extensive use of the program.

Jerry Driscoll (390) said he hoped the program would be kept, using the unemployment penalty and interest money for funding.

Don Judge (397), Montana State AFL-CIO stated that the union was in agreement with the previous proponents.

William Belforte (400) Executive Director of the Sheet Metal and Air Conditioning Contractors Association, representing

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over 40 construction contractors in Montana reported that there were 32 apprentices being trained under this program. He stated that SMACNA urged the committee to keep this program (Exhibit 4).

Russ Thompson (505) testified that he had been unemployed for the past two years. This program has given him the ability, know-how and learning skills to support himself, his wife, and his children. It is giving him hope in Montana. He urged the committee to keep the program going.

Rep. Quilici (523) moved that the Apprenticeship Program be funded with penalties and interest from the Unemployment fund. Rep. Moore seconded the motion.

Rep. Bradley (568) said that only good things have been said about this program, and that perhaps it is important to do something special that relates to unemployment.

Rep. Rehberg (593) inquired how many general assistance people were involved with the apprenticeship program. He was told that information was not recorded. Rep. Rehberg advised the committee that the subcommittee had attempted to address the problem of the neediest since we can't be everything to everybody, especially right now. They took the executive recommendations.

TAPE 5:B:00

Rep. Bardanouve was excused at this point and Rep. Donaldson chaired the meeting.

A roll call vote was taken and the motion CARRIED, with Representatives Hand, Rehberg and Winslow opposing.

EMPLOYMENT SERVICES: No across-the-board cuts were recommended in this area. A general fund savings of \$209,000 was made by a funding switch to unemployment insurance penalty and interest funds. This is a permanent funding switch.

DIVISION OF WORKER'S COMPENSATION: No reductions were made in this area. The subcommittee voted to transfer \$100,000 of the fund balance of Crime Victim's Compensation to the general fund.

SOCIAL AND REHABILITATION SERVICES: A cut of 0.9% was made in the general fund. Rep. Winslow advised that no program benefits had been reduced. He further advised a supplemental request of \$7 million was anticipated.

Rep. Donaldson (155) advised that Lewis & Clark County had

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been doing pilot work in home health care. They are doing good work and much cheaper. He inquired why their funding was cut out when other counties were not cut.

Mary Beth Linder (175), Lewis and Clark County Health Department, advised that Lewis & Clark County enters into contract agreements with the state instead of using FTE. She urged that funding be continued on at least at the same level as other counties.

Dave Lewis (210), director of SRS, advised that the state had a contract with Lewis & Clark County for \$30,000. They cut this \$15,000 because this would provide the same level of service as was given in other counties. Lewis & Clark County is doing something over and above what is being done in other counties at present.

Rep. Winslow went over all of the policy issues and advised that a supplement of \$1,105,000 is needed for Foster Care now, and a supplement of \$2,243,777 will be needed in the areas of AFDC and General Assistance. The numbers in these areas continue to climb. The LFA estimates that Medicaid, Other Areas will need a supplement of \$3,648,419. The department believes they may be able to move funds to cover this if some of the things we are doing in the General Assistance area have a positive impact.

Rep. Miller asked if Y.E.P. were closed what would the impact on the budget be if children were put into foster care. He was advised by Norma Vestry that she would find out.

Rep. Bradley (498) said that some children are in the Y.E.P. program because they are not able to find foster care. At the present time, 36 children have been sent out of state partly because we do not have in-state places, and there is no place else for them to go. Two homes -- one in Billings and one in White Sulphur Springs, have been constructed. They are experiencing difficulties because they are on foster care rates and should be on group home rates.

Rep. Peck (526) posed a question. If a child is in need of evaluation and the child is put into foster care, have his problems been solved? Norma Vestry answered that foster care is substitute home care, and those people are not skilled in evaluation. The Y.E.P. personnel are trained to evaluate.

Rep. Nathe (553) asked why the large increase in AFDC since the amount of child support money being collected has been increased greatly.

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Dave Lewis explained that several studies have been done, and they have found that a woman collecting AFDC would have to find employment paying \$5.50 to \$6.50 per hour to duplicate the benefits she receives. Until we get more high paying jobs available we will see this trend continue.

Rep Nathe asked if what the state of Wisconsin has done, requiring grandparent responsibility, might not be good in Montana.

Mr. Lewis said he thought such an action would force family support to disappear. Grandparents are part of an extended family and these young women need family support.

Rep. Gould (644) asked to speak briefly on Visual Services and it's coordination with Voc-Rehab. Under this proposal the position of Independent Living Coordinator will be eliminated. Independent Living is the fastest growing part of the Visual Services Program. It is important that we have someone at SRS who is able to handle this program. He hoped this program would be approved because Independent Living will cut down on what the state of Montana has to spend in the long run.

Rep. Winslow advised that this was in the governor's proposal for vacancy savings. The subcommittee did not accept the governor's request on Visual Services or Voc-Rehab.

TAPE 6:A:00

Steve Waldron (41) representing the Montana Mental Health Association, thanked the subcommittee for putting a lot of time and work on the hard decisions. He felt particularly glad that the subcommittee had not accepted a cut in the funding for 1) visual services medical; 2) preserved the case services; and 3) did not accept the cuts in worker's compensation. They were most concerned about the administrative cut. What will happen is that probably four counsellors in the field will be cut. This translates into a cut of about 400 to 600 persons who will not receive any service. He urged some discussion of this cut in executive session.

Bobbi Curtis (96) thanked the committee for their support of Montana children. She felt the social workers being cut would benefit the children of the state. She asked that the committee look at this and see if a few of the workers could be added back.

Mike Meyer (109) representing Priorities for People, urged

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Neil Haight (257), Director of Montana Legal Services, said there is an element of fairness involved in the giving of legal service to those unable to afford it otherwise. It is not as important as food, perhaps, but for the solving of problems, legal service is the answer. The program once had 32 attorneys and now it has only 17. He requested that the \$50,000 cut from the program be restored. (See Exhibit 7.)

Rep. Donaldson said that no executive action would be taken until Rep. Bardanoue returned to the meeting.

Recess: The meeting recessed at 3:05 p.m.

Chairman Bardanoue reconvened the meeting at 3:15 p.m.

Representative Menahan, Chairman of the Subcommittee on Other Education, presented the recommended budget cuts from Exhibits 8 and 8-A.

MONTANA ARTS COUNSEL: Across-the-board cuts of 5% were taken.

MONTANA HISTORICAL SOCIETY: Across-the-board cuts of 5% were taken.

MONTANA STATE LIBRARY: Across-the-board cuts of 5% were taken. There was discussion about the film library located in Butte. This library offers films to groups and private individuals not serviced by the Office of Public Instruction. They also offer a service for rewinding and repair of library films.

BOARD OF PUBLIC EDUCATION: Across-the-board cuts of 5% were taken.

FIRE SERVICES TRAINING SCHOOL: Across-the-board cuts of 5% were taken. There was a proposal to possibly eliminate this school. It was suggested that perhaps fees could be charged in order to continue the training.

SCHOOL FOR THE DEAF AND BLIND: There are two different programs involved at the school. The school itself serves children who live on campus or reside in Great Falls. The subcommittee recommended cuts of 3% in this budget.

Audiological Services is a testing program done in schools located throughout the state. The subcommittee recommended budget cuts of 5% in this budget. The Board of Education took a majority of their cuts from the Audiology program. The subcommittee was uncomfortable with that decision.

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continued support of this program. He testified that he was able to go to college and become a productive taxpayer as a result of Voc-Rehab support. He asked that the committee continue to fund the program.

June Humanson (120), a career counsellor, made an appeal for the positions being cut. She mentioned two compelling reasons for her plea. She was congenitally, legally blind and the benefits she received from the program enabled her to work as a counsellor and a teacher. She was the mother of a disabled child and she asked that the program be kept intact so that her son would have the opportunities in his life that she had.

William Bauer (143) testified that he was a teacher of blind persons. He urged the committee to try doing some of the little things everyone takes for granted but that blind persons have to struggle to do. How to get the toothpaste on the brush, for instance.

Paul Peterson (162) works as a counsellor and strongly echoed the comments of the preceeding witnesses. He stated that he is disabled but was able to go to school using the programs. He urged continued support for them.

Joy McGrath (188) represented the Mental Health Association of Montana. She said that freezes are barely tolerable and that elimination is impossible. She felt that mental health services are at a minimum. She was opposed to any cuts and would prefer to see an increase in taxes.

Diane Sands (200) from the Womens Lobbyist Fund, stated that she was opposed to cuts and accepts freezes reluctantly. She expressed great concern about the erosion of assistance to the able bodied. Twenty percent of those people are women and many of them are not employable. The only way they can have safe housing is through these programs. She also expressed concern about freezing payments at 45% of the poverty level. This will not be a freeze but a cut. She advised the committee that a Massachusetts program is providing state support in health and child care, enabling women to take low paying jobs. Many women can't afford to take jobs under the present circumstances.

Robert Montgomery (235), representing the Montana Low Income Coalition, expressed deep concern about the recent problems. He read a prepared statement (Exhibit 5). He said that a courageous approach must come from the legislature to save our state and its citizens. A copy of his written testimony was marked Exhibit 6 and is attached hereto.

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TAPE 6:B:00

OFFICE OF PUBLIC INSTRUCTION: A cut of 2% was taken from administration and 5% was cut from Distribution to Public Schools.

Rep. Donaldson (059) reported that Special Education was increased last session and a 2% cut was taken previously. A good portion of this 5% may fall back on the local property taxpayers. The children are still there and the state and federal requirements are still there.

VO-TECH CENTERS: Each center was cut 5% of their general fund budget.

Chairman Bardanoue requested that we go on to Higher Education before the committee asked questions.

Representative Donaldson, Chairman of the Subcommittee on Higher Education, presented the recommended budget cuts in Exhibit 9 and 9-A.

BOARD OF REGENTS: Across-the-board cuts of 5% were taken. Rep. Donaldson reported the board had not been paid for about \$3000 due for meetings they have attended.

Rep. Spaeth (360) inquired the reason why the Board of Regents had given substantial raises to the university presidents.

Rep. Donaldson replied the board is attempting to be more competitive. They have just hired a president at the University of Montana and even with the raise that individuals will be taking a cut to come to Montana.

Rep. Spaeth said he intended to make a motion reducing the Board of Regents budget or the Commissioner's budget by \$20,000. He felt the only way we can send a message is to take money out of their budget.

COMMISSIONER OF HIGHER EDUCATION: Across-the-board cuts of 5% were taken. This will have a big impact on the WICHE/WAMI programs.

Rep. Lory (457) inquired why the student work study program was cut so deeply. Rep. Donaldson said that was the recommendation from the Commissioner's office.

Nancy Korizek (469), President of the Student Body at Montana State University, testified that many students are worried about the work study proposals. Many students cannot go or

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even start school without work study. They were realistic about the 5% reduction proposal but this is a 21% cut. Many students are adversely affected. She asked the committee to please reconsider this decision. (Exhibits 10, 10-A)

Rep. Spaeth (496) made a motion to reduce the Commissioner's budget by \$21,000 for the reasons previously stated.

Rep. Thoft seconded the motion.

Rep. Moore (537) commented that the board showed very poor timing in their decision and that this same thing had also happened with the Board of Investments. He intended, however, to vote against the motion.

Rep. Donaldson protested that the Commissioner's office did not take this action. He requested Rep. Spaeth to take the money out of the proper budget.

Rep. Quilici thought that perhaps the Board of Regents would reconsider their action when they met the next day. The raises were possibly deserved but right now is not a proper time to do so.

Rep. Peck (607) said that the Board of Regents acted in error, and he made a motion that the motion made by Rep. Spaeth be tabled until tomorrow to allow the board time to respond in a positive manner.

Rep. Moore seconded the motion.

Rep. Spaeth said he would withdraw his motion and support the motion proposed by Rep. Peck. This will give the board an opportunity to change their minds.

A roll call vote was taken and the motion CARRIED, with Rep. Bardanouve, Lory, Miller, Moore and Menahan opposing.

Rep. Peck made a motion that the student work study budget be reduced only 5%.

Rep. Moore seconded the motion.

TAPE 7:A:00

Rep. Swift reported the larger cut had been an oversight. The agency had recommended that amount and the subcommittee had not checked to see if it was 5%.

Carrol Krause (012) stated that the agency had been trying

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to protect their federal money, a \$9-to-\$1 match; therefore, all of their cuts had to come from work study funds.

A roll call vote was taken and the motion CARRIED, with Rep. Bardanouve opposing.

COMMUNITY COLLEGES: The general fund reduction was 5%.

BUREAU OF MINES: Across-the-board cuts of 5% were taken.

AGRICULTURE EXPERIMENT STATION: A budget cut of 5% was taken. There was a loss of both federal and state special revenue funds.

FORESTRY CONSERVATION EXPERIMENT STATION: Across-the-board cuts of 5% were taken.

COOPERATIVE EXTENSION SERVICE: The general fund was cut by 5% and federal funding was reduced about \$390,000. Further cuts are anticipated. Some FTE in the counties, particularly in specialist areas, will be laid off.

The subcommittee felt a study on the consolidation of the experiment stations and the Cooperative Extension Service would have merit.

UNIVERSITY SYSTEM-SIX UNITS: The subcommittee recommended a general fund cut of 5% for all units, with the exception of Montana Tech in Butte. The enrollment at Montana Tech has dropped substantially, causing severe budget problems. A minimum program must be offered in order to preserve accreditation, so their budget was reduced 2.5%. The 6-mill levy has raised more money than was anticipated, and the subcommittee switched \$135,000 from that account to fund Montana Tech.

Rep. Bardanouve explained that HB 500 had extended a 6-mill levy for Education. The appropriated amount was \$14 million with the provision that if the 6-mill levy brought in more than \$14 million the overage would revert to the general fund. This sum is now held in abeyance--about \$3 million.

Rep. Nathe (144) noted that the Minnesota Rural Dentistry program is funded from the general fund and coal tax money. He inquired if we could not get a repayment obligation of some sort to build up a fund for this program.

Rep. Donaldson answered that this question had been an item for discussion and that the students do pay something.

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Rep. Bardanouve commented he thought it unusual that people training for the highest paid professions should get a full ride. He raised questions regarding the WICHE/WAMI program.

Rep. Moore said they do pay the resident fees for their schooling. We don't have a medical school for those wishing to become doctors and this is a way for them to get such schooling.

Rep. Donaldson reported on the policy issue for the MBA program funded for FY 87 in Billings. This program was deferred for a general fund savings of \$266,241.

Recess: The meeting recessed at 6:00 p.m.

Chairman Bardanouve reconvened the meeting at 7:30 p.m.

EXECUTIVE ACTION

Rep. Quilici (263) reported that the subcommittee on General Government and Highways had met to reconsider the budget cuts for Judiciary. They recommended cutting 1 FTE out of the Boards and Commissions for a total of \$30,000 savings and proposed that Cathy Reardon assume those duties. They also recommended that \$22,140 be cut from the National Center dues for the Supreme Court Justices. These cuts will make a total of 5% cut from the Judiciary budget.

Rep. Quilici made a motion to amend the General Government and Highways budget to include the Judiciary cuts.

Rep. Winslow seconded the motion.

A voice vote was taken and the motion CARRIED.

Rep. Quilici made a motion to change the Flathead Basin appropriation by insertion of Item 9 on page 10: \$39,690 is a biennial appropriation. The motion was seconded.

A voice vote was taken and the motion CARRIED with Rep. Connelly opposing.

Rep. Bardanouve asked if the Undercover Task Force/Drug Program was in the Department of Justice budget. Receiving an affirmative reply, he noted that the MBA program in Billings had been in operation and was eliminated. He felt that since the drug program had not been implemented it should be cut. He reminded the committee that the executive proposal was to delete this program.

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Rep. Hand made a motion to delete the \$408,959 previously budgeted for the drug program.

Rep. Peck (365) resisted the motion. He commented that our neighboring states spend triple the amount for drug enforcement that Montana spends. We have become a haven for drug dealers and there are statistics to prove this. We have a lot of problems trying to enforce drug laws because of the lack of personnel. This funding would provide for a special attorney to train investigators and four investigators to work with sheriffs' offices. He felt the committee would be remiss if this money was taken out of the budget. He said he opposed the motion strongly.

Rep. Winslow stated this program is wholly funded by general fund dollars. This is a very tough decision to make, but he felt that since the program had not yet started he would support the motion.

Rep. Quilici agreed that everything Rep. Peck said was true, that there is a major drug problem in the state. He, too, felt this to be a very tough decision but he hoped that Senator Gage would be able to get funding from some other source to implement the program.

Rep. Lory inquired how much we have added to the budget for Institutions because we did not have a drug program.

Rep. Bardanouve stated that hundreds of millions of dollars have been poured into this problem and nothing has changed the social and moral outlook of the country. This is a social problem the federal government cannot handle.

Rep. Menahan (510) thought the program was very good. He said that we catch local users now but we do not catch the people hauling in the drugs. They are still doing business. He felt something must be done to stop the drugs from coming into the state.

A roll call vote was taken and the motion CARRIED with Rep. Connelly, Lory, Manuel, Menahan, Nathe, Peck, Rehberg and Swift opposing.

Rep. Spaeth (670) made a motion to reduce the Board of Investment budget by \$15,000. He said he made the motion because salaries are being frozen in the entire state, not because it is good management, but because it is necessary. He felt this motion would be a certified letter to the Board that the committee did not like the salary increases they have granted. This is the only way we can attract

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their attention. He also made the motion to be consistent with the earlier motion with regard to the Board of Regents.

TAPE 7:B:00

Rep. Quillici said he did not disagree entirely with Rep. Spaeth but he did think the Board of Investments should be given the same consideration that had been given to the Board of Regents. If they will not reconsider their action the \$15,000 would be cut out of their funding.

A roll call vote was taken and the motion CARRIED, with Rep. Donaldson, Bradley, Schye, Hand, Lory, Menahan and Quillici opposing.

Rep. Lory (42) made a motion to delete the 5% cut from the Highway special revenue funds. He said that cut would do nothing for the general fund. The cutting of special revenue funds would simply delay the highway programs.

Rep. Bardanouve felt the committee should not begin to unravel the whole budget system. Many agencies have already take their cuts as proposed by the governor.

A roll call vote was taken and the motion failed, with Rep. Schye, Lory, Manuel, Peck, and Spaeth supporting.

Rep. Quillici (83) made a motion to accept Section A, as amended.

Rep. Moore seconded the motion.

A voice vote was taken and the motion CARRIED unanimously.

Rep. Winslow made a motion to remove the spending authority for \$52,687 from the Hazardous Waste Management program.

Rep. Peck seconded the motion.

A voice vote was taken the the motion CARRIED unanimously.

Rep. Winslow (168) reported that the Apprenticeship Bureau had been put back into the Department of Labor budget.

Rep. Bradley (397) made a motion to restore funding for 3 FTE in Voc-Rehab and 1 FTE in Visual Services.

Rep. Moore seconded the motion.

A voice vote was taken and the motion CARRIED unanimously.

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Rep. Winslow (475) moved that section B, as amended, be accepted. The motion was seconded and CARRIED unanimously on a voice vote.

Rep. Moore (560) moved to accept language in the budget that the School for the Deaf and Blind take over the Audiological Services Program for a total amount of \$500,000 in lieu of \$673,000 for FY 87. Rep. Peck seconded the motion.

Rep. Donaldson asked how the School for the Deaf and Blind could do this program so cheaply.

Rep. Moore said that the school had testified in 1985 that they could do it cheaper than bidding it out around the state. Their request was refused at that time. The recent competitive bidding for the Audiological Services Program was \$162,000 over the \$673,000 appropriated.

Rep. Bardanouve asked Robert J. Deming, administrator for the School for the Deaf and Blind, if he could assure that the school could perform this testing in a professional manner within the budget limit of the \$500,000 figure.

Mr. Deming replied that he would give his best assurance as a professional that this could be done.

Rep. Peck had some reservations about the ability of the school to perform the testing, particularly with respect to the salary. He felt the \$24,600 salary offered was very minimal. He said this presents a real challenge to management to cover the entire state of Montana from one location. He did think, however, that it was an acceptable alternative and said that Rep. Moore had developed a good program in Great Falls.

(Tape 8:A:000)

Rep. Bardanouve asked Mr. Deming if he had checked into the availability of personnel who would do this kind of work, and whether or not the salaries would be accepted.

Mr. Deming said the salaries were in line with others in the school. It is a medium-range salary and matches that of the business manager at the school.

A roll call vote was taken on Rep. Moore's motion, and the motion CARRIED unanimously.

Rep. Moore (036) made a motion to restore funding for the

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\$49,500 previously cut from the educational program at the School for the Deaf and Blind. This will fund a mobility instructor, a speech counsellor and two itinerant consultants.

A voice vote was taken and the motion CARRIED with Rep. Lory opposing.

Rep. Donaldson made a motion that the committee accept Section E, as amended.

Rep. Moore seconded the motion.

A voice vote was taken and the motion CARRIED unanimously.

Rep. Menahan (90) asked the committee to consider the policy issues of the Youth Evaluation Program and the Lighthouse Program.

Rep. Bradley (110) moved to delete the Youth Evaluation Program in Great Falls. She said that in the Human Services budget one thing we have basically done is not expand foster care. The justification for Y.E.P. is that it has had to suffice for foster care. If we need foster care that is what we need. We get excellent evaluations from Pine Hills and Mountain View. She felt it was unfair to put a select few in a nice plush program, and that all the children should be treated alike. She further stated the money should be spent where it is needed, in foster care.

Rep. Miller (172) also noted that foster care is overloaded. He said Pine Hills has about 30 more boys than they can care for. Mountain View is bursting at the seams. There are 12 children on the waiting list for Y.E.P. now. It costs about \$53,000 per child to send youth out of state. The Y.E.P. Program ranks 8th out of 27 on the list that Priorities for People have come up with. The governor's task force has not asked for any cut-backs in youth programs. We need three, possibly five, Y.E.P. Programs in Montana. All of the judges and probation officers in the state are at their wits' end, wondering where to send these children. In Y.E.P. they are not getting simply an evaluation; they are getting treatment.

A roll call vote was taken and the motion FAILED, with Rep. Bardanouve, Donaldson, Bradley, Connelly, Nathe, Peck, Rehberg, Swift and Winslow supporting.

Rep. Menahan (258) reported that closing the Lighthouse Program would keep people in prison for a longer time. This is a very successful program and it has a high success rate

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with the people who take it. The Board of Pardons insist that inmates in the prison be accepted into and complete the program before they can be paroled. Forty-five to 55% of those taking this 90-day program are inmates. The remaining percentage are drug and alcohol users from the general public. The program demands a complete change of life style. There is a waiting list to get into the program.

Rep. Menahan made a motion to continue funding the Light-house program.

Rep. Moore seconded the motion.

A voice vote was taken and the motion CARRIED unanimously.

Rep. Donaldson (400) reported that the subcommittee on Higher Education thought the 6-mill levy should be used entirely for education. The people voted this money for Higher Education and the \$3.375 million should be retained by Higher Education instead of reverting to the general fund.

Rep. Bardanouve (430) stated that the University System could not use this money. The only way it can be used is for the Appropriations Committee to pass a bill giving them the spending authority. This 6-mill levy is earmarked special revenue. It cannot be moved out of the general fund without an appropriation.

Rep. Bardanouve made a motion to transfer to the general fund an amount equal to the surplus of \$3.245 million.

Rep. Bradley said there was some thought by the subcommittee that when we finally got to the impact of the pay plan that this sum, if left in the appropriation, would soften the blow.

Rep. Bardanouve advised her that a bill should be presented to appropriate the surplus millage from the general fund, but that all of the agencies would be wanting the money.

Rep. Peck seconded the motion.

A roll call vote was taken and the motion CARRIED unanimously.

Rep. Donaldson made a motion that Section F, as amended, be approved.

Rep. Moore seconded the motion.

A voice vote was taken and the motion CARRIED unanimously.

Appropriations Committee  
July 18, 1986

TAPE 3:B:00

Rep. Bardanouve reported that some agencies are unhappy that Fish, Wildlife and Parks have not taken the full 5% budget cut. They feel that Fish, Wildlife and Parks have not been treated the same as other agencies.

Rep. Hand made a motion to take the 5% reduction out of the agency's earmarked funds.

Rep. Peck seconded the motion.

A roll call vote was taken and the motion failed, with Rep. Bardanouve and Hand supporting.

Rep. Quilici (158) reported that during the last session \$500,000 was appropriated out of the R.I.T. fund for reclamation projects in Butte. They have utilized \$300,000 of this money to reclaim the Butte Hill, leaving \$200,000 to go to what is called the Silverbow Clark Park Project, if permission is granted. They are requesting that these HB 922 funds be used to build up the old Columbia Gardens equipment in the Beet Trail area.

Rep. Winslow asked if this was a replacement for the ball park that was originally funded.

Larry Fasbender (195) testified that the \$500,000 was appropriated for two different projects. Three hundred thousand was for Butte Hill erosion and the remainder was to rehabilitate some ballparks that were subsequently discovered to be tainted with mercury, making them ineligible for Superfund funding. The proposal now is that the \$200,000 would be into the Columbia Gardens area.

Rep. Spaeth (205) said that we are tinkering with the list. We are actually putting another project on that list. There are projects now on the list that won't get funding if we add another project.

Rep. Thoft (230) remarked the committee had gone to a lot of effort to prioritize the projects and he had never heard of this one.

Rep. Quilici moved that his amendment (Exhibit 13) be adopted.

Rep. Menahan seconded his motion.

A roll call vote was taken and the motion FAILED, with Rep. Bradley, Schye, Hand, Manuel, Menahan, Miller and Quilici

Appropriations Committee  
June 18, 1986

supporting the motion.

Rep. Manuel (305) moved that the spending authority for \$1,640,000 of the Rock Creek Mitigation money carry over as a biennial appropriation. When the original appropriation was made, the committee made an error and thought it was an annual appropriation. There will be no increase in spending, but authority is needed to spend the money in FY 87.

Larry Fasbender, director of DNR, explained that another funding relates to a fund that was delayed one year but is now going. We need a portion of the FY 86 money to be carried over into the next biennium so that we can use it with funds for this fiscal year. There will be no increase in spending, but authority is needed to spend.

Rep. Manuel moved the amendments. (See Exhibit 14.) Rep. Nathe seconded the motion, and it CARRIED unanimously on a voice vote.

Carl Schweitzer from the LFA's office advised the committee that the Coal Board will spend \$50,000 less in administration in FY 87 and that money is available for transfer to the general fund.

Rep. Nathe moved that this transfer be made. The motion was seconded by Rep. Manuel and CARRIED unanimously on a voice vote.

Rep. Manuel moved that Section C, as amended, be approved. The motion was seconded and CARRIED unanimously on a voice vote.

Carl Schweitzer (405) said there is an additional \$52,000 of R.I.T. money that was taken out of Public Health earlier; it could go into this bill to offset the general fund.

Mr. Fasbender (417) reported that in the R.I.T. trust account of the Hazardous Waste Project, \$800,000 was appropriated to the Department of Health and Environmental Science. They are not going to be using all of that money, and the surplus can be used to offset the general fund in the Department of Natural Resources in the Water Resources Division.

Rep. Manuel moved that Section C be reopened in order that the \$52,687 of R.I.T. funds be transferred as proposed. Rep. Moore seconded the motion, and it CARRIED unanimously on a voice vote. Rep. Manuel further moved for this transfer. The motion was seconded by Rep. Swift and CARRIED unanimously on a voice vote.

Appropriations Committee  
June 18, 1986

Judy Rippingale, LFA, told the committee that another motion should be made in Section B. A language insert is needed for foster care.

Rep. Winslow (450) made a motion to reopen Section B. The motion was seconded by Rep. Moore and CARRIED unanimously on a voice vote.

Rep. Winslow said he had thought there was going to be a supplement, but apparently there is not going to be one. The language that needs to be inserted is: 1) the department will freeze foster care payments at FY 86 levels; 2) that foster care placements be limited; and 3) that geographic areas be augmented for additional providers if the department chooses to do so.

Rep. Bardanouve asked the committee to accept the concept and allow the LFA office to clean the language up.

Rep. Winslow moved that the above language be accepted. The motion was seconded and CARRIED unanimously on a voice vote. Rep. Winslow further moved that Section B, as amended, be approved. The motion was seconded by Rep. Moore, and it CARRIED unanimously on a voice vote.

Rep. Donaldson moved that HB 30 DO PASS AS AMENDED (HB 500 from the 1985 session). The motion was seconded by Rep. Quilici and CARRIED unanimously.

ADJOURN: The meeting was adjourned at 10:30 p.m.

  
FRANCIS BARDANOUE, Chairman

# DAILY ROLL CALL

APPROPRIATIONS

COMMITTEE

49th Legislature Special Session III

Date June 18, 1986

NAME	PRESENT	ABSENT	EXCUSED
BARDANOUE, Francis (Chairman)	✓		
DONALDSON, Gene (Vice Chairman)	✓		
BRADLEY, Dorothy	✓		
CONNELLY, Mary Ellen	✓		
ERNST, Gene	✓		
<del>FRITZ, Harry</del>			✓
HAND, Bill	✓		
LORY, Earl	✓		
MANUEL, Rex	✓		
MENAHAN, William	✓		
MILLER, Ron	✓		
MOORE, Jack	✓		
NATHE, Dennis	✓		
PECK, Ray	✓		
QUILICI, Joe	✓		
REHBERG, Dennis	✓		
SPAETH, Gary	✓		
SWIFT, Bernie	✓		
THOFT, Bob	✓		
WINSLOW, Cal	✓		
SCHYE, Ted	✓		

# STANDING COMMITTEE REPORT

June 19 19 86

Mr. Speaker: We, the committee on APPROPRIATIONS  
report HB 30

☒ do pass  
☐ do not pass

☐ be concurred in  
☐ be not concurred in

☒ as amended  
☐ statement of intent attached

Bardanoue  
REP. FRANCIS BARDANOUE

Chairman

FIRST reading copy ( WHITE )  
color

HOUSE BILL NO. 30

INTRODUCED BY BARDANOUVE

BY REQUEST OF THE OFFICE OF BUDGET AND PROGRAM PLANNING

A BILL FOR AN ACT ENTITLED: "AN ACT TO GENERALLY REVISE APPROPRIATIONS FOR FISCAL YEAR 1987; AMENDING HOUSE BILL 500, LAWS OF 1985; ~~AND CHAPTER 737, LAWS OF 1985~~; AMENDING HOUSE BILL 922, LAWS OF 1985, CHANGING THE APPROPRIATIONS FOR THE GRANTS PROGRAM; AMENDING SECTION 7, HOUSE BILL 928, LAWS OF 1985; AMENDING SECTION 2, HOUSE BILL 961, LAWS OF 1985; AMENDING SECTION 5, CHAPTER 732, LAWS OF 1985; AMENDING SECTION 75-1-1101, MCA; PROVIDING A REDUCTION IN APPROPRIATIONS FOR THE MONTANA SCIENCE AND TECHNOLOGY BOARD AND FOR THE AGRICULTURAL ASSISTANCE AND COUNSELING PROGRAM; REPEALING SECTION 10, CHAPTER 717, LAWS OF 1985; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE ~~AND AN APPLICABILITY DATE.~~"

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

(Refer to introduced bill)

Strike everything after the enacting clause and insert:

Section 1. House Bill 500, Laws of 1985, is amended to read:

"Section 1. Title. This act may be cited as the "General Appropriations Act of 1985".

Section 2. Definitions. For the purposes of this act, unless otherwise stated, the following definitions apply:

(1) "Agency" means each state office, department, division, board, commission, council, committee, institution, university unit, or other entity or instrumentality of the executive branch, office of the judicial branch, or office of the legislative branch of state government.

(2) "Approving authority" means the Governor or his designated representative for executive branch agencies; the Chief Justice of the Supreme Court for judicial branch agencies; appropriate legislative committees for legislative branch agencies; or the Board of Regents or its designated representative for the university system.

(3) "University system unit" means the board of regents, office of the Commissioner of Higher Education, University of Montana at Missoula, Montana State University at Bozeman, Montana College of Mineral Science and

# ROLL CALL VOTE

APPROPRIATIONS

COMMITTEE

DATE 6/18/86  
1:40 p.m.

BILL NO. 4830

NUMBER

NAME	AYE	NAY
BARDANOUVE, Francis (Chairman)	✓	
DONALDSON, Gene (Vice Chairman)	✓	
BRADLEY, Dorothy	✓	
CONNELLY, Mary Ellen	✓	
ERNST, Gene	✓	
FRITZ, Harry SCHYE, Ted	✓	
HAND, Bill		✓
LORY, Earl	✓	
MANUEL, Rex	✓	
MENAHAN, William	✓	
MILLER, Ron	✓	
MOORE, Jack	✓	
NATHE, Dennis	✓	
PECK, Ray	✓	
QUILICI, Joe	✓	
REHBERG, Dennis		✓
SPAETH, Gary	✓	
SWIFT, Bernie	✓	
THOFT, Bob	✓	
WINSLOW, Cal		✓

TALLY

17 3

Marcene Lynn

Secretary

Francis Bardanouve

Chairman

MOTION: Rep. Quilici moved the committee to accept Commissioner  
Huntington's recommendation that the Apprenticeship Bureau be  
funded with penalties & interest. Motion was seconded and CARRIED.

# ROLL CALL VOTE

APPROPRIATIONS

COMMITTEE

DATE 6/18/86  
4:30 p.m.

BILL NO. Subcomm. Report  
#B 30

NUMBER

NAME	AYE	NAY
BARDANOUE, Francis (Chairman)	✓	✓
DONALDSON, Gene (Vice Chairman)	✓	
BRADLEY, Dorothy	✓	
CONNELLY, Mary Ellen	✓	
ERNST, Gene	✓	
<del>FRITZ, Harry</del> SCHYE, Ted	✓	
HAND, Bill	✓	
LORY, Earl		✓
MANUEL, Rex	✓	
MENAHAN, William		✓
MILLER, Ron		✓
MOORE, Jack		✓
NATHE, Dennis	✓	
PECK, Ray	✓	
QUILICI, Joe	✓	
REHBERG, Dennis	✓	
SPAETH, Gary	✓	
SWIFT, Bernie	✓	
THOFT, Bob	✓	
WINSLOW, Cal	✓	

TALLY

15

5

Marcene Lynn

Secretary

Rep. Francis Bardanoue

Chairman

MOTION: Rep. Peck moved to table Rep. Spaeth's prior motion to  
cut Board of Regents' budget by \$20,000. Rep. Moore seconded  
the tabling motion, and it CARRIED.

# ROLL CALL VOTE

## APPROPRIATIONS

## COMMITTEE

DATE 6/18/86 BILL NO. Higher Ed. Subcomm.  
4:31 p.m. Report H830 NUMBER           

NAME	AYE	NAY
BARDANOUVE, Francis (Chairman)		✓
DONALDSON, Gene (Vice Chairman)	✓	
BRADLEY, Dorothy	✓	
CONNELLY, Mary Ellen	✓	
ERNST, Gene	✓	
<del>FRITZ, Harry</del> SCHYE, Ted	✓	
HAND, Bill	✓	
LORY, Earl	✓	
MANUEL, Rex	✓	
MENAHAN, William	✓	
MILLER, Ron	✓	
MOORE, Jack	✓	
NATHE, Dennis	✓	
PECK, Ray	✓	
QUILICI, Joe	✓	
REHBERG, Dennis	✓	
SPAETH, Gary	✓	
SWIFT, Bernie	✓	
THOFT, Bob	✓	
WINSLOW, Cal	✓	

TALLY

19 1

Marcene Lynn  
Secretary

Rep. Francis Bardanouve  
Chairman

MOTION: Rep. Peck moved that the Work Study Program be reduced  
by only 5% instead of the percent recommended by the agency.

The motion was seconded and CARRIED.

# ROLL CALL VOTE

## APPROPRIATIONS

## COMMITTEE

DATE 6-18-86 7:50 p.m. BILL NO. Gen. Gov't. & High-ways Subcomm. Report NUMBER

NAME	AYE	NAY
BARDANOUVE, Francis (Chairman)	✓	
DONALDSON, Gene (Vice Chairman)	✓	
BRADLEY, Dorothy	✓	
CONNELLY, Mary Ellen		✓
ERNST, Gene	✓	
<del>FRITZ, Harry</del> SCHYE, Ted	✓	
HAND, Bill	✓	
LORY, Earl		✓
MANUEL, Rex		✓
MENAHAN, William		✓
MILLER, Ron	✓	
MOORE, Jack	✓	
NATHE, Dennis		✓
PECK, Ray		✓
QUILICI, Joe	✓	
REHBERG, Dennis		✓
SPAETH, Gary	✓	
SWIFT, Bernie		✓
THOFT, Bob	✓	
WINSLOW, Cal	✓	

TALLY

12 8

Marcene Lynn

Secretary

Rep. Francis Bardanouve

Chairman

MOTION: Rep. Hand moved to delete \$408,959 from the Crime

Investigating program. The motion was seconded by Rep. Spaeth

and CARRIED.

# ROLL CALL VOTE

APPROPRIATIONS

COMMITTEE

DATE 6/18/86  
8:05 p.m.

BILL NO. HB 30  
Dept. of Ad.

NUMBER \_\_\_\_\_

NAME	AYE	NAY
BARDANOUVE, Francis (Chairman)	✓	
DONALDSON, Gene (Vice Chairman)		✓
BRADLEY, Dorothy		✓
CONNELLY, Mary Ellen	✓	
ERNST, Gene	✓	
<del>FRITZ, Harry</del> SCHYE, Ted		✓
HAND, Bill		✓
LORY, Earl		✓
MANUEL, Rex	✓	
MENAHAN, William		✓
MILLER, Ron	✓	
MOORE, Jack	✓	
NATHE, Dennis	✓	
PECK, Ray	✓	
QUILICI, Joe		✓
REHBERG, Dennis	✓	
SPAETH, Gary	✓	
SWIFT, Bernie	✓	
THOFT, Bob	✓	
WINSLOW, Cal	✓	

TALLY

13

7

Marcene Lynn  
Secretary

Rep. Francis Bardanouve  
Chairman

MOTION: Rep. Spaeth moved to reduce the Board of Investments  
proprietary account by \$15,000. The motion was seconded by  
Rep. Connelly and CARRIED.

# ROLL CALL VOTE

APPROPRIATIONS

COMMITTEE

DATE 6/18/86

BILL NO. HB 30

NUMBER

8:10 p.m.

Dept. of Highways

NAME	AYE	NAY
BARDANOUVE, Francis (Chairman)		✓
DONALDSON, Gene (Vice Chairman)		✓
BRADLEY, Dorothy		✓
CONNELLY, Mary Ellen		✓
ERNST, Gene		✓
<del>FRITZ, Harry</del> SCHYE, Ted	✓	
HAND, Bill		✓
LORY, Earl	✓	
MANUEL, Rex	✓	
MENAHAN, William		✓
MILLER, Ron		✓
MOORE, Jack		✓
NATHE, Dennis		✓
PECK, Ray	✓	
QUILICI, Joe		✓
REHBERG, Dennis		✓
SPAETH, Gary	✓	
SWIFT, Bernie		✓
THOFT, Bob		✓
WINSLOW, Cal		✓

TALLY

5

15

Marcene Lynn

Secretary

Rep. Francis Bardanouve

Chairman

MOTION: Rep. Lory moved that the committee not delete the

recommended 5% out from the special revenue account. The motion

was seconded by Rep. Manuel and FAILED.

# ROLL CALL VOTE

APPROPRIATIONS

COMMITTEE

DATE 6/18/86 BILL NO. HB 30 i.e. 500 NUMBER Ed. of Public Ed.

9:05 p.m.

NAME	AYE	NAY
BARDANOUVE, Francis (Chairman)	✓	
DONALDSON, Gene (Vice Chairman)	✓	
BRADLEY, Dorothy	✓	
CONNELLY, Mary Ellen	✓	
ERNST, Gene	✓	
<del>FRITZ, Harry</del> SCHYE, Ted	✓	
HAND, Bill	✓	
LORY, Earl	✓	
MANUEL, Rex	✓	
MENAHAN, William	✓	
MILLER, Ron	✓	
MOORE, Jack	✓	
NATHE, Dennis	✓	
PECK, Ray	✓	
QUILICI, Joe	✓	
REHBERG, Dennis	✓	
SPAETH, Gary	✓	
SWIFT, Bernie	✓	
THOFT, Bob	✓	
WINSLOW, Cal	✓	

TALLY

20

  
Secretary

Rep. Francis Bardanouve  
Chairman

MOTION: Rep. Moore moved to establish an audiological program  
at the state school. (See Exhibit 11 for amendments) The  
motion was seconded by Rep. Peck and CARRIED unanimously.

# ROLL CALL VOTE

## APPROPRIATIONS

## COMMITTEE

DATE 6-18-86

BILL NO. HB 30

NUMBER           

9:20 A.M.

Institutions

NAME	AYE	NAY
BARDANOUE, Francis (Chairman)	✓	
DONALDSON, Gene (Vice Chairman)	✓	
BRADLEY, Dorothy	✓	
CONNELLY, Mary Ellen	✓	
ERNST, Gene		✓
<del>FRITZ, Harry</del> SCHYE, Ted		✓
HAND, Bill		✓
LORY, Earl		✓
MANUEL, Rex		✓
MENAHAN, William		✓
MILLER, Ron		✓
MOORE, Jack		✓
NATHE, Dennis		✓
PECK, Ray	✓	
QUILICI, Joe		✓
REHBERG, Dennis	✓	
SPAETH, Gary		✓
SWIFT, Bernie	✓	
THOFT, Bob		✓
WINSLOW, Cal	✓	

TALLY

9

11

Marcene Lynn  
Secretary

Rep. Francis Bardanoue  
Chairman

MOTION: Rep. Bradley moved to delete the Youth Evaluation Program  
in Great Falls. The motion was seconded and FAILED.

# ROLL CALL VOTE

APPROPRIATIONS

COMMITTEE

DATE 6/18/86

BILL NO. HB 30

NUMBER

NAME	AYE	NAY
BARDANOUE, Francis (Chairman)	✓	
DONALDSON, Gene (Vice Chairman)	✓	
BRADLEY, Dorothy	✓	
CONNELLY, Mary Ellen	✓	
ERNST, Gene	✓	
FRIEZE, Harry SCHYE, Ted	✓	
HAND, Bill	✓	
LORY, Earl	✓	
MANUEL, Rex	✓	
MENAHAN, William	✓	
MILLER, Ron	✓	
MOORE, Jack	✓	
NATHE, Dennis	✓	
PECK, Ray	✓	
QUILICI, Joe	✓	
REHBERG, Dennis	✓	
SPAETH, Gary	✓	
SWIFT, Bernie	✓	
THOFT, Bob	✓	
WINSLOW, Cal	✓	

TALLY

20

Marcene Lynn

Secretary

Rep. Francis Bardanoue

Chairman

MOTION: Rep. Bardanoue moved to transfer the surplus millage into the general fund. The motion was seconded by Rep. Peck and CARRIED.

# ROLL CALL VOTE

## APPROPRIATIONS

## COMMITTEE

DATE 6/18/86 BILL NO. HB 30 i.e.,  
HB 500  
Dept. of DNRC NUMBER           

NAME	AYE	NAY
BARDANOUVE, Francis (Chairman)	✓	
DONALDSON, Gene (Vice Chairman)		✓
BRADLEY, Dorothy		✓
CONNELLY, Mary Ellen		✓
ERNST, Gene		✓
<del>FRITZ, Harry</del> SCHYE, Ted		✓
HAND, Bill	✓	
LORY, Earl		✓
MANUEL, Rex		✓
MENAHAN, William		✓
MILLER, Ron		✓
MOORE, Jack		✓
NATHE, Dennis		✓
PECK, Ray		✓
QUILICI, Joe		✓
REHBERG, Dennis		✓
SPAETH, Gary		✓
SWIFT, Bernie		✓
THOFT, Bob		✓
WINSLOW, Cal		✓

TALLY

2

18

Marcene Lynn

Secretary

Rep. Francis Bardanouve

Chairman

MOTION: Rep. Hand moved to take 5% out of the earmarked funds  
from the Dept. of Fish, Wildlife and Parks. The motion was seconded  
by Rep. Peck and FAILED.

# ROLL CALL VOTE

## APPROPRIATIONS

## COMMITTEE

DATE 6/18/86 BILL NO. HB 30 i.e.,  
HB 500

NUMBER           

10:15

NAME	AYE	NAY
BARDANOUE, Francis (Chairman)	.	✓
DONALDSON, Gene (Vice Chairman)		✓
BRADLEY, Dorothy	✓	.
CONNELLY, Mary Ellen		✓
ERNST, Gene		✓
<del>FRITH, Harry</del> Schye, Ted	✓	
HAND, Bill	✓	
LORY, Earl	.	✓
MANUEL, Rex	✓	
MENAHAN, William	✓	
MILLER, Ron	✓	
MOORE, Jack	.	✓
NATHE, Dennis		✓
PECK, Ray		✓
QUILICI, Joe	✓	
REHBERG, Dennis		✓
SPAETH, Gary		✓
SWIFT, Bernie		✓
THOFT, Bob		✓
WINSLOW, Cal		✓

TALLY

7

13

Marcene Lynn

Secretary

Rep. Francis Bardanoue

Chairman

MOTION: Rep. Quilici moved that his proposed amendments (see  
Exhibit 13) be adopted. The motion was seconded by Rep. Menahan  
and FAILED.

NATURAL RESOURCES AND COMMERCE SUBCOMMITTEE ACTION AS OF JUNE 16, 1986

Subcommittee Cuts	General Fund	Fiscal 1987		
	% Cuts	General Fund	Other Funds	Total
Across-the-Board Cuts				
Agriculture	5.00	\$ 92,516	\$ 40,148	\$ 132,664
State Lands	4.80	324,445	178,587	503,032
Fish, Wildlife, and Parks	5.00	21,678	-0-	21,678
Livestock	5.00	33,640	176,901	210,541
Commerce	5.00	427,611	1,428,665	1,856,276
Public Service Commission	5.00	85,584	-0-	85,584
Natural Resources	4.34	241,378	228,242	469,620
Total Across-the-Board Cuts		\$1,226,852	\$2,052,543	\$3,279,395
Policy Issues				
Parks Funding Switch Trust Interest		\$ 411,875	\$ (411,875)	\$ -0-
Transfer Coal Board's Grant Funds		-0-	1,000,000	1,000,000
Alternative Energy Grants		-0-	1,350,000	1,350,000
Energy Monitoring		13,571	-0-	13,571
Capitol Grounds		-0-	(7,700)	(7,700)
Rabies Program		67,727	(167,727)	(100,000)
Water Engineering Bureau		353,090	(353,090)	-0-
Water Development and RIT Interest Transfer*		894,000	(894,000)	-0-
Total Policy Cuts		\$1,740,263	\$ 515,608	\$2,255,871
Total Subcommittee Action		\$2,967,115	\$2,508,151	\$5,475,266
Revenue Issues				
Parks Funding Switch Coal Severance Tax		\$1,832,729	\$ -0-	\$ -0-
Alternative Energy Grants		1,350,000	-0-	-0-
Transfer Coal Board's Grant Funds		1,630,000	-0-	-0-
Total Revenue Issues		\$4,812,729	\$ -0-	\$ -0-
Total General Fund Adjustment		\$7,779,844		

\*This policy change was approved by the Long Range Planning Committee.

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PUBLIC SERVICE COMMISSION

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<u>Budget Item</u>	<u>HB 500</u>	<u>Fiscal 1987</u> <u>Subcommittee</u>	<u>Difference</u>
FTE	46.0	46.0	0.00
Personal Services	\$1,301,844	\$1,301,844	\$ -0-
Operating Expenses	445,384	363,766	81,618
Equipment	30,362	26,396	3,966
<b>Total Expenditures</b>	<b><u>\$1,777,590</u></b>	<b><u>\$1,692,006</u></b>	<b><u>\$85,584</u></b>
<u>Funding</u>			
General Fund	\$1,711,671	\$1,626,087	\$ 85,584
Federal Funds	50,919	50,919	-0-
Other Funds	15,000	15,000	-0-
<b>Total Funding</b>	<b><u>\$1,777,590</u></b>	<b><u>\$1,692,006</u></b>	<b><u>\$ 85,584</u></b>

---

SPECIAL SESSION III ACTION					
<u>Changes from HB500</u>	<u>G.F.</u> <u>% Cut</u>	<u>General Fund</u>	<u>Fiscal 1987</u> <u>Other Funds</u>	<u>Total</u>	<u>Agency</u> <u>% Cut</u>
Across-the-Board Cuts	<u>5.0</u>	<u>\$85,584</u>	<u>-0-</u>	<u>\$85,584</u>	<u>4.65</u>

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### ACROSS-THE-BOARD CUTS

The subcommittee approved a revised list of cuts proposed by the Public Service Commission. The cuts include \$43,117 in computerization. The Public Service Commission is developing a case management system. The rest of the cuts were in operating expenses and equipment. The subcommittee directed the Public Service Commission not to cut the commission's travel by more than 5 percent, especially the funds to let the commission hold public hearings outside of Helena.

DEPARTMENT OF FISH, WILDLIFE, AND PARKS

Budget Item	HB 500	Fiscal 1987 Subcommittee	Difference
FTE	494.07	494.07	0.00
Personal Services	\$12,620,012	\$12,620,012	\$ -0-
Operating Expenses	8,097,589	8,083,611	13,978
Equipment	1,286,064	1,286,064	-0-
Total Operating Costs	\$22,003,665	\$21,989,687	\$13,978
Non-Operating Costs	3,612,824	3,612,824	-0-
Total Expenditures	<u>\$25,616,489</u>	<u>\$25,602,511</u>	<u>\$13,978</u>

Funding

General Fund	\$ 433,553	\$ -0-	\$ 433,553
State Special	16,120,939	16,540,514	(419,575)
Federal Special	6,868,693	6,868,693	-0-
Proprietary Funds	2,193,304	2,193,304	-0-
Total Funding	<u>\$25,616,489</u>	<u>\$25,602,511</u>	<u>\$ 13,978</u>

----- SPECIAL SESSION III ACTION -----

Changes from HB500	G.F. % Cut	General Fund	Fiscal 1987 Other Funds	Total	Agency % Cut
Across-the-Board Cuts	5.0	21,678	\$ -0-	\$21,678	.08
Policy Issues					
A. Parks Funding Switch - Trust Interest		\$ 411,875	\$(411,875)	-0-	
B. Capitol Grounds		-0-	(7,700)	(7,700)	
Total Changes	<u>100.0</u>	<u>\$ 433,553</u>	<u>\$(419,575)</u>	<u>\$13,978</u>	<u>.06</u>

----- GENERAL FUND REVENUE TRANSFER -----

Revenue Issues					
A. Parks Funding Switch - Coal Severance Tax	---	<u>\$1,832,729</u>	<u>\$ -0-</u>	<u>-0-</u>	<u>---</u>

ACROSS-THE-BOARD CUTS

The parks program will be reduced by \$21,678. The reduction is only a 0.6 percent reduction in the parks program. The executive had proposed that state special revenue and proprietary funds be cut by 5 percent or a total of \$915,712. The subcommittee rejected this executive proposal.

POLICY ISSUE A - REPLACE THE GENERAL FUND IN PARKS AND RECREATION WITH FISH, WILDLIFE, AND PARKS/HISTORICAL SOCIETY TRUST FUND INTEREST

The executive has proposed replacing the \$411,875 of general fund appropriated for operating the Parks and Recreation Program with trust fund interest. In proposing the replacement of general fund with trust interest, the executive has stated that scheduled fiscal 1987 park acquisitions and improvements would be postponed, except for the Fort Benton Museum acquisition, and that funds for phase two of the Lake Elmo purchase would be reserved. The legislature appropriated \$125,000 for the acquisition of the Fort Benton Museum in the 1987 biennium budget. The second phase of the Lake Elmo purchase will require a \$322,500 appropriation in fiscal 1988. Lake Elmo is a man-made lake near Billings the state is purchasing for a recreational area. The state's purchase agreement has an option clause which would allow the state to purchase additional acreage around the lake. The option expires July 14, 1987. The \$322,500 would be to purchase the adjoining acreage.

The subcommittee approved the executive proposal.

POLICY ISSUE B - CAPITOL GROUNDS FUNDING

The department requested that the 5 percent cut \$(7,700) in funding of maintenance of the capitol grounds be restored with park acquisition trust fund interest. The subcommittee approved the request.

REVENUE ISSUE A - DIVERT COAL SEVERANCE TAX REVENUE FROM THE FISH, WILDLIFE, AND PARKS/HISTORICAL TRUST FUND TO THE GENERAL FUND

The executive proposal would divert fiscal 1987, 1988, and 1989 coal severance tax revenues from the trust fund to the general fund. For fiscal 1987 it is estimated that \$1,832,729 would be the trust fund's share of the coal severance tax. The subcommittee approved the proposal.

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DEPARTMENT OF STATE LANDS

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<u>Budget Item</u>	<u>HB 500</u>	<u>Fiscal 1987</u> <u>Subcommittee</u>	<u>Difference</u>
FTE	303.08	303.08	0.00
Personal Services	\$ 7,097,086	\$ 7,058,668	\$ 38,418
Operating Expenses	5,594,820	5,518,316	76,504
Equipment	<u>553,003</u>	<u>548,159</u>	<u>4,844</u>
Total Operating Costs	\$13,244,909	\$13,125,143	\$119,766
Non-Operating Costs	<u>6,901,788</u>	<u>6,518,522</u>	<u>383,266</u>
Total Expenditures	<u>\$20,146,697</u>	<u>\$19,643,665</u>	<u>\$503,032</u>

Funding

General Fund	\$ 6,753,899	\$ 6,429,454	\$324,445
State Special	3,385,851	3,216,558	169,293
Federal Funds	9,821,069	9,821,069	-0-
Proprietary Funds	<u>185,878</u>	<u>176,584</u>	<u>9,294</u>
Total Funding	<u>\$20,146,697</u>	<u>\$19,643,665</u>	<u>\$503,032</u>

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SPECIAL SESSION III ACTION

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<u>Changes from HB500</u>	<u>C.F.</u> <u>% Cut</u>	<u>General Fund</u>	<u>Fiscal 1987</u> <u>Other Funds</u>	<u>Total</u>	<u>Agency</u> <u>% Cut</u>
Across-the-Board Cuts	<u>4.80</u>	<u>\$324,445</u>	<u>\$178,587</u>	<u>\$503,032</u>	<u>2.50</u>

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ACROSS-THE-BOARD CUTS

The subcommittee approved the Governor's 5 percent reductions with the exception of \$13,250 general fund which had been proposed to be taken from payments in lieu of taxes to counties with large state land holdings. The reductions are detailed below.

Centralized Management

1. Reduce the aviation revolving account - \$9,294. This account is used to pay for the maintenance and operations of the department's aircraft. It is funded through an hourly rate charged the aircraft's user. For further explanation of this account see LFA Issue 1.
2. Reduce the development of the trust fund management data processing system - \$19,978.

#### Reclamation Division

1. Reduce the Environmental Analysis Bureau - \$38,415. This unit no longer exists so this cut does not affect any program. It was funded with environmental impact fees.
2. Reduce equipment, travel, and contract services in the coal, hard rock, and open cut mine regulation programs - \$52,081.

#### Resource Development

1. Reduce capital outlay - \$46,329. This program is funded by the Resource Development account whose revenues are derived from a portion of the income from state lands. Because revenues have been below early estimates the department has already reduced the program expenditures by more than 5 percent. Therefore, the 5 percent reduction in appropriations will have no affect on the program because the department had previously reduced the planned expenditures in line with the known revenue shortfall.

#### Forestry Division

1. Eliminate capital equipment purchases, \$272,364 financed with general fund and \$64,571 financed with state special revenues. In fiscal 1987 the legislature appropriated \$493,336 for equipment purchases, replacements, and parts. The equipment is primarily used for forest fire suppression.

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DEPARTMENT OF LIVESTOCK

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<u>Budget Item</u>	<u>HB 500</u>	<u>Fiscal 1987</u> <u>Subcommittee</u>	<u>Difference</u>
FTE	121.61	114.61	7.00
Personal Services	\$3,142,858	\$2,939,753	\$203,105
Operating Expenses	1,522,115	1,614,679	(92,564)
Equipment	<u>131,542</u>	<u>131,542</u>	<u>-0-</u>
Total Operating Costs	\$4,796,515	\$4,685,974	\$110,541
Non-Operating Costs	<u>2,300</u>	<u>2,300</u>	<u>-0-</u>
Total Expenditures	<u>\$4,798,815</u>	<u>\$4,688,274</u>	<u>\$110,541</u>
<u>Funding</u>			
General Fund	\$ 672,790	\$ 571,423	\$101,367
State Special	3,538,025	3,528,851	9,174
Federal Funds	<u>588,000</u>	<u>588,000</u>	<u>-0-</u>
Total Funding	<u>\$4,798,815</u>	<u>\$4,688,274</u>	<u>\$110,541</u>

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SPECIAL SESSION III ACTION

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<u>Changes from HB500</u>	<u>G.F.</u> <u>% Cut</u>	<u>General Fund</u>	<u>Fiscal 1987</u> <u>Other Funds</u>	<u>Total</u>	<u>Agency</u> <u>% Cut</u>
Across-the-Board Cuts	5.0	\$ 33,640	\$176,901	\$210,541	4.4
Policy Option A	—	<u>67,727</u>	<u>(167,727)</u>	<u>(100,000)</u>	
Total Changes	<u>15.1</u>	<u>\$101,367</u>	<u>\$ 9,174</u>	<u>\$110,541</u>	<u>2.3</u>

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ACROSS-THE-BOARD CUTS

The subcommittee approved the executive's proposal for 5 percent reductions. The reductions are detailed below.

Centralized Services: Eliminate one position currently not filled, \$18,210.

Diagnostic Lab: Eliminate one veterinarian position which is currently not filled, \$44,599.

Disease Control: Because of the reduction in the number of livestock, this unit was able to eliminate three positions and the program currently has three positions vacant, \$52,595.

Milk and Eggs: Keep vacant a full-time position, \$3,483.

Inspection and Control: Because of the livestock reduction, there are fewer animals to inspect and the department will be using fewer part-time inspectors at the markets, \$37,724.

Predator Control: A new and faster helicopter has eliminated the need for two positions which are currently vacant.

Rabies Control: General program reduction, \$1,114.

#### POLICY ISSUE A - REFINANCING RABIES CONTROL PROGRAM

The subcommittee approved refinancing the general fund in the Rabies Control program with Resource Indemnity Trust Interest. This reduced general fund by \$67,727. The subcommittee also approved \$100,000 of RIT interest to fund a strychnine use study.

**DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION**

<u>Budget Item</u>	<u>HB 500</u>	<u>Fiscal 1987</u> <u>Subcommittee</u>	<u>Difference</u>
FTE	253.79	251.79	2.00
Personal Services	\$ 6,264,655	\$ 6,100,135	\$ 164,520
Operating Expenses	4,776,858	3,513,607	1,263,251
Equipment	51,497	49,767	1,730
Total Operating Costs	\$11,093,010	\$ 9,663,509	\$1,429,501
Non-Operating Costs	1,627,952	1,224,262	403,690
Total Expenditures	<u>\$12,720,962</u>	<u>\$10,887,771</u>	<u>\$1,833,191</u>
<u>Funding</u>			
General Fund	\$ 5,552,574	\$ 4,050,535	\$1,502,039
State Special	5,986,865	5,655,713	331,152
Federal Funds	1,181,523	1,181,523	-0-
Total Funding	<u>\$12,720,962</u>	<u>\$10,887,771</u>	<u>\$1,833,191</u>

----- SPECIAL SESSION III ACTION -----

<u>Changes from HB500</u>	<u>G.F.</u> <u>% Cut</u>	<u>General Fund</u>	<u>Fiscal 1987</u> <u>Other Funds</u>	<u>Total</u>	<u>Agency</u> <u>% Cut</u>
Across-the-Board Cuts	4.3	\$ 241,378	\$ 228,242	\$ 469,620	3.7
Policy Issues					
A. Alternative Energy Grants	-0-	-0-	1,350,000	1,350,000	-0-
B. Energy Monitoring	-0-	13,571	-0-	13,571	-0-
C. Water Engineering		353,090	(353,090)	-0-	
D. Offset General Fund		894,000	(894,000)	-0-	
Total Changes	<u>27.1</u>	<u>\$1,502,039</u>	<u>\$ 331,152</u>	<u>\$1,833,191</u>	<u>14.4</u>

----- GENERAL FUND REVENUE TRANSFER -----

Revenue Issues					
A. Alternative Energy Grants	---	<u>\$1,350,000</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	---

**ACROSS-THE-BOARD CUTS**

Centralized Services: Leave 1.5 positions in the Cartography and Publications Bureau vacant; reduce the Board of Natural Resources' budget \$9,000.

Oil and Gas: Keep two field inspector positions vacant.

Conservation Districts: Reduce division operating expenses - \$9,270; reduce pass-through grants to counties - \$5,000; reduce the saline seep project - \$3,500.

Water Resources: A part-time administrative clerk and a hydropower engineer position will remain vacant; six stream flow gauging stations will be eliminated; vacant positions in the Water Rights Bureau will be kept vacant; aerial photo purchases will be cut; water rights decree mailings by the water court will be reduced; equipment purchases will be reduced.

Energy Division: Reduce alternative energy grants and loans; keep an administrative position and a coal analyst position vacant; reduce other general operations.

#### POLICY ISSUE A: DELAY ALTERNATIVE ENERGY LOANS AND GRANTS

The subcommittee approved the executive proposal that \$1,143,000 of alternative energy funds be reallocated to the general fund. After the \$1,143,000 transfer, there remained a projected year-end balance of \$607,000. The executive has recommended that the remaining balance of \$607,000 be used to retrofit at least eight state buildings. The subcommittee reduced the remaining balance of alternative energy funds by \$207,000 and transferred the funds to the general fund.

The Alternative Energy Research Development and Demonstration Account receives a percentage of the Coal Trust Funds. The account's funds are used to finance grants and loans for energy conservation projects.

#### POLICY ISSUE B - ENERGY MONITORING

The subcommittee reduced the energy monitoring program by one-half or \$13,571. The program was established in 1979 to provide information on energy consumption and supply. It was to alert the Governor to any potential disruption in the energy supply and the necessary action which could be taken. Since 1979 the state has never had a serious energy supply disruption, therefore the subcommittee reduced this program by 50 percent.

#### POLICY ISSUE C - GENERAL FUND REPLACEMENT IN WATER ENGINEERING BUREAU

The subcommittee approved the LFA option to replace general fund dollars, \$353,090 in the Water Engineering Bureau with Water Development Funds. This would eliminate all general fund support for the Engineering Bureau.

POLICY ISSUE D - OFFSET GENERAL FUND WITH RIT INTEREST AND WATER DEVELOPMENT FUNDS

The long range planning subcommittee approved the following to offset general fund in the Water Resource Division: 1) transferring \$169,000 from the DNRC's RIT grant administration appropriation. The executive had proposed transferring \$200,000; 2) transferring \$300,000 of RIT interest from the Environmental Contingency Account; 3) transferring \$300,000 of a projected \$396,312 RIT interest fiscal 1987 fund balance; and 4) transferring \$125,000 of Water Development Funds appropriated for an Emergency Grant account. The total general fund offset was \$894,000.

DEPARTMENT OF AGRICULTURE

Budget Item	HB 500	Fiscal 1987 Subcommittee	Difference
FTE	91.07	87.56	3.51
Personal Services	\$2,186,228	\$2,123,112	\$ 63,116
Operating Expenses	860,462	821,090	39,372
Equipment	91,130	90,954	176
Total Operating Costs	\$3,137,820	\$3,035,156	\$102,664
Non-Operating Costs	1,290,170	1,277,670	12,500
Total Expenditures	<u>\$4,427,990</u>	<u>\$4,312,826</u>	<u>\$115,164</u>
<b>Funding</b>			
General Fund	\$1,500,327	\$1,425,311	\$ 75,016
State Special	1,146,695	1,114,191	32,504
Federal Funds	1,366,346	1,366,346	-0-
Proprietary Funds	261,750	254,106	7,644
Other	152,872	152,872	-0-
Total Funding	<u>\$4,427,990</u>	<u>\$4,312,826</u>	<u>\$115,164</u>

SPECIAL SESSION III ACTION					
Changes from HB500	G.F. % Cut	General Fund	Fiscal 1987 Other Funds	Total	Agency % Cut
Across-the-Board Cuts	<u>5.0</u>	<u>\$75,016</u>	<u>\$40,148</u>	<u>\$115,164</u>	<u>2.60</u>
Changes from HB11-SS2					
Ag-Crisis-Program	5.0	\$17,500	\$ -0-	\$ 17,500	5.0

**ACROSS-THE-BOARD CUTS**

The Centralized Services Program will eliminate 1 FTE in data processing and clerical support. Currently one full-time and two part-time positions are vacant.

The Plant Industry Program will eliminate one vacant position in one of the district offices. This will reduce the department field services in the areas of horticulture, apiculture, itinerant merchants, seed sampling, and warehousing. The executive's revised cut recommendation restored the 5 percent cut in the Grain Lab budget. The subcommittee approved the revision.

The Agriculture Development Program will reduce the crop and livestock operating budget.

The Environmental Management Program will eliminate six seasonal biological aides, and the Integrated Pest Management Program will be eliminated. This program was designed to find natural remedies to pest problems. In addition, grasshopper surveillance and other insect surveys will be reduced.

ACROSS-THE-BOARD CUTS - HB11 - SS2

The agriculture crisis center operating budget will be reduced by \$17,500 general fund. This appropriation is contained in HB11 of the March Special Session.

DEPARTMENT OF COMMERCE

- - - - - Fiscal 1987 - - - - -

<u>Budget Item</u>	<u>HB 500</u>	<u>Subcommittee</u>	<u>Difference</u>
FTE	275.1	272.35	2.75
Personal Services	\$ 7,417,252	\$ 7,278,461	\$ 138,791
Operating Expenses	6,390,533	5,917,440	473,093
Equipment	<u>52,605</u>	<u>27,070</u>	<u>25,535</u>
Total Operating Costs	\$13,860,390	\$13,222,971	\$ 637,419
Non-Operating Costs	<u>40,423,475</u>	<u>38,204,618</u>	<u>2,218,857</u>
Total Expenditures	<u>\$54,283,865</u>	<u>\$51,427,589</u>	<u>\$2,856,276</u>

Funding

General Fund	\$ 8,552,410	\$ 8,124,799	\$ 427,611
State Special	24,233,129	21,985,084	2,248,045
Federal Special	17,885,900	17,885,900	-0-
Proprietary	<u>3,612,426</u>	<u>3,431,806</u>	<u>180,620</u>
Total Funding	<u>\$54,283,865</u>	<u>\$51,427,589</u>	<u>\$2,856,276</u>

- - - - - SPECIAL SESSION III ACTION - - - - -

	G.F.	Fiscal 1987			Agency
<u>Changes from HB500</u>	<u>% Cut</u>	<u>General Fund</u>	<u>Other Funds</u>	<u>Total</u>	<u>% Cut</u>
Across-the-Board Cuts	5.0	\$ 427,611	\$1,428,665	\$1,856,276	3.42
Policy Issues					
A. Transfer Coal Board					
Grant Funds	---	-0-	1,000,000*	1,000,000	---
Total Changes	<u>5.0</u>	<u>\$ 427,611</u>	<u>\$2,428,665</u>	<u>\$2,856,276</u>	<u>---</u>

- - - - - GENERAL FUND REVENUE TRANSFER - - - - -

Policy Issues					
A. Transfer Coal Board					
General Funds	---	\$1,630,000*	-0-	-0-	---

\*\$1,000,000 transferred from fiscal 1987 and \$630,000 transferred from fiscal 1986.

ACROSS-THE-BOARD CUTS

- A. Business Regulation and License Support: Reduce contract services, communication, and travel - \$3,755.
- B. Weights and Measures: Eliminate 1.5 FTE inspector positions. One position is currently vacant - \$21,734.

- C. Milk Control: General program reductions, largely (\$6,482) in travel - \$13,729.
- D. Building Codes: Reduce travel, personal, and contract services. All funds reduced are state special revenue funds financed by fees charged to building, electrical, and plumbing contractors - \$57,120.
- E. Professional Occupational Licensing: Eliminate temporary help during peak registration periods; reduce board travel - \$100,877.
- F. Financial: Eliminate one bank examiner. The division currently has 4.5 positions vacant - \$37,903.
- G. Aeronautics: Aeronautics Board would hold five meetings instead of six; defer equipment purchases. Appropriated fund reductions are Aeronautics State Special Revenue derived primarily from aviation fuel tax and the West Yellowstone airport proprietary fund - \$33,865.
- H. Transportation: Reduce funds passed-through to local governments - \$3,750; reduce travel - \$12,344; reduce contract services - \$6,300; other reduction - \$2,336.
- I. Business Assistance: Reduce the "Made in Montana" promotion; reduce business location advertising 25 percent; discontinue the contract with the 49th Parallel Institute. The Institute is currently studying the impact of freer vs. restricted trade with Canada - \$35,918.
- J. Montana Promotion: General administrative reductions; reduce trade magazine advertising; reduce the number of publications printed by 50,000; reduce the exhibits and advertising for group travel promotion; reduce from seven to four the number of publicity familiarization tours; reduce consumer sport travel and ski shows from nine to four; reduce summer magazine advertising by four ads - \$62,198.
- K. Local Government Assistance; Reduce travel and eliminate spring workshop on capital facilities planning; reduce the Coal Board's contract services for the review of grant applications. No reduction is taken from hard rock mining board - \$157,990.
- L. Local Government Audit: Eliminate 18 audits of medium sized local government units. Local governments units will have to contract with private firms for the audits - \$48,973.
- M. Local Government Systems: Reduce the amount of coal tax distributed to counties for planning by \$23,522; reduce local government systems operating expenses by \$16,550; reduce the Local Government Block Grant distribution

- (\$75,000 general fund, \$794,150 local block grant funds); reduce district court reimbursements (\$157,644 general fund) - \$1,066,865.
- N. Economic Analysis: The Governor's Council on Economic Development will be able to function the equivalent of one-half year; economic analysis functions related to computer processing will be halted; travel will be reduced - \$13,799.
  - O. Indian Affairs Coordinator: Keep the secretarial positions vacant for the first 3 months of fiscal 1987 - \$5,339.
  - P. Health Facilities Authority: Reduce quality and frequency of the Authority's newsletter; reduce attorney contract which provides help to structure and close loans and bond and note issues; reduce travel - \$6,334.
  - Q. Economic Development Board: Delay hiring a loan officer and reduce travel - \$18,954.
  - R. Science and Technology: Reduce grants. This program is funded with Alternative Energy funds - \$36,390.
  - S. Board of Housing: Reduce the costs associated with mortgage pools. This board is funded with Board of Housing funds - \$62,699.
  - T. Director/Management Services: Eliminate a programmer/analyst position paid from Centralized Services revolving fund; reduce \$87 of the County Printing Board's general fund - \$32,428.
  - U. Legal: Reduce operating costs - \$14,676.

#### POLICY ISSUE A: REDIRECT COAL SEVERANCE TAX TO GENERAL FUND

The executive has proposed that \$1,630,000 of Coal Severance Tax originally allocated to the Coal Board for local grants be redirected to the general fund. The \$1,630,000 is made up of two parts: 1) \$630,000 from fiscal 1986 Coal Board allocation of coal severance tax, and 2) \$1,000,000 from fiscal 1987 allocation. The subcommittee approved this proposal.

#### OTHER ISSUES - INTENT OF COMMITTEE

The subcommittee voted to require that the Business Assistance Division document jobs and other economic development that will justify the division's continued funding.

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Natural Resources and Commerce  
Action Not Completed Governor's Recommendations

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<u>Governor's 5 Percent Reductions not Taken</u>	Governor's Recommended 5 Percent General Fund Reduction	Subcommittee Action	Difference
Agency			
Agriculture	\$ 92,516	\$ 92,516	\$ -0-
State Lands	337,695	324,445	13,250
Fish, Wildlife, and Parks	21,678	21,678	-0-
Livestock	33,640	33,640	-0-
Commerce	427,611	427,611	-0-
Public Service Commission	85,584	85,584	-0-
Natural Resources	<u>241,378</u>	<u>241,378</u>	<u>-0-</u>
Total 5% Reduction Not Taken	\$1,240,102	\$1,226,852	\$13,250
<u>Governor's Policy Issues</u>			
Parks Funding Switch Trust Interest	\$ 411,875	\$ 411,875	\$ -0-
Water Engineering Bureau	100,000	353,090	(253,090)
Water Development and RIT Interest Transfer	<u>625,000</u>	<u>594,000</u>	<u>31,000</u>
Total Governor's Policy Issues	\$1,136,875	\$1,358,965	\$(222,090)
<u>Revenue Issues</u>			
Parks Funding Switch Coal Severance Tax	\$1,761,000	\$1,832,729	\$ (71,729)
Alternative Energy Grants	1,143,000	1,350,000	(207,000)
Transfer Coal Boards Grant Funds	<u>1,630,000</u>	<u>1,630,000</u>	<u>-0-</u>
Total Governor's Revenue Issues	<u>\$4,534,000</u>	<u>\$4,812,729</u>	<u>\$(278,729)</u>
Total Governor's Recommendations Not Completed	<u><u>\$6,910,977</u></u>	<u><u>\$7,398,546</u></u>	<u><u>\$(487,569)</u></u>

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HUMAN SERVICES SUBCOMMITTEE ACTION AS OF JUNE 16, 1986

Subcommittee Cuts	General Fund	Fiscal 1987		
	% Cut	General Fund	Other Funds	Total
Across-the-Board Cuts				
Labor and Industry	3.5	\$ 36,904	\$ -0-	\$ 36,904
Health and Environmental Sciences	4.1	139,397	102,687	242,084
Social & Rehabilitation Services	0.9	677,154	-0-	677,154
Total Across-the-Board Cuts		\$ 853,455	\$ 102,687	\$ 956,142
Policy Issues				
Labor and Industry				
Apprenticeship Bureau		\$ 150,760	\$ -0-	\$ 150,760
Funding Switch		20,000	(20,000)	-0-
Employment Services				
Funding Switch		209,000	(209,000)	-0-
Health & Environmental Sciences				
Family Practice Residency		1,750	-0-	1,750
Subdivisions		6,991	-0-	6,991
Hazardous Waste Facility		-0-	52,687	52,687
Genetics Program		13,000	-0-	13,000
Social & Rehabilitation Services				
Mill Levy		\$ 800,000	\$ (800,000)	\$ -0-
Federal Match Rate		923,717	(923,717)	-0-
Benefit Freeze		1,261,364	894,141	2,155,505
Benefit Reductions		227,397	-0-	227,397
General Assistance		381,466	-0-	381,466
Legal Services		50,000	-0-	50,000
Medicaid Waiver		125,000	304,406	429,406
Youth Treatment Center		651,993	1,350,441	2,002,434
Alcohol and Drug Abuse		11,250	-0-	11,250
Total Policy Issues		\$4,833,688	\$ 648,958	\$5,482,646
Total Subcommittee Cuts		\$5,687,143	\$751,645	\$6,438,788
Fund Transfers				
Division of Workers Compensation		\$100,000	\$ -0-	\$100,000
Health & Environmental Sciences		25,000	-0-	25,000
Total Fund Transfers		\$125,000	\$ -0-	\$125,000

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**DEPARTMENT OF HEALTH AND ENVIRONMENTAL SCIENCES**

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<u>Budget Item</u>	<u>HB 500</u>	<u>Fiscal 1987</u> <u>Subcommittee</u>	<u>Difference</u>
FTE	238.25	238.25	0.00
Personal Services	\$ 6,438,632	\$ 6,362,105	\$ 76,527
Operating Expenses	11,100,608	10,954,051	146,557
Equipment	<u>12,705</u>	<u>12,705</u>	<u>-0-</u>
Total Operating Costs	\$17,551,945	\$17,328,861	\$223,084
Non-Operating Costs	<u>5,939,506</u>	<u>5,920,506</u>	<u>19,000</u>
Total Expenditures	<u><u>\$23,491,451</u></u>	<u><u>\$23,249,367</u></u>	<u><u>\$242,084</u></u>

Funding

General Fund	\$ 3,415,733	\$ 3,276,336	\$139,397
State Special	2,288,157	2,185,470	102,687
Federal Special	<u>17,787,561</u>	<u>17,787,561</u>	<u>-0-</u>
Total Funding	<u><u>\$23,491,451</u></u>	<u><u>\$23,249,367</u></u>	<u><u>\$242,084</u></u>

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**SPECIAL SESSION III ACTION**

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<u>Changes from HB500</u>	<u>G.F.</u> <u>% Cut</u>	<u>General Fund</u>	<u>Fiscal 1987</u> <u>Other Funds</u>	<u>Total</u>	<u>Agency</u> <u>% Cut</u>
Across-the-Board Cuts	4.1	\$139,397	\$ 102,687	\$242,084	1.0
Other Appropriations Bills					
A. House Bill 633		\$ 6,991	\$ -0-	\$ 6,991	
B. House Bill 430		13,000	-0-	13,000	
C. House Bill 922		-0-	52,687	52,687	
D. House Bill 344		<u>1,750</u>	<u>-0-</u>	<u>1,750</u>	
Total Other Appropriations Bills		<u><u>\$21,741</u></u>	<u><u>\$52,687</u></u>	<u><u>\$74,428</u></u>	

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**GENERAL FUND TRANSFER**

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Revenue Issues			
A. Wastewater Operators	\$25,000	\$ -0-	\$ -0-

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ACROSS-THE-BOARD CUTS

The Human Services Subcommittee approved the general fund across the board reductions contained in the Governor's budget, except for: 1) the proposed reduction in the End-Stage Renal Disease Program of \$18,750; 2) the proposed general fund reduction for personal services in the Air Quality Bureau of \$12,640, as the federal government had not approved a reduction in the state's

maintenance of effort; and 3) a proposed reduction of \$52,687 of RIT interest in the Superfund Program.

The 5 percent general fund reductions approved by the committee total \$139,397, including a reduction of \$26,250 in the Director's Office, \$43,445 in the Environmental Sciences Division, \$20,000 in the Management Services Division, and \$49,702 in the Health Services and Medical Facilities Division. The cuts include \$84,251 in vacancy savings and \$28,146 in general operating expense reductions. In addition, the \$8,000 appropriation to the Board of Health for outside legal assistance was eliminated. If the board requires legal assistance, the department will reallocate funds for this purpose. The reductions also include the elimination of the contract with the University of Montana to monitor the trophic status of Flathead Lake. The department will do some of this work with current department personnel and facilities.

The subcommittee accepted the Governor's recommendation to cut state special revenue by \$102,687. All state special revenue reduced had been appropriated to the Environmental Sciences Division, and included \$50,000 of authority for the Environmental Protection Fund, and \$52,687 of Junk Vehicle funds. The Environmental Protection Fund (EPF) was established in the last session to allow the department to collect costs of hazardous waste clean-up from parties responsible for spills. The department was appropriated \$1,000,000 of expenditure authority. All funds collected from responsible parties are placed in the EPF, which then is used to pay the department's costs. There are currently no funds in the EPF. The junk vehicle funds cut are contingency funds provided in the event the cost of crushing vehicles exceeds the scrap value of those vehicles. There were no major program impacts expected.

#### OTHER APPROPRIATIONS BILLS

The subcommittee made reductions in four other appropriation bills as recommended by the Governor. General fund of \$21,741, including \$1,750 of the \$70,000 contract in the Family Practice Residency Program, \$6,991 of operating expenses in the Subdivisions Program, and \$13,000 of the \$520,000 in the Genetics Program for a contract with Shodair hospital, was reduced. State special revenue authority of \$52,687 for the Hazardous Waste Transfer Facility was also cut, as the department will not need as much funds to study the facility as originally estimated. Therefore, agency general fund cuts total \$161,138 and the state special revenue cuts total \$155,374.

REVENUE ISSUE A: WASTEWATER OPERATORS FUND

The subcommittee voted to transfer \$25,000 of the fund balance in the water and wastewater operators account to the general fund.

## LABOR AND INDUSTRY

<u>Budget Item</u>	<u>HB 500</u>	<u>Fiscal 1987</u> <u>Subcommittee</u>	<u>Difference</u>
FTE	43.5	39.5	4.0
Personal Services	\$1,180,457	\$1,052,040	\$128,417
Operating Expenses	<u>411,691</u>	<u>352,444</u>	<u>59,247</u>
Total Operating Costs	<u>\$1,592,148</u>	<u>\$1,404,484</u>	<u>\$187,664</u>
<u>Funding</u>			
General Fund	\$1,067,469	\$ 859,805	\$207,664
State Special	3,250	3,250	-0-
Federal Special	517,929	537,929	(20,000)
Other	<u>3,500</u>	<u>3,500</u>	<u>-0-</u>
Total Funding	<u>\$1,592,148</u>	<u>\$1,404,484</u>	<u>\$187,664</u>

### SPECIAL SESSION III ACTION

<u>Changes from HB 500</u>	<u>G.F.</u> <u>% Cut</u>	<u>General Fund</u>	<u>Fiscal 1987</u> <u>Other Funds</u>	<u>Total</u>	<u>Agency</u> <u>% Cut</u>
Across-the-Board Cuts	3.5	\$ 36,904	\$ -0-	\$ 36,904	2.3
Policy Issues					
A. Apprenticeship Bureau		\$150,760	-0-	\$150,760	
B. Funding Switch		<u>20,000</u>	<u>(20,000)</u>	<u>-0-</u>	
Total Changes	<u>19.5</u>	<u>\$207,664</u>	<u>\$(20,000)</u>	<u>\$187,664</u>	<u>11.8</u>

The Human Services Subcommittee approved the Governor's 5 percent across the board reductions, the elimination of the Apprenticeship Bureau, and the switch in funding for a portion of the cost of 1.0 FTE from general fund to unemployment insurance penalty and interest funds. The overall reduction in general fund totaled \$207,664. FTE decrease by 4.0.

### ACROSS-THE-BOARD CUTS

The 5 percent reductions approved by the subcommittee total \$36,904, including \$28,579 of personal services and legal costs in the Labor Standards Division, \$2,100 of vacancy savings and travel in the Human Rights Division, and \$6,225 of travel, fact finding and legal fees in the Appeals Division. No major impacts are anticipated in the Labor Standards Division, as the reductions are

savings from increased efficiencies due to a reorganization and to less need for legal services than originally estimated. The services expected to be impacted are in the Appeals Division, where the department will do less fact finding on appeals cases.

#### POLICY ISSUE A: APPRENTICESHIP BUREAU

The subcommittee approved the elimination of the Apprenticeship Bureau, reducing general fund by \$150,760 and eliminating 4.0 FTE. The bureau had gone from a primarily federal funded entity to an entirely general funded one at the same time as the number of apprenticeships created was falling. This reduction will impact the number of employers contacted to operate apprenticeship programs. Since the state program is the official registering agency for apprenticeship programs in the state, the number of current apprenticeship programs receiving registration will also be impacted. The federal government would register all apprenticeship programs involving federal contracts.

#### POLICY ISSUE B: FUNDING SWITCH

The subcommittee voted to accept the executive proposal to switch funding of a portion of the costs of a 1.0 FTE administrator position in the Labor Standards Division from general fund to unemployment insurance penalty and interest funds, saving \$20,000 in general funds. The penalty and interest funds are currently deposited to the Unemployment Insurance Trust Fund.

## EMPLOYMENT SERVICES

<u>Budget Item</u>	<u>HB 500</u>	<u>Fiscal 1987 Subcommittee</u>	<u>Difference</u>
FTE	579.9	579.9	0.00
Personal Services	\$13,222,945	\$13,222,945	-0-
Operating Expenses	3,752,949	3,752,949	-0-
Equipment	<u>448,275</u>	<u>448,275</u>	<u>-0-</u>
Total Operating Costs	\$17,424,169	\$17,424,169	-0-
Non-Operating Costs	<u>7,514,000</u>	<u>7,514,000</u>	<u>-0-</u>
Total Expenditures	<u><u>\$24,938,169</u></u>	<u><u>\$24,938,169</u></u>	<u><u>-0-</u></u>
<u>Funding</u>			
General Fund	\$ 334,000	\$ 125,000	\$ 209,000
Federal Special	24,604,169	24,813,169	(209,000)
Other	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Total Funding	<u><u>\$24,938,169</u></u>	<u><u>\$24,938,169</u></u>	<u><u>-0-</u></u>

### SPECIAL SESSION III ACTION

<u>Changes from HB500</u>	<u>G.F. % Cut</u>	<u>General Fund</u>	<u>Other Funds</u>	<u>Total</u>	<u>Agency % Cut</u>
Across-the-Board Cuts	0.00	-0-	-0-	-0-	0.00
Policy Issues					
A. Funding Switch	<u>-0-</u>	<u>\$209,000</u>	<u>\$(209,000)</u>	<u>-0-</u>	<u>-0-</u>
Total Changes	<u>62.6</u>	<u>\$209,000</u>	<u>\$(209,000)</u>	<u>-0-</u>	<u>-0-</u>

### ACROSS-THE-BOARD CUTS

No across-the-board cuts were recommended in Employment Services.

### POLICY ISSUE A: UNEMPLOYMENT INSURANCE PENALTY AND INTEREST FUNDS

The subcommittee voted to accept the executive recommendation to switch the funding of \$84,000 in general fund for pre-employment training and \$125,000 general fund for dislocated workers in the Job Training Partnership Act (JTPA) Program, which match federal JTPA funds, to unemployment insurance penalty and interest funds. General fund savings total \$209,000. The penalty and interest funds are currently deposited into the Unemployment Insurance Trust Fund. This is a permanent funding switch.

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**DIVISION OF WORKERS' COMPENSATION**

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<u>Budget Item</u>	<u>HB 500</u>	<u>Fiscal 1987</u> <u>Subcommittee</u>	<u>Difference</u>
FTE	175.25	175.25	0.00
Personal Services	\$3,732,985	\$3,732,985	-0-
Operating Expenses	2,422,879	2,422,879	-0-
Equipment	<u>133,445</u>	<u>133,445</u>	<u>-0-</u>
Total Operating Costs	\$6,289,309	\$6,289,309	-0-
Non-Operating Costs	<u>1,251,158</u>	<u>1,251,158</u>	-0-
 Total Expenditures	 <u>\$7,540,467</u>	 <u>\$7,540,467</u>	 <u>-0-</u>
 <u>Funding</u>			
General Fund	\$ 100,394	\$ 100,394	-0-
State Special	7,218,236	7,218,236	-0-
Federal Special	<u>221,837</u>	<u>221,837</u>	<u>-0-</u>
 Total Funding	 <u>\$7,540,467</u>	 <u>\$7,540,467</u>	 <u>-0-</u>

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**GENERAL FUND REVENUE TRANSFER**

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	G.F. <u>% Cut</u>	<u>General Fund</u>	<u>Fiscal 1987</u> <u>Other Funds</u>	<u>Total</u>	Agency <u>% Cut</u>
Revenue Issues					
A. Crime Victims Fund		<u>\$100,000</u>	<u>-0-</u>	<u>\$100,000</u>	

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The Governor did not recommend any reductions in the Division of Workers' Compensation.

**REVENUE ISSUE A: CRIME VICTIMS FUND TRANSFER**

The subcommittee voted to transfer \$100,000 of the fund balance in the crime victims compensation account to the general fund.

**DEPARTMENT OF SOCIAL AND REHABILITATION SERVICES**

<u>Budget Item</u>	<u>Fiscal 1987</u>		
	<u>HB 500</u>	<u>Subcommittee</u>	<u>Difference</u>
FTE	1132.07	1116.07	16.00
Personal Services	\$ 24,785,883	\$ 24,221,136	\$ 564,747
Operating Expenses	9,305,485	9,193,078	112,407
Equipment	<u>54,500</u>	<u>54,500</u>	<u>-0-</u>
Total Operating Costs	\$ 34,145,868	\$ 33,468,714	\$ 677,154
Non-Operating Costs	<u>206,229,476</u>	<u>200,983,268</u>	<u>5,246,208</u>
Total Expenditures	<u>\$240,375,344</u>	<u>\$234,451,982</u>	<u>\$5,923,362</u>

Funding

General Fund	\$ 77,263,254	\$ 72,165,163	\$5,098,091
State Special	7,156,887	7,956,887	800,000
Federal Special	<u>155,955,203</u>	<u>154,329,932</u>	<u>1,625,271</u>
Total Funding	<u>\$240,375,344</u>	<u>\$234,451,982</u>	<u>\$5,923,362</u>

----- SUPPLEMENTAL REQUIREMENTS -----

	<u>General Fund Required</u>	<u>Subcommittee Reductions</u>	<u>Remaining Supplemental</u>
AFDC	\$2,754,761	\$ (510,984)	\$2,243,777
Foster Care	1,105,883	No Action	1,105,883
Medicaid-other	3,648,419	No Action	3,648,419
General Assistance	<u>994,653</u>	<u>(994,653)</u>	<u>-0-</u>
Total Supplementals	<u>\$8,503,716</u>	<u>\$(1,505,601)</u>	<u>\$6,998,079</u>

----- SPECIAL SESSION III ACTION -----

<u>Changes from HB500</u>	<u>G.F. % Cut</u>	<u>Fiscal 1987</u>			<u>Agency % Cut</u>
		<u>General Fund</u>	<u>Other Funds</u>	<u>Total</u>	
Across-the-Board Cuts	0.90	\$ 677,154	-0-	\$677,154	0.28
Other Changes					
A. Benefit Freeze		\$1,261,364	\$ 894,141	\$2,155,505	
B. Benefit Reductions		227,397	-0-	227,397	
C. Mill Levy		800,000	(800,000)	-0-	
D. Federal Match Rate		923,717	(923,717)	-0-	
E. General Assistance		381,466	-0-	381,466	
F. Legal Services		50,000	-0-	50,000	
G. Medicaid Waiver		125,000	304,406	429,406	
H. Youth Treatment Center		<u>651,993</u>	<u>1,350,441</u>	<u>2,002,434</u>	
Total Changes	<u>6.60</u>	<u>\$5,098,091</u>	<u>\$ 825,271</u>	<u>\$5,923,362</u>	<u>2.46</u>

Other Appropriation Bills

A. House Bill 935	\$11,250	\$ -0-	\$11,250
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### ACROSS-THE-BOARD CUTS

The Governor's across-the-board cuts for the department of social and rehabilitation services were all contained in the personal services and operating expenses portion of the department's budget. No program benefits were included under these reductions. Vacancy savings were increased by a varying percent for each of the programs for a total departmental vacancy savings increase of \$564,747. In addition, a total of 16 FTE were eliminated: 1) 9 new social worker positions scheduled for fiscal 1987 in the Community Services program were eliminated; 2) 3.5 unfilled new eligibility technician positions were eliminated; 3) 3 unidentified positions in the audit and program compliance were eliminated; and 4) an unfilled .5 lawyer was eliminated. Adjustments to the operating expenses included a percent reduction in the rent and data processing budgets as a result of a scheduled change in the rate charged by the department of administration. A \$100,000 contract with the Montana Legal Services was reduced to \$50,000. This contract was to provide legal assistance to general assistance recipients in disability hearings before the social security administration and intended to reduce the general assistance caseload by moving people off general assistance and on to the social security disability program. The contract is projected to be under-expended during fiscal 1986 and the department testified that reducing the contract would not cause major harm to the program. Total reduction in the operating portion of the department's budget was \$112,407.

### Benefits

With the exception of AFDC and General Assistance, the following table shows all program benefits considered by the subcommittee, the Governor's proposed reductions, and the subcommittee action. Funding included in the table is general fund only.

**Table 1**  
**Program Benefits Considered by the Human Services Subcommittee**

	<u>Fiscal 87</u> <u>Appropriated</u>	<u>Governor's</u> <u>Proposal</u>	<u>Subcommittee</u> <u>Action</u>	<u>Adjusted</u> <u>Appropriated</u>
Developmental Dis.	\$ 5,750,900	\$ 546,732	\$ 546,732	\$ 5,204,168
Medicaid-other	11,261,971	432,292	432,292	10,829,679
State Medical	3,177,525	151,311	151,311	3,026,214
Sup. Security Income	946,446	99,698	99,698	846,748
Youth Treatment Center	651,993	-0-	651,993	-0-
Aging	631,081	18,324	18,324	612,757
Day Care (prog 02)	320,109	38,302	38,302	281,807
Medicaid Waiver	594,175	15,953	140,953	453,222
Extended Employment	298,768	15,000	15,000	283,768
Training	200,019	9,674	9,674	190,345
Day Care (prog 01)	164,489	7,833	7,833	156,656
Big Brothers/Sisters	169,500	88,020	16,950	152,550
Domestic Violence	137,146	5,275	5,275	131,871
Sub. Adoption	119,139	15,000	15,000	104,139
Emerg. Gen Assist	100,000	100,000	100,000	-0-
Visual Medical	75,696	18,205	-0-	75,696
Legal Services	50,000	-0-	50,000	-0-
Voc. Rehab	47,000	8,600	-0-	47,000
Home Health	31,249	16,202	16,202	15,047
W. Yellowstone	<u>5,577</u>	<u>215</u>	<u>215</u>	<u>5,362</u>
Total	<u>\$24,732,783</u>	<u>\$1,586,636</u>	<u>\$2,315,754</u>	<u>\$22,417,029</u>

#### POLICY ISSUE A: BENEFIT FREEZE

The Governor's proposed budget includes as a policy issue freezing most SRS program benefits at the fiscal 1986 appropriation level. According to department testimony, the benefit freeze would not result in any reduction in client caseloads. Of the \$1,586,636 of program reductions contained in the Governor's proposal shown in Table 1, \$1,272,303 are associated with freezing program benefits at the fiscal 1986 level. As may be seen from Table 1, the subcommittee did not approve the Governor's proposed freeze for Big Brothers and Sisters, \$6,520, or Visual medical, \$4,419. The benefit freeze as it relates to AFDC and general assistance is discussed under Policy Issue E and under Supplemental Requirements.

#### POLICY ISSUE B: GOVERNOR'S PROPOSED BENEFIT REDUCTIONS

In addition to the benefit freeze, the Governor's proposal contained recommendations for reduction of \$314,333 in selected benefit programs. Three

programs; 1) Day Care; 2) Subsidized adoption; and 3) Supplemental Security Income were further reduced to reflect under-expenditure rates projected for fiscal 1986. Of \$38,302 reductions proposed for Day Care, \$20,000 relates to projected under-expenditures; \$15,000 was reduced from the Subsidized adoption program for projected under-expenditure; and \$55,000 was reduced from Supplemental Security Income program as a result of projected under-expenditures for fiscal 1987.

Elimination of the Emergency General Assistance program at a savings of \$100,000 was recommended by the Governor. The Emergency General Assistance program was intended to assist individual impacted by changes made in the general assistance program during the last legislative session. However, because the Supreme Court prohibited implementation of those changes the Emergency general assistance program is not needed.

The Governor proposed reducing the Big Brothers and Sisters program by 50 percent in addition to a freeze on the benefit level. The subcommittee reduced the fiscal 1987 appropriation by 10 percent or \$16,950.

Other minor adjustments recommended were a \$15,000 reduction for Home Health, a \$13,786 reduction in vocational rehabilitation, and a \$5,432 reduction in extended employment programs. The subcommittee adopted these adjustments with the exception of the changes in the visual medical and vocational rehabilitation programs.

#### POLICY ISSUE C: MILL LEVY

In partial support of state assumption of the county welfare programs, each county whose welfare program has been assumed by the state must levy 12 mills and deposit the mill levy with the state. The mill revenue is included as part of SRS's budget. Projected revenue from the mill levy exceeds the amount budgeted for SRS during fiscal 1987. Because there are no restrictions on expenditures of the mill levy the subcommittee increased SRS's authorization for mill levy revenue by \$800,000 and reduced their general fund appropriation by a commensurate amount.

#### POLICY ISSUE D: FEDERAL MATCH RATE

During the 1985 legislative session, the legislature anticipated that the federal match rate for medicaid, AFDC and foster care programs would be 66.38 percent. However recent changes in the rules for establishing the match rate will result in an increase in the rate for fiscal 1987 from 66.39 to 67.175 percent. This increase means that a greater portion of the cost of these program will be

shifted to the federal government. Because the federal government will pay a greater portion, an equal amount of general fund can be reduced from SRS' budget. The total general fund savings from the increased federal match is \$923,717.

#### POLICY ISSUE E: GENERAL ASSISTANCE

As explained in the LFA "Budget Analysis", the general assistance caseload and payment levels have far exceeded the projections made during the 1985 legislative session. The estimates and recommendations contained in the Governor's proposed budget were based on the original levels used during the 1985 legislative session. However, during the subcommittee hearings, the executive updated their projections of the general assistance caseloads, payments and expenditures for fiscal 1987 which indicated that if no changes were made to the program, SRS would require a \$994,653 supplemental. By freezing the payment levels at the fiscal 1986 level, the subcommittee reduced the supplemental requirement by \$231,268. A second change in the program that was proposed by the Governor's office limited the number of months an able-bodied individual could receive general assistance benefits to 2 months in a 12 month period. By adopting this change, the subcommittee further reduced the projected general fund expenditures for the program by \$1,144,852. With the second reduction in the program, there is no longer a need for a supplemental for the program and the fiscal 1987 general assistance appropriation can be reduced by \$381,466. The following table shows the effect of the subcommittee action on the general assistance program.

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Table 2  
Changes in the General Assistance Program for  
Fiscal 1987

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<u>Fiscal 1987</u>	<u>No Change</u>	<u>Benefit Freeze</u>	<u>Benefit Freeze Plus 2 Month Limit</u>
Appropriation	\$4,935,767	\$4,935,767	\$4,935,767
Expenditures	<u>5,930,420</u>	<u>5,699,153</u>	<u>4,554,301</u>
Supplemental/Savings	<u>\$ (994,653)</u>	<u>\$ (763,386)</u>	<u>\$ 381,466</u>

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#### POLICY ISSUE F: LEGAL SERVICES

For fiscal 1987, the department is budgeted \$50,000 for a contract with Montana Legal Services corporation. Under this contract, legal services such as custody hearings, abuse cases, divorce proceedings, and welfare claims are provided to the elderly and low income persons. To the extent funds are avail-

able, as a member of the National Legal Services Corporation, Montana Legal services must provide legal assistance to indigent persons irrespective of any contracts they may have with the state. The subcommittee eliminated the entire contract for a general fund savings of \$50,000.

#### POLICY ISSUE G: MEDICAID WAIVER

The medicaid waiver program provides community based services to low income elderly individuals as an alternative to nursing home care. In addition to reducing the medicaid waiver program according to the Governor's recommended freeze on benefits, the subcommittee further reduced the fiscal 1987 appropriation by \$125,000 as a result of projected under-expenditure of the program. The subcommittee also authorized the department to carry forward anticipated unexpended fiscal 1986 funds to be used to offset the reductions made by the subcommittee in the fiscal 1987 appropriation.

#### POLICY ISSUE H: YOUTH TREATMENT CENTER

Within the department's medicaid-institutions budget for fiscal 1987 are \$651,993 of general fund to reimburse for medicaid eligible youth who are seriously emotionally disturbed and sent to the new Montana Youth Treatment Center. However, the Department of Institutions has not been able to receive medicaid certification for the facility and it does not appear likely that the facility will be certified during fiscal 1987. The subcommittee reduced the medicaid-institutions appropriation by the \$651,993 appropriated for the facility.

#### OTHER APPROPRIATION BILLS - HOUSE BILL 935

The alcohol and drug treatment program authorized under House Bill 935 is intended to provide residential alcohol and drug treatment services for indigent youth. This program is 100 percent general funded. Included in the Governor's budget was a recommendation to reduce by 5 percent, or \$11,250, the fiscal 1987 appropriation for the alcohol and drug treatment program as is consistent with a 5 percent reduction in other general funded programs. The subcommittee adopted this recommendation.

#### SUPPLEMENTAL REQUIREMENTS

##### Aid to Families With Dependent Children

Both the caseload and payment levels for the AFDC program have significantly exceeded the projections used during the 1985 legislative session to estab-

lish the AFDC appropriation. Revised data presented to the subcommittee by SRS indicated that without any changes in the program the department would require a supplemental of \$2,754,761. Included in the Governor's recommendations was a freeze on the payment level for AFDC at the fiscal 1986 level. By adopting this recommendation, the subcommittee reduced the supplemental requirement \$510,948. However, based on SRS projections, the department will still require a supplemental of \$2,243,777.

#### Foster Care

Although no action was taken by the subcommittee, the department did indicate that a supplemental appropriation would be required for the foster care program. The supplemental request from the department for this program is \$1,105,883.

#### Medicaid-other

Current estimates by the LFA indicate that the department will require a \$3,648,419 supplemental for the medicaid-other program. As discussed in the LFA "Budget Analysis", the principle cause of the increased cost of the medicaid program is the significant increase in the AFDC caseload. Although the medicaid supplemental was not fully addressed by the subcommittee, preliminary testimony by SRS indicated that the department would not request a supplemental for this program but would attempt to cover an over-expenditures in the medicaid program with approximately \$1 million available due to over accrual of medicaid costs in fiscal 1984 and 1985, increased third party reimbursement of \$740,000, and savings in state medical and nursing home medicaid expenditures.

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HUMAN SERVICES  
Action Not Completed Governor's Recommendations

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<u>Governor's 5 Percent Reductions not Taken</u>	<u>Governor's Recommended 5 Percent General Fund Reduction</u>	<u>Subcommittee Action</u>	<u>Difference</u>
Agency			
Labor & Industry	\$ 36,904	\$ 36,904	\$ -0-
Health & Environmental Sciences	192,528	161,138	31,390
Social & Rehabilitation Services	756,732	688,404	68,328
Total 5% Reductions Not Taken	\$ 986,164	\$ 886,446	\$ 99,718
<u>Governor's Policy Issues</u>			
Labor & Industry-Funding Switch	\$ 20,000	\$ 20,000	\$ -0-
Employ. Services - Funding Switch	209,000	209,000	-0-
Benefit Freeze	1,929,983	1,879,108	50,875
Cont. Benefit Savings	90,000	90,000	-0-
Limit G.A. Benefits	1,100,000	1,144,852	(44,852)
Other Benefit Reductions	235,568	148,632 <sup>1</sup>	86,936
Federal Match	1,221,947	923,717 <sup>1</sup>	298,230
Total Governor's Policy Issues	\$4,806,498	\$4,415,309	\$391,189
Total Governor's Recommendations Not Completed	<u>\$5,792,662</u>	<u>\$5,301,755</u>	<u>\$490,907</u>

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<sup>1</sup>Does not include savings in federal match for AFDC Program.



GENERAL OFFICES: 40 EAST BROADWAY, BUTTE, MONTANA 59701 • TELEPHONE (406) 723-5421

Exhibit 3  
Human Services Sub.  
618-86

WALTER A. RUSSELL  
VICE PRESIDENT  
ELECTRIC OPERATIONS

June 18, 1986

To Whom It May Concern:

I want to express my support of the Montana State  
Apprentice Bureau.

Those of us involved with providing services to the  
public are acutely aware of the importance of adequately  
trained workmen in the workplace. The safety and well being  
of the general public are furthered by well trained workmen  
who are schooled in the numerous codes, regulations and  
installation standards of all phases of construction.

The Apprentice Bureau provides the technical assistance  
and guidance necessary for a cohesive effort in Montana for  
apprentice training. More than 260 apprentice programs are  
certified in Montana and I urge you to vote against any  
diminishing of funding for the Apprentice Bureau.

Sincerely,

*Walter A Russell*

WAR/lgg

WAR056

SMACNA of MONTANA

EXHIBIT 4  
6-18-86

Human Services Sub.



SHEET METAL and AIR CONDITIONING  
CONTRACTORS' NATIONAL ASSOCIATION, INC.

STATEMENT OF WILLIAM C. BELFORTE

TO

MONTANA HOUSE APPROPRIATIONS  
COMMITTEE

JUNE 18, 1986

SMACNA is a National Trade Association representing some 2,500 sheet metal contractors engaged in the fields of heating, air conditioning, air pollution control, solar energy installation, architectural sheet metal and other metal applications. The sheet metal contracting industry totals over \$8.6 billion annually.

SMACNA of Montana is an affiliated chapter of this organization.

Mr. Chairman, Members of the Committee, my name is William Belforte and I am the executive director of the Sheet Metal and Air Conditioning Contractors' Association. SMACNA represents over forty construction contracting companies here in Montana in the heating, ventilating and air handling industry, and we currently have 32 apprentices in training. As a resident of Helena, and with more than 16 years experience in dealing with apprenticeship programs, I have grave concerns about any proposal to abolish the Montana Apprenticeship Bureau.

The lawyers saw a need, thus their testing before the Bar; the dentists saw a need, thus their testing for license; the hairdressers saw a need, thus their Board of Cosmetology. Well we, too, see a need and thus our four-year training program for entry into the trade.

Our program is funded through a cents per hour contribution negotiated into our collective bargaining agreement. During the past fourteen years, sheet metal contractors have contributed over \$1,190,000 to fund our program here in Montana. Do you think for just one minute that our members would pay that kind of money if they didn't believe that a professional training program was necessary? That there was not an absolute need for a regulated, well-defined and administered program of instruction? Of course not.

The State has a responsibility to the public to regulate, coordinate, and supervise the training of our future workforce, if we're to maintain any kind of skilled workforce at all. They are who we look to for approval of our training standards and to assure that all employers throughout the state are maintaining the

high level of schooling that is necessary to successfully complete a program and become gainfully employed later on.

I have here our own training standards, which all employers are required to follow. These standards cover: the authority of our committee, qualifications of employers, duties and responsibilities of employers and apprentices, qualifications and selection procedures for apprentice applicants, probationary periods, how apprentices are to be supervised, wages and hours, required classroom instruction, accident prevention, and so on. Whose job is it to see that these are being adhered to by all employers? The Montana Apprenticeship Bureau.

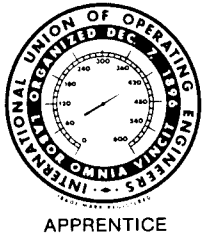
Now, because SMACNA represents contractors who employ only workers affiliated with the Sheet Metal Workers Union, you might say that we, of all persons, don't need a Bureau to oversee our program, which is highly sophisticated and requires a tremendous amount of individual effort. But we do, and so does the industry as a whole. What about those contractors who do not participate in our program but do the same work as we? How do we know that they are providing proper training and instruction and not short-cutting their apprentice's future? Through the Montana Apprenticeship Bureau we, and the public, are assured that those trainees will receive equivalent instruction and that they will be paid a comparable wage while they learn.

Further, we don't want the Federal government, with its limited manpower resources here in Montana, taking control over what should be a local function. Theirs is a much broader program in scope and cannot hope to do what our local Bureau does.

Just because a hunter can shoot a deer and butcher it, would you want him cutting your steaks in a meat market? Just because a school teacher paints his house in the summer, would you want him painting your house? Just because your neighbor installed an attic fan, would you want him to air condition or heat your home? Obviously, the answers to these questions is NO. Just as obvious is the need to assure the public that those who enter a trade have been thoroughly instructed, trained and tested according to an approved set of standards that represent the minimum qualifications for employment.

If we're going to Build Montana, then we better have jobs; if we're going to have jobs, then we better have Montana-trained people to fill them; if we're going to have trained people, then we better have an apprenticeship program to assure that training; and if we're going to have a viable apprenticeship training program, then we better have the Montana Apprenticeship Bureau to monitor that program and assure our future workforce of a chance to learn.

Thank you for your interest in this important matter and for the opportunity to speak on behalf of contractors who are vitally concerned about this issue.



Montana Operating Engineers  
and Associated General Contractors  
Joint Apprenticeship and Training Trust

Telephone 406/227-5600  
3100 Canyon Ferry Road  
East Helena, Montana 59635



JIM KEANE, ADMINISTRATOR  
MONTANA OPERATING ENGINEERS AND  
ASSOCIATED GENERAL CONTRACTORS  
JOINT APPRENTICESHIP PROGRAM  
JUNE 18, 1986

On behalf of our apprenticeship program which currently trains and sponsors 30 apprentices, I would like to voice our support for the continuation of funding for the State Apprenticeship Bureau.

Since the inception of our training program fifteen years ago, we were organized and have operated under the supervision of this Bureau. Without their assistance in the formation and revisions of our standards, the registration of the apprentices, and their availability for expert consultations, the operation of our program would be <sup>extremely</sup> ~~much more~~ difficult.

The remoteness and limited staff of a federal regulating agency would be detrimental to our program and even more so to the apprentices. Our young people of Montana need the opportunity to benefit from quality apprentice programs, and we feel that this quality control is best maintained by Montanans for Montanans.

Individuals usually seeking apprenticeships are those that do not have the resources to attend colleges or Vo-Tech centers. They are willing to work to learn a craft or skill. We should grant them our support by assuring them of local control on apprentice <sup>Programs</sup> ~~sponsors~~ and by providing a registering agency.

Since our program is sponsored by a joint labor agreement with the Montana Contractors' Association, I might also mention the economic aspects, of ~~quality in apprenticeship~~. Under the Bureau's scrutiny, employers are assured that apprentices have been selected and trained in accordance with both federal and state statutes, that the employers can utilize training wage scales, and that program such as ours, are monitored by this Bureau.

At this time there are only two female, licensed crane operators in the State, both graduates of our program. It is their feeling that they would not have attained this position without competent apprenticeship training and the opportunities provided by it.

JUNE 18, 1986  
Page Two

I would like to extend an invitation to each of you to visit our training area at Canyon Ferry Lake State Park. During the Spring and Fall, you can observe our apprentices in training to learn the skills required by their profession and at the same time, building projects that benefit the public. Over the past four years, approximately \$270,000 has been spent by the Training Trust at Canyon Ferry Lake on various public projects.

Realizing that the decisions that have to be made by this Committee during the next several weeks are difficult ones, I would like to point out that the State Apprenticeship Bureau is an agency that works in administering job training programs, with the added benefit of creating immediate income for the participants and adding them to the State tax roles. We encourage continued funding for this agency.

Thank you for your attention and consideration.

Russ Thompson

Mr. Chairman, members of the committee my name is Robert Montgomery. I represent the Montana Low Income Coalition.

We're concerned about the recent proposals to drop able-bodied individuals from General Assistance. This testimony is not new but the situation hasn't changed and people's lives are still threatened by this cut off so we feel it must be said again.

General Assistance has a direct effect on local economy.

All GA monies go immediately into the main stream.

Rent monies pay property taxes for the owners.

Counties benefit from the sound Workfare program we have had here in Montana. One that could be a model for other states that have used it poorly.

Butte/SilverBow and Deer Lodge counties economies are greatly impacted by assistance payments.

Dept. of Labor figures show that 75% of those receiving GA are on Workfare.

There is a myth that there is a pool of 'abled-bodied' young males who are unwilling to work and are content with the grant from the State. In fact a single person receives \$212 a month plus \$80 in Food Stamps and the Workfare program shows that people want to work for a wage.

Assistance grants require an individual to divulge facts that are not ordinarily shared with others. It is a demeaning situation and causes a loss of self esteem. A situation one would not willingly under go.

Loss of GA will have a ripple effect in communities.

Homelessness. People do not disappear because they receive no assistance.

Increased cost in emergency health care. Depression and subminimal nutrition will create problems that counties will find expensive.

Increased costs for Law Enforcement. Hungry, desperate people will be forced into actions that they would not ordinarily consider.

Funds expended through piecemeal measures necessary to deal with homelessness will be less administrateable than are small monthly grants.

We feel it is imperative that the percentage of poverty level not be reduced. Living at 53% below the level of poverty is as minimal a survival level that can sustain life.

The MLIC appreciates the difficult position the members of this committee are in and that the State of Montana is in a financial crisis that must be addressed both in the short and the long term. The cuts necessary to correct our problems mean that social programs and our education system will be reduced to a level comparable to that of 52 years ago. We feel that Montana really does not want this to happen and that it is time to begin to look at other solutions. An equitable tax program that assures that all Montana citizens

share the burden of government is necessary. We can begin with closing existing loopholes that free some from any responsibility to our state. Capping the amount of federal deduction allowed on state taxes is one such measure. There are short term, one shot proposals that will help the immediate need that should be implemented such as changing the reporting period for withholding taxes. A courageous approach must be taken by this legislative body to save our state and its citizens.

Testimony of Robert Montgomery for Montana Low Income Coalition.

June 18, 1986

EXHIBIT 7  
6/18/86

# MONTANA LEGAL SERVICES ASSOCIATION

801 N. LAST CHANCE GULCH  
HELENA, MONTANA 59601  
(406) 442-9830

June 18, 1986

NEIL HAIGHT  
DIRECTOR

RUSSELL LAVIGNE, JR.  
MANAGING ATTORNEY

Mr. Chairman, Members of the Committee

I am Neil Haight Director of Montana Legal Services. We provide civil legal services for the poor. The sub-committee eliminated our Title XX funding of \$50,000 per annum. I have no illusions about the prospect of restoring that funding but I do believe you should be aware of the continued erosion of Montana support for a significantly important program.

At one time I had ambivalent feelings about asking for legal services money when that same money could provide more food for the AFDC mother.

Now it is apparent without the assistance of Legal Services in dealing with administrative errors, many such mothers will receive only a partial benefit and some none at all.

Now it is apparent many cases of spouse abuse would be unserved without the availability of legal services.

Most important, Legal Services assistance provides an element of fairness to people of limited means. The absence of fairness is not life threatening as is the absence of food. But fairness is the greater contributor to solving problems which facilitates moving off the roles of public assistance. Fairness is the greater contributor to the

psychological boost which enables people to tackle their problems more vigorously.

And considering the brevity of most welfare cases there is even greater emphasis on fairness as a essential element of support.

Our program once supported 32 attorneys, Montana contributed \$200,000 per annum from Title XX funds. Now we can support 17 attorneys, Montana contributes nothing from Title XX funds.

We submit the cost is low, the benefit to the state is substantial. We respectfully request the \$50,000 be restored.

**OTHER EDUCATION SUBCOMMITTEE ACTION AS OF JUNE 16, 1986**

	G.F.	Fiscal 1987		
<u>Changes from HB500</u>	<u>% Cut</u>	<u>General Fund</u>	<u>Other Funds</u>	<u>Total</u>
Across-the-Board Cuts				
Board of Public Education	5.0	\$ 5,196	\$ -0-	\$ 5,196
Fire Services Training School	5.3	12,227	-0-	12,227
School/Deaf and Blind				
School	3.0	61,140	-0-	61,140
Audiological Svcs	5.0	33,650	-0-	33,650
OPI-State Administration	2.1	47,925	-0-	47,925
OPI-Distrib to Public Schools	5.0	1,789,637	-0-	1,789,637
Vo-Techs	5.0	224,464	-0-	224,464
Montana Arts Council	5.0	5,815	-0-	5,815
Montana Historical Society	5.0	55,662	-0-	55,662
Montana State Library	<u>5.0</u>	<u>27,204</u>	<u>22,309</u>	<u>49,513</u>
 Total Across-the-Board Cuts	<u>4.7</u>	<u>\$2,262,920</u>	<u>\$ 22,309</u>	<u>\$2,285,229</u>
Policy Issues				
OPI Reduce Secondary Vo-ed Grants		\$ 80,000	\$ -0-	\$ 80,000
User Fees at Fire Svcs Training School		9,000	(9,000)	-0-
Utilize Education Trust Interest Fund				
Balance--Vo Techs		<u>\$ 115,467</u>	<u>\$(115,467)</u>	<u>\$ -0-</u>
 Total Policy Issues		<u>\$ 204,467</u>	<u>\$(124,467)</u>	<u>\$ 80,000</u>
 TOTAL SUBCOMMITTEE CUTS		<u>\$2,467,387</u>	<u>\$(102,158)</u>	<u>\$2,365,229</u>

**Note: This includes three cultural education agencies considered by the Institutions and Cultural Education Subcommittee.**

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BOARD OF PUBLIC EDUCATION

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<u>Budget Item</u>	<u>HB 500</u>	<u>Fiscal 1987</u> <u>Subcommittee</u>	<u>Difference</u>
FTE	2.0	2.0	0.00
Personal Services	\$ 66,030	\$66,030	\$ -0-
Operating Expenses	<u>37,903</u>	<u>32,707</u>	<u>5,196</u>
Total Operating Costs	\$103,933	\$98,737	\$5,196
Total Expenditures	<u>\$103,933</u>	<u>\$98,737</u>	<u>\$5,196</u>
<u>Funding</u>			
General Fund	<u>\$103,933</u>	<u>\$98,737</u>	<u>\$5,196</u>

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SPECIAL SESSION III ACTION					
Changes from HB500	G.F. % Cut	<u>General Fund</u>	<u>Fiscal 1987</u> <u>Other Funds</u>	<u>Total</u>	<u>Agency</u> <u>% Cut</u>
Across-the-Board Cuts	<u>5.0</u>	<u>\$5,196</u>	<u>-0-</u>	<u>\$5,196</u>	<u>5.0</u>

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ACROSS-THE-BOARD CUTS

The Education subcommittee approved the Governor's recommendation for 5 percent across the board reductions in the Board of Public Education's budget. This is a \$5,196 general fund reduction in fiscal 1987.

The Board of Public Education is decreasing operating expenses by eliminating the membership in the National Association of State Boards of Education and reducing the out-of-state travel by \$1,596.

## FIRE SERVICES TRAINING SCHOOL

Budget Item	HB 500	Fiscal 1987 Subcommittee	Difference
FTE	6.0	6.0	0.0
Personal Services	\$179,110	\$166,883	\$12,227
Operating Expenses	53,758	53,758	-0-
Equipment	4,000	4,000	-0-
Total Expenditures	<u>\$236,868</u>	<u>\$224,641</u>	<u>\$12,227</u>
<b>Funding</b>			
General Fund	\$231,868	\$210,641	\$21,227
Federal Special	2,000	2,000	-0-
Other	3,000	12,000	9,000
Total Funding	<u>\$236,868</u>	<u>\$224,641</u>	<u>\$12,227</u>

### SPECIAL SESSION III ACTION

Changes from HB500	G.F. % Cut	General Fund	Fiscal 1987 Other Funds	Total	Agency % Cut
Across-the-Board Cuts	5.3	\$12,227	\$ -0-	\$12,227	5.2
Other Changes					
A. Funding Switch	-0-	9,000	(9,000)	-0-	-0-
Total Changes	<u>5.3</u>	<u>\$21,227</u>	<u>\$(9,000)</u>	<u>\$12,227</u>	<u>5.2</u>

### ACROSS-THE-BOARD CUTS

The Education Subcommittee approved the Governor's recommendation for 5 percent across the board reductions to the Fire Services Training School's budget. This results in a \$12,227 general fund reduction in fiscal 1987.

The eastern regional training manager for the school will retire before September 1, 1986. To meet the \$12,227 general fund cut, the school will leave the position open and reassign duties to the remaining staff.

### OTHER CHANGES

The subcommittee increased the proprietary funds and decreased the general fund by \$9,000. It was their intent that the school charge fees for the use of films, slides, and video tapes as well as charge postage for all equipment they lend to the various fire departments throughout the state.

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**MONTANA SCHOOL FOR THE DEAF AND BLIND**

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<u>Budget Item</u>	----- Fiscal 1987 -----		
	<u>HB 500</u>	<u>Subcommittee</u>	<u>Difference</u>
FTE	86.82	86.82	0.00
Personal Services	\$1,979,483		
Operating Expenses	1,151,050	\$3,035,743	\$94,790
Equipment	37,960	37,969	-0-
<b>Total Expenditures</b>	<b><u>\$3,168,493</u></b>	<b><u>\$3,073,703</u></b>	<b><u>\$97,790</u></b>
<u>Funding</u>			
General Fund	\$2,710,993	\$2,616,203	\$94,790
Federal Revenue	457,500	457,500	-0-
<b>Total Funding</b>	<b><u>\$3,168,493</u></b>	<b><u>\$3,073,703</u></b>	<b><u>\$94,790</u></b>

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----- SPECIAL SESSION III ACTION -----					
<u>Changes from HB500</u>	<u>G.F.</u>	<u>Fiscal 1987</u>			<u>Agency</u>
	<u>% Cut</u>	<u>General Fund</u>	<u>Other Funds</u>	<u>Total</u>	<u>% Cut</u>
Across-the-Board Cuts	3.5	\$94,790	-0-	\$94,790	3.0

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**ACROSS-THE-BOARD CUTS**

The Education subcommittee reduced the budget of the Montana School for the Deaf and Blind by 3.5 percent or \$94,790. This reduction is in the general fund.

The subcommittee passed a 3 percent general fund reduction for the school, amounting to \$61,140 and a 5 percent reduction to the Audiology Program amounting to \$33,650. There is no information available at this time to indicate where the 3 percent reduction will be taken in the School's budget.

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**SUPERINTENDENT OF PUBLIC INSTRUCTION**

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<u>Program</u>	----- Fiscal 1987 -----		
	<u>HB 500</u>	<u>Subcommittee</u>	<u>Difference</u>
State Administration	\$ 5,603,975	\$ 5,556,050	\$ 47,925
Dist. to Public Schools	40,176,574	38,306,937	1,869,637
Vo-Tech Centers	<u>8,709,831</u>	<u>8,485,367</u>	<u>224,464</u>
Total Expenditures	<u>\$54,490,380</u>	<u>\$52,348,354</u>	<u>\$2,142,026</u>
<u>Funding</u>			
General Fund	\$42,941,281	\$40,683,788	\$2,257,493
State Special	4,327,650	4,443,117	(115,467)
Federal Special	<u>7,221,449</u>	<u>7,221,449</u>	<u>-0-</u>
Total Funding	<u>\$54,490,380</u>	<u>\$52,348,354</u>	<u>\$2,142,026</u>

----- SPECIAL SESSION III ACTION -----

<u>Changes from HB500</u>	<u>GF</u> <u>% Cut</u>	----- Fiscal 1987 -----			<u>Agency</u> <u>% Cut</u>
		<u>General Fund</u>	<u>Other Funds</u>	<u>Total</u>	
Across-the-Board Cuts	4.8	\$2,062,026	\$ -0-	\$2,062,026	3.8
Policy Issues					
A. Funding Switch	0.3	115,467	(115,467)	-0-	
B. Reduce Secondary					
Vo-Ed Grants	<u>0.2</u>	<u>\$ 80,000</u>	<u>-0-</u>	<u>\$ 80,000</u>	<u>0.1</u>
Total Changes	<u>5.3</u>	<u>\$2,257,493</u>	<u>\$(115,467)</u>	<u>\$2,142,026</u>	<u>3.9</u>

The overall general fund reduction in fiscal 1987 in the Office of Public Instruction is \$47,925 in the state administration program, \$1,869,637 in the distribution to public schools program, and \$339,931 at the vocational technical centers, for a total \$2,257,493 general fund reduction.

ACROSS-THE-BOARD CUTS

The subcommittee approved across-the-board cuts totaling \$2,062,026 within the Office of Public Instruction and its programs and subagencies. The majority of these reductions will occur in the distribution to public schools program as illustrated in table 1.

Table 1  
Office of Public Instruction  
Subcommittee Approved Across-The-Board Cuts

<u>Program</u>	<u>- - - General Fund - - -</u> <u>87 Approp</u>	<u>Subcmte Cut</u>	<u>GF</u> <u>% Cut</u>	<u>Total</u> <u>Program</u> <u>% Cut</u>
State Administration	\$ 2,396,270	\$ 47,925	2.0	0.9
Distribution to Public Schools				
Special Education	28,801,733	1,440,087	5.0	---
Special Ed Contingency	400,000	-0-	---	---
Transportation	6,086,000	304,300	5.0	---
School Lunch	655,000	32,750	5.0	---
Gifted & Talented Grants	100,000	5,000	5.0	---
State Impact Aid	13,000	7,500	57.7	---
Total Dist. to Public Schools	<u>\$36,055,733</u>	<u>\$1,789,637</u>	<u>5.0</u>	<u>4.5</u>
Vocational Technical Centers				
Billings	\$ 796,177	\$ 39,809	5.0	2.3
Butte	766,474	38,324	5.0	2.8
Great Falls	776,857	38,843	5.0	2.7
Helena	1,288,488	64,424	5.0	3.0
Missoula	861,282	43,064	5.0	2.2
Total Vo-Techs	<u>\$ 4,489,278</u>	<u>\$ 224,464</u>	<u>5.0</u>	<u>2.6</u>
TOTAL PROGRAMS	<u>\$42,941,281</u>	<u>\$2,062,026</u>	<u>4.8</u>	<u>3.8</u>

The Education subcommittee approved a 2 percent general fund reduction for the Office of Public Instruction's state administration function and the Governor's proposed 5 percent general fund reduction in the distribution to public schools program. The subcommittee exempted state special revenue reductions at the vocational technical centers and approved a 5 percent general fund reduction.

#### POLICY ISSUE A: USE OF EDUCATION TRUST INTEREST FUND BALANCE

The subcommittee used an anticipated fiscal 1987 fund balance of \$115,467 in the education trust interest account, which is earmarked for the adult basic education program and the vocational technical centers to reduce general fund. The adult basic education program will not experience any expenditure reduction. Table 2 below shows the funding switch for each vocational technical center.

Table 2  
Funding Switch of Using Education Trust Interest Fund Balance  
Postsecondary Vocational Technical Center  
Fiscal 1987

<u>Center</u>	<u>Educ. Trust Interest</u>	<u>General Fund</u>	<u>Budget Change</u>
Billings	\$ 23,284	\$ (23,284)	\$-0-
Butte	18,148	(18,148)	-0-
Great Falls	19,419	(19,419)	-0-
Helena	28,249	(28,249)	-0-
Missoula	26,367	(26,367)	-0-
System	<u>\$115,467</u>	<u>\$(115,467)</u>	<u>\$-0-</u>

POLICY ISSUE B: SECONDARY VO-ED GRANTS

The subcommittee approved a 16.6 percent, or \$80,000 general fund reduction in the secondary vocational education grant to public schools. The secondary vocational education grant will have \$400,000 remaining in fiscal 1987 following this reduction.

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**MONTANA ARTS COUNCIL**

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<u>Budget Item</u>	<u>HB 500</u>	<u>Fiscal 1987</u> <u>Subcommittee</u>	<u>Difference</u>
FTE	4.0	4.0	0.00
Personal Services	\$111,265	\$111,265	\$ -0-
Operating Expenses	<u>227,932</u>	<u>222,117</u>	<u>5,815</u>
Equipment			
Total Operating Costs	\$339,197	\$333,382	\$5,815
Non-Operating Costs	<u>168,600</u>	<u>168,600</u>	<u>-0-</u>
Total Expenditures	<u><u>\$507,797</u></u>	<u><u>\$501,982</u></u>	<u><u>\$5,815</u></u>
<u>Funding</u>			
General Fund	\$116,300	\$110,485	\$5,815
Federal Special	<u>391,497</u>	<u>391,497</u>	<u>-0-</u>
Total Funding	<u><u>\$507,797</u></u>	<u><u>\$501,982</u></u>	<u><u>\$5,815</u></u>

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<u>SPECIAL SESSION III ACTION</u>				
	G.F.	Fiscal 1987		Agency
Changes from HB500	% Cut	General Fund	Other Funds	Total % Cut
Across-the-Board Cuts	<u>5.0</u>	<u>\$5,815</u>	<u>\$ -0-</u>	<u>\$5,815</u> <u>1.1</u>

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**ACROSS-THE-BOARD CUTS**

The Institutions and Cultural Education subcommittee approved the Governor's recommendation for 5 percent across the board reductions to the Montana Arts Council's budget. This results in a \$5,815 general fund reduction in fiscal 1987.

The Montana Arts Council will decrease contracted services in administration by \$3,460.

The council will decrease Artists in the Schools/Community Match general fund support by \$2,355. Total support remaining for the program, which includes community match funds, federal funds, and general fund is approximately \$135,000.

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**MONTANA HISTORICAL SOCIETY**

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<u>Budget Item</u>	<u>HB 500</u>	<u>Fiscal 1987</u> <u>Subcommittee</u>	<u>Difference</u>
FTE	52.5	52.5	0.00
Personal Services	\$1,178,562	\$1,127,844	\$50,718
Operating Expenses	718,022	713,078	4,944
Equipment	<u>21,473</u>	<u>21,473</u>	<u>-0-</u>
Total Operating Costs	\$1,918,057	\$1,862,395	\$55,662
Non-Operating Costs	<u>610,000</u>	<u>610,000</u>	<u>-0-</u>
Total Expenditures	<u>\$2,528,057</u>	<u>\$2,472,395</u>	<u>\$55,662</u>
<u>Funding</u>			
General Fund	\$1,113,240	\$1,057,578	\$55,662
Federal Special	1,055,222	1,055,222	-0-
Other	<u>359,595</u>	<u>359,595</u>	<u>-0-</u>
Total Funding	<u>\$2,528,057</u>	<u>\$2,472,395</u>	<u>\$55,662</u>

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<u>SPECIAL SESSION III ACTION</u>					
Changes from HB500	G.F. % Cut	General Fund	Fiscal 1987 Other Funds	Total	Agency % Cut
Across-the-Board Cuts	<u>5.0</u>	<u>\$55,662</u>	<u>-0-</u>	<u>\$55,662</u>	<u>2.2</u>

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**ACROSS-THE-BOARD CUTS**

The Institutional and Cultural Education subcommittee approved the Governor's recommendation for 5 percent across the board reductions to the Montana Historical Society's budget. This results in a \$55,662 general fund reduction for fiscal 1987.

The Historical Society will reduce personal services by \$36,634 in the administration, library, museum, publications, historic sites preservation and archives programs. This reduction will be achieved with vacancy savings. No FTE will be deleted.

There will be a \$4,944 reduction in building rent from general services.

The capitol tours program will be reduced by \$14,084 in fiscal 1987. This program was appropriated \$13,033 additional general fund in fiscal 1987 by the 49th Legislature for additional tour guides during the 1987 legislative session.

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MONTANA STATE LIBRARY COMMISSION

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<u>Budget Item</u>	<u>HB 500</u>	<u>Fiscal 1987</u> <u>Subcommittee</u>	<u>Difference</u>
FTE	25.50	25.50	0.00
Personal Services	\$ 577,498	\$ 557,400	\$20,098
Operating Expenses	308,857	301,751	7,106
Equipment	<u>97,494</u>	<u>97,494</u>	<u>-0-</u>
Total Operating Costs	\$ 983,849	\$ 956,645	\$27,204
Non-Operating Costs	<u>610,792</u>	<u>588,483</u>	<u>22,309</u>
Total Expenditures	<u><u>\$1,594,641</u></u>	<u><u>\$1,545,128</u></u>	<u><u>\$49,513</u></u>
<u>Funding</u>			
General Fund	\$ 544,074	\$ 516,870	\$27,204
State Special	446,175	423,866	22,309
Federal Special	<u>604,392</u>	<u>604,392</u>	<u>-0-</u>
Total Funding	<u><u>\$1,594,641</u></u>	<u><u>\$1,545,128</u></u>	<u><u>\$49,513</u></u>

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<u>SPECIAL SESSION III ACTION</u>					
	G.F.	Fiscal 1987		Agency	
<u>Changes from HB500</u>	<u>% Cut</u>	<u>General Fund</u>	<u>Other Funds</u>	<u>Total</u>	<u>% Cut</u>
Across-the-Board Cuts	<u>5.0</u>	<u>\$27,204</u>	<u>\$22,309</u>	<u>\$49,513</u>	<u>3.1</u>

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### ACROSS-THE-BOARD CUTS

The Institutional and Cultural Education Subcommittee approved the Governor's recommendation for 5 percent reductions in the Montana State Library Commission's budget. This will result in \$27,204 general fund reduction and \$22,309 state special revenue fund reduction in fiscal 1987.

For general fund savings the Library will: 1) reduce the professional librarians in the reference and information program by 1.0 FTE which may cause some delays in service. and 2) reduce the contract for public library film service with the Butte-Silver Bow Public Library by \$7,106. A reduction to the coal tax grant appropriation of \$22,309, will affect the basic library services for the library federations, interlibrary loan service, reference service to small public libraries, continuing education at local libraries, and the provision of book and materials. Coal tax authority of \$352,815 remains to fund the library federation grants.

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**OTHER EDUCATION**  
**Comparison of Governor's Recommendations to Subcommittee Action**  
**Fiscal 1987 - General Fund**

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<u>Governor's 5 Percent Reductions</u>	<u>Governor's Recommended 5 Percent General Fund Reduction</u>	<u>Subcommittee Action</u>	<u>Difference</u>
Board of Public Education	\$ 5,196	\$ 5,196	\$ -0-
Fire Services Training School	12,227	12,227	-0-
MT School for Deaf and Blind	49,912	61,140	(11,228)
MSDB - Audiological Services	85,637	33,650	51,987
OPI-State Administration	112,963	47,925	65,038
OPI-Distrib. to Public Schools	1,789,637	1,789,637	-0-
Vo-Tech Centers	317,882	224,464	93,418
Montana Arts Council	5,815	5,815	-0-
Montana Historical Society	55,662	55,662	-0-
Montana State Library	27,204	27,204	-0-
<b>Total Governor's 5% Reductions</b>	<b><u>\$2,462,135</u></b>	<b><u>\$2,262,920</u></b>	<b><u>\$ 199,215</u></b>
<u>Policy Issues</u>			
OPI - Reduce Secondary Vo-Ed Grants	\$ -0-	\$ 80,000	\$ (80,000)
User Fees at Fire Services Training School	-0-	9,000	(9,000)
Utilize Education Trust Interest Fund Balance - Vo-Techs	-0-	115,467	(115,467)
<b>Total Policy Issues</b>	<b><u>\$ -0-</u></b>	<b><u>\$ 204,467</u></b>	<b><u>\$(204,467)</u></b>
<b>Total Subcommittee Action</b>	<b><u>\$2,462,135</u></b>	<b><u>\$2,467,387</u></b>	<b><u>\$ (5,252)</u></b>

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HIGHER EDUCATION SUBCOMMITTEE ACTION AS OF JUNE 16, 1986

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<u>Changes from HB500</u>	G.F.	- - - - - Fiscal 1987 - - - - -		
	<u>% Cut</u>	<u>General Fund</u>	<u>Other Funds</u>	<u>Total</u>
<b>Across-the-Board Cuts</b>				
Board of Regents	5.0	\$ 1,173	\$ -0-	\$ 1,173
Commissioner of Higher Ed	5.0	130,986	-0-	130,986
Community Colleges	5.0	160,920	-0-	160,920
Agricultural Exper. Station	5.0	297,112	-0-	297,112
Bureau of Mines and Geology	5.0	74,302	-0-	74,302
Cooperative Extension Service	5.0	109,433	-0-	109,433
Forest Exper. Station	5.0	33,479	-0-	33,479
University System-Six Units	<u>5.0</u>	<u>3,613,523</u>	<u>-0-</u>	<u>3,613,523</u>
Total Across-the-Board Cuts	<u>5.0</u>	\$4,420,928	-0-	\$ 4,420,928
<b>Policy Issues</b>				
MBA Program in Billings		\$ 266,241	\$ -0-	\$ 266,241
WAMI Cost Reduction		40,319	-0-	40,319
Utilize Education Trust Interest				
Fund Balance - Student Assistance		\$ 940,701	(940,701)	-0-
Reinstate one-half of 5 Percent				
Cut at MCMST with excess 6-mill				
levy funds		<u>\$ -0-</u>	<u>\$ (135,000)</u>	<u>\$ (135,000)</u>
Total Policy Issues		<u>\$1,247,261</u>	<u>\$(1,075,701)</u>	<u>\$ 171,560</u>
Total Subcommittee Action		<u><u>\$5,668,189</u></u>	<u><u>\$(1,075,701)</u></u>	<u><u>\$4,592,488</u></u>

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## HIGHER EDUCATION

Summary	Fiscal 1987		
	HB 500	Subcommittee	Difference
1. Board of Regents	\$ 23,465	\$ 22,292	\$ 1,173
2. Commissioner of Higher Education	6,871,662	6,700,357	171,305
3. Community Colleges	3,218,412	3,057,492	160,920
4. Agricultural Experimental Station	8,360,189	8,063,077	297,112
5. Bureau of Mines and Geology	1,539,030	1,464,728	74,302
6. Cooperative Extension Service	4,286,166	4,176,733	109,433
7. Forest Experiment Station	669,578	636,099	33,479
8. University System	116,625,918	112,881,154	3,744,764
Total	<u>\$141,594,420</u>	<u>\$137,001,932</u>	<u>\$4,592,488</u>

SPECIAL SESSION III ACTION			
Changes from HB500	Fiscal 1987		
	General Fund	Other Funds	Total
Across-the-Board Cuts	\$4,420,928	-0-	\$4,420,928
Policy Issues	<u>1,247,261</u>	<u>\$(1,075,701)</u>	<u>171,560</u>
Total Changes	<u>\$5,668,189</u>	<u>\$(1,075,701)</u>	<u>\$4,592,488</u>

The Education subcommittee approved the Governor's recommendations for 5 percent across-the-board general fund reductions in higher education totaling \$4,420,928 and for saving \$266,241 of general fund by deferring the MBA program in Billings. In addition, the subcommittee reduced the general fund appropriation for WAMI by \$981,020 and increased the WAMI state special education trust fund interest earnings appropriation by \$940,701 for a net \$40,319 cost reduction. The subcommittee appropriated \$135,000 of the university mill levy fund balance for the College of Mineral Science and Technology. The general fund decreases by a total of \$5,668,189 and state special revenue increases \$1,075,701 as a result of these actions.

### ACROSS-THE-BOARD CUTS

Across-the-board 5 percent general fund reductions were approved for all higher education agencies, as described below.

### BOARD OF REGENTS

The \$1,173 reduction of 5 percent results in a fiscal 1987 general fund allocation of \$22,292. Board members have foregone \$3,200 of their per diem in

fiscal 1986 and will forego \$4,370 of their per diem in fiscal 1987. There are no agency employees.

#### COMMISSIONER OF HIGHER EDUCATION

Distribution of the \$130,986 general fund 5 percent reduction is shown in table 1.

Table 1  
Commissioner of Higher Education 5 Percent Cut

<u>Program</u>	<u>HB 500</u>	<u>Subcommittee</u>	<u>Difference</u>
Administration	\$ 800,633	\$ 760,602	\$ 40,031
Minnesota Rural Dentistry	133,200	111,000	22,200
National Defense Student Loan	60,000	55,000	5,000
State Work Study	291,000	227,245	63,755
Total	<u>\$1,284,833</u>	<u>\$1,153,847</u>	<u>\$130,986</u>

In administration, all expenditure categories will be evaluated for reductions and functions will be reorganized to achieve the \$40,031 cut. Two students have dropped out of the Minnesota Rural Dentistry Program, creating the \$22,200 balance which was included in the 5 percent agency cut. The full appropriation for the National Defense Student Loan Program was not required to match available federal funds, so a \$5,000 reduction was made. There is a \$63,755 reduction in the State Work Study Program.

#### COMMUNITY COLLEGES

The \$160,920 across-the-board cuts for community colleges are shown on table 2.

Table 2  
Community Colleges 5 Percent Cut

<u>College</u>	<u>HB 500</u>	<u>Subcommittee</u>	<u>Difference</u>
Dawson	\$ 751,088	\$ 713,534	\$ 37,554
Flathead	1,596,062	1,516,259	79,803
Miles	871,262	827,699	43,563
Total	<u>\$3,218,412</u>	<u>\$3,057,492</u>	<u>\$160,920</u>

Dawson Community College reports that its Baker Center is being closed, its Sidney Center reduced, and building repairs eliminated. Approximately 40 evening classes are cancelled, with 16 part-time instructors released and 2 FTE eliminated. These cuts include loss of tuition revenue due to lower enrollment.

Flathead Community College will eliminate 60 classes and 1 counselor position. Two faculty will take early retirement and these positions will not be filled in fiscal 1987. Other cuts are being made in operating expenses, intercollegiate athletics, and summer school sessions.

Miles Community College is nearly closing its Colstrip Center and campus evening classes. A custodian and all purchases of equipment and library books are being eliminated. Agency officials report additional cuts will be made due to lower enrollments.

#### AGRICULTURAL EXPERIMENT STATION

The Agricultural Experiment Station will make reductions of \$297,112 in personal services, operating expense, and equipment through restructuring of operations and programs. Agency officials report a loss of federal and state special revenue, plus the 5 percent and other reductions, make the total fiscal 1985 to 1987 cuts more than \$1 million.

#### BUREAU OF MINES AND GEOLOGY

The bureau is terminating 1 clerical FTE and a .5 professional FTE, thereby increasing the length of time required to respond to information requests in hydrology and minerals. Graduate assistants are being cut from 20 to nine students, travel is reduced \$20,000, and equipment is cut \$10,000. Two research projects are on hold, for total reductions of \$74,302.

#### COOPERATIVE EXTENSION SERVICE

The Cooperative Extension Service will make reductions of \$109,433 in field staff and classified personnel, plus operating expense and equipment. Agency officials report state cuts and the loss of federal funds bring total reductions to \$390,000.

#### FOREST AND CONSERVATION EXPERIMENT STATION

The Forest Experiment Station will realize \$33,479 general fund savings by reducing summer graduate research assistants approximately 50 percent, and by cutting operating expense \$8,000, and equipment \$9,000.

## UNIVERSITY SYSTEM

University System 5 percent reductions of \$3,613,523 are detailed in table 3.

Table 3  
University System 5 Percent Cut by Units

Unit	General Fund Cut	FTE	Expenditure Reductions		
			Personal Services	Operations	Capital
MSU*	\$1,382,177	105.86	\$1,657,177	\$400,000	\$200,000
UM	1,115,871	33.50	900,000	215,871	-0-
EMC	440,684	22.00	440,684	-0-	-0-
NMC	267,500	9.50	192,000	75,500	-0-
WMC	137,851	4.75	131,851	6,000	-0-
MCMST*	269,440	11.50	34,440	100,000	100,000
Total Changes	<u>\$3,613,523</u>	<u>187.11</u>	<u>\$3,356,152</u>	<u>\$797,371</u>	<u>\$300,000</u>

\*Total expenditure reductions at MSU equal \$2,257,177 because the unit included \$875,000 of tuition revenue shortfall with the general fund reduction and provided no detail on the 5 percent cut.

\*\*The subcommittee reinstated \$135,000 for MCMST from six mill levy revenue. The expenditure reductions shown here reflect the \$135,000 reinstatement and are estimated.

University system presidents report that a total of 187.11 FTE positions will be held open or eliminated and that operating expense will be reduced by \$797,371. Capital and deferred maintenance cuts at MSU and Montana Tech total \$300,000. In addition, the tuition revenue shortfall due to enrollment declines is projected at \$1,498,864, making projected total university system reductions \$5,112,387 for fiscal 1987.

## POLICY ISSUES

Four policy issues were approved by the Education Subcommittee for a total general fund reduction of \$1,247,261 and a \$1,075,705 increase in other funds. These are summarized in table 4.

Table 4  
Education Subcommittee Policy Issues

<u>Issue</u>	<u>General Fund Reduction</u>	<u>Other Funds Increase</u>	<u>Total</u>
MBA Program	\$ 266,241	\$ -0-	\$ 266,241
WAMI Balance	40,319	-0-	40,319
Educ. Trust Int. Balance	940,701	(940,701)	-0-
Montana Tech	-0-	(135,000)	(135,000)
Total Changes	<u>\$1,247,261</u>	<u>\$(1,075,701)</u>	<u>\$ 171,560</u>

Implementation of the MBA Program in Billings by the University of Montana was deferred for a fiscal 1987 general fund savings of \$266,241.

The fiscal 1987 WAMI medical student assistance appropriation of \$1,938,938 was reduced by the anticipated balance of \$40,319. The subcommittee also reduced the general fund appropriation for WAMI by \$940,701 and increased the state special education fund interest earnings appropriations by a like amount. The subcommittee left a 5 percent reserve of \$134,069 in the education trust interest fund for student assistance fiscal 1987 appropriations which total \$3,622,074.

Also appropriated was \$135,000 of the university system six mill levy fund balance for Montana Tech to reinstate one half of the 5 percent general fund reduction and assist the institution in maintaining accreditation.

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**HIGHER EDUCATION**  
**Comparison of Governor's Recommendations to Subcommittee Action**  
**Fiscal 1987 - General Fund**

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<u>Governor's 5 Percent Reductions</u>	<u>Governor's Recommended 5 Percent General Fund Reduction</u>	<u>Subcommittee Action</u>	<u>Difference</u>
Board of Regents	\$ 1,173	\$ 1,173	\$ -0-
Commissioner of Higher Ed.	130,986	130,986	-0-
Community Colleges	160,920	160,920	-0-
Agricultural Exper. Station	297,112	297,112	-0-
Bureau of Mines and Geology	74,302	74,302	-0-
Cooperative Extension Service	109,433	109,433	-0-
Forestry Experiment Station	33,479	33,479	-0-
University System-Six Units	<u>3,613,586</u>	<u>3,613,523</u>	<u>63</u>
Total Governor's 5% Reductions	<u>\$4,420,991</u>	<u>\$4,420,928</u>	<u>\$ 63</u>
<u>Policy Issues</u>			
MBA Program in Billings	\$ 266,241	\$ 266,241	\$ -0-
WAMI Cost Reduction	-0-	40,319	(40,319)
Utilize Education Trust Interest Fund Balance-Student Assistance	<u>-0-</u>	<u>940,701</u>	<u>(940,701)</u>
Total Policy Issues	<u>\$ 266,241</u>	<u>\$1,247,261</u>	<u>\$(981,020)</u>
Total Subcommittee Action	<u><u>\$4,687,232</u></u>	<u><u>\$5,668,189</u></u>	<u><u>\$(980,957)</u></u>

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Mr. Chairman and Members of the Committee:

My name is Jaime Zink. I am a student lobbyist for the Associated Students of Montana State University. Today, however, I am speaking for all of the students in the Montana University System. Representatives from each of the student bodies were not able to be here today, some because their schools are on the semester system and have been out for some time, and others because this is finals week. Because of this, and the time constraints the committee is facing, we decided to appoint one spokesperson. This does not indicate, by any means, that students are not interested in work study. At MSU alone, 1,150 postcards were sent out in only two weeks. Many students took the time to write letters, some of which will be quoted in this testimony.

It is important to note that State work study is for Montana residents only. Work study students perform in a variety of positions including grounds keeping, clerical duties, laboratory instruction, and other such service-oriented jobs. A physics student writes: ". . . Today I was informed that I would receive work study money for the summer and the following school year. . . . If all goes well, I will be working as an assistant in the Physics Department on campus. I have the opportunity to make a contribution to my field, perhaps to co-author a scientific paper this fall--not waste my talents managing a pizza parlor!" (Michael J. Scharen)

A significant benefit of employing work study students is that the employer (for example, MSU or U of M) is able to hire help at one-third the cost of non-work study persons. Jim Craig, Director of MSU's Financial Aid Office, emphasized that without work study students working in his office, that office would have to reduce the scope of its services due to the extra cost of having normal employees. One can hire three work study students for every normal

employee. This is certainly the case for all employers of work study students, most of whom are different offices at the units of the University system.

In addition, cutting work study will impair the administration at each of the six units of the University system. Grades will take weeks to be sorted and communication between departments will be hampered. The elimination of work study will also force more students to apply for loans. More loans may lead to more defaults, so it is conceivable that the elimination of work study will cost Montana more than it will save.

Many students who receive work study could not attend school without it. Business student Gale Heide is one such student. She writes: "College work study, my job in particular, is my sole income for each year. My attendance at the University is completely dependent upon that income." Kim Shultz echoes this: "Without work study funding, I would be unable to finance my college career. I am willing to work to pay for my education as are other work study students. It is not fair that we be penalized because of our financial backgrounds."

A third student expresses her feelings. Amy Levine, a Clinical Nutrition major, writes: "I am single and trying to raise two children while attending classes. I have gotten little or no support for my children while I have been going to school here. It would have been impossible for me to go to school these past two years without financial aid. It will be extremely difficult for me to finish if I do not receive it. Work study has been an important part of that financial aid."

Aside from the obvious financial assistance received which allows them to attend school in the first place, work study students enjoy higher grade point averages, increased exposure to responsibility, and significant learning experience. An essential fact which cannot be overlooked is that work and study go together. Working is an important part of the educational process. Because of this, the work study program promotes the work ethic; work study money is not given away. Business-finance student Lucy Atkinson is a perfect example of this: "I was completely stunned today when informed of your proposal to cut the work study program by 100%. I am working very hard to successfully complete my degree, my cumulative GPA is 3.73, and if it hadn't been for the financial aid I received, work study being a major portion of that, to this date, \$3300, there is no way I could have even considered a college education. I have a sister and a brother also attending MSU, and we each must pay for our educations without assistance from our parents as they must support themselves and my two younger brothers still at home. The three of us here are all on work study and it has contributed greatly to deferring the costs of education. It has contributed a lot more than simply money that doesn't have to be paid back at a later date, like loans. For example, working has helped us to get working experience that we need for future references. But it is better than a non-work study job because of the flexibility in hours we get, and being students, we need, to fit in studying and other activities we're involved in.

"Another benefit received from work-study is learning the skills of time management. My grades reflect the fact that the more classes I take and the more hours per week I work, the better I do. The less free time a person has, the more they must schedule their time to fit everything in. Learning these skills in time management will be very important when I get out of college as well, and work study has enabled me to possess these skills.

"In addition to these benefits, having a work study job on campus has enabled me to meet and work with many of the faculty here. A college education consists of a lot more than just classes and studying; meeting, working with and learning from people, besides other students, has been a vital part of my education. Without my job on campus, I would have never been provided this opportunity.

There are many reasons why the work study program is beneficial, but I'm sure I speak for all work study students when I say that the ones I mentioned are among the most important. Please reconsider your recommendation to cut the work study program because by doing so, you're depriving many very good, intelligent, but low income students of a quality education, which is what, after all, the purpose of this university, and others, is."

In conclusion, one last letter epitomizes the importance of the work study program: "My name is Shelley Allison. Along with my husband John, I am a full-time, over-traditional-aged student at Montana State University in Bozeman. We live in Family Housing with our daughters, Caitlin and Sarah.

"Although our life experiences have been unique, John and I share with many of the older students back in college a belief that a quality education is the key to fulfilling career goals and for providing a comfortable life for our children. Our return to school has given us hope that one day we may be employed in the one profession we believe is basic to the continued progress of America. We hope to be teachers.

"At the present, part-time and work study jobs have been, and will continue to be, the only viable means John and I have to bring our plans to fruition. If the work study program is cut, we will be unable to afford the high cost of our dream. Our family will once

again be relegated to a subsistence level existence, devoid of any hope for advancement.

"An education is the key to the door of a wonderful, productive future for our family. To attain that goal we have already made many sacrifices and know that more will be necessary. We are unwavering in our belief, however, that perseverance and much hard work will make our sacrifices worthwhile. We have come so close-- Please don't deny us the chance to earn a good life for ourselves and our children by cutting the work study program."

**SUBMITTED BY THE ASSOCIATED STUDENTS OF MONTANA STATE UNIVERSITY**

## ASMSU Workstudy Questions and Answers

1. Q: What exactly do workstudy (WS) students do?  
A: WS students perform in a variety of positions involving grounds keeping, clerical duties, laboratory instructing, and other such service-oriented jobs. They are employed by any non-profit, private or public organization, such as MSU.
2. Q: Where do WS students' wages come from?  
A: Approximately 70% is subsidized through federal and state monies; the remaining 30% is paid by the employer.
3. Q: What is the total amount of WS funding?  
A: The gross state funding appropriated to MSU was about \$140,000 last year, a figure determined by the state's Board of Regents. The net amount actually paid in wages to students was \$110,000. As for federal monies, MSU students received \$725,000 under the College Work-Study program last year.
4. Q: What are the benefits of employing WS students?  
A: The employer (e.g. MSU) is able to hire help at 1/3 the cost of non-WS persons. Jim Craig, Director of MSU's Financial Aid Office, emphasized, for example, that without WS students working in his office, that office would have to reduce the scope of its service due to the extra cost of hiring normal employees (one can hire 3 WS students for every normal employee). This is certainly the case for all employers of WS students, most of whom are different offices at MSU.
5. Q: How do WS students benefit?  
A: Aside from the obvious financial assistance received which allows them to attend school in the first place, WS students enjoy higher Grade-Point Averages, increased exposure to responsibility, as well as a significant learning experience. An essential fact which cannot be overlooked is that work and study go together; working is an important part of the educational process. Because of this, the WS program promotes the work ethic--WS money isn't money given away.
6. Q: How important is financial aid to students?  
A: It is very important! The American Council on Education's 1986 Report on Freshman Characteristics and Attitudes shows that 21.1% (compared to a national average of 12.3%) of the 1985 freshman class at Montana State University felt that the offer of financial assistance was very important in their decision to attend MSU. WS money provides a distinct portion of this assistance; it is an encouragement to keep students in school. If that money is not there, these statistics indicate that a significant number of students attending MSU would either attend an alternative school, perhaps out-of-state, or not attend at all. With these difficult times, families more than ever do not have the resources to keep their children in school--WS definitely helps!

7. Q: How many students receive WS funding at MSU?

A: About 250 are subsidized by the state's WS program, and approximately 800 are authorized under the federal College Work-Study program.

8. Q: What would be the impact if state WS were to be cut?

A: It would be significant, multi-fold, and not good.

Students depending on that assistance could no longer attend school, unless some other source of aid were available. These students would consequently be forced out into the job market; with the currently depressed Montana economy, this would not be a positive thing. A great deal of financial aid, including WS, is used up by single parent, over-aged students, who otherwise, according to Jim Craig, might be on welfare--a further strain on the state. When financial aid programs disappear, it impacts other financial aid programs; these other programs are forced to pick up the slack, if they can. As mentioned in question 3 above, many services to students overall would of necessity be curtailed. And, finally, the negative impact of probable cuts in federal financial aid would be seriously aggravated by state-level cuts.

Exhibit 11

6/18/86

Amendment

RE: Proposal for Audiological Services

Date: June 18, 1986

Sponsor: Representative Jack Moore

LANGUAGE CHANGE TO HOUSE BILL 500:

Strike: "No administrative costs may be taken from item 3e for the Montana School for the Deaf and Blind"

Insert:

"Item 3e includes funds to allow the Board of Public Education to employ necessary personnel pursuant to providing comprehensive audiological services as provided for in Board of Public Education Policy"

Budget:

Personnel services

1 Administrator	\$30,750
8 Audiologists	196,800
10 Aides	104,550
2 Secretaries	25,338

Total personal Services  
(includes benefits)

---

\$337,438

Operations

Travel	87,562
Repair & maintenance & calibration	10,000
Other (supplies and communications	25,000

Total operating costs

---

\$122,562

Equipment

20,000

TOTAL PROGRAM COSTS

---

\$500,000

---

Amend House Bill 500

Page 82 Item 1 Instruction

Strike: General Fund "\$16,056,623"

Insert: General Fund "\$14,723,498"

Strike: Current Unrestricted "\$8,878,824"

Insert: Current Unrestricted "\$10,211,949"

Page 83 and Page 84 Item 1 Instruction

Strike: General Fund "\$12,163,452"

Insert: General Fund "\$11,137,452"

Strike: Current Unrestricted "\$6,574,641"

Insert: Current Unrestricted "\$7,600,641"

Page 85 Item 1 Instruction

Strike: General Fund "\$4,321,926"

Insert: General Fund "\$3,883,176"

Strike: Current Unrestricted "\$2,398,989"

Insert: Current Unrestricted "\$2,837,739"

Page 86 Item 1 Instruction

Strike: General Fund "\$2,719,321"

Insert: General Fund "\$2,516,821"

Strike: Current Unrestricted "\$1,509,385"

Insert: Current Unrestricted "\$1,711,885"

Page 87 Item 1 Instruction

Strike: General Fund "\$1,090,385"

Insert: General Fund "\$982,385"

Strike: Current Unrestricted "\$606,038"

Insert: Current Unrestricted "\$714,038"

Page 87 and Page 88 Item 1 Instruction

Strike: General Fund "\$2,690,548"

Insert: General Fund "\$2,423,923"

Strike: Current Unrestricted "\$1,500,639"

Insert: Current Unrestricted "\$1,767,264"

Suggested Amendment to House Bill 500

PAGE 73

Included within current unrestricted funds to the six institutions is the sum of \$14,384,000 in fiscal 1986 and \$14,669,000 in fiscal year 1987 from revenues generated under the provisions of section 20-25-423, MCA. The Department of Revenue shall levy the full six mills as authorized in section 20-25-423, MCA, and the revenues generated by the levy are appropriated to the University System. The general fund appropriation to the University System shall be reduced by the amount the revenues received Revenues received by the University System under the provisions of section 20-25-423, MCA, that exceed \$14,384,000 in fiscal 1986 and \$14,669,000 in fiscal year 1987. must cause a general fund reversion of a like amount each year.

AMENDMENT TO HOUSE BILL NO. 500

Exhibit 13  
6-18-86

1. Page 54  
Following: Line Item 4.g.  
Insert:

Fiscal 1987  
State  
Special  
Revenue

Total

"h. Butte-Silver Bow Clark Park Project	200,000	200,000"
---	---------	----------

2. Page 54  
Following: The last line on Page 54

Insert: "Item 4h is an appropriation of funds from the grant program special revenue account within the state special revenue fund established in 17-2-102. \$200,000 of the funds appropriated in House Bill No. 922, Laws of 1985, for grant programs prioritized project number 7 are appropriated for item 4h."

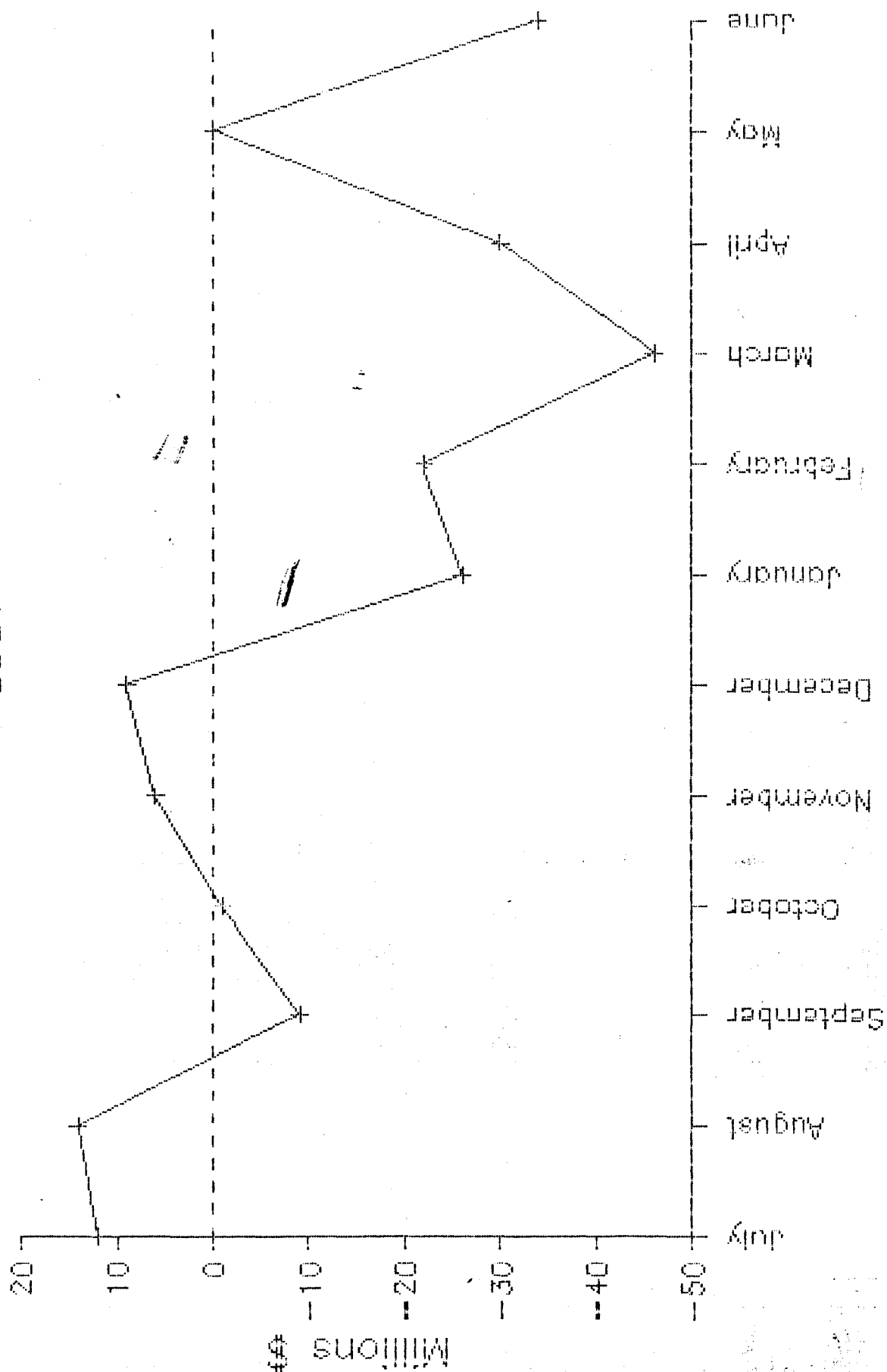
Exhibit 14  
6-18-86  
Larry Fasbender

Amend HB 12 (HB 500 Gold Copy)

Page 54, Following "Item 4f is a biennial appropriation to fund Department responsibilities under SB 369"

Insert: "Included within the appropriation of Federal Special Revenue Funds in Item 5a in fiscal 1986 is \$1,650,000 for Rock Creek Mitigation and \$276,328 for the Residential Standards Demonstration Program. These amounts are appropriated for the biennium."

# State Aid Cash Flow: 1987



## VISITORS' REGISTER

APPROPRATIONS

COMMITTEE

BILL NO. Human Services Subcom.. Report DATE June 18, 1986

SPONSOR \_\_\_\_\_

NAME (please print)	RESIDENCE REPRESENTING	SUPPORT	OPPOSE
R CAMERON WORSTELL	SELF	—	—
Bobbie Jean Curtis	Mt. St. Foster Parents	✓	
Mary Olson	Foster Parent	—	
WILLIAM CARLSON	NASW, Big Brothers		
Diane Sands	Woman's Lobbyist Fund	—	
Lois Durand	M. L. I. C.	—	
JEANIE LAMB	MLIC		
Robert Montgomery	MLIC	✓	
Mark Carpenter	ACC/MLIC		
Bob Frazier	PFP	✓	
William E. Leary	PFP/Montana Hospital		
Joe Upham	PFP/AARP	✓	
Quinn Marzen	PFP/AARP	✓	
Sandy Zeiler	MEA		
Irving Hansen	MEA		
Walter Miller	DDD	✓	
Robert Schlemmer	MT. LIB. ASSOC.		
Walter B. Davis	mt state library comm		
John Ostheim	Montana Catholic Conf.		

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PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

## VISITORS' REGISTER

APPROPRIATIONS

COMMITTEE

BILL NO. \_\_\_\_\_

DATE June 18, 1986

SPONSOR \_\_\_\_\_

Human Services Subcommittee Report

NAME (please print)	RESIDENCE REPRESENTING	SUPPORT	OPPOSE
<i>Ben Sharp</i>	<i>SRJ</i>	<i>—</i>	
<i>Tim A. Weller</i>	<i>MT. Independent Living</i>		
<i>Hal Harper</i>	<i>UD 44</i>		
<i>Walt Russell</i>	<i>MPCo</i>		
<i>Russ Williams</i>	<i>I. D. E. W.</i>		
<i>Norma Harris</i>	<i>SRJ</i>	<i>—</i>	
<i>Norma DeWalt</i>	<i>Mont Assoc. of Rehab.</i>		
<i>Bill Evans</i>	<i>N.A.S.W.</i>		
<i>Paul Peterson</i>	<i>MONTANA KIDNEY PATIENT ASSO. SUMMIT INDEPENDENT LIVING</i>		
<i>Mike Meyer</i>	<i>SUMMIT INDEPENDENT LIVING</i>		
<i>Bill Bauer</i>	<i>SUMMIT INDEPENDENT LIVING</i>		
<i>Jane Humanson</i>	<i>Montana Assoc. for Rehabilitation SUMMIT</i>		
<i>Mignon Waterman</i>	<i>Mont. Assoc. of Churches</i>		
<i>Steve Waldron</i>	<i>Montana Association for Rehabilitation</i>		
<i>Ray McEachern</i>	<i>M.H.A.M.</i>		

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## VISITORS' REGISTER

APPROPRIATIONS

COMMITTEE

BILL NO. \_\_\_\_\_

DATE June 18, 1986

SPONSOR Natural Resources Subcommittee Report

NAME (please print)	<del>RESIDENCE</del> REPRESENTING	SUPPORT	OPPOSE
<i>Madeline Cottrell</i>	<i>PSC</i>	✓	
<i>Myrtle Cottrell</i>	<i>PSC</i>	✓	
<i>Bob Nelson</i>	<i>PSC</i>	—	
<i>Donnell</i>	<i>PSC</i>	✓	
<i>Les Graham</i>	<i>Dept. of Forests</i>	✓	
<i>John Shufen</i>	<i>" "</i>	✓	
<i>Alan Jamison</i>	<i>Dept. of Natural Resources</i>	✓	
<i>Dennis Hemmer</i>	<i>Dept of State Lands</i>	✓	
<i>M. Gene Marshall</i>	<i>Dept of Comm</i>		
<i>Richard L. Jamison</i>	<i>Dept AGW &amp; Parks</i>		
<i>GEORGE OCHENSKI</i>	<i>MT. ENV. INF. CNTR</i>		

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## VISITORS' REGISTER

APPROPRATIONS

COMMITTEE

BILL NO. Education Subcomm. ReportDATE June 18, 1986

SPONSOR \_\_\_\_\_

NAME (please print)	RESIDENCE REPRESENTING	SUPPORT	OPPOSE
<i>Ann Parker</i>	<i>State Library</i>		
<i>Debbie Schlegel</i>	<i>Mt. St. Paul</i>		
<i>Shelia Cates</i>	<i>State Library</i>		
<i>Brenda Schye</i>	<i>Mont. Cultural Advocacy</i>		
<i>Don Miller</i>	<i>MT. Arts Council</i>		
<i>Carleen Hassise</i>	<i>Mt Arts Council</i>		
<i>Dan Haugen</i>	<i>Lambert Schools</i>		
<i>Luann A. Denney</i>	<i>Reichey Schools</i>		
<i>R. Cameron Hostell</i>	<i>Self.</i>	—	—
<i>Bob Marshall</i>	<i>Mt. Hist. Soc.</i>		
<i>Bruce Lechler</i>	<i>Mt. Hist. Soc.</i>		
<i>Maura Luedtke</i>	<i>Mt. Hist. Soc.</i>		
<i>Jim Hayboer</i>	<i>LFA</i>		
<i>RON Eustance</i>	<i>GF Dist 1 Trustee</i>		
<i>Norahy Harvin</i>	<i>Self.</i>		
<i>Ray Shackerford</i>	<i>OPI</i>		
<i>Way Johnson</i>	<i>OPI</i>		
<i>Paul Ray</i>	<i>OPI</i>		
<i>Gene R. Christensen</i>	<i>OPI</i>		

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# VISITORS' REGISTER

APPROPRIATIONS

COMMITTEE

BILL NO. Ed. Subcomm. Report

DATE June 18, 1986

SPONSOR \_\_\_\_\_

NAME (please print)	RESIDENCE REPRESENTING	SUPPORT	OPPOSE
Idella Mott	Glasgow, Mt.		
<del>Garry Mott</del>	<del>Glasgow Mt</del>		
Bob Kuchembrod	Helena		
Susan Hansen	✓		
Chuck Johnson	Helena		
Paula Schilke	Bozeman		
(Name Harkness)	Bozeman		
David Deland	Gt. Falls		
Judy Meadows	Helena		
Cathy Reedy	Helena		
Ethel M. Harrison	Helena		
Lois Steinbeck	Helena		
C.D. Avery	Helena		
MARV DYE	HELENA		
MIKE LAVIN	HELENA		
Kelly Monroe	HELENA		
Blake Running	Helena		
Julio Bunova	Helena		

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# VISITORS' REGISTER

## APPROPRIATIONS

COMMITTEE

BILL NO. Education Subcomm. Report

DATE June 18, 1986

SPONSOR \_\_\_\_\_

[illegible]

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