

MINUTES OF THE MEETING
APPROPRIATIONS COMMITTEE
50TH LEGISLATIVE SESSION

The meeting of the Appropriations Committee was called to order by Chairman Rep. Gene Donaldson on March 9, 1987, at 8:00 a.m. in Room 104 of the State Capitol.

ROLL CALL: All members were present at the meeting with Rep. Winslow arriving late. Also in attendance were Judy Rippingale, LFA, Keith Wolcott, LFA, and Denise Thompson, Secretary.

HOUSE BILL 2: (45:A:4.09)

Institutions: Rep. Ron Miller, Chairman of the Institutions Subcommittee briefed the committee on the Institutions portion of House Bill 2, by section (D-1/D-17; Exhibit 1).

1. Agency Summary
2. Director's Office
3. Management Services Division
4. Alcohol and Drug Abuse Program
5. Corrections Division-Administration
6. Womens' Correctional Facilities
7. Correctional Medical Program
8. Mental Health and Residential Services

QUESTIONS:

(40:A:20.51) Rep. Thoft questioned the Womens' Corrections Facility, having extra security appropriated on the evening and night shift in the current level budget. Mr. Carroll South, Director, Department of Institutions replied there were two reasons those positions were removed. One reason was the vacancy savings of 4 percent with a staff of only seventeen. The second reason was they had to absorb the cost of the 1987 pay plan. So they actually have 2.4 positions vacant there now. With zero percent vacancy savings they will fill those both on July 1.

Rep. Nathe asked about the funds on page D-10 referencing the federal prisoner. Rep. Miller stated there are no federal prisoners in there now, but in the past, historically, they have had some sent to them.

Rep. Peck referred to page D-5 the funds for OPI, legislative intent. Rep. Miller said that there is a possibility

the department could get between 0 and \$400,000 from federal funds which would help them out a little bit.

Rep. Bardanouve asked what the average population increase was at the Womens' prison. Rep. Miller replied the population increase is 66 including all of the prison facilities.

Montana State Prison (45:A:35.35)

QUESTIONS:

Rep. Nathe asked how much money is in the inmate welfare fund and what is the money used for. Rep. Miller stated he did not know what the balance was in that account.

Mr. South explained that the inmate welfare fund is a fund that is put together by various inmate activities and the expenditures of those funds are based on the benefit of the individual inmates. There is a warden's forum that has been elected by all of the inmates from the different compounds and they vote on how the money should be spent.

Rep. Thoft remarked that the actual operating capacity is 960 in the prison. On D-17 Rep. Miller estimates 990 in 1989. He asked Dan Russell what he intends to do with these people if in fact they materialize. There is always a chance of court order that there will be no more allowed in the prison and several other things that could happen.

Mr. Dan Russell said they have operating capacities and emergency capacities and what they have done, is put together a scenario whereby they can partition the units and put 968 people in there putting more people into an already crowded situation at the prison.

Rep. Swift asked about expanding the Swan Youth Camp. Rep. Miller stated Swan River is set up in barrack style and to the best of his knowledge they can hardly expand there. Mr. South stated there is no possibility of expansion there. There are two dorms there now and the most they can squeeze in is 56, that is physically all the room they have.

(45:B:14.52) Rep. Winslow stated he had received letters regarding the prisoners welfare fund. He asked if those monies are available for special projects for the prisoners? Rep. Miller replied the only monies he was aware of, are the monies Rep. Nathe and Mr. South were addressing. He stated if there were others, he was not aware of them. Rep. Winslow asked if any of those funds were used to pick up the

2 percent or the 5 percent. Mr. South as well as Rep. Miller replied no.

Rep. Quilici asked Rep. Miller about the workers compensation. Rep. Miller answered, in the subcommittee, they did approve a supplemental for \$1.9 million pertaining to all of institutions. They think they may get hit in the Workmans' Compensation in the prison an additional amount of \$331,000 due to an increase in January. This will hold throughout the entire state budget. In January, Mr. Hunter used a 12 percent. Some legislators figure the state is going to be running in the red if other things do not work with other bills regarding Workmans' Compensation bills that are in place now. It is going to increase the state budget somewhere between \$1 million and \$2 million.

Rep. Quilici questioned the 2 FTEs in the canteen fund. He asked if those were funded from the general fund. What would it do to that fund if they were funded through the proprietary fund?

Rep. Miller stated it would hurt and cause lots of problems. That fund is very special to those prisoners and they run on a fairly tight budget now. The subcommittee looked at it and Sen. Bengtson moved to do that but it was defeated by the committee, and it is his firm belief, it is best left alone.

Rep. Menahan commented that the families used to bring in all kinds of things like drugs and alcohol in to the prisoners. The canteen has addressed this security problem in the prison.

Rep. Spaeth referred to the Swan River Youth Camp and the increase of almost \$60,000 over the biennium over the executive budget and asked what accounts for the increase in the executive request. Mr. Wolcott stated that the reason for the increase was that the LFA used a zero vacancy savings and the executive took a 4 percent vacancy savings.

(45:B:28.23) Rep. Peck asked Mr. South if they could expand at the Swan River Youth Camp, if they moved in 50 additional people, would they need 25 people to do that because you would need another building.

Rep. Quilici asked if there were people moved to that facility because of the problem at the prison, would they be able to bring modular facilities to serve in treatment and would the sewer etc. be able to take that extra load. Mr. South said yes, but they had chosen not to ask for an additional 20 additional beds and instead put them at the pre-release centers.

The canteen fund again was discussed with Rep. Poulsen stating that these funds were in a way tied to the state because state funds paid for the 2.0 FTE. There was concern as to what the fund was spent for. An example was to buy a satellite dish.

Rep. Peck asked for a report on the amount of money that was in this fund.

(45:B:38.59) Montana Development Center, Boulder, Eastmont, Vets Home, Montana State Hospital, and the Board of Pardons were reviewed. Rep. Miller commented that right now, people are forced out of these places before they should be.

Rep. Bardanoue expressed concern in the increase of nursing home care. Rep. Miller replied the increase was mostly due to the nurse positions being upgraded from a grade 7 to a grade 8. Rep. Quilici stated this was due to a decision from the Board of Personnel Appeals, which takes it out of the hands of the legislature.

Rep. Bradley suggested to save money at the Galen treatment for alcohol program, to decrease the number of days from 28 to possibly 26 or 25.

(46:A:34.55) Mr. South made general comments regarding the Institutions budget. He felt the subcommittee took a very careful look at the budget and they treated the department fairly.

(46:A:35.54) Mr. Steve Waldron representing the Community Mental Health Centers said the Warm Springs Hospital is an intrical part of the mental health system in this state. The current forensic unit building may not last long enough for the new one to be built. There are some serious structural problems in the building. He also felt the facility was built like a jail. The people are not only the ones that are committed by the court but they can also come from the Warm Springs campus.

(46:B:0.25) Rep. Winslow presented the Family Services part of the the budget; Management and Support and Social Services, which the Human Services Subcommittee had reviewed. This does not reflect the cost of the probation officers which was originally in the executive budget. This is a neutral budget for the most part. The management and support services are just the administrative support for the department. The operating costs were approved by the subcommittee. The level of funding was based on the executive estimate of initial costs to establish a new department and comparable historical expenditures. The subcommittee also requested, if allowed under federal regulations,

the department reduce the state's portion of SSI payments and the amount would return to the general fund.

Rep. Winslow stated there were three areas where they took out general fund: (1) Big Brothers and Big Sisters program; (2) domestic violence; and (3) alcohol and drug program. (D37-42 of the Institutions Narrative).

QUESTIONS:

Rep. Donaldson asked about the computers. Would some of the equipment would be duplicated because there would be a new department. Rep. Winslow stated that he understood that they could not move equipment from other areas, although it was paired down from the original request, there was a need for some additional computers. Approximately \$84,000 was for new computer equipment.

Rep. Menahan stated he felt these kids need to be dealt with while they are young in school; try to stop them from becoming a problem and as a preventive to keep them out of the institutions. He asked, referring to Pine Hills, if there was some direction to developing a profile and start identifying troubled youth in the schools. This could save money in the long run. Mr. Gene Huntington stated that was one of the main purposes the interim committee had in mind; trying to do some overall planning to look at some alternatives and some more effective, less expensive alternatives. The system needs to be built up before people get there. They propose to spend the first year of the biennium doing an assessment and trying to put plans together where each region in the state would maybe do that and come back to the next legislature with alternatives.

Rep. Poulsen asked about the modified, the foster care providers would receive a 2 percent increase, that was approved by the subcommittee for each year of the biennium. SRS funded the study of a rate system program and found, to just pay the cost of the programs now, they would have to add \$1.6 million just to pay the cost that is underfunded. In addition, there are wide discrepancies in what you pay the various providers of services, and there is some historical reasons where one doesn't really have a rate structure that can be identified. The providers are not getting their cost met and there is wide discrepancies in the rates paid. Some providers don't know what they should be providing for services. The subcommittee realized there was an underfunded system. Therefore, they applied the 2

percent rate across the board to all providers. The second year they directed SRS to develop a rate system that has some logic: "you are providing this service and it is costing this amount."

(46:B:26.07) Rep. Quilici asked if the Big Brothers and Big Sisters program had been cut to \$150,000, is that all general fund or state special. Rep. Winslow added it is all state special and there is actually no cut in the program now.

Rep. Bardanoue expressed concern that the program was an open ended appropriation. Rep. Winslow agreed.

Mr. Carroll South commented on the budget by saying that he supported the family services bill. He felt they need it desperately. They only have so many beds. The kids keep coming and they have no way to intervene prior to the time they get there.

Mr. Waldron stated on page D-41, second paragraph outlines where the increased costs come from in the family services program. The providers have not seen any increase in that. Providers are in some financial difficulties right now because they have not seen any rate increases because of the costs.

Rep. Menahan spoke about the teacher salaries and how underpaid the teachers were at Pine Hills and Mountain View schools. He stated the teachers were working with very difficult cases and it takes a special person to be able to work with these children. These teachers are under paid in comparison to all other teachers in Montana and, therefore, leave their jobs as soon as they can find another one.

There are two bills which would be addressing that problem which would be coming before the House.

Rep. Miller stated the general fund in this was \$124,515 in fiscal 1988 and \$120,154 in fiscal 1989.

Rep. Miller reviewed the next agencies of the Narrative, Montana State Library, and the Montana Historical Society.

QUESTIONS: (47:A:39.02) Rep. Manuel said they had 49 employees and they took a 4 percent vacancy savings and the career ranges from 1 up to 12 and it looks like it would have an adverse affect on all the small departments.

Mr. Bob Archibald of the Historical Society stated there is a 4 percent vacancy level. Based on their past year, they have had one general fund vacancy that was not security

related and that was the result of a termination. There literally has been no general fund positions except in security. This means that they will require an artificial vacancy savings or reduce work hours or layoffs.

Rep. Bardanoue stated that the subdivisions are what makes all of those divisions so small. They have eight of them. He questioned why there were so many small subprograms.

(47:B:0.06) Mr. Archibald followed with: the reason he has that situation was for the purposes of internal management the way it is currently conducted.

(47:B:3.09) Rep. Quilici referred to the legislative audit report saying that you can't use contract services, these people have to be put in as FTEs. Were these people who were handling the contracted services, are they the ones that are being hired as state FTEs? Rep. Miller said yes they were the same ones.

Rep. Devlin asked what the Library Commission was doing studying Riparian Habitat. Sara Parker, State Librarian said, the legislative concern which is the background for this has been that the natural resource information has been scattered out in many different agencies and many different places in the state. In 1983 the legislature passed a bill to design an integrated system. In 1985 the responsibility was transferred from the Department of Administration Computer Services Division to the library as they are an information handling agency and have a lot of skills and experience in it. They have spent the last two years of the biennium developing a comprehensive natural resource information system. This particular modification is a result of the federal government being willing to pay them to take over the management of those data bases.

COMMENTS:

Sara Parker stated the subcommittee allowed them to combine some of the small library programs into one program and was giving them some flexibility which was greatly appreciated.

She stated they are one of the agencies that have seen a very serious decline in the coal severance revenues. Over the past five years those appropriations have come in at a

level of \$400,000 to \$450,000. They feel with the latest estimates, \$200,000 is probably what they will receive now. This is a 50 percent decrease.

(47:B:11.15) Mr. Dave Nelson, Arts Council stated this has been a very helpful year. They are simplifying the accounting system which was a very substantial burden to them.

Mr. Bob Archibald thanked the subcommittee and staff for the time and effort they put into working with them to develop the budget. He expressed concerns with the vacancy savings rate and said they, with the board, are making new and very positive efforts to increase the size of the funding coming to the society from the private sector.

EXECUTIVE ACTION:

(47:B:13.31) Montana Arts Council--Rep. Miller moved to accept the subcommittee report for the Arts Council budget. Rep. Menahan called the question. The motion CARRIED unanimously.

Montana State Library--MODIFIEDS: Rep. Bardanouye moved both modifieds be accepted for the Library, (Page D-55 and D-57). Rep. Quilici called the question. The motion CARRIED unanimously.

(47:B:16.45) Rep. Miller moved to accept the subcommittee report for the Library Commission budget including the modifieds. Rep. Bardanouye called the question. The motion CARRIED unanimously.

Historical Society--MODIFIEDS: Rep. Menahan moved the modified on pages D-61, 62, 63, 65 and 66 be approved. Rep. Quilici called the question. The motion CARRIED unanimously.

Rep. Miller moved the first modified on page D-70 be accepted. Rep. Devlin called the question. The motion carried unanimously.

(47:A:23.40) Rep. Miller moved the second modified on page D-70 for microfilming. Mr. Archibald said this was for state documents and could be delayed for two years. Rep. Peck called the question. There was a roll call vote. Reps. Bradley, Connelly, Iverson, Manuel, Menahan, Miller, Nathe and Switzer voted YES. Reps. Donaldson, Thoft, Winslow, Bardanouye, Devlin, Menke, Nathe, Poulsen, Quilici, Rehberg, Spaeth, and Swift voted NO. The motion FAILED 8 to 12.

Rep. Menahan moved to only give the department a 2 percent vacancy savings for \$38,000 of general fund. Rep. Miller stated the society did not have a turnover like others. It was an across-the-board cut.

Rep. Bardanouve made a substitute motion to use 3 percent vacancy savings across the board. The motion FAILED on a voice vote.

The 2 percent motion was voted on. Rep. Quilici called the question. The motion FAILED.

Rep. Miller moved adoption of the subcommittee report as amended. Rep. Quilici called the question. The motion CARRIED unanimously.

HIGHWAY DEPARTMENT: (48:A:0.00)

Rep. Dennis Rehberg, Chairman of the General Government and Highways Subcommittee presented the Highway Department portion of the narrative. There was very little they could do because of the overwhelming support of the 3 cent gas tax legislation, there was very little they could do in looking at that budget because anything short of accepting what the department and the governor presented to them would have just sat over in an account and would not have gone to the specific purposes directed by the legislature for building highways around the state of Montana.

QUESTIONS:

(48:A:16.00) Chairman Donaldson asked Mr. Wicks of the Highway Department what happens in the maintenance budget when there are mild winters like this year. Mr. Wicks replied in June, the maintenance budget was cut by \$3 million dollars and they are operating with less money. They decided they would not make a reduction in the winter maintenance program. To do that they didn't have available to them FTE's in the spring. They were going to reduce the service in the spring. With the mild winter there were some positions in the maintenance program that were not filled. He stated that they might be able to go back and do some of that 1987 Spring work that they had cut out because they didn't have the FTEs available to do it.

Chairman Donaldson also asked about the motor pool and the equipment budget. He stated there was a tremendous amount of money going into that. There was a management study done several years ago. He asked if they had included somewhere in there some direction as to when they should be trading some of this equipment, in order to get the maximum amount of trade in etc. Mr. Wicks stated they were required in

the 1981 appropriations bill to develop management systems for a number of development programs and those are all in place. He was also instructed on the equipment management system. In the first part of 1986 they finally got that in place. That helps them to determine when to trade their vehicles in. They also have a computer run they do which gives them the best time to trade them in.

(48:A:36.20) Rep. Poulsen asked Mr. Wicks what he thought the midget man missile might bring in as far as highway construction. Mr. Wicks stated he had just some preliminary information. The Airforce has identified about \$330 million of work on highways and bridges in the five or six county area they are talking about which would have to be constructed to accommodate the midget man. They have a very short time frame within which to get the work done by the end of 1987. If the state highway department wants to do that work, in terms of the engineering and the construction engineering, the Airforce would allow them to do that. If they did not, it would go to another federal highway administration. The impact for the state would be a pretty substantial increase in the construction program. He felt they could handle the work. They would use consultants but could handle the job.

Mr. Wicks referred to page 2 of the budget where the language in the bill, 5th paragraph down, and asked to adjust the figures based on the budget office estimates on what the coal tax money will bring in and some project cost changes. They would like to change the \$11,058,000 to \$15,023,916 for fiscal 1988 and from \$21,920,000 to \$26,476,461 in fiscal 1989 for a cash transfer from the highway special revenue account to the highway reconstruction trust account.

The hearing was closed on the Highway Budget.

EXECUTIVE ACTION: (48:B:1.46)

Central Office Program (Pages D 1-14)--and MODIFIEDS-- Page 8 modification for the 20 men increase in the pre-release centers.

Rep. Menahan moved to adopt the modification on D-8. Rep. Peck called the question. The motion CARRIED unanimously.

(48:B:13.14) Rep. Menahan moved the modified on page D-11 on the women's prison population increase. Rep. Quilici called the question. The motion CARRIED unanimously.

Rep. Menahan moved the subcommittee report be accepted for the Central Office portion of the budget, Pages D 1-14, including the modifieds. The motion CARRIED unanimously.

Montana State Prison (Page D-15)-MODIFIEDS-- Page 17, Rep. Miller moved to accept modified #1 for the increase in population. Mr. South stated that if the population did not increase to the estimated amount the money would be reverted to the general fund. The motion CARRIED unanimously.

Rep. Miller moved modifieds #2 and #3 page 17 be accepted. Rep. Quilici called the question. The motion CARRIED unanimously.

(48:B:26.00) Rep. Miller moved to accept the modified on page D-20 for a shop supervisor. Rep. Bardanouye called the question. Rep. Nathe voted NO. The motion CARRIED.

Rep. Miller moved to accept modified #1 on page D-22. Rep. Bardanouye called the question. The motion CARRIED unanimously.

Swan River Mods- Rep. Miller moved to accept both modifieds for on Page D-24. Rep. Pick called the question. The motion carried unanimously.

(48:B:32.30) Rep. Miller moved to accept the subcommittee report and modifieds for the Montana State Prison budget which includes Swan, Pages D-15 through D-24. Rep. Spaeth made a substitute motion to segregate vacancy savings.

Rep. Miller withdrew his previous motion. Rep. Miller moved to accept the subcommittee report and modifieds for the State Prison without vacancy savings. Rep. Quilici called the question. Rep. Miller voted NO. The motion CARRIED.

(49:A:4.45) Rep. Miller moved to accept the 1.68 percent in direct care and 4 percent for non-direct care for vacancy savings. Rep. Menke called the question. The motion carried unanimously.

Rep. Miller moved a zero percent vacancy savings for Swan River. Rep. Winslow made a substitute motion to a 2 percent vacancy savings for Swan River. Rep. Quilici called the question. Reps. Miller, Menke, Poulsen and Menahan voted NO. The motion carried.

Rep. Miller moved the subcommittee report be adopted on the Montana Development Center (Page D-25). Reps. Bardanouye called the question. The motion carried unanimously.

Rep. Miller moved to accept the subcommittee report on the Center for the Aged budget. The vacancy savings on this agency was 1.3 vacancy savings for direct care and 4 percent vacancy for non-direct care.

Rep. Spaeth made a substitute motion to accepted the budget with a 2 percent vacancy savings for direct care and 4 percent vacancy savings on indirect care. Rep. Quilici called the question. Reps. Miller, Quilici, Menahan, Poulsen, Manuel, Bradley, and Menke voted NO. The motion CARRIED.

EASTMONT:

(49:A:12.34) Rep. Miller moved to approve the subcommittee report on the Eastmont Training Center.

Rep. Spaeth made a substitute motion to approve the action with a 2 percent direct and 4 percent indirect care vacancy savings. There was a roll call vote: Reps. Donaldson, Thoft, Winslow, Bardanouye, Devlin, Iverson, Nathe, Peck, Rehberg, Spaeth, and Swift voted YES. Reps. Bradley, Manuel, Menahan, Menke, Miller, Poulsen, Quilici, and Switzer voted NO. The motion CARRIED by a vote of 11 to 8.

Veterans Home--Rep. Miller moved the modified on D-31 be accepted. Rep. Quilici called the question. The motion CARRIED unanimously.

(49:A:16.40) Rep. Miller moved to accept the subcommittee action for the veterans home budget.

Rep. Spaeth made a substitute motion to accept the subcommittee action with 2 percent direct care and 4 percent in indirect care vacancy savings. Rep. Bradley called the question. There was a roll call vote. Reps. Donaldson, Thoft, Winslow, Bardanouye, Devlin, Iverson, Rehberg, Spaeth, and Swift voted YES. Reps. Bradley, Menahan, Menke, Miller, Nathe, Poulsen, Quilici, Rehberg, and Switzer voted NO. The motion FAILED 9 to 9.

The previous motion was voted on, the 1.6 in direct care and 4 percent in non-direct care positions and the the subcommittee recommendations for the Veterans Home. There was a roll call vote. Reps. Donaldson, Thoft, Bradley, Manuel, Menahan, Menke, Miller, Nathe, Poulsen, Quilici, Rehberg and Switzer voted YES. Reps. Winslow, Bardanouye, Devlin, Iverson, Spaeth, Swift, and Switzer voted NO. The motion CARRIED 11 to 7.

Warm Springs Hospital-MODIFIED--Rep. Miller moved to accept the modified for the Forensic Unit on Page D-33. Rep.

Quilici called the question. Reps. Peck, Spaeth, Donaldson, Thoft, Poulsen and Rehberg voted no. The motion CARRIED.

Rep. Bradley moved the 28 days be decreased to 25 days in the alcohol program. Rep. Bradley withdrew her motion.

(49:A:24.16) Rep. Miller moved to accept the subcommittee action for Montana State Hospital with 1.8 direct care vacancy savings and 4 percent for non-direct care vacancy savings.

Rep. Spaeth made a Substitute motion to accept the subcommittee action with a 2 percent direct care and 4 percent indirect care vacancy savings. There was a roll call vote. Reps. Donaldson, Thoft, Winslow, Bardanouye, Devlin, Iverson, Peck, Rehberg, Spaeth, Swift, and Switzer voted YES. Reps. Bradley, Manuel, Menahan, Menke, Miller, Poulsen, and Quilici voted NO. The motion CARRIED 11 to 7.

(49:A:27.10) Rep. Miller moved the subcommittee action for the Board of Pardons as is. Rep. Bardanouye called the question. The motion CARRIED unanimously.

Rep. Miller moved the committee accept the subcommittee budget for the Department of Institutions as amended and modified. The motion CARRIED unanimously.

ADJOURNMENT:

There being no further business before the committee, the meeting was adjourned at 3:00 p.m.


Rep. Gene Donaldson, Chairman

DAILY ROLL CALL

APPROPRIATIONSCOMMITTEE

50th LEGISLATIVE SESSION -- 1987

Date 3/9/87

NAME	PRESENT	ABSENT	EXCUSED
DONALDSON, GENE Chairman	✓		
THOFT, REP. BOB Vice Chair	✓		
WINSLOW, REP. CAL	✓	late	
BARDANOUVE, FRANCIS	✓		
BRADLEY, DOROTHY	✓		
CONNELLY, MARY ELLEN	✓		
DEVLIN, GERRY	✓		
IVERSON, DENNIS	✓		
MANUEL, REX	✓		
MENAHAN, RED	✓		
MENKE, LARRY	✓		
MILLER, RON	✓		
NATHE, DENNIS	✓		
PECK, RAY	✓		
POULSEN, HAROLD	✓		
QUILICI, JOE	✓		
REHBERG, DENNIS	✓		
SPAETH, GARY	✓		
SWIFT, BERNIE	✓		
SWITZER, DEAN	✓		

ROLL CALL VOTE

HOUSE APPROPRIATIONS COMMITTEE
 DATE 3/9 BILL NO. House Bill NUMBER 2

NAME	AYE	NAY
Rep. Gene Donaldson, Chairman	✓	
Rep. Bob Thoft, Vice Chairman	✓	
Rep. Cal Winslow, Vice Chairman	✓	
Rep. Francis Bardanouye	✓	
Rep. Dorothy Bradley	✓	
Rep. Mary Ellen Connelly	✓	
Rep. Gerry Devlin	✓	
Rep. Dennis Iverson	✓	
Rep. Rex Manuel	✓	
Rep. Red Menahan	✓	
Rep. Larry Menke	✓	
Rep. Ron Miller	✓	
Rep. Dennis Nathe	✓	
Rep. Ray Peck	✓	
Rep. Harold Poulsen	✓	
Rep. Joe Quilici	✓	
Rep. Dennis Rehberg	✓	
Rep. Gary Spaeth	✓	
Rep. Bernie Swift	✓	
Rep. Dean Switzer	✓	

TALLY

FAILED

812

Denise Thompson
Secretary

Rep. Gene Donaldson
Chairman

MOTION: Rep. Miller moved the second modified on page D-70
for microfilming be accepted.

ROLL CALL VOTE

HOUSE APPROPRIATIONS

COMMITTEE

DATE 3/9 BILL NO. House Bill NUMBER 2

NAME	AYE	NAY
Rep. Gene Donaldson, Chairman	✓	
Rep. Bob Thoft, Vice Chairman	✓	
Rep. Cal Winslow, Vice Chairman	✓	
Rep. Francis Bardanouve	✓	
Rep. Dorothy Bradley		✓
Rep. Mary Ellen Connelly	—	
Rep. Gerry Devlin	✓	
Rep. Dennis Iverson	✓	
Rep. Rex Manuel		✓
Rep. Red Menahan		✓
Rep. Larry Menke		✓
Rep. Ron Miller		✓
Rep. Dennis Nathe	✓	
Rep. Ray Peck	✓	
Rep. Harold Poulsen		✓
Rep. Joe Ouilici		✓
Rep. Dennis Rehberg	✓	
Rep. Gary Spaeth	✓	
Rep. Bernie Swift	✓	
Rep. Dean Switzer		✓

TALLY

Carried

118Denise Thompson
SecretaryRep. Gene Donaldson
Chairman

MOTION: Rep. Spaeth Substitute Motion to accept the
subcommittee action with a 2 percent direct care and a 4 percent
indirect care vacancy savings.

ROLL CALL VOTE

HOUSE APPROPRIATIONS

COMMITTEE

DATE 1/11 BILL NO. _____ NUMBER _____

NAME	AYE	NAY
Rep. Gene Donaldson, Chairman	✓	
Rep. Bob Thoft, Vice Chairman	✓	
Rep. Cal Winslow, Vice Chairman	✓	
Rep. Francis Bardanouye	✓	
Rep. Dorothy Bradley		✓
Rep. Mary Ellen Connelly		
Rep. Gerry Devlin	✓	
Rep. Dennis Iverson	✓	
Rep. Rex Manuel		✓
Rep. Red Menahan		✓
Rep. Larry Menke		✓
Rep. Ron Miller		✓
Rep. Dennis Nathe		
Rep. Ray Peck		✓
Rep. Harold Poulsen		✓
Rep. Joe Quilici		✓
Rep. Dennis Rehberg	✓	
Rep. Gary Spaeth	✓	
Rep. Bernie Swift	✓	
Rep. Dean Switzer		✓

TALLY

FAILED

*failed*99DENISE THOMPSON
SecretaryREP. GENE DONALDSON
Chairman

MOTION: Rep. Spaeth made a substitute motion to accept the subcomm
report for the veterans home with a 2 percent direct care and 4 per
indirect care vacancy savings.

ROLL CALL VOTE

HOUSE APPROPRIATIONS

COMMITTEE

DATE 3/9 BILL NO. House Bill NUMBER 2

NAME	AYE	NAY
Rep. Gene Donaldson, Chairman	✓	
Rep. Bob Thoft, Vice Chairman	✓	
Rep. Cal Winslow, Vice Chairman		✓
Rep. Francis Bardanouve		✓
Rep. Dorothy Bradley	✓	
Rep. Mary Ellen Connelly		
Rep. Gerry Devlin		✓
Rep. Dennis Iverson		✓
Rep. Rex Manuel	✓	
Rep. Red Menahan	✓	
Rep. Larry Menke	✓	
Rep. Ron Miller	✓	
Rep. Dennis Nathe		
Rep. Ray Peck	✓	
Rep. Harold Poulsen	✓	
Rep. Joe Quilici	✓	
Rep. Dennis Rehberg		✓
Rep. Gary Spaeth		✓
Rep. Bernie Swift		✓
Rep. Dean Switzer	✓	

TALLY

CARRIED

117Denise Thompson
SecretaryRep. Gene Donaldson
Chairman

MOTION: Rep. Miller moved a 1.6 vacancy savings in direct care and a 4 percent vacancy savings in non-direct care positions and to accept the subcommittee report for the Veterans Home.

ROLL CALL VOTE

HOUSE APPROPRIATIONS

COMMITTEE

DATE 3/9 BILL NO. House Bill NUMBER 2

NAME	AYE	NAY
Rep. Gene Donaldson, Chairman	✓	
Rep. Bob Thoft, Vice Chairman	✓	
Rep. Cal Winslow, Vice Chairman	✓	
Rep. Francis Bardanouye	✓	
Rep. Dorothy Bradley		✓
Rep. Mary Ellen Connelly	✓	
Rep. Gerry Devlin	✓	
Rep. Dennis Iverson	✓	
Rep. Rex Manuel		✓
Rep. Red Menahan		✓
Rep. Larry Menke		✓
Rep. Ron Miller		✓
Rep. Dennis Nathe		
Rep. Ray Peck	✓	
Rep. Harold Poulsen		✓
Rep. Joe Quilici		✓
Rep. Dennis Rehberg	✓	
Rep. Gary Spaeth	✓	
Rep. Bernie Swift	✓	
Rep. Dean Switzer	✓	

TALLY

Carried

117Denise Thompson
SecretaryRep. Gene Donaldson
Chairman

MOTION: Rep. Spaeth made a Substitute motion to accept the subcommit
action with a 2 percent direct care and 4 percent indirect care
vacancy savings. (Montana State Hospital)

AGENCY: DEPARTMENT OF INSTITUTIONS

LEGISLATIVE ACTION

PROGRAM: AGENCY SUMMARY

<u>BUDGET ITEM</u>	<u>FY 1986 Actual</u>	<u>Fiscal 1988 Executive Current Level</u>	<u>Subcommittee</u>	<u>Executive Current Level</u>	<u>Fiscal 1989 Subcommittee</u>	<u>% Change</u>
FTE	170.50	150.50	164.50	150.50	150.50	-20.00
Personal Services	\$ 4,041,999	\$ 3,856,807	\$ 4,178,587	\$ 3,883,913	\$ 4,183,099	-3.91
Operating Expenses	3,132,477	3,285,107	3,403,319	2,987,923	3,251,365	-4.61
Equipment	16,082	29,268	40,826	47,268	28,510	193.92
Non-Operating	6,518,661	6,240,588	6,477,728	6,460,737	6,192,349	-6,429,489
TOTAL EXPENSES	\$13,709,219	\$13,411,770	\$14,100,460	\$13,379,841	\$13,351,712	-2.40
FUNDING						
General Fund	\$10,960,502	\$10,883,707	\$11,359,332	\$10,670,036	\$10,845,052	\$11,156,347
State Special Revenue	310,747	344,074	373,499	346,362	328,371	354,761
Federal Revenue	2,437,970	2,183,989	2,362,335	2,358,149	2,178,289	327,700
Proprietary Fund	0	0	5,294	5,294	0	2,351,660
TOTAL FUNDING	\$13,709,219	\$13,411,770	\$14,100,460	\$13,379,841	\$13,351,712	\$13,866,933

Program Description: The Central Office of the Department of Institutions provides direction and administrative support for the state's institutions and community programs involving corrections, mental health, and alcohol and drug abuse, as well as the institutional programs for the developmentally disabled. Programs within the Central Office are: the Director's Office, Corrections Division, Mental Health and Residential Services Division, Alcohol and Drug Abuse Division, and Management Services Division. Each program will be discussed in the narrative that follows.

Budget: A total of 20 FTE have been deleted from the Central Office. These reductions reflect the actions taken by the Department as a result of the cuts from Special Session III in June 1986 and the transfer of juvenile aftercare and youth evaluation to the proposed Department of Family Services. The FTE deleted are: 1.0 FTE management analyst in the Director's Office, 1.0 FTE trust officer and 1.0 FTE financial investigator in the Management Services Division, 1.0 FTE administrative officer in the Alcohol and Drug Abuse Division, and 1.0 FTE word processor operator and 2.0 FTE administrative clerk II's in the Corrections Division. The transfer included 1.0 FTE administrative officer, 6.0 FTE community corrections specialists in aftercare, and 1.0 FTE program officer, 1.0 FTE social worker and 4.0 FTE cottage life attendants in the Youth Evaluation Program.

Funding: General fund decreases 2.65 percent with the transfer of juvenile aftercare to the proposed Department of Family Services offset by the transfer of all institutional audit costs into the central office. State special revenue which is alcohol earmarked funds, increases 11.46 percent with the transfer of audit costs to the central office from the state hospital. Federal funds decrease 3.27 percent as available federal block grant funds decline. Proprietary Funds increase 100 percent as audit costs from the prison ranch and industries program are transferred into the central office budget.

AGENCY: DEPARTMENT OF INSTITUTIONS

LEGISLATIVE ACTION

PROGRAM: DIRECTOR'S OFFICE

<u>BUDGET ITEM</u>	<u>FY 1986 Actual</u>	Fiscal 1988			Fiscal 1989			<u>% Change</u>
		<u>Executive</u>	<u>Current Level</u>	<u>Subcommittee</u>	<u>Executive</u>	<u>Current Level</u>	<u>Subcommittee</u>	
FTE	10.00	9.00	9.00	9.00	9.00	9.00	9.00	-1.00
Personal Services	\$339,723	\$333,537	\$333,733	\$333,537	\$333,872	\$334,085	\$333,872	-1.82
Operating Expenses	\$41,295	42,473	43,460	42,864	42,997	43,968	43,405	3.80
Equipment	\$766	0	0	0	0	0	0	-100.00
TOTAL EXPENSES	\$381,784	\$376,010	\$377,193	\$376,401	\$376,869	\$378,053	\$377,277	-1.41
GENERAL FUND	\$381,784	\$376,010	\$377,193	\$376,401	\$376,869	\$378,053	\$377,277	-1.41

Program Description: The Director's Office of the Central Office coordinates and directs the administrative tasks of the Department of Institutions. The director, through his staff and administrative programs of the Central Office; assures the financial solvency and integrity of the department; assures uniform and appropriate personnel, budget, and legal policies and procedures throughout the department; assures that appropriate legal and inmate/patient treatment policies are maintained; and oversees the construction and maintenance programs of the 10 institution campuses.

Budget: The subcommittee deleted 1.0 FTE management analyst and used a 4 percent vacancy savings rate. Operating expenses were approved at current level with the exception of rent which was adjusted for the executive's method of calculation which reduced the rent \$1,159 over the biennium.

AGENCY: DEPARTMENT OF INSTITUTIONS

LEGISLATIVE ACTION

PROGRAM: MANAGEMENT SERVICES DIVISION

<u>BUDGET ITEM</u>	<u>FY 1986 Actual</u>	<u>Fiscal 1988</u>		<u>Fiscal 1989</u>		<u>% Change</u>
		<u>Executive</u>	<u>Current Level</u>	<u>Subcommittee</u>	<u>Executive</u>	
FTE	30.00	28.00	28.00	28.00	28.00	2.00
Personal Services	\$675,303	\$678,978	\$ 679,317	\$ 678,978	\$679,654	\$679,654
Operating Expenses	140,686	176,562	295,954	278,017	163,339	140,985
Equipment	721	1,050	0	1,050	0	1,050
Non-Operating	62,421	62,421	62,421	46,816	15,606	0
TOTAL EXPENSES	\$879,131	\$919,011	\$1,037,692	\$1,004,861	\$839,649	\$821,689
FUNDING						
General Fund	\$875,933	\$912,492	\$1,022,110	\$ 989,279	\$833,524	\$821,689
State Special Revenue	42	\$819	3,798	3,798	0	0
Federal Revenue	3,156	\$5,700	6,490	6,490	0	0
Proprietary Revenue	0	\$0	5,294	5,294	0	0
TOTAL FUNDING	\$879,131	\$919,011	\$1,037,692	\$1,004,861	\$839,649	\$821,689

Program Description: The Management Services Division of the Central Office provides technical assistance to the institutions in budgeting, accounting, and other management areas. The Reimbursement Field Section is responsible for billing and collecting for services provided to residents in the state's institutions. The Information and Systems Bureau is responsible for coordinating data processing projects within the department.

Budget: The subcommittee deleted 1.0 FTE reimbursement trust officer and 1.0 FTE financial investigator. A 4 percent vacancy savings rate was approved for this program. The subcommittee approved the consolidation of all the department's audit costs into this division. This action increases contracted services \$137,424 in fiscal 1988 for this program while it reduces these costs from all other agencies within the Department by an equal amount. The subcommittee also consolidated the grounds maintenance costs for the central office of \$4,870 in fiscal 1988 and \$4,425 in fiscal 1989 within this program. Equipment costs of \$1,050 each year of the biennium were approved for the purchase of typewriters.

Funding: With the exception of audit fees, this program is entirely funded from the general fund. The audit fees are funded with a biennial appropriation of \$121,842 general fund, \$3,798 state special revenue, \$6,490 federal, and \$5,294

AGENCY: DEPARTMENT OF INSTITUTIONS

LEGISLATIVE ACTION

PROGRAM: ALCOHOL AND DRUG ABUSE DIVISION

BUDGET ITEM	FY 1986		Fiscal 1988		Fiscal 1989		% Change
	Actual	Executive Current Level	Subcommittee	Executive Current Level	Subcommittee		
FTE	10.00	9.00	10.00	9.00	9.00	10.00	-1.00
Personal Services	\$ 261,586	\$ 256,906	\$ 282,111	\$ 256,906	\$ 257,235	\$ 282,431	-1.79
Operating Expenses	106,047	104,838	106,079	104,147	89,625	90,819	-1.79
Equipment	3,563	3,000	3,000	3,000	3,000	3,000	-15.80
Non-Operating	1,239,715	1,133,024	1,294,565	1,294,565	1,133,024	1,294,565	4.42
TOTAL EXPENSES	\$1,610,911	\$1,497,768	\$1,685,755	\$1,658,618	\$1,482,884	\$1,670,815	-2.96
FUNDING							
General Fund	\$ 215,200	\$ 215,200	\$ 215,200	\$ 215,200	\$ 215,200	\$ 215,200	0.00
State Special Revenue	310,530	342,255	368,701	341,564	327,371	353,761	9.99
Federal Revenue	1,085,181	940,313	1,101,854	1,101,854	940,313	1,101,854	1.54
TOTAL FUNDING	\$1,610,911	\$1,497,768	\$1,685,755	\$1,658,618	\$1,482,884	\$1,670,815	-2.96

Program Description: The Alcohol and Drug Abuse Division's (ADAD) role is to administer chemical dependency programs and distribute state funds to certified community programs. The division approves treatment facilities and programs, certifies and establishes standards for chemical dependency counselors, plans and provides training for approved programs, and prepares a long-term state chemical dependency plan.

Legislative Intent: It is the intent of the subcommittee that if federal drug funds being debated in congress become available during the biennium that the division seek spending authority through the budget amendment process.

Budget: The subcommittee approved the executive recommended personal services which deletes a 1.0 FTE administrative officer position and supplies a 4 percent vacancy savings rate. This action saves state special revenue alcohol earmarked funds of \$25,205 in fiscal 1988 and \$25,196 in fiscal 1989. The subcommittee approved the LFA current level operating expenses with the exception of travel and rent where the executive recommendation was \$1,931 lower in fiscal 1988 and \$1,834 lower in fiscal 1989. The subcommittee approved \$3,000 each year for the purchase of substance abuse films for the state film library maintained by the Department of Health.

Grants of \$1,294,565 each year were approved to maintain current level drug and alcohol grants to community programs around the state. These grants consist of \$215,200 each year of general fund for approved drug programs and \$1,079,365 of federal Alcohol, Drug Abuse, and Mental Health Services Block Grant, (ADMS).

Funding: As Table 1 shows, the Alcohol and Drug Abuse Division is funded from the state special revenue alcohol earmarked account, \$341,564 in fiscal 1988 and \$326,700 in fiscal 1989, the general fund, \$215,200 each year of the biennium, and federal SSI funds of \$22,489 each year as well as federal ADMS block grant funds of \$1,079,365 each year of the biennium.

Table 1
Alcohol and Drug Abuse Division Funding

	Actual <u>1986</u>	Approp. <u>1987</u>	Fiscal <u>1988</u>	Fiscal <u>1989</u>
Administration				
Alcohol Funds	\$ 310,530	\$ 331,347	\$ 341,564	\$ 326,700
Federal Funds	60,666	31,217	22,489	22,489
Total Administration	\$ 371,196	\$ 362,901	\$ 364,053	\$ 349,189
Grants				
General Fund	\$ 215,200	\$ 208,612	\$ 215,200	\$ 215,200
Alcohol Funds County Distribution*	1,574,708	1,589,771	1,539,799	1,445,946
Federal Funds	1,024,515	1,053,034	1,079,365	1,079,365
Total Grants	\$2,814,423	\$2,851,417	\$2,834,364	\$2,740,511

*The Alcohol earmarked funds for county distribution are appropriated in statute in Section 53-24-206, MCA.

AGENCY: DEPARTMENT OF INSTITUTIONS

LEGISLATIVE ACTION

PROGRAM: CORRECTIONS DIVISION ADMINISTRATION

BUDGET ITEM	FY 1986 Actual	Fiscal 1988 Executive Current Level	Fiscal 1988 Subcommittee	Executive Current Level	Fiscal 1989	FY 86-88 % Change
FTE	91.50	75.50	88.50	75.50	75.50	-16.00
Personal Services	\$2,103,010	\$1,859,053	\$2,150,919	\$1,859,053	\$2,151,584	\$1,859,669
Operating Expenses	1,747,906	1,768,575	1,804,515	1,485,718	1,780,399	1,497,542
Equipment	10,556	22,000	34,608	40,000	23,000	0
Non-Operating	2,727	2,965	2,965	1,541	1,541	1,541
TOTAL EXPENSES	\$3,864,199	\$3,652,593	\$3,993,007	\$3,387,736	\$3,973,445	\$3,358,752
FUNDING						-12.33
General Fund	\$3,860,810	\$3,648,793	\$3,989,207	\$3,386,736	\$3,969,645	\$3,357,752
State Special Revenue	175	1,000	1,000	1,000	1,000	1,000
Federal Revenue	3,214	2,800	2,800	0	2,800	0
TOTAL FUNDING	\$3,864,199	\$3,652,593	\$3,993,007	\$3,387,736	\$3,973,445	\$3,358,752

Program Description: The Corrections Division Administration provides coordination, supervision, and support to the correctional programs of the state. These programs include Montana State Prison, Swan River Forest Camp, Women's Correctional Facility, pre-release centers in Billings, Missoula, Great Falls, and Butte, Parole and Probation, and the Corrections Medical Program. Pine Hills School, Mountain View School, the Youth Evaluation Program, and Juvenile Aftercare have been transferred out of this division into the proposed Department of Family Services.

Budget: The subcommittee approved the transfer of 13.0 FTE and associated operating and program costs to the proposed Department of Family Services. This action reduced the Corrections Division by \$579,944 in fiscal 1988 and \$579,834 in fiscal 1989. This transfer moves the Youth Evaluation Program and Juvenile Aftercare Program under the control of the proposed department. A 1.0 FTE word processor operator and 2.0 FTE administrative clerk II's in the administration program have been deleted after the program used these positions to meet the budget cuts required by Special Session III. The subcommittee also approved a 4 percent vacancy savings rate for the programs that remain in the Corrections Division. Parole and probation personal services increase approximately \$19,000 each year after the Board of Personnel Appeals upgraded 9.0 FTE secretarial and clerical positions.

Operating expenses of the division increase \$7,746 after transferring costs to the Department of Family Services. This increase is primarily increased insurance fees charged by the Department of Administration.

Table 2
Total Cost of Pre-Release Centers at 25 Average Daily Population
Fiscal 1988

	Billing Pre-Release	Butte Pre-Release	Great Falls Pre-Release	Total
Total Average Days	9,125	9,125	9,125	27,375
Cost Per Day	\$36.07	\$35.64	\$37.88	\$36.53
Contract Cost (Board and Room)	\$329,121	\$325,203	\$345,625	\$ 999,949
Add:				
Psychological	\$ 2,546	\$ 2,546	\$ 2,546	\$ 7,638
Emit Supplies	9,587	9,587	9,587	28,761
Personal Items	643	643	643	1,929
Utilities	<u>6,600</u>	<u>10,885</u>	<u>9,655</u>	<u>27,140</u>
Total	<u><u>\$348,497</u></u>	<u><u>\$348,864</u></u>	<u><u>\$368,056</u></u>	<u><u>\$1,065,417</u></u>
Total Cost Per Day	\$38.19	\$38.23	\$40.33	\$38.92

The table above reflects the subcommittee approved costs for the three contract pre-release centers. The contract cost, board and room, is the adjusted contract amount based on the fiscal 1987 contracts adjusted for base reductions of \$21,392 and one additional federal boarder in each center reducing the contracts \$14,799 as recommended in the Governor's budget. In addition to the contracts, the department pays for psychological services, Emit supplies for testing the inmates for drugs, certain personal items, and utilities. As the table shows the total contract pre-release center costs are \$1,065,417. This compares with a total cost of \$1,062,717 in fiscal 1986.

A biennial appropriation of \$40,000 was approved for the purchase of equipment. The amount is not tied to any specific items but is left to the discretion of the Department.

Funding: The corrections division is funded entirely from the general fund with the exception of \$1,000 of donations each year of the biennium.

Modifieds Recommended:

1. Pre-Release Expansion: A modified to expand the populations at the three contract mens' pre-release centers over 25 daily population was approved. This modified adds \$282,857 of general fund each year of the biennium.

AGENCY: DEPARTMENT OF INSTITUTIONS

LEGISLATIVE ACTION

PROGRAM: WOMEN'S CORRECTIONAL FACILITIES

BUDGET ITEM	FY 1986 Actual	Fiscal 1988 Executive Current Level	Subcommittee	Executive Current Level	Fiscal 1989	Subcommittee	FY 86-88 % Change
FTE	24.00	24.00	24.00	24.00	24.00	24.00	0.00
Personal Services	\$490,164	\$542,787	\$546,875	\$569,807	\$545,262	\$549,574	16.25
Operating Expenses	176,861	223,127	215,210	209,451	228,894	220,104	18.43
Equipment	0	3,218	3,218	3,218	1,460	0	N/A
Non-Operating	791	0	0	0	0	0	
TOTAL EXPENSES	\$667,816	\$769,132	\$765,303	\$782,476	\$775,616	\$769,678	17.17
GENERAL FUND	\$667,816	\$769,132	\$765,303	\$782,476	\$775,616	\$769,678	17.17

Program Description: The Women's Correctional Program consists of three components. The Women's Correctional Facility at the Warm Springs Campus of the Montana State Hospital is a minimum to medium security facility for Montana's women offenders requiring incarceration. The Billings Life Skills Pre-release Center located in Billings is a state operated pre-release center with a capacity for 12 women inmates. The third component of the women's program is the housing of women in out-of-state prisons because of their security classification or in-state housing pending placement. The Women's Correctional Facility was budgeted for an average daily population, (ADP), of 25 inmates, the Billings Life Skills Pre-release Center was budgeted for an ADP of 8, and the funds were included for one out-of-state placement. The fiscal 1986 average daily population was; 30.5 at the Women's Correctional Facility, 10 at the Billings Life Skills Pre-release Center, and no women were placed out-of-state.

Budget: Current level personal services with a zero vacancy savings rate are continued. The current level operating expenses were approved with adjustments to reflect an average daily population of 35 at the Women's Prison and 10 at the women's pre-release center. This is an increase of 5 average daily population at the Womens' Prison. The variable costs are \$2,400 per inmate at the Womens' Prison. This adjustment, including inflation, adds \$12,820 in fiscal 1988 and \$13,251 in fiscal 1989. The subcommittee approved out-of-state placements of inmates at 180 days and in-state placements in local jails at 90 days.

The executive's recommended equipment of \$3,218 in fiscal 1988 and \$1,460 in fiscal 1989 was approved by the subcommittee.

The table below presents the totals approved for the three components of the Womens' Correction Program and compares the 1989 biennium amounts to the fiscal 1986 actual expended amounts.

Table 3
Three Components of the Women's Corrections Program

	<u>Fiscal 1986</u>	<u>Fiscal 1988</u>	<u>Fiscal 1989</u>	<u>Percent Increase 1986-1988</u>
Billings Pre-Release	\$189,177	\$202,808	\$203,507	7.21
Miscellaneous Jails	1,564	13,412	13,412	757.54
Womens' Correctional Center	<u>477,075</u>	<u>566,256</u>	<u>571,910</u>	<u>18.69</u>
Total	\$667,816	\$782,476	\$788,829	17.17

Funding: This program is funded entirely with general fund.

AGENCY: DEPARTMENT OF INSTITUTIONS

LEGISLATIVE ACTION

PROGRAM: CORRECTIONAL MEDICAL PROGRAM

BUDGET ITEM	FY 1986 Actual	Fiscal 1988 Executive Current Level	Subcommittee	Executive Current Level	Fiscal 1989	% Change
FTE	0.00	0.00	0.00	0.00	0.00	N/A
OPERATING EXPENSES	\$848,214 ====	\$912,229 =====	\$873,214 =====	\$810,967 =====	\$873,214 =====	-4.39 ====
GENERAL FUND	\$848,214 ====	\$912,229 =====	\$873,214 =====	\$810,967 =====	\$873,214 =====	-4.39 ====

Program Description:

The 1983 legislature authorized the consolidation of medical costs for the Prison, Swan River Forest Camp, Pre-release Centers, the Women's Correctional Program, the Aftercare Program, and parole violators being held for revocation hearings. The intent was to pool appropriations within the Corrections Division to provide flexibility among the programs and avoid unforeseen burdens on any one program budget due to medical costs. The total budgeted average daily population to be served by this budget was 1,096 for a budgeted cost of \$553.17 per inmate for the 1987 biennium. The actual population served in fiscal 1986 was 1,266 average daily population at a cost of \$669.94 per inmate. The population was 15.5 percent more than budgeted while cost per inmate was 21.1 percent more than budgeted.

Budget: The budget transfers the costs associated with Mountain View School and Pine Hills School to the proposed Department of Family Services. This action reduces the Corrections Medical budget \$62,247 each year of the biennium. The current level for the 1989 biennium is based on an average daily population of 1,103 inmates in the department's custody at an average cost per inmate of \$735.23. This level of funding includes an additional \$25,000 per year to contract with a physician to increase coverage at the prison 20 hours per week. The prison currently has one full-time physician on staff.

Population Increase: The subcommittee approved a modified request to add the costs for the additional populations added at the prison, the Womens' Prison and the pre-releases centers. The total average population increase is 66 in fiscal 1988 for a cost of \$56,147 and 88 in fiscal 1989 for a cost of \$72,490.

AGENCY: DEPARTMENT OF INSTITUTIONS

LEGISLATIVE ACTION

PROGRAM: RENTAL HEALTH AND RESIDENTIAL SERVICES

<u>BUDGET ITEM</u>	FY 1986			Fiscal 1988			Fiscal 1989			<u>% Change</u>
	<u>Actual</u>	<u>Executive</u>	<u>Current Level</u>	<u>Subcommittee</u>	<u>Executive</u>	<u>Current Level</u>	<u>Subcommittee</u>	<u>Fiscal 1989</u>		
FTE	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	0.00
Personal Services	\$ 172,213	\$ 185,546	\$ 185,632	\$ 185,632	\$ 185,282	\$ 185,368	\$ 185,368	\$ 185,368	\$ 185,368	7.79
Operating Expenses	71,468	57,303	64,887	56,759	56,053	65,079	56,987	56,987	56,987	-20.58
Equipment	476	0	0	0	0	0	0	0	0	-100.00
Non-Operating	5,213,007	5,042,178	5,117,777	5,116,391	5,042,178	5,117,777	5,116,391	5,116,391	5,116,391	-1.85
TOTAL EXPENSES	\$5,457,164	\$5,285,027	\$5,368,296	\$5,358,782	\$5,283,513	\$5,368,224	\$5,358,746	\$5,358,746	\$5,358,746	-1.80
FUNDING										
General Fund	\$4,110,745	\$4,049,851	\$4,117,105	\$4,108,977	\$4,048,337	\$4,117,033	\$4,108,940	\$4,108,940	\$4,108,940	-0.04
Federal Revenue	1,346,419	1,235,176	1,251,191	1,249,805	1,235,176	1,251,191	1,249,806	1,249,806	1,249,806	-7.18
TOTAL FUNDING	\$5,457,164	\$5,285,027	\$5,368,296	\$5,358,782	\$5,283,513	\$5,368,224	\$5,358,746	\$5,358,746	\$5,358,746	-1.80

Program Description: The Mental Health and Residential Services Division provides administrative supervision and coordination for the institutional and community programs for the mentally ill, developmentally disabled, and veterans and geriatrics with emotional problems. Community-based services for the mentally ill are provided through contracts administered by the Mental Health Division with the five private non-profit, regional community mental health centers (CMHC). The division contracts for inpatient, emergency, day treatment, transitional living, community living support, outpatient, and prevention services. Funding for these programs comes from the general fund, federal block grant funds, medicaid, participating counties' general funds, and private reimbursement.

Budget: Personal services were approved with a 4 percent vacancy savings rate. Operating expenses were reduced \$2,707 each year of the biennium for education and training costs of administrative and treatment staff of the mental health institutions. Travel costs were reduced \$2,979 each year of the biennium. Rent costs were decreased \$568 for the biennium based on the executive recommended rent. Professional contracts were reduced \$4,472 for mental health professionals to conduct mental health center audits and \$4,500 for one-time appraiser fees associated with the sale of the Youth Treatment Center.

Grants were approved at a level that is 1.6 percent below the 1987 biennium actual and appropriated levels. These grants are for the purchase of mental health services for state eligible clients from the five regional community mental

health centers. These grants consist of general fund of \$3,866,586 each year of the biennium and federal Alcohol, Drug Abuse, and Mental Health Services Block Grant, (ADMS), funds of \$1,249,805 in fiscal 1988 and \$1,249,806 in fiscal 1989.

Table 4
State and Federal Funding for Mental Health Centers

	Fiscal <u>1986</u>	Fiscal <u>1987</u>	Fiscal <u>1988</u>	Fiscal <u>1989</u>	<u>Percent</u>
General Fund	\$3,866,588	\$3,959,542	\$3,866,586	\$3,866,586	(1.2)
Federal Block Grant	<u>1,346,419</u>	<u>1,235,176</u>	<u>1,249,805</u>	<u>1,249,806</u>	(3.2)
Total	<u>\$5,213,007</u>	<u>\$5,194,718</u>	<u>\$5,116,391</u>	<u>\$5,116,392</u>	<u>(1.6)</u>

Funding: As presented in Table 3 above, general fund for grants decreases 1.2 percent from the 1987 biennium to the 1989 biennium. General fund approved for grants remains at the fiscal 1986 expended level of \$3,866,586 while general fund in support of the division administration decreases 0.72 percent from the fiscal 1986 expended level of \$244,157 to \$242,391 in fiscal 1988 and \$242,355 in fiscal 1989. Federal block grant funds decrease 3.2 percent into the 1989 biennium as one-time carryover funds are spent in the 1987 biennium. All available ADMS block grant funds are included in at \$1,249,805 in fiscal 1988 and \$1,249,806 in fiscal 1989. The table below shows the ADMS block grant available to the mental health division for contracting with the mental health centers.

Table 5
Alcohol, Drug Abuse, and Mental Health Block Grant
Mental Health (57.37%)

	Fiscal 1984	Fiscal 1985	Fiscal 1986	Fiscal 1987	Fiscal 1988	Fiscal 1989
FUNDS AVAILABLE						
Balance Carried Forward	\$ 640,452	\$ 408,746	\$ 114,017	\$ 2,772	\$ -0-	\$ 14,630
State Fiscal Year Block Grant	1,219,973	1,235,176	1,235,176	1,235,176	1,235,176	1,235,176
One-time 6% Administration Grant	-0-	-0-	-0-	-0-	29,259	-0-
Total Block Grant Available	\$1,860,425	\$1,643,922	\$1,349,193	\$1,237,948	\$1,264,435	\$1,249,806
EXPENDITURES						
Operating Expenses	\$ 179,133	\$ 198,573	\$ -0-	\$ 2,772	\$ -0-	\$ -0-
Non-Operating Expenses	1,272,546	1,331,332	1,346,421	1,235,176	1,249,805	1,249,806
Total Expenditures	\$1,451,679	\$1,529,905	\$1,346,421	\$1,237,948	\$1,249,805	\$1,249,806
Balance to Carry Forward	\$ 408,746	\$ 114,017	\$ -2,772	\$ -0-	\$ 14,630	\$ -0-

AGENCY: MONTANA STATE PRISON

LEGISLATIVE ACTION

PROGRAM: AGENCY SUMMARY

BUDGET ITEM	FY 1986 Actual	Fiscal 1988 Executive Current Level	Subcommittee	Executive Current Level	Fiscal 1989 Subcommittee	FY 86-88 % Change
FTE	365.28	406.06	401.53	397.66	406.06	32.38
Personal Services	\$ 8,460,553	\$10,515,359	\$10,292,759	\$10,370,550	\$10,626,161	22.58
Operating Expenses	4,710,308	5,256,542	5,079,204	5,224,027	5,534,923	10.91
Equipment	63,806	105,850	219,645	244,645	121,854	283.42
TOTAL EXPENSES	\$13,234,667	\$15,877,751	\$15,591,608	\$15,839,222	\$16,282,938	19.68
FUNDING						
General Fund	\$10,410,164	\$12,756,670	\$12,295,262	\$12,506,462	\$12,963,206	20.14
State Special Revenue	786,090	1,035,720	1,123,285	1,135,745	1,124,809	44.48
Federal Revenue	125,542	119,851	90,533	94,772	120,047	-24.51
Proprietary Revenue	1,912,871	1,965,510	2,082,526	2,102,243	2,074,876	9.90
TOTAL FUNDING	\$13,234,667	\$15,877,751	\$15,591,606	\$15,839,222	\$16,282,938	19.68

Program Description: The Montana State Prison provides low, high, and maximum security for Montana's male inmate population. In addition, the prison provides work, education, and training for inmates through the ranch and dairy operation, the Industries Program, and the Industries Training Program. The fiscal 1986 average daily population was 907 inmates compared with 740 in fiscal 1984 and a budgeted average daily population of 800 inmates. A new high security unit and a new maximum security unit were completed and occupied early in fiscal 1987. Each unit has a design capacity of 96 for a total of 192 beds. The completion of these units eliminated the need to house inmates in the gymnasium. However, it has not eliminated the need for double bunking in Close I and II units. The prison has a design capacity of 744 inmates; with an average daily population of 925 in the first four months of fiscal 1987, inmates are still "double bunked" at the prison.

The fiscal 1988 budget increases 19.7 percent over fiscal 1986. This increase is due to full staffing of the prison now that the expansion is complete plus increases in employee benefit costs resulting from increases in the workers' compensation rates. Operating costs increase for inflation, growth in the Industries Program annual output, aluminum purchases for the license plate factory, and utility costs at the newly completed Industries Training Program building.

The prison budget has six programs: Care and Custody, the Ranch and Dairy, the License Plate Factory, the Canteen, the Industries Program, and Industries Training.

AGENCY: MONTANA STATE PRISON

LEGISLATIVE ACTION

PROGRAM: CARE AND CUSTODY

<u>BUDGET ITEM</u>	<u>FY 1986 Actual</u>	<u>Fiscal 1986</u>			<u>Fiscal 1989</u>			<u>% Change</u>
		<u>Executive</u>	<u>Current Level</u>	<u>Subcommittee</u>	<u>Executive</u>	<u>Current Level</u>	<u>Subcommittee</u>	
FTE	340.53	382.31	379.78	375.91	382.31	379.78	375.91	35.38
Personal Services	\$ 7,736,005	\$ 9,661,740	\$ 9,483,419	\$ 9,535,465	\$ 9,765,265	\$ 9,580,431	\$ 9,637,637	23.26
Operating Expenses	2,663,675	3,359,799	2,813,048	2,919,178	3,158,072	2,900,127	3,016,988	9.59
Equipment	32,264	25,000	0	25,000	25,000	0	25,000	-22.51
TOTAL EXPENSES	\$10,431,944	\$12,726,539	\$12,296,467	\$12,479,643	\$12,948,337	\$12,480,558	\$12,679,625	19.63
FUNDING								
General Fund	\$10,262,154	\$12,580,343	\$12,125,956	\$12,333,447	\$12,802,141	\$12,309,213	\$12,533,429	20.18
State Special Revenue	51,423	51,424	79,978	51,424	51,424	80,812	51,424	0.00
Federal Revenue	118,367	94,772	90,533	94,772	94,772	90,533	94,772	-19.93
TOTAL FUNDING	\$10,431,944	\$12,726,539	\$12,296,467	\$12,479,643	\$12,948,337	\$12,480,558	\$12,679,625	19.63

Program Description: The Care and Custody unit includes the housing, security, general operations, and administration of the prison. The prison care and custody was authorized 340.53 FTE in fiscal 1986 to staff the expanded prison facilities which were expected to open in January 1986. The expansion was not completed and ready for occupancy in fiscal 1986; however, due to population increases during the fiscal year some of the positions were filled. The prison used \$253,986 of the expansion funding to cover a deficit in the regular general fund appropriation. The 1985 legislature authorized 379.78 FTE for fiscal 1987 to staff the expanded prison.

Budget: To meet the pay plan shortfall in fiscal 1987, 3.87 FTE were deleted from the 379.78 authorized FTE. These FTE reductions were continued saving approximately \$108,476 each year of the 1989 biennium. A vacancy savings rate of 1.68 percent was applied to prison guards while a 4 percent factor is applied to non-security staff.

Operating expenses increase 9.6 percent primarily due to increases of \$40,503 each year for insurance fees charged by the Department of Administration and utility costs for the new facilities costing an additional \$29,499 for natural gas and \$42,435 for electricity. Professional contracts increase \$7,624: Psychological contracts increase \$2,624, and reimbursements for maintenance of phones in custody staff homes increases from 156 reimbursements at \$120 per year to 198 reimbursements or an increase of \$5,000. Repair and maintenance costs are increased \$27,178 for the expanded facilities. The remaining increases are due to inflation. The staffing and operating expenses are included at es. D - 16

Equipment of \$25,000 each year of the biennium was approved to be spent at the Department's discretion.

Funding: The prison care and custody is funded primarily from general fund. State special revenue alcohol earmarked funds are included at \$51,424 each year to fund 2.0 FTE alcohol counselors. Federal funds include \$14,975 each year for adult basic education, \$3,204 each year for ECIA Title I funds, \$504 Each for ECIA Title II funds, and \$76,089 each year for federal boarder reimbursement.

Modifieds Recommended:

1. Population Increase: A modified request to add staff and operating expenses for an estimated increase in the average daily population was approved costing \$229,965 in fiscal 1988 and \$268,712 in fiscal 1989. This action adds 4 posts or 6.4 FTE correctional officers and the variable operating costs for 61 additional inmates in fiscal 1988 and 83 additional inmates in fiscal 1989. The total population is estimated to reach 968 in fiscal 1988 and 990 in fiscal 1989.

2. NIC Grant: A modified request was also approved to allow the prison to expend a \$25,000 grant for the National Institute of Corrections to provide training to staff on the intensive treatment unit.

3. Federal Boarder Contract Improvement Funds: This modified request allows the prison to expend a fund balance from federal boarder contract improvement funds of \$869 on recreational equipment in fiscal 1988.

AGENCY: MONTANA STATE PRISON

LEGISLATIVE ACTION

PROGRAM: RANCH AND DAIRY

<u>BUDGET ITEM</u>	<u>FY 1986 Actual</u>	<u>Fiscal 1988</u>			<u>Fiscal 1989</u>			<u>% Change</u>
		<u>Executive</u>	<u>Current Level</u>	<u>Subcommittee</u>	<u>Executive</u>	<u>Current Level</u>	<u>Subcommittee</u>	
FTE	15.75	12.75	12.75	12.75	12.75	12.75	12.75	-3.00
Personal Services	\$ 378,665	\$ 422,916	\$ 425,635	\$ 440,537	\$ 426,952	\$ 429,720	\$ 444,742	16.34
Operating Expenses	827,443	664,738	600,443	600,443	677,263	606,094	606,094	-27.43
Equipment	25,073	50,000	187,500	187,500	50,000	226,900	226,900	647.82
TOTAL EXPENSES	\$1,231,181	\$1,077,654	\$1,213,578	\$1,228,480	\$1,154,215	\$1,262,714	\$1,277,736	-0.22
PROPRIETARY REVENUE	\$1,231,181	\$1,077,654	\$1,213,578	\$1,228,480	\$1,154,215	\$1,262,714	\$1,277,736	-0.22

Program Description: The prison ranch and dairy is self-supporting and uses dairy, crops and beef cattle enterprises to provide work and training for inmates. The ranch provides milk, cottage cheese, and ice cream to the other institutions. The slaughter house operation with its three FTE has been eliminated as a money loser. The slaughter house is now used for training inmates and providing meat for the prison only.

Budget: Personal services have been decreased 3.0 FTE for the butcher and meatcutter positions eliminated with the closure of the slaughter house operation. A zero vacancy savings rate was approved for this program increasing costs by approximately \$15,000 each year. Personal service costs increase \$52,334 each year as inmate pay is budgeted in personal services in the 1989 biennium instead of in operating expenses as was done previously.

Operating costs have been decreased \$2,036 for audit costs which have been transferred to the Department of Institutions Central Office. Other decreases of \$165,699 are made for required accounting entries that have no cash effect. Hay costs are reduced \$58,582 as the ranch expects hay production to be higher in the 1989 biennium.

Equipment is included at the ranch's requested level of \$176,100 in fiscal 1988 and \$215,500 in fiscal 1989 to replace agricultural equipment, ranch trucks, and dairy equipment. Also included is \$10,000 each year for breeding bulls and \$1,400 each year for saddle horses.

Funding: This program is self-supporting from funds it earns on the sale of its products.

AGENCY: MONTANA STATE PRISON

LEGISLATIVE ACTION

PROGRAM: LICENSE PLATE FACTORY

<u>BUDGET ITEM</u>	<u>FY 1986</u>			<u>Fiscal 1988</u>			<u>Fiscal 1989</u>			<u>% Change</u>
	<u>Actual</u>	<u>Executive</u>	<u>Current Level</u>	<u>Subcommittee</u>	<u>Executive</u>	<u>Current Level</u>	<u>Subcommittee</u>	<u>Executive</u>	<u>Current Level</u>	
FTE	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	0.00
Personal Services	\$ 67,482	\$ 69,827	\$ 70,417	\$ 72,736	\$ 70,501	\$ 71,093	\$ 73,439	\$ 73,439	\$ 73,439	7.79
Operating Expenses	262,719	384,572	443,292	411,585	395,418	417,765	422,678	422,678	422,678	56.66
Equipment	453	0	0	0	0	0	0	0	0	-100.00
TOTAL EXPENSES	\$330,654	\$454,399	\$513,709	\$484,321	\$465,919	\$488,858	\$496,217	\$496,217	\$496,217	46.47
STATE SPECIAL REVENUE	\$330,654	\$454,399	\$513,709	\$484,321	\$465,919	\$488,858	\$496,217	\$496,217	\$496,217	46.47

Program Description: The License Plate Factory at Montana State Prison manufactures licenses for the State of Montana. This program is not one of the prison industries enterprises. The funding for this program comes from Motor Vehicle fees from the Department of Justice.

Budget: A zero vacancy savings rate was applied to this budget. Operating expenses were approved to allow the manufacture of 392,000 large plates and 34,000 small plates each year of the 1989 biennium. The program has been operating on existing inventories of aluminum for the last two bienniums, however, new inventory must be purchased in the 1989 biennium to maintain the 1986 level of production. Additional supplies were approved of \$127,121 each year of the biennium. In addition this level of funding allows the manufacture of centennial plates. Also approved was funding of \$20,000 in fiscal 1988 and \$30,000 in fiscal 1989 for major maintenance of the manufacturing equipment.

Funding: Funding is provided from the motor vehicle state special revenue account through the Department of Justice. Excess funds in the motor vehicle account are used to replace general fund in the Department of Justice programs. The more funds spent in the license plate factory, the less there is to allocate to general fund operations in the Department of Justice.

AGENCY: MONTANA STATE PRISON

LEGISLATIVE ACTION

PROGRAM: PRISON INDUSTRIES

<u>BUDGET ITEM</u>	<u>FY 1986</u>		<u>Fiscal 1988</u>		<u>Fiscal 1989</u>		<u>% Change</u>
	<u>Actual</u>	<u>Executive Current Level</u>	<u>Subcommittee</u>	<u>Executive Current Level</u>	<u>Subcommittee</u>		
FTE	4.25	5.25	4.25	5.25	5.25	4.25	0.00
Personal Services	\$169,421	\$200,371	\$177,781	\$182,596	\$201,848	\$178,863	7.78
Operating Expenses	366,890	453,178	450,090	450,088	450,535	446,243	22.68
Equipment	(198)	19,500	19,500	19,500	46,854	45,400	-948.48
TOTAL EXPENSES	\$536,113	\$673,049	\$647,371	\$652,184	\$699,237	\$670,506	\$675,573
PROPRIETARY REVENUE	\$536,113	\$673,049	\$647,369	\$652,184	\$699,237	\$670,506	\$675,573
							21.65

Program Description: The Prison Industries Program provides work opportunities for the inmates to prevent idleness, trains inmates in job skills and work habits, and provides products and services to public agencies. The program includes furniture manufacturing, furniture refinishing and restoration, upholstery, sign manufacturing, printing, logging, post and pole operations, and jack-leg fence construction. In compliance with House Bill 462 (L.1985), new furniture sales to other state agencies are sold through licensed wholesale or retail furniture outlets.

Budget: The industries program costs increase 22.7 percent from fiscal 1986 to fiscal 1988 based on anticipated sales increases over the fiscal 1986 level. The program received \$108,170 of budget amendment authority for expanded operations in fiscal 1986 and used \$99,124 of the authority. This trend is expected to continue into the 1989 biennium. Personal services increases 7.7 percent as a zero vacancy savings rate was applied and inmate pay of \$42,955 each year is included in personal services, while it was budgeted in operating expenses in the 1987 biennium.

Funding: This program is funded entirely with proprietary funds. The industries program must generate its own revenue from the sale of its products.

Modified Recommended:

1. Shop Supervisor: A 1.0 FTE shop supervisor costing \$25,079 in fiscal 1988 and \$25,275 in fiscal 1989 was approved. The position is funded with the program's proprietary funds providing sufficient revenues are generated to cover the cost of the position.

AGENCY: MONTANA STATE PRISON

LEGISLATIVE ACTION

PROGRAM: PRISON CANTEEN

BUDGET ITEM	FY 1986 Actual	Executive Current Level	Fiscal 1988 Subcommittee	Fiscal 1989 Executive Current Level	FY 86-88 % Change
FTE	0.00	0.00	0.00	0.00	0.00
Operating Expenses	\$403,403	\$529,897	\$529,598	\$600,000	\$607,466
Equipment	610	0	0	0	0
TOTAL EXPENSES	\$406,013	\$529,897	\$529,598	\$600,000	\$607,466
STATE SPECIAL REVENUE					

Program Description: The Prison Canteen provides an institution store for the inmates to purchase personal and incidental items. The canteen is supported through funds generated from its operation with the exception of 2.0 FTE store managers, costing \$49,663 in fiscal 1988 and \$49,841 in fiscal 1989, who are supported by general fund. Current sales are not sufficient to support the store manager positions. Any profits from the operation are deposited to the inmate welfare fund.

Budget: The canteen budget increases 48.7 percent into the 1989 biennium as projected sales increase 15 percent per year. Part of the increase is due to the increase in the prison population which increased 22.6 percent from fiscal 1984 to fiscal 1986.

The current level is included at the program's requested level which increases \$195,987 in fiscal 1988 and \$295,987 in fiscal 1989 based on projected demand as a result of expected population increases to 968 inmates in fiscal 1988 and 990 in fiscal 1989.

Funding: The canteen is funded with a state special revenue canteen fund.

AGENCY: MONTANA STATE PRISON

LEGISLATIVE ACTION

PROGRAM: PRISON INDUSTRIES TRAINING

<u>BUDGET ITEM</u>	<u>FY 1986</u>		<u>Fiscal 1988</u>		<u>Fiscal 1989</u>		<u>% Change</u>
	<u>Actual</u>	<u>Executive Current Level</u>	<u>Subcommittee</u>	<u>Executive Current Level</u>	<u>Subcommittee</u>		
FTE	2.75	3.75	2.75	2.75	3.75	2.75	0.00
Personal Services	\$108,980	\$160,505	\$135,507	\$139,216	\$161,595	\$136,378	27.74
Operating Expenses	186,178	244,358	242,733	242,733	246,169	245,342	30.38
Equipment	5,604	11,350	12,645	12,645	0	0	125.64
TOTAL EXPENSES	\$300,762	\$416,213	\$390,885	\$394,594	\$407,764	\$385,460	31.20
FUNDING							
General Fund	\$148,010	\$176,327	\$169,306	\$173,015	\$161,065	\$160,141	\$163,881
Federal Revenue	7,175	25,079	0	0	25,275	0	-100.00
Proprietary Revenue	145,577	214,807	221,579	221,424	221,579	221,579	52.21
TOTAL FUNDING	\$300,762	\$416,213	\$390,885	\$394,594	\$407,764	\$385,460	31.20

Program Description: The Industries Training Program is a program approved by the 1983 legislature as a result of Senate Bill 1 of the second special session in fiscal 1982. The program as approved, includes auto repair, heavy equipment repair, industrial arts, meat cutting, horticulture, business skills, and an electronic repair center. A new building was completed and occupied in fiscal 1986.

Budget: Personal services increase 27.7 percent in fiscal 1988 as a result of including \$44,629 each year for inmate pay which was budgeted in operating expenses in fiscal 1986 and a zero vacancy savings rate. Operating expenses increase 31.2 percent primarily for utilities in the new facilities and merchandise for resale is increased \$25,522 each year.

Funding: General fund supports approximately 44.5 percent and proprietary funds support the balance.

Modified Recommended:

1. Career Counselor: The subcommittee approved a modified request to add federal Carl Perkins grant funds to hire a 1.0 FTE career counselor and purchase \$8,371 of educational supplies in fiscal 1988 and \$8,000 in fiscal 1989. The grant also allows \$2,000 for the purchase of educational equipment in fiscal 1988. The total added is \$35,350 in fiscal 1988 and \$33,275 in fiscal 1989.

AGENCY: SWAN RIVER FOREST CAMP

LEGISLATIVE ACTION

PROGRAM: CARE AND CUSTODY

<u>BUDGET ITEM</u>	<u>FY 1986 Actual</u>	<u>Fiscal 1988</u>		<u>Executive Current Level</u>	<u>Subcommittee</u>	<u>Fiscal 1989</u>		<u>Subcommittee</u>	<u>% Change</u>	<u>FY 86-88</u>
		<u>FTE</u>	<u>25.83</u>			<u>25.83</u>	<u>25.83</u>			
Personal Services	\$666,527	\$648,927	\$650,550	\$675,966	\$654,536	\$654,220	\$679,725	1.42		
Operating Expenses	267,323	295,136	289,411	289,660	294,800	296,700	297,015	8.36		
Equipment	13,229	7,351	2,551	8,000	1,350	1,640	0	-39.53		
TOTAL EXPENSES	\$947,079	\$951,414	\$942,512	\$973,626	\$948,686	\$952,560	\$976,740	2.80		
FUNDING										
General Fund	\$829,230	\$837,161	\$829,149	\$859,373	\$834,171	\$836,932	\$862,225	3.64		
State Special Revenue	79,012	86,383	86,293	86,383	86,617	86,530	86,617	9.33		
Federal Revenue	38,837	27,870	27,070	27,870	27,898	27,098	27,898	-28.24		
TOTAL FUNDING	\$947,079	\$951,414	\$942,512	\$973,626	\$948,686	\$952,560	\$976,740	2.80		

Program Description: The Swan River Forest Camp is a minimum security work camp for inmates transferred from the state prison who are between the ages of 18 and 26. The inmates work with the Forestry Division of the Department of State Lands and are involved in several forestry programs such as thinning, seeding, and planting trees as well as campground and recreation area maintenance. The facility has an overall capacity of 54 inmates. The fiscal 1986 average daily population was 51 inmates and is expected to remain at 51 for the 1989 biennium.

Budget: Personal services has a zero percent vacancy savings rate which increased personal services \$25,416 in fiscal 1988 and \$25,505 in fiscal 1989. After the camp's superintendent retired in fiscal 1986, the department appointed the deputy superintendent/business manager as superintendent, deleting the business manager position in the process. The budget reflects the reduction from 26.83 FTE to 25.83 in the 1989 biennium.

Operating costs are increased to allow for the additional costs of operating the new sewage treatment plant at the facility. The plant is built on forest service land, which the camp will lease for \$1,000 per year. The sewage treatment plant maintenance costs are included at \$9,900 in fiscal 1988 and \$10,750 in fiscal 1989 and utility costs are increased \$1,916 in fiscal 1988 and \$2,215 in fiscal 1989, based on costs developed by the project engineer. Merchandise purchased for resale to the inmates is increased \$6,675 to \$58,000 each year. In addition to buying personal items from the canteen, inmates also purchase their clothing through the canteen. Other minor adjustments amount to less than one percent.

Equipment of \$8,000 for the biennium was approved by the subcommittee to be spent at the Department's discretion.

Funding: Funding includes general fund, which increases 3.64 percent and state special alcohol funds, which fund an alcohol counselor at \$28,383 in fiscal 1988 and \$28,617 in fiscal 1989. State special canteen funds are included at \$58,000 each year of the biennium. ECIA Title I funds increase to \$9,570 in fiscal 1988 and \$9,598 in fiscal 1989, while federal school lunch funds decrease to \$2,000 each year from an appropriated level of \$5,220 in fiscal 1986 and 1987. Federal boarder funds are included at \$16,300 each year of the 1989 biennium.

Modified Recommended: The subcommittee approved two modified requests for the Swan River Forest Camp.

1. Recreational and Educational Items: This modified allows expenditure authority of \$7,032 for the biennium to allow the Camp to expend contract improvement cash received from the federal government for federal boarders on recreational and educational items.

2. Vocational Education Funds: This modified is \$4,000 to spend federal Carl Perkins vocational education funds in fiscal 1988.

AGENCY: MONTANA DEVELOPMENTAL CENTER

LEGISLATIVE ACTION

PROGRAM: DIRECT CARE

<u>BUDGET ITEM</u>	<u>FY 1986 Actual</u>	<u>Executive Current Level</u>	<u>Fiscal 1988 Subcommittee</u>	<u>Executive Current Level</u>	<u>Fiscal 1989 Subcommittee</u>	<u>% Change</u>
FTE	440.40	430.65	440.15	430.65	430.65	-9.7%
Personal Services	\$ 9,139,175	\$ 9,974,774	\$10,200,410	\$10,051,213	\$10,102,991	9.98
Operating Expenses	1,621,314	1,686,970	1,718,382	1,695,025	1,717,855	4.55
Equipment	15,748	20,000	49,835	50,000	20,000	217.50
Non-Operating	2,530	0	0	0	0	-100.00
TOTAL EXPENSES	\$10,778,767	\$11,681,744	\$11,968,627	\$11,796,238	\$11,840,846	9.44
FUNDING						
General Fund	\$10,711,424	\$11,626,582	\$11,912,340	\$11,739,951	\$11,783,961	9.60
State Special Rev	28,608	12,501	13,626	13,626	12,501	-52.37
Federal Revenue	38,735	42,661	42,661	42,661	44,384	10.14
TOTAL FUNDING	\$10,778,767	\$11,681,744	\$11,968,627	\$11,796,238	\$11,840,846	9.44

Program Description: The Montana Developmental Center, formerly Boulder River School and Hospital, provides services to mentally retarded children and adults. The center's population has stabilized over the last two bienniums at an average of 202 residents.

Budget: Personal services increase 10.0 percent for three primary reasons. First, vacancy savings is budgeted at 1.9 percent for direct care staff and 4 percent for non-direct care staff in the 1989 biennium, while the 1987 biennium had vacancy savings budgeted at 6 percent and the agency experienced actual vacancy savings of approximately 7.5 percent. Secondly, as a result of a federal medicaid review, the center has replaced sixteen lower paid support FTE with higher paid direct care and treatment staff. This staffing change was implemented in an attempt to meet medicaid certification standards. The third and major reason for the personal services increase is a 42 percent increase in employee benefits. This increase results primarily from workers compensation rate increases. Benefits were 23 percent of employee compensation in fiscal 1986. The fiscal 1988 requested benefits are 28.5 percent of salaries, while fiscal 1989 benefits are at 30.5 percent.

To meet the pay plan shortfall in fiscal 1987, 9.5 FTE were deleted. The deletion of these positions saves \$233,230 of general fund in fiscal 1988 and \$235,056 in fiscal 1989. A 1.9 percent vacancy savings rate on direct care

staff increased personal services approximately \$81,700 each year of the biennium. Hepatitis B shots costing \$12,500 were approved for all residents and staff in the 1989 biennium. As a result of the medicaid survey training costs of \$4,657 were added each year for the new employees hired and \$9,269 was added each year for patient reinforcers. The subcommittee approved a \$50,000 biennial appropriation for equipment. The subcommittee expects the facility to purchase a Century tub with a lift system out of the funds appropriated for equipment.

Funding: General fund increases 9.6 percent over the 1987 biennium, primarily because of the increase in personal services caused by worker's compensation increases. State special revenue funds decrease as a result of discontinuing the canteen operation. The balance of the state special revenue is donated funds. Federal ECIA Chapter I funds increase 4.6 percent over the 1987 biennium. Federal school lunch and ECIA chapter I funds increase only slightly, as the school age population has stabilized at 22 children.

AGENCY: CENTER FOR THE AGED

LEGISLATIVE ACTION

PROGRAM: RESIDENTIAL SERVICES

<u>BUDGET ITEM</u>	<u>FY 1986 Actual</u>	<u>Fiscal 1988</u>		<u>Fiscal 1989</u>		<u>Subcommittee Chairperson</u>	<u>FY 86-88 % Change</u>
		<u>Executive</u>	<u>Current Level</u>	<u>Executive</u>	<u>Current Level</u>		
FTE	100.24	98.84	99.24	97.84	98.84	99.24	97.84
Personal Services	\$2,011,975	\$2,146,198	\$2,150,672	\$2,121,839	\$2,137,965	\$2,142,729	\$2,114,211
Operating Expenses	437,023	511,840	504,804	504,521	522,192	524,345	524,056
Equipment	2,254	8,522	27,360	25,000	14,346	3,075	0
TOTAL EXPENSES	\$2,501,252	\$2,666,560	\$2,682,836	\$2,651,360	\$2,674,503	\$2,670,149	\$2,638,267
<hr/>							
FUNDING							
General Fund	\$2,497,292	\$2,656,825	\$2,675,501	\$2,641,625	\$2,664,768	\$2,662,814	\$2,628,532
State Special Revenue	3,960	9,735	7,335	9,735	9,735	7,335	9,735
TOTAL FUNDING	\$2,501,252	\$2,666,560	\$2,682,836	\$2,651,360	\$2,674,503	\$2,670,149	\$2,638,267
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Program Description: The Center for the Aged is a residential facility for long-term care and treatment of persons in need of continued psychiatric care who are 55 years or older and are transferred from Montana State Hospital or referred from Montana mental health centers. The center was budgeted for an average daily population of 175 in the 1987 biennium. The actual population averaged 171 in fiscal 1986.

Budget: The subcommittee deleted a .10 FTE food service worker, a .30 pharmacist, and a 1.0 FTE social worker to meet the pay plan shortfall in fiscal 1987. In addition a 1.0 FTE food service worker was deleted due to the purchase of a new food handling system that will save time.

Base operating costs were decreased \$6,491 overall. The base reductions result from eliminating contract laundry costs of \$29,140 offset by increasing insurance costs of \$2,512 per quotes from the Department of Administration, burial and autopsy costs of \$800 to allow one burial with plot each year of the biennium, laundry supplies of \$3,810 because of the new laundry facilities, paper and janitorial supply inventory adjustments of \$2,500, copy machine rental of \$1,000 to replace an old copier, utility costs of \$6,800 resulting from the expansion of the laundry as quoted by the engineer, maintenance contracts of \$1,200 to annualize contracts covering the center's personal computers, and goods purchased for resale in the canteen of \$3,268. Inflation on food, drugs, medical supplies, communications, and utilities amounts to \$24,263 in fiscal 1988 and \$20,259 in fiscal 1989.

The subcommittee approved a \$25,000 biennial appropriation for equipment which includes the Gimini tray system for handling food which costs \$18,121.

Funding: The general fund increases 5.8 percent primarily to cover increases in personal services. The state special revenue increases 145.8 percent to allow more authority in the center's canteen program and increase donations authority from \$400 in fiscal 1986 to \$2,400 in each year of the 1989 biennium.

AGENCY: EASTMONT TRAINING CENTER

LEGISLATIVE ACTION

PROGRAM: CARE AND CUSTODY

BUDGET ITEM	FY 1986			FY 1988			FY 1989			% Change
	Actual	Executive	Current Level	Subcommittee	Executive	Current Level	Fiscal	Subcommittee		
FTE	93.02	90.52	93.02	92.02	90.52	93.02	93.02	92.02	-1.00	
Personal Services	\$1,737,473	\$1,875,439	\$1,911,431	\$1,896,424	\$1,888,344	\$1,925,345	\$1,910,246	\$1,910,246	9.15	
Operating Expenses	349,993	327,321	316,844	319,560	322,517	321,235	324,082	324,082	-8.70	
Equipment	0	7,207	7,679	10,000	0	4,280	0	0	N/A	
TOTAL EXPENSES	\$2,087,466	\$2,209,967	\$2,235,954	\$2,225,984	\$2,210,861	\$2,250,860	\$2,234,328	\$2,234,328	6.64	6.64
FUNDING										
General Fund	\$2,084,533	\$2,205,967	\$2,231,954	\$2,221,984	\$2,206,861	\$2,246,860	\$2,230,328	\$2,230,328	6.59	
State Sp. & 1 Rev	2,933	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	36.38
TOTAL FUNDING	\$2,087,466	\$2,209,967	\$2,235,954	\$2,225,984	\$2,210,861	\$2,250,860	\$2,234,328	\$2,234,328	6.64	6.64

Program Description: Eastmont Training Center is a 55-bed intermediate care facility for mentally retarded adults and children. The center provides care, treatment, and education services to mentally retarded residents of the state under the authority of Title 53-20-204, MCA. The center was budgeted for an average daily population of 53 for the 1987 biennium. The actual population averaged 53 in fiscal 1986.

Budget: Personal services increase 9.2 percent from fiscal 1986 to fiscal 1988. The largest single factor causing this increase is the large rate increase in workers compensation charged for institutional employees. Eastmont's employee benefits increase from 17.2 percent of salaries in the 1987 biennium to 22.2 percent of salaries in the 1989 biennium for an overall increase of 41.4 percent, or \$194,175. Other personal service increases are a result of approximately \$130,000 of vacancy savings required in fiscal 1987 to meet the budget, and the pay increase between fiscal 1986 and 1987. The subcommittee deleted a 1.0 FTE custodial worker to meet the pay plan shortfall in fiscal 1987. A 1.9 vacancy savings rate for direct care staff was approved while a 4 percent rate was applied to non-direct care staff.

Operating costs decrease 8.7 percent primarily because of one-time expenditures of \$43,384 made in fiscal 1986 to maintain medicaid certification. This level of staffing and operating expense maintains services to an average daily population of 53 residents. The subcommittee approved a biennial appropriation of \$10,000 for equipment.

Funding: The center's state special revenue donations account is increased to \$4,000 each year of the biennium.
KWAR:arsetc.

AGENCY: MONTANA VETERANS' HOME

LEGISLATIVE ACTION

PROGRAM: CARE AND CUSTODY

<u>BUDGET ITEM</u>	FY 1986			FY 1988			Fiscal 1989			<u>% Change</u>
	<u>Actual</u>	<u>Executive</u>	<u>Current Level</u>	<u>Subcommittee</u>	<u>Executive</u>	<u>Current Level</u>	<u>Subcommittee</u>			
FTE	74.50	70.80	74.00	70.80	70.80	70.80	74.00	70.80	70.80	-3.70
Personal Services	\$1,346,156	\$1,460,599	\$1,511,976	\$1,473,611	\$1,473,594	\$1,525,319	\$1,486,794	9.47		
Operating Expenses	478,169	490,797	496,375	496,375	503,129	517,315	517,315	3.81		
Equipment	0	11,596	0	11,596	0	0	0	0	0	N/A
TOTAL EXPENSES	\$1,824,325	\$2,008,992	\$2,008,351	\$1,981,582	\$1,976,723	\$2,042,634	\$2,004,109	8.62		
FUNDING										
General Fund	\$ 441,339	\$ 565,551	\$ 529,173	\$ 502,404	\$ 579,282	\$ 550,014	\$ 511,489	13.84		
State Special Rev	15,338	20,764	20,764	20,764	20,764	20,764	20,764	0	20,764	35.38
Federal Revenue	1,367,648	1,376,677	1,458,614	1,458,614	1,376,677	1,471,856	1,471,856	6.64		
TOTAL FUNDING	\$1,824,325	\$2,008,992	\$2,008,351	\$1,981,582	\$1,976,723	\$2,042,634	\$2,004,109	8.62		

Program Description: The Montana Veterans' Home provides domiciliary and nursing care to honorably discharged veterans and, if space is available, to veterans' spouses. An addition to the home was completed in fiscal 1984 increasing the bed capacity to 151, a net increase of 36. Eighty-five of the 151 beds are domiciliary while 66 are nursing care beds. The home averaged 125 members in residence in fiscal 1986 with 60 in nursing care and 65 in domiciliary. Through October of fiscal 1987 the home has averaged 131 members. The current level budget is based on 130 average daily population with 65 in nursing care and 65 in the domiciliary.

Budget: Personal services increase 9.5 percent into the 1989 biennium for two major reasons. First, the 21.63 nurse aides at the institution were upgraded from grade 7 nurse aide I's to grade 8 nurse aide II's as determined by the board of personnel appeals. These upgrades cost approximately \$27,000 per year. Second, the institution's workers' compensation increase resulted in an overall increase in benefit rates of 44 percent, from 17.6 percent in fiscal 1986 to approximately 23 percent in the 1989 biennium.

To meet the fiscal 1987 pay plan shortfall 3.7 FTE were deleted. A 1.6 percent vacancy savings rate was applied to direct care staff while a 4 percent rate was applied to non-direct care staff. Operating costs were increased \$4,800 for changes in insurance and payroll processing fees as required by other state agencies. The one-time expenditures of \$4,995 for the new boilers were reduced from the base. Natural gas was increased \$9,857 based on an adjusted

three year average since the agency does not have a full year of experience with the new boilers. Repairs were reduced \$2,000 for one-time expenditures while merchandise for resale was increased \$5,426. Inflation on food, drugs, medical supplies, communications, and utilities amounts to \$25,000 in fiscal 1988 and \$17,618 in fiscal 1989.

Funding: The Veterans' Home is funded with general fund, federal veterans' administration per diem reimbursement, and third party and private pay reimbursements. The Home has a self supporting member canteen. The general fund is used to provide operating funds for those costs in excess of revenues from the federal veterans' administration and billings to the members. The general fund increases 13.8 percent while the federal and private reimbursement increases 6.6 percent.

The general fund increases 13.8 percent as a result of the increases in personal services and overall increases in excess of the growth in other revenues. The federal veterans' administration funds increase to \$546,606 each year based on an average daily population of 63 nursing care members at \$17.05 per day and 58 domiciliary members at \$7.30 per day. Private and third party funds average 46 percent of total costs and are included in the current level at 46 percent of the total costs. The canteen is included at the same level as was appropriated in the 1987 biennium. The Veterans' Home also has a small income from land they lease, which is included at \$3,000 each year.

Modified Recommended:

1. **Nursing Care Services:** The subcommittee approved a modified request which converts 24 domiciliary beds to nursing care beds [this requires an additional 10 FTE and adds 5 to the average daily population] This action provides nursing care services to 20 residents who are currently receiving domiciliary care, but have been identified as needing the higher level of nursing care. This action also provides 5 additional nursing beds to veterans on the waiting list for nursing care beds. The total additional cost of this modified is \$196,427 in fiscal 1988 and \$196,521 in fiscal 1989. The general fund is increased \$18,068 in fiscal 1988 and \$18,162 in fiscal 1989 while federal veterans' administration funds increase \$96,298 each year and private and third party reimbursement increases \$82,061 each year of the biennium. The total average daily population served after this modified is 135, an increase of 5.

AGENCY: MONTANA STATE HOSPITAL

LEGISLATIVE ACTION

PROGRAM: CARE AND CUSTODY

<u>BUDGET ITEM</u>	FY 1986		Fiscal 1988		Fiscal 1989		<u>Subcommittee</u>	<u>Executive Current Level</u>	<u>Current Level</u>	<u>Subcommittee</u>	<u>% Change</u>
	<u>Actual</u>	<u>Executive</u>	<u>Current Level</u>	<u>Subcommittee</u>	<u>Executive</u>	<u>Current Level</u>					
FTE	701.20	691.60	697.60	690.10	691.60	697.60					-11.10
Personal Services	\$16,344,286	\$17,734,136	\$17,856,788	\$18,040,463	\$17,637,958	\$17,765,005	\$17,946,574				10.38
Operating Expenses	2,923,741	3,147,368	3,094,397	3,131,367	3,223,835	3,200,338	3,237,234				7.10
Equipment	55,214	30,000	32,500	41,050	30,000	25,000	30,000				-25.65
TOTAL EXPENSES	\$19,323,241	\$20,911,504	\$20,983,685	\$21,212,880	\$20,891,793	\$20,900,343	\$21,213,808				9.78
FUNDING											
General Fund	\$17,596,945	\$19,176,368	\$19,156,088	\$19,468,522	\$19,167,707	\$19,156,010	\$19,480,500				10.64
State Special Rev	1,720,310	1,731,361	1,816,850	1,740,583	1,720,311	1,823,586	1,729,533				1.18
Federal Revenue	5,986	3,775	10,745	3,775	3,775	10,745	3,775				-36.94
TOTAL FUNDING	\$19,323,241	\$20,911,504	\$20,983,683	\$21,212,880	\$20,891,793	\$20,900,341	\$21,213,808				9.78

Program Description: Montana State Hospital provides evaluation and psychiatric treatment on the Warm Springs campus for adults who are mentally ill. Inpatient alcohol and drug treatment programs are offered at the Galen campus as well as acute and intermediate care medical services for the mentally ill. The Warm Springs campus had an average daily population of 301 during fiscal 1986 while the Galen campus served an average daily population of 89 acute and intermediate care patients, 63 alcohol patients, and 11 drug patients.

The Drug Program (Lighthouse), located on the Galen campus, provides treatment to individuals who are drug dependent. The program serves males and females over the age of 18. Lighthouse has a capacity for 15 clients at any one time. However, the program has served an average daily population of 11 over the past 5 years. The program has changed from a six month program to a ninety day program, while most other inpatient drug treatment programs in the state are 28 day programs.

The Alcohol Program, on the Galen campus, provides a 28-day intensive alcoholic treatment program. The program serves alcoholics over the age of 18, with the largest group served 31 to 44 year olds. The program served an average daily population of 63 during fiscal 1986. The program uses the general hospital at Galen for detoxification of the alcoholic patients. The general hospital had an average daily population of 24 alcoholic patients in fiscal 1986.

The Canteen provides a snack bar where patients can purchase sandwiches, pop, candy, cigarettes, and certain personal items. The canteen is self-sufficient with the exception of the store manager position, which is general funded.

Budget: To meet the pay plan shortfall in fiscal 1987, 9.1 FTE were deleted which reduced personal services \$227,476 in fiscal 1988 and \$226,179 in fiscal 1989. In addition the subcommittee deleted 2.0 FTE physician positions but maintained the salaries of approximately \$140,000 per year to provide higher salaries for psychiatrists and to pay for on-call services provided by the medical staff. A vacancy savings rate of 1.8 percent for direct care and 4 percent for non-direct care staff was applied.

Operating expenses increase \$100,566 each year of the biennium for insurance increases as quoted by the Department of Administration while the balance of operating increases result from inflation. This level of staffing and operating expenses provides for an average daily population of 464 residents. Equipment is approved at \$41,050 in fiscal 1988 and \$30,000 in fiscal 1989 to be spent at the department's discretion.

Funding: General fund increases 10.6 percent primarily as a result of increases in personal services and no increase in the alcohol funds. Alcohol funds were approved at the fiscal 1986 level of \$1,595,609 each year of the biennium. This action requires additional general fund of \$92,048 in fiscal 1988 and \$98,785 in fiscal 1989.) State special revenue canteen funds were approved at \$127,974 in fiscal 1988 and \$116,924 in fiscal 1989 while state special revenue donations are \$17,000 each year of the biennium. Federal school lunch funds are included at the fiscal 1986 actual level of \$2,644 each year and interest and income funds of \$1,131 are included each year of the biennium.

Modified Recommended:

1. Forensic Unit: The subcommittee approved a modified request to staff and operate the new forensic unit which is scheduled to open in January 1988. This action added 14.95 FTE in fiscal 1988 and 29.9 FTE in fiscal 1989. This modified adds general fund of \$373,530 in fiscal 1988 and \$685,743 in fiscal 1989.

AGENCY: BOARD OF PARDONS

LEGISLATIVE ACTION

PROGRAM: BOARD SERVICES

<u>BUDGET ITEM</u>	<u>FY 1986</u>			<u>Fiscal 1988</u>			<u>Fiscal 1989</u>			<u>% Change</u>
	<u>Actual</u>	<u>Executive</u>	<u>Current Level</u>	<u>Subcommittee</u>	<u>Executive</u>	<u>Current Level</u>	<u>Subcommittee</u>	<u>Executive</u>	<u>Current Level</u>	
FTE	4.00		4.00		4.00		4.00		4.00	0.00
Personal Services	\$129,313	\$120,255	\$127,695		\$120,216		\$127,654		\$127,654	-1.25
Operating Expenses	29,255	34,793	30,500	32,744	32,472	30,543	32,787	30,543	32,787	11.93
Equipment	1,493	0	0	0	0	0	0	0	0	-100.00
Non-Operating	563	0	0	0	0	0	0	0	0	
TOTAL EXPENSES	\$160,624	\$155,048	\$158,195	\$160,439	\$152,688	\$158,197	\$160,441	\$160,441	\$160,441	-0.12
GENERAL FUND	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====

Program Description: The Board of Pardons oversees Montana's inmate parole and furlough programs. The board also reviews requests for executive clemency and makes recommendations to the Governor concerning those requests. The board consists of three members and an auxiliary member who are appointed by the Governor. At least one member is required to have particular knowledge of Indian culture and problems. Members are compensated \$50 for each day that board duties are actually and necessarily performed. In addition, board members are compensated for actual travel expenses incurred while performing board duties. The board has four full-time employees, located in Deer Lodge, who perform support and administrative duties for the board.

Budget: Personal services decrease 1.25 percent due to turnover of positions which now cost \$5,000 less than the fiscal 1986 level. Operating costs increase 11.9 percent from fiscal 1986 to fiscal 1988. Communication costs are increased \$2,244 each year of the biennium since the Board is now billed for communication charges previously paid by the prison.

AGENCY: MONTANA ARTS COUNCIL

LEGISLATIVE ACTION

PROGRAM: PROMOTION OF THE ARTS

<u>BUDGET ITEM</u>	<u>FY 1986 Actual</u>	Fiscal 1988			Fiscal 1989			<u>% Change</u>
		<u>Executive</u>	<u>Current Level</u>	<u>Subcommittee</u>	<u>Executive</u>	<u>Current Level</u>	<u>Subcommittee</u>	
FTE	5.50	7.47	4.00	6.84	7.47	4.00	6.86	1.34
Personal Services	\$ 102,470	\$ 186,022	\$ 107,678	\$173,909	\$185,852	\$ 107,611	\$174,667	69.72
Operating Expenses	292,797	201,179	282,193	196,873	190,467	271,430	186,161	-32.76
Equipment	1,545	0	0	0	0	0	0	-100.00
Non-Operating	670,167	132,052	670,166	155,583	138,096	670,166	160,703	-76.78
TOTAL EXPENSES	\$1,066,979	\$519,253	\$1,060,037	\$526,365	\$514,415	\$1,069,207	\$521,531	-50.67
FUNDING								
General Fund	\$ 118,706	\$117,403	\$ 114,548	\$124,515	\$112,585	\$ 94,496	\$120,154	4.89
State Special Rev	530,718	0	543,639	0	0	553,334	0	-100.00
Federal Revenue	417,555	401,850	401,850	401,850	401,830	401,377	401,377	-3.76
TOTAL FUNDING	\$1,066,979	\$519,253	\$1,060,037	\$526,365	\$514,415	\$1,069,207	\$521,531	-50.67

Program Description: The Montana Arts Council was created by the legislature in 1967 in recognition of the increasing importance of art in the lives of Montanans, the need to provide the opportunity for young people to participate in the arts and contribute to the cultural heritage of Montana, and the growing significance of the arts as an element which makes living and vacationing in Montana desirable. The responsibilities of the council are to encourage the study and presentation of the arts, to foster public interest in our cultural heritage and resources, and to encourage and assist in freedom of artistic expression. The grant activity administered by the Montana Arts Council includes: (1) community arts projects; (2) those projects initiated from either the council or by the grant recipient; and (3) projects funded by the cultural and aesthetic project funds and approved by the legislature. The council also administers special projects which include the Artists-in-the Schools Program (AIS), community arts, special project administration, and the Montana Folklife Project.

Budget: Personal services increase 70 percent due to a 1.34 FTE increase, the fiscal 1987 pay plan, and a large amount of vacancy savings in fiscal 1986. The FTE changes are due to (1) adding 3.47 FTE as employees who were previously under contract and (2) decreasing a 0.50 organizational services director, a 0.13 FTE agency director, a 1.00 FTE folklorist position, and a 0.50 accountant because the funding is appropriated in House Bill 4 as a cultural and aesthetic grant. No vacancy savings was taken for this agency as it has less than 20 FTE.

The agency has contracted for employees through the Montana Institute of the Arts Foundation for services that are a normal part of the council's business. The Office of the Legislative Auditor in its most recent audit of the Montana Arts Council recommended that the Council and the Office of Budget and Program Planning convert the contract employees to state employees. The audit findings state that the council's contracted employees do not fit the criteria of an independent contractor as defined by state law. Section 39-71-120, MCA, defines an independent contractor as follows:

An "independent contractor" is one who renders service in the course of an occupation and:

- (1) has been and will continue to be free from control or direction over the performance of the services, both under his contract and in fact; and
- (2) is engaged in an independently established trade, occupation, profession, or business.

Table 1 shows the cost to convert the positions in this program. The conversion adds 3.47 FTE overall. The contract positions have been budgeted under grants from federal sources in the past. As FTE, they continue as federally funded employees.

Table 1
Cost to Convert Contracted Employees to State Employees

	Fiscal <u>1988</u>	Fiscal <u>1989</u>
Added FTE	3.47	3.47
Additional Personal Services Costs Contracted Services Savings	\$ 76,775 (58,351)	\$ 76,507 (58,321)
Cost to Convert Employees	\$ 18,424	\$ 18,186

Operating expenses decrease \$95,924 from fiscal 1986 to 1988. The major reasons are (1) converting contract employees to FTE for an operating expense reduction of \$58,351; (2) reduced travel of \$5,264; (3) reduced office supplies of \$1,055; (4) appropriating operating expenses of \$33,628 in House Bill 4; and (5) increasing the legislative audit cost \$2,400. The fiscal 1989 operating expenses decrease as the legislative audit of \$10,800 is in fiscal 1988 only.

Grants decrease \$514,584 between fiscal 1986 and 1988 because the cultural and aesthetic grants are not reflected in House Bill 2 since they are appropriated in House Bill 4.

Funding: The general fund includes \$20,000 each year, as did fiscal 1986, to fund special projects. The remaining general fund supports a portion of the general operations.

Federal and private funds decrease 3.8 percent from the fiscal 1986 level of \$417,555 to the fiscal 1988 level of \$332,400. Federal funds from the National Endowment for the Arts decrease from \$383,355 in fiscal 1986 to \$332,400 in fiscal 1988.

in fiscal 1988 and 1989. The private funds are community matching funds which increase from \$34,200 expended in fiscal 1986 to \$69,450 in each year of the 1989 biennium. Community matching funds for the Artists-in-the Schools, dance and drama program were not appropriated previously. Due to a recommendation by the Office of the Legislative Auditor, the council is requesting the inclusion of the dance and drama community matching funds in the 1989 biennium.

Other Appropriation Bills: House Bill 4 appropriates cultural and aesthetics funds for granting to successful applicants, and also appropriates funds for the Montana Arts Council's administration of the grants.

AGENCY: LIBRARY COMMISSION

LEGISLATIVE ACTION

PROGRAM: AGENCY SUMMARY

<u>BUDGET ITEM</u>	<u>FY 1986 Actual</u>	<u>LEGISLATIVE ACTION</u>			<u>PROGRAM: AGENCY SUMMARY</u>			<u>FY 86-88 % Change</u>
		<u>Executive Current Level</u>	<u>Fiscal 1988</u>	<u>Subcommittee</u>	<u>Executive Current Level</u>	<u>Fiscal 1989</u>	<u>Subcommittee</u>	
FTE	25.50	27.50	27.50	26.50	27.50	27.50	26.50	1.00
Personal Services	\$ 588,691	\$ 634,364	\$ 623,735	\$ 630,439	\$ 633,846	\$ 623,235	\$ 629,942	7.09
Operating Expenses	430,329	401,655	340,818	372,788	381,666	316,228	369,533	-13.37
Equipment	114,418	111,457	110,041	113,041	92,014	91,514	94,514	-11.38
Non-Operating	686,077	507,954	483,986	569,309	519,954	694,140	538,876	-17.01
TOTAL EXPENSES	\$1,819,715	\$1,655,430	\$1,558,580	\$1,685,577	\$1,627,480	\$1,525,117	\$1,632,865	-7.37
FUNDING								
General Fund	\$ 542,998	\$ 530,180	\$ 551,839	\$ 547,675	\$ 502,717	\$ 526,115	\$ 520,199	0.99
State Special Revenue	528,391	427,317	354,119	423,925	416,839	321,380	416,839	-19.77
Federal Revenue	748,492	697,933	652,622	713,977	707,924	677,622	695,827	-4.61
Proprietary Revenue	534	0	0	0	0	0	0	-100.00
TOTAL FUNDING	\$1,819,715	\$1,655,430	\$1,558,580	\$1,685,577	\$1,627,480	\$1,525,117	\$1,632,865	-7.37

FUNDING

General Fund	\$ 542,998	\$ 530,180	\$ 551,839	\$ 547,675	\$ 502,717	\$ 526,115	\$ 520,199	0.99
State Special Revenue	528,391	427,317	354,119	423,925	416,839	321,380	416,839	-19.77
Federal Revenue	748,492	697,933	652,622	713,977	707,924	677,622	695,827	-4.61
Proprietary Revenue	534	0	0	0	0	0	0	-100.00
TOTAL FUNDING	\$1,819,715	\$1,655,430	\$1,558,580	\$1,685,577	\$1,627,480	\$1,525,117	\$1,632,865	-7.37

Program Description: The Montana State Library provides direct library services to state government agencies, persons residing in state institutions, and to blind and physically handicapped residents of Montana. Indirect services are provided to all public libraries through grants to six regional library federations. The State Library serves as a partial federal depository and also collects state government publications. The library was also given statutory responsibility for the Natural Heritage Program by the Forty-Ninth Legislature through passage of House Bill 860.

Budget: Personal services increase 7.1 percent as a result of adding 2.0 FTE in the Natural Heritage Program who were budgeted in contracted services in the 1987 biennium. A 1.0 FTE librarian was deleted to meet the pay plan shortfall. Operating costs decrease 13.4 percent due to a decline in coal tax revenues. Non-operating costs decrease 17.0 percent as a result of declining coal tax revenues.

Funding: Funding support for the library is provided from the general fund, an earmarked portion of the coal severance tax (0.38 percent) and federal funding available under the Library Services and Construction Act (LSCA). Funding for the Natural Heritage Program in the 1987 biennium was provided by state special revenue funds from the Department of Fish, Wildlife and Parks license fees, private funds from the Nature Conservancy, and a House Bill 922

appropriation of a grant from the Department of Natural Resources and Conservation Resource Indemnity Trust interest income. Funds from the Office of Surface Mining are added to the funds mentioned above as a fund source for the Natural Heritage Program for the 1989 biennium.

AGENCY: LIBRARY COMMISSION

LEGISLATIVE ACTION

PROGRAM: LIBRARY SERVICES

<u>BUDGET ITEM</u>	<u>FY 1986</u>			<u>Fiscal 1988</u>			<u>Fiscal 1989</u>			<u>FY 86-88 % Change</u>
	<u>Actual</u>	<u>Executive</u>	<u>Current Level</u>	<u>Subcommittee</u>	<u>Executive</u>	<u>Current Level</u>	<u>Subcommittee</u>			
FTE	25.50	25.50	25.50	24.50	25.50	25.50	25.50	25.50	24.50	-1.00
Personal Services	\$ 562,867	\$ 582,914	\$ 572,263	\$ 577,381	\$ 582,471	\$ 571,839	\$ 576,962			2.58
Operating Expenses	307,209	318,288	283,640	300,921	304,565	278,815	292,432			-2.05
Equipment	102,675	111,457	110,041	113,041	92,014	91,514	94,514			10.10
Non-Operating	686,077	507,954	483,986	569,309	519,954	494,140	538,876			-17.01
TOTAL EXPENSES	\$1,658,828	\$1,520,613	\$1,649,930	\$1,560,652	\$1,499,004	\$1,436,308	\$1,502,784			-5.92
FUNDING										
General Fund	\$ 542,298	\$ 530,180	\$ 551,839	\$ 547,675	\$ 502,717	\$ 526,115	\$ 520,199			0.99
State Special Revenue	430,613	299,000	245,469	299,000	311,000	257,571	311,000			-30.56
Federal Revenue	685,383	691,433	652,622	713,977	685,287	652,622	671,585			4.17
Proprietary Revenue	534	0	0	0	0	0	0			-100.00
TOTAL FUNDING	\$1,658,828	\$1,520,613	\$1,649,930	\$1,560,652	\$1,499,004	\$1,436,308	\$1,502,784			-5.92

Program Description: The Montana State Library provides direct library services to state government agencies, persons residing in state institutions, and to blind and physically handicapped residents of Montana. Indirect services are provided to all public libraries through grants to six regional library federations. The State Library serves as a partial federal depository and also collects state government publications.

Legislative Intent: The federal Library Services and Construction Act, (LSCA) funds may be transferred between fiscal 1988 and 1989.

Budget: To meet the pay plan shortfall in fiscal 1987 1.0 FTE librarian has been deleted saving \$14,182 in fiscal 1988 and \$14,157 in fiscal 1989. A 1 percent vacancy savings was applied each year of the biennium.

Operating expenses are decreased \$11,572 each year by discontinuing the Butte Film Service Contract. This decrease is offset by an increase of \$6,245 in the Western Library Network.

Equipment includes \$94,514 each year for the purchase of books and \$18,527 in fiscal 1988 for the purchase of a high speed reel-to-reel cassette duplicator used in making tapes for the physically handicapped.

Funding: Funding support for the library is provided from the general fund, an earmarked portion of the coal severance tax (0.38 percent) and federal funding available under the Library Services and Construction Act (LSCA). General fund increases about 1.0 percent. Coal severance tax decreases 31 percent as coal prices and production decline. LSCA funds increase 4.2 percent from fiscal 1986 to fiscal 1988, but decrease 5.9 percent or \$42,392 from fiscal 1988 to fiscal 1989. The library also has a miscellaneous reimbursement fund of \$3,000 which is used for fines or replacement of lost books.

Modifieds Recommended:

1. Kellogg Foundation: This modified provides for the continuation of the grant which was approved by budget amendment in fiscal 1986 and 1987. The grant provides 1.0 FTE to conduct formal assessments of rural residents' needs for education and training. The total approved is \$41,811 in fiscal 1988 and \$35,624 in fiscal 1989.

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AGENCY: LIBRARY COMMISSION

LEGISLATIVE ACTION

PROGRAM: NATURAL RESOURCES/HERITAGE

		FY 1986			Fiscal 1988			Fiscal 1989			FY 86-88 % Change	
		<u>BUDGET ITEM</u>		<u>Actual</u>	<u>Executive Current Level</u>	<u>Subcommittee</u>	<u>Executive Current Level</u>	<u>Subcommittee</u>	<u>Subcommittee</u>	<u>Subcommittee</u>		
FTE		0.00	2.00	2.00	2.00		2.00	2.00	2.00	2.00	2.00	2.00
Personal Services	\$ 25,824	\$ 51,450	\$ 51,472	\$ 53,594	\$ 51,375		\$ 51,396	\$ 53,515			107.54	
Operating Expenses	123,120	83,367	57,178	71,867	77,101		37,613	77,101			-41.63	
Equipment	11,943	0	0	0	0		0	0			-100.00	
TOTAL EXPENSES	\$160,887	\$134,817	\$108,650	\$125,461	\$128,476		\$68,809	\$130,616			-22.02	
FUNDING												
State Special Rev	\$ 97,778	\$128,317	\$108,650	\$125,461	\$105,839		\$63,809	\$107,979			28.31	
Federal Revenue	63,109	6,500	0	0	22,637		25,000	22,637			-100.00	
TOTAL FUNDING	\$160,887	\$134,817	\$108,650	\$125,461	\$128,476		\$68,809	\$130,616			-22.02	

Program Description: This program was transferred to the library from the Department of Administration by House Bill 860. House Bill 860 gave the responsibility for the Natural Heritage Program and the Natural Resource Information System (NRIS) to the library. The NRIS is a centrally located catalog, index, and referral system to existing natural resource data files and reports. This system permits government and private-sector users to readily identify the location, source, and types of information available in state agency files. The Natural Heritage Program provides a systematic inventory and evaluation of the state's natural features that are rare, endangered, or fragile.

Budget: The program is approved at the agency requested level which includes 1.0 FTE grade 15 program officer and a 1.0 FTE grade 9 library technician I for the NRIS. These FTE were contracted in fiscal 1986 while the program was getting started, but are included here as FTE. Work for the heritage project will be contracted at \$51,603 in fiscal 1988 and \$56,835 in fiscal 1989. Other costs are included at the fiscal 1986 level for both years of the biennium.

Funding: Funding is provided by unused resource indemnity trust funds of \$100,926 carried forward to fiscal 1988. Due to the priority list for grants from the Department of Natural Resources and Conservation, the library has not received any of the grant funds. However, the grant is for two years; therefore, the library has two years from when they receive the funds in which to spend them. Also included are \$52,140 of Fish, Wildlife, and Parks license fees for fiscal 1989 and carryover funds from the Department of State Lands of \$24,535 in fiscal 1988 and \$55,839 in fiscal 1989 to complete the funding for this program.

Modifieds Recommended:

1. Riparian Habitat Study: This modified adds \$11,500 in fiscal 1988 for the study of riparian habitats as part of the Montana Rivers Study for the management of a data base on bald eagles.

AGENCY: MONTANA HISTORICAL SOCIETY

LEGISLATIVE ACTION

PROGRAM: AGENCY SUMMARY

<u>BUDGET ITEM</u>	<u>LEGISLATIVE ACTION</u>			<u>PROGRAM: AGENCY SUMMARY</u>		
	<u>FY 1986 Actual</u>	<u>Executive Current Level</u>	<u>Subcommittee</u>	<u>Executive Current Level</u>	<u>Fiscal 1989</u>	<u>Subcommittee</u>
FTE	55.50	47.38	49.05	48.88	47.38	49.05
Personal Services	\$1,202,856	\$1,155,997	\$1,179,558	\$1,155,663	\$1,156,071	\$1,155,738
Operating Expenses	658,192	844,769	717,043	733,023	838,896	674,865
Equipment	509,105	23,930	9,900	9,900	17,597	9,900
Non-Operating	357,376	651,320	651,320	651,320	651,320	651,320
TOTAL EXPENSES	\$2,727,529	\$2,676,016	\$2,557,821	\$2,549,906	\$2,515,492	\$2,507,668
FUNDING						
General Fund	\$1,204,091	\$1,120,370	\$1,142,944	\$1,110,635	\$1,114,206	\$1,133,781
State Special Revenue	188,372	0	0	0	0	0
Federal Revenue	900,347	1,089,073	1,003,145	1,027,539	1,042,448	971,095
Proprietary Revenue	434,719	466,573	411,732	411,732	507,230	410,616
TOTAL FUNDING	\$2,727,529	\$2,676,016	\$2,557,821	\$2,549,906	\$2,515,492	\$2,507,668

FUNDING

				FY 86-88 % Change
General Fund	\$1,204,091	\$1,120,370	\$1,142,944	\$1,110,635
State Special Revenue	188,372	0	0	0
Federal Revenue	900,347	1,089,073	1,003,145	1,027,539
Proprietary Revenue	434,719	466,573	411,732	411,732
TOTAL FUNDING	\$2,727,529	\$2,676,016	\$2,557,821	\$2,549,906

Program Description: The Montana Historical Society was established in 1865. Its purpose is to acquire, preserve, and protect historical records, art archival and museum objects, historical places, and sites and monuments for the use and enjoyment of the citizens of Montana.

Budget: The agency's FTE decrease by 6.62 FTE from the 1987 biennium to the 1989 biennium. Three special project FTE, including 2.0 FTE librarians for a cataloging project and 1.0 FTE for the Holter collection project, were deleted after completion of the projects. A 0.50 FTE stock clerk, a 0.12 FTE publicity specialist, a 1.0 FTE curator, a 0.50 FTE historic sites preservation officer, a 0.75 FTE administrative assistant, and a 0.75 FTE tour guide were deleted to meet the pay plan shortfall in fiscal 1987. A vacancy savings rate of 4 percent is applied to all programs of the Historical Society.

Operating expenses increase 11.4 percent over the 1986 actual primarily in two areas: 1) the new addition is now completed and rent increases \$75,586 in fiscal 1988 and \$81,751 in fiscal 1989 and 2) the museum program is increased to hire a consultant historian to conduct research and write exhibit script for the new major Montana history exhibit. Non-operating expenses increase 82.3 percent from the 1986 actual to fiscal 1988. This increase is for grants of federal

preservation funds to local governments for surveying of and planning for historic structures and sites. Non-operating expenses also include transfers as a result of management memo 2-86-5, which requires that all expenditures be recorded as a transfer into the proprietary account. This is to show the total cost of providing a service and the extent to which user charges and sales cover the cost.

Funding: The Montana Historical Society was funded with approximately 43 percent general fund in the 1987 biennium. The current level is approximately 44 percent general fund. Other funds consist of donations, federal funds, and proprietary funds from sales in the gift store and sales of the agency's quarterly magazine.

AGENCY: MONTANA HISTORICAL SOCIETY

LEGISLATIVE ACTION

PROGRAM: ADMINISTRATION PROGRAM

<u>BUDGET ITEM</u>	<u>FY 1986 Actual</u>	<u>Fiscal 1988</u>			<u>Fiscal 1989</u>			<u>FY 86-88 % Change</u>
		<u>Executive</u>	<u>Current Level</u>	<u>Subcommittee</u>	<u>Executive</u>	<u>Current Level</u>	<u>Subcommittee</u>	
FTE	12.50	11.88	12.50	11.88	11.88	12.50	11.88	-0.62
Personal Services	\$280,276	\$281,542	\$294,543	\$281,542	\$281,592	\$294,675	\$281,592	0.45
Operating Expenses	126,954	212,970	215,831	214,928	205,269	208,170	207,508	69.30
Equipment	486,176	783	0	0	0	0	0	-100.00
Non-Operating	60,667	0	0	0	0	0	0	100.00
TOTAL EXPENSES	\$954,073	\$495,295	\$510,374	\$496,470	\$486,861	\$502,845	\$489,100	-47.96
<u>FUNDING</u>								
General Fund	\$508,437	\$432,927	\$448,006	\$436,660	\$424,377	\$440,361	\$429,174	-14.12
State Special Rev	150,000	0	0	0	0	0	0	-100.00
Federal Revenue	291,086	62,368	62,368	59,810	62,484	62,484	59,926	-79.45
Other Revenue	4,550	0	0	0	0	0	0	-100.00
TOTAL FUNDING	\$954,073	\$495,295	\$510,374	\$496,470	\$486,861	\$502,845	\$489,100	-47.96

Program Description: The Administration Program is responsible for purchasing, accounting and budgeting, personnel, and overall management of the Historical Society.

Budget: To meet the pay plan shortfall in fiscal 1987, 0.62 FTE, a 0.50 FTE stock clerk and a 0.12 FTE publicity specialist are deleted.

Operating expenses increase 69.3 percent almost entirely due to the increase in rent resulting from the addition completed in fiscal 1986. The increase over fiscal 1986 amounts to \$70,586 in fiscal 1988 and \$81,751 in fiscal 1989. Also included in fiscal 1988 is an increase of 10,189 to reflect the total cost of the society's biennial audit. The purchase of the Russell collection was coded to equipment and non-operating in fiscal 1986. There is no equipment included in this program for the 1989 biennium.

Funding: Private donations total \$32,696 in fiscal 1988 and \$32,638 in fiscal 1989 while federal historic sites preservation funds total \$27,114 in fiscal 1988 and \$27,288 in fiscal 1989.

AGENCY: MONTANA HISTORICAL SOCIETY

LEGISLATIVE ACTION

PROGRAM: LIBRARY PROGRAM

BUDGET ITEM	FY 1986			Fiscal 1988			Fiscal 1989			FY 86-88 % Change
	Actual	Executive	Current Level	Subcommittee	Executive	Current Level	Subcommittee			
FTE	7.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	2.00
Personal Services	\$155,682	\$128,014	\$128,049	\$128,014	\$128,371	\$128,428	\$128,371	\$128,371	\$128,371	-17.77
Operating Expenses	40,004	32,354	35,147	32,354	31,954	35,147	31,954	31,954	31,954	-19.12
Equipment	12,764	22,147	9,900	9,900	15,847	9,900	9,900	9,900	9,900	-22.44
TOTAL EXPENSES	\$208,450	\$182,515	\$173,966	\$170,268	\$176,172	\$173,475	\$170,225	\$170,225	\$170,225	-18.32
FUNDING										
General Fund	\$150,653	\$156,441	\$150,653	\$154,194	\$160,098	\$150,653	\$154,151	\$154,151	\$154,151	2.35
Federal Revenue	57,797	26,074	22,443	16,074	16,074	22,822	16,074	16,074	16,074	-72.19
TOTAL FUNDING	\$208,450	\$182,515	\$173,966	\$170,268	\$176,172	\$173,475	\$170,225	\$170,225	\$170,225	-18.32

Program Description: The Montana Historical Society Library collects, preserves, organizes, and makes accessible to the public, published material concerning the history of Montana and the surrounding region.

Budget: Personal services decrease 17.8 percent to fiscal 1988 because two librarian FTE hired for the newspaper cataloging project that is not continued in the 1989 biennium are deleted. Operating expense decreases 19.1 percent because of completion of the newspaper cataloging project funded in fiscal 1986. Equipment of \$9,900 is included each year for the acquisition of books.

Funding: Donated funds are \$3,200 and fees for copy services are \$12,874 each year of the biennium.

Modified Recommended:

- 1. Microcomputer Upgrade:** Donated funds authority of \$10,000 in fiscal 1988 was approved to allow the upgrade of the microcomputer system that serves the library, archives, photo archives, and museum programs.

AGENCY: MONTANA HISTORICAL SOCIETY

LEGISLATIVE ACTION

PROGRAM: MUSEUM PROGRAM

<u>BUDGET ITEM</u>	FY 1986			Fiscal 1988			Fiscal 1989			<u>FY 86-88 % Change</u>
	<u>Actual</u>	<u>Executive</u>	<u>Current Level</u>	<u>Subcommittee</u>	<u>Executive</u>	<u>Current Level</u>	<u>Subcommittee</u>			
FTE	9.50	8.50	8.00	8.50	8.50	8.00	8.50	8.00	8.50	-1.00
Personal Services	\$164,738	\$200,807	\$186,365	\$200,807	\$200,734	\$186,194	\$200,734	\$200,734	\$200,734	21.89
Operating Expenses	95,283	169,691	107,136	122,531	135,588	77,214	92,588	92,588	92,588	28.60
Equipment	5,589	0	0	0	1,550	0	0	0	0	-100.00
TOTAL EXPENSES	\$265,261.00	\$370,498	\$293,250.1	\$323,338	\$337,872	\$263,408	\$293,322	\$293,322	\$293,322	21.73
FUNDING										
General Fund	\$211,847	\$205,056	\$213,231	\$205,056	\$206,568	\$213,098	\$205,018	\$205,018	\$205,018	-3.21
Federal Revenue	53,763	165,442	80,270	118,282	131,304	50,310	88,304	88,304	88,304	120.01
TOTAL FUNDING	\$265,261.00	\$370,498	\$293,250.1	\$323,338	\$337,872	\$263,408	\$293,322	\$293,322	\$293,322	21.73

Program Description: The Museum Program is responsible for collecting, preserving, and interpreting art and artifacts representative of Montana's past. This program is supported with general fund and private donations.

Budget: To meet the pay plan shortfall in fiscal 1987, 1.0 FTE museum curator was deleted. Personal services increase even after deleting the curator because of vacancy savings generated in fiscal 1986. Personal services savings totaled \$46,497 in fiscal 1986 because a 1.0 FTE carpenter and a 0.50 FTE graphics arts technician position were left vacant all year, and a research aide position was vacant nearly half the year.

Operating expense increases 28.6 percent as a result of the museum renovation project as activities for the completion of the museum reach a peak in fiscal 1988 and then decline in fiscal 1989.

Funding: Federal revenue is donated funds which increase 120 percent from fiscal 1986 to fiscal 1988 as activities for the completion of the museum reach a peak in fiscal 1988 then decline in fiscal 1989.

Modifieds Recommended:

1. **Artifact Conservation:** Appropriation authority was approved for a federal grant of \$4,160 in fiscal 1988 for artifact conservation work for the new Montana history exhibit.

2. Public Photo: Appropriation authority of \$3,000 each year was approved for private donations funds to be used to provide photographs to the public on a cost recovery basis.

3. Museum Exhibit Renovation: Appropriation authority of \$40,000 each year of donated funds was approved to complete museum exhibit renovations.

AGENCY: MONTANA HISTORICAL SOCIETY

LEGISLATIVE ACTION

PROGRAM: MAGAZINE PROGRAM

<u>BUDGET ITEM</u>	<u>FY 1986</u>		<u>Fiscal 1988</u>		<u>Fiscal 1989</u>		<u>% Change</u>
	<u>Actual</u>	<u>Executive Current Level</u>	<u>Subcommittee</u>	<u>Executive Current Level</u>	<u>Subcommittee</u>		
FTE	6.00	6.00	6.00	6.00	6.00	6.00	0.00
Personal Services	\$135,935	\$133,801	\$133,842	\$133,529	\$133,571	\$133,571	-1.54
Operating Expenses	292,047	332,990	277,890	373,728	277,045	277,045	-4.85
Equipment	2,190	0	0	0	0	0	-100.00
Non-Operating	41,320	41,320	41,320	41,320	41,320	41,320	
TOTAL EXPENSES	\$471,492	\$508,111	\$453,052	\$453,052	\$451,936	\$451,936	-3.91
FUNDING							
General Fund	\$ 41,323	\$ 41,538	\$ 41,320	\$ 41,347	\$ 41,320	\$ 41,320	-0.01
Other Revenue	430,169	466,573	411,732	507,230	410,616	410,616	-4.29
TOTAL FUNDING	\$471,492	\$508,111	\$453,052	\$453,052	\$451,936	\$451,936	-3.91

Program Description: The Magazine Program is responsible for publishing Montana, the Magazine of Western History, society sponsored quarterlies, books, brochures, catalogs, prints, and other publications. Additionally, this program is responsible for the operation of the society's museum store and merchandising program.

Budget: Personal services decrease because the program converted one grade 10 FTE to a grade 12 and one grade 10 FTE to a grade 5. Merchandise for resale in the gift shop/book store decreases \$16,822 for expenditures made through a budget amendment. This decrease is offset by a \$2,290 inventory adjustment.

Funding: General fund is included to fund 22.8 percent of the cost of publishing Montana, the Magazine of Western History. The remainder is financed from magazine sales estimated at \$201,303 in fiscal 1988 and \$201,202 in fiscal 1989. Proprietary funds of \$69,994 in fiscal 1988 and \$69,805 in fiscal 1989 is provided for publications and \$140,289 in fiscal 1988 and \$139,609 in fiscal 1989 is provided for the operation of the merchandising activities. The magazine sales proprietary account has been increased \$41,320 each year to reflect the requirements of management memo 2-86-5. Management memo 2-86-5 states: "The reporting of a proprietary operation's activity within one fund is essential for readers to determine the total cost of providing that service and the extent to which user charges cover that cost. Therefore, amounts provided to proprietary funds from other funds should be classified in accordance with the interentity transaction provisions discussed in Management Memo 2-83-3."

Modifieds Recommended:

1. Magazine Promotion: Additional authority in the magazine proprietary account is approved to promote awareness of the Western History Magazine. This modification costs \$5,000 each year and requires the amount be generated from the sale of the magazine.

2. Centennial Increase: This modification increases proprietary fund authority based on anticipated increased tourism sales in the society's gift shop during the centennial. Total authority added is \$30,000 in fiscal 1988 and \$40,000 in fiscal 1989.

3. Centennial Press Expansion: Additional proprietary fund authority of \$15,000 in fiscal 1988 and \$40,000 in fiscal 1989 is approved to provide new special publications associated with the centennial.

4. Expanded Subscriptions: Additional proprietary fund authority is approved to allow for 2,000 additional subscribers based on a fiscal 1987 approved budget amendment. Total authority added is \$18,700 each year of the biennium.

AGENCY: MONTANA HISTORICAL SOCIETY**LEGISLATIVE ACTION****PROGRAM: PHOTO ARCHIVES**

BUDGET ITEM	FY 1986			Fiscal 1988			Fiscal 1989			FY 86-88 % Change
	Actual	Executive	Current Level	Subcommittee	Executive	Current Level	Subcommittee	3.50	3.50	
FTE	0.00	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50
Personal Services	\$ 87,583	\$87,208	\$87,208	\$87,623	\$87,248	\$87,248	\$87,248	N/A	N/A	N/A
Operating Expenses	12,325	11,381	11,381	11,625	11,383	11,383	11,383	N/A	N/A	N/A
Equipment	0	1,000	0	0	200	0	0	N/A	N/A	N/A
TOTAL EXPENSES	\$100,908	\$98,589	\$98,589	\$99,448	\$98,631	\$98,631	\$98,631	N/A	N/A	N/A
FUNDING										
General Fund	\$ 83,992	\$80,989	\$80,989	\$83,132	\$81,631	\$81,631	\$81,631	N/A	N/A	N/A
Federal Revenue	0	16,916	17,600	17,600	16,316	17,000	17,000	N/A	N/A	N/A
TOTAL FUNDING	\$100,908	\$98,589	\$98,589	\$99,448	\$98,631	\$98,631	\$98,631	N/A	N/A	N/A

Program Description: The Photograph Archives Program is a new program split off from the Archives Program. The program exists to collect, organize, preserve, and make accessible to the public photographic images and other iconographic material pertinent to the study of Montana history, and to provide support for exhibitions and publications of the society and others using such images.

Budget: The program has 1.0 FTE archivist, 1.0 FTE photographer, 0.50 FTE Library clerk, and 1.0 FTE library technician. All positions were previously in the Archives Program.

Funding: The federal revenue is the society's private donations.

Modifieds Recommended:

1. L.J. Skaggs Grant: This modification provides \$5,000 of additional private donation appropriations authority in fiscal 1988 to photograph WPA murals in post offices.

AGENCY: MONTANA HISTORICAL SOCIETY

LEGISLATIVE ACTION

PROGRAM: HISTORICAL SITES PRESERVATION

BUDGET ITEM	FY 1986			Fiscal 1988			Fiscal 1989			FY 86-88 % Change
	Actual	Executive	Current Level	Subcommittee	Executive	Current Level	Subcommittee			
FTE	7.00	6.50	7.00	6.50	6.50	6.50	6.50	7.00	7.00	-0.50
Personal Services	\$169,537	\$168,004	\$181,301	\$168,004	\$167,802	\$181,078	\$167,802			-0.90
Operating Expenses	49,569	47,033	39,886	47,033	43,326	36,107	43,326			-5.12
Equipment	915	0	0	0	0	0	0			-100.00
Non-Operating	255,389	610,000	610,000	610,000	610,000	610,000	610,000			171.64
TOTAL EXPENSES	\$475,410	\$825,037	\$831,187	\$825,037	\$821,128	\$827,185	\$821,128			73.54
FUNDING										
General Fund	\$ 74,650	\$ 61,467	\$ 64,161	\$ 61,467	\$ 59,498	\$ 62,097	\$ 59,498			-17.66
Federal Revenue	400,760	763,570	767,026	763,570	761,630	765,088	761,630			90.53
TOTAL FUNDING	\$475,410	\$825,037	\$831,187	\$825,037	\$821,128	\$827,185	\$821,128			73.54

Program Description: This program is responsible for implementing the National Historic Preservation Act and the State Antiquities Act. Activities include nominating sites to the National Register, reviewing tax certification projects, administering federal grants-in-aid, reviewing federal projects to determine and comment on any impacts to historic and cultural properties, and coordination with local governments, state agencies, and the public on matters relating to historic preservation.

Budget: To meet the pay plan shortfall in fiscal 1987 a .50 historic preservation officer is deleted saving \$14,513 in fiscal 1988 and \$14,485 in fiscal 1989. Personal services decrease less than 1 percent because of upgrades for 6 of the 7 positions in the program. Five FTE historic preservation officers were upgraded from grade 13 to grade 14 at a cost of \$10,330 each year and 1 FTE historic preservation program manager at a cost of \$2,419 each year or a biennial cost of \$25,498. Two temporary FTE added by the 1985 legislature are retained in the 1989 biennium to continue to reduce the backlog of requests from communities seeking nomination of sites to the National Register of Historic Places.

Legislative audit fees are increased \$2,928 to \$3,780 in fiscal 1988 with 16 percent funded by general fund and 84 percent funded with federal funds, which is the proportion of general funds to total funds expended in fiscal 1986. Travel was reduced \$2,783, office supplies were reduced \$100, and professional contracts were reduced \$920 while consultant travel was reduced \$2,012. Rent increased \$366 from \$7,734 in fiscal 1986 and to \$8,100 in fiscal 1989.

Grants were increased \$354,611 to the requested level of \$610,000. This provides for grants to local governments for historic site preservation. This level coincides with the fiscal 1987 authorized level.

Funding: General fund decreases 17.7 percent from the 1986 actual to fiscal 1988 while federal funds increase 90.5 percent. Federal funds increase primarily due to the low level of expenditure on grants in fiscal 1986 and the increase in estimated operating funds available in the federal grant based on the agency's request.

AGENCY: MONTANA HISTORICAL SOCIETY

LEGISLATIVE ACTION

PROGRAM: ARCHIVES PROGRAM

BUDGET ITEM	FY 1986			Fiscal 1988			Fiscal 1989			FY 86-88 % Change
	Actual	Executive Current Level	Subcommittee							
FTE	11.00	5.00	5.00	6.50		5.00	5.00	6.50		-4.50
Personal Services	\$251,380	\$123,918	\$120,391	\$123,918		\$124,155	\$120,452	\$124,155		-50.70
Operating Expenses	33,664	17,531	10,014	7,031		17,531	10,017	7,031		-79.11
Equipment	1,471	0	0	0		0	0	0		-100.00
TOTAL EXPENSES	\$286,515	\$141,449	\$130,405	\$130,949		\$141,686	\$130,469	\$131,186		-54.30
FUNDING										
General Fund	\$199,395	\$138,949	\$130,405	\$130,949		\$139,186	\$130,469	\$131,186		-34.33
State Special Rev	38,372	0	0	0		0	0	0		-100.00
Federal Revenue	48,748	2,500	0	0		2,500	0	0		-100.00
TOTAL FUNDING	\$286,515	\$141,449	\$130,405	\$130,949		\$141,686	\$130,469	\$131,186		-54.30

Program Description: The Archives Program is responsible for collecting, preserving, organizing, and making accessible to the public, unpublished material relevant to Montana's history. Also included in this program is the oral history project funded from cultural and aesthetic project grant funds.

Budget: This program decreases 54 percent from fiscal 1986 to 1988 for two reasons. First, the agency has split the Archives Program into two programs, with the other program set up specifically for photographs and related material. This split reduces FTE in this program by 3.5 FTE. The second reason results from not including oral history funds in the 1989 biennium that were appropriated in the 1987 biennium through House Bill 933. A 1.0 FTE historic preservation officer hired for the Holter Collection project in fiscal 1986 is deleted for the 1989 biennium.

Operating costs decrease 79.1 percent with the completion of three special projects--The Oral History, the federally funded local government handbook, and The Holter Collection projects; and the transfer of costs with the photo archives program.

Funding: General fund decreases 34 percent with the transfer of the Photo Archives program. State special Oral History funds are appropriated in the cultural and aesthetics grants and are not reflected here for the 1989 biennium. The federal and private funds are not available in the 1989 biennium.

Modifieds Recommended:

1. **Advisory Council Travel:** This approved modified uses federal grant funds for the twelve member Montana Historical Records Advisory Committee to attend three required meetings each year.
2. **Microfilming:** This approved modified adds \$8,000 general fund each year to microfilm heavily used documents of permanent value and historical significance.

AGENCY: MONTANA HISTORICAL SOCIETY

LEGISLATIVE ACTION

PROGRAM: EDUCATION PROGRAM

BUDGET ITEM	LEGISLATIVE ACTION			PROGRAM: EDUCATION PROGRAM			FY 86-88 % Change
	FY 1986 Actual	Executive Current Level	Subcommittee	Executive Current Level	Subcommittee		
FTE	2.50	1.00	2.05	1.00	1.00	2.05	1.00
Personal Services	\$45,308	\$32,328	\$47,859	\$32,328	\$32,265	\$47,781	\$32,265
Operating Expenses	20,671	19,875	19,758	19,875	19,875	19,762	-3.85
TOTAL EXPENSES	\$65,979	\$52,203	\$67,617	\$52,203	\$52,140	\$67,543	-20.88
FUNDING							
General Fund	\$17,786	\$ 0	\$14,179	\$ 0	\$ 0	\$14,152	\$0
Federal Revenue	48,193	52,203	53,438	52,203	52,140	53,391	52,140
TOTAL FUNDING	\$65,979	\$52,203	\$67,617	\$52,203	\$52,140	\$67,543	-20.88

Program Description: This program is responsible for providing exhibits and materials using society resources and expertise to schools, museums, libraries, and other public institutions throughout the state. Capitol tours are also administered through this program.

Budget: To meet the pay plan shortfall in fiscal 1987, 0.75 FTE administrative assistant and a 0.75 FTE tour guide are deleted. This action eliminates the capitol tours.

Numerous small base adjustments were made decreasing operating costs \$796.

Funding: Funding for this program is provided by private donations and federal funds. Private donations total \$47,203 in fiscal 1988 and \$47,140 in fiscal 1989 while federal funds are \$5,000 each year of the biennium.

D. DEPARTMENT OF INSTITUTIONS

	<u>Fiscal 1988</u>			<u>Fiscal 1989</u>		
	State	Federal	Special	State	Federal	Special
	<u>General</u>	<u>Special</u>	<u>Revenue</u>	<u>General</u>	<u>Fund</u>	<u>Revenue</u>
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<u>Fiscal 1988</u>						<u>Fiscal 1989</u>					
	State	Federal	General	Special	Revenue	Total	State	Special	Revenue	Proprietary	Total
5	c. Corrections Medical										
6	i. Operations										
7	810,967										
8	d. Montana State Prison										
9	i. Care and Custody -- Operations										
10	12,333,447	51,424	94,772			12,479,643	12,533,429	51,424	94,772		12,679,625
11	ii. Ranch and Dairy Operations										
12		1,228,480									
13	iii. License Plate Factory Operations										
14		484,321									
15	iv. Industries Operations										
16		652,184									
17	v. Canteen Operations										
18		600,000									
19	vi. Industries Training Operations										
20		173,015									
21	e. Swan River Forest Camp										
22	i. Operations										
23	851,373	86,383	27,870				965,626	862,225	86,617	27,898	976,740
24	ii. Equipment										
25		8,000									

Fiscal 1988

	<u>State</u>	<u>Federal</u>		<u>State</u>	<u>Federal</u>
1	<u>General</u>	<u>Special</u>		<u>General</u>	<u>Special</u>
2	<u>General</u>	<u>Special</u>		<u>General</u>	<u>Special</u>
3	<u>General</u>	<u>Special</u>		<u>General</u>	<u>Special</u>
4	<u>Fund</u>	<u>Revenue</u>	<u>Total</u>	<u>Fund</u>	<u>Revenue</u>
5	<u>Mental Health Division</u>	<u>Revenue</u>	<u>Proprietary</u>	<u>Revenue</u>	<u>Proprietary</u>
6	a. Central Office				
7	i. Operations				
8	4,108,977		1,249,805	5,358,782	4,108,940
9	b. Montana Developmental Center				
10	i. Operations				
11	11,689,951	13,626	42,661	11,746,238	11,852,130
12	ii. Equipment				
13	50,000			50,000	
14	c. Center for the Aged				
15	i. General Operations				
16	2,616,625	9,735		2,626,360	2,628,532
17	ii. Equipment				
18	25,000			25,000	
19	d. Eastmont				
20	i. General Operations				
21	2,211,984	4,000		2,215,984	2,230,328
22	ii. Equipment				
23	10,000			10,000	
24	e. Veterans' Home				
25	i. General Operations				
					5,358,746
					11,910,140
					44,384
					2,638,267
					4,000
					2,234,328
					D-3

	<u>Fiscal 1988</u>			<u>Fiscal 1989</u>		
	<u>State</u>	<u>Federal</u>	<u>Special</u>	<u>State</u>	<u>Special</u>	<u>Federal</u>
	<u>General</u>	<u>Special</u>	<u>Revenue</u>	<u>General</u>	<u>Revenue</u>	<u>Special</u>
	<u>Fund</u>	<u>Revenue</u>	<u>Proprietary</u>	<u>Total</u>	<u>Fund</u>	<u>Proprietary</u>
4	502,404	20,764	1,458,414	1,981,582	511,489	20,764
5						
6	f. Montana State Hospital					
7	i. General Operations					
8	19,468,522	1,740,583	3,775	21,212,880	19,480,500	1,729,533
9						
10	Within item 4, transfers may be made between line items in excess of 5% of the total appropriation authority in each line item upon approval of the Governor or his designated representative.					
11	Within item 5, transfers may be made between line items in excess of 5% of the total appropriation authority in each line item upon approval of the Governor or his designated representative.					
12	each line item upon approval of the Governor or his designated representative.					
13	Items 4aii, 4ci, 5biii, 5cii, and 5dii are biennial appropriations.					
14	6. Board of Pardons					
15	a. General Operations					
16	160,439			160,439		160,441
17	Total					
18						
19	160,439			160,439		160,441
20	DEPARTMENT OF FAMILY SERVICES					
21	1. Management Support					
22	a. Operations					
23	440,890			257,092		269,062
24	b. Legislative Audit					
25	25,268			14,732		40,000

	<u>Fiscal 1988</u>				<u>Fiscal 1989</u>				
	State	Federal	General	Special	State	Federal	General	Special	
	<u>Fund</u>	<u>Revenue</u>	<u>Revenue</u>	<u>Proprietary</u>	<u>Total</u>	<u>Fund</u>	<u>Revenue</u>	<u>Proprietary</u>	<u>Total</u>
5	Total								
6	-	-	-	-	-	-	-	-	-
7	466,158	271,824			737,982	463,954			733,016
8	2.	Social Services							
9	a.	Operations							
10	6,888,744	2,271,063			9,159,807	6,891,741			9,163,793
11	b.	Benefits							
12	7,178,226	7,208,068			14,386,294	7,173,226			14,381,294
13	Total								
14	-	-	-	-	-	-	-	-	-
15	14,066,970	9,479,131			23,546,101	14,064,967			23,545,087
16	3.	Mountain View School							
17	a.	Operations							
18	1,622,555	15,982	107,846		1,746,383	1,634,715	14,982	107,950	1,757,647
19	b.	Legislative Audit							
20	9,240				9,240				
21	Total								
22	-	-	-	-	-	-	-	-	-
23	1,631,795	15,982	107,846		1,755,623	1,634,715	14,982	107,950	1,757,647
24	4.	Pine Hills School							
25	a.	Operations							

	<u>Fiscal 1988</u>				<u>Fiscal 1989</u>				
	State	Federal	General	Special	General	Special	Revenue	Federal	
	<u>Fund</u>	<u>Revenue</u>	<u>Revenue</u>	<u>Proprietary</u>	<u>Total</u>	<u>Fund</u>	<u>Revenue</u>	<u>Proprietary</u>	<u>Total</u>
5	2,745,796	59,169	510,722		3,315,687	2,768,602	59,260	510,722	3,338,584
6	b. Legislative Audit								
7	12,096				12,096				
8	Total								
9									
10	2,757,892	59,169	510,722		3,327,783	2,768,602	59,260	510,722	3,338,584
11	5. Aftercare Services								
12	a. Operations								
13	429,026		2,800		431,826	399,080		2,800	401,880
14	Total								
15									
16	429,026		2,800		431,826	399,080		2,800	401,880
17	6. Youth Evaluations								
18	a. Operations								
19	146,292				146,292	146,173			146,173
20	Total								
21									
22	146,292				146,292	146,173			146,173
23	Total								
24									
25	19,498,133	75,151	10,372,323		29,945,607	19,477,491	74,242	10,370,654	29,922,387

	Fiscal 1988				Fiscal 1989				
2	State	Federal	General	Special	State	Federal	General	Special	
3	General	Special	Revenue	Proprietary	Total	Fund	Revenue	Proprietary	Total
4	Fund	Revenue							
5	Items 1b, 3b, and 4b are biennial appropriations.								
6	MONTANA ARTS COUNCIL								
7	1. Administration								
8	103,972	396,450			500,422	105,011			506,388
9	2. Artists-in-the-Schools								
10	15,143	5,400			20,543	15,143			15,143
11	3. Audit								
12	5,400				5,400				
13									
14	Total								
15	124,515	401,850			526,365	120,154			521,531
16	MONTANA STATE LIBRARY								
17	1. Reference and Information								
18	534,475	299,000			1,547,452	520,199	311,000		1,502,784
19	2. Audit								
20	13,200				13,200				
21	3. Natural Heritage Program								
22	125,461				125,461		105,839	24,777	130,616
23									
24	Total								
25	547,675	424,461			1,686,113	520,199	416,839	696,362	1,633,400

<u>Fiscal 1988</u>						<u>Fiscal 1989</u>					
		State	Federal			State	Federal			Special	Special
1	2	General	Special	Revenue	Total	General	Fund	Revenue	Total	Revenue	Proprietary
3	4	Fund	Revenue	Proprietary		5		Library	Services	and	Construction
5	6	The amounts included in item 1 in the federal special revenue column represent funds that may be transferred between fiscal 1988 and 1989.									
6	7	Amounts in item 3 represent a biennial appropriation.									
8	9	MONTANA HISTORICAL SOCIETY	1.	Administration							
10	10	a. Operations									
11	11	423,520	59,810	483,330	429,174			59,926		489,100	
12	12	b. Audit									
13	13	13,140				13,140					
14	14	2. Library Program									
15	15	154,194	16,074	170,268	154,151			16,074		170,225	
16	16	3. Museum Program									
17	17	205,056	118,282	323,338	205,018			88,304		293,322	
18	18	4. Publications Program									
19	19	a. Operations									
20	20	41,320	410,652	451,972	41,320			410,616		451,936	
21	21	b. Audit									
22	22		1,080		1,080						
23	23	5. Photo Archives									
24	24	80,989		17,600	98,589	81,631		17,000		98,631	
25	25	6. Historical Sites Preservation Program									

Fiscal 1988							Fiscal 1989										
	State	Federal		State	Federal		State	Special	Revenue	Proprietary	Total	4	General	Special	Revenue	Proprietary	Total
4	General	Special		General	Special		General	Special	Revenue	Proprietary	Total	4	General	Special	Revenue	Proprietary	Total
5	a. Operations											5					
6	60,862			760,395			821,257		59,498		761,630	6					821,128
7	b. Audit											7					
8	605			3,175			3,780					8					
9	7. Archives Program											9					
10	130,949			131,186			131,186					10					
11	8. Education Program											11					
12				52,203			52,203					12					
13												13					
14	Total											14					
15	1,110,635			411,732	2,549,906	1,101,978						15					
16	TOTAL SECTION D											16					
17	82,051,754	3,856,810	16,501,330	2,519,269	104,929,163	82,123,431	3,930,597	16,457,812	2,585,504	105,097,344		17					

AGENCY: DEPARTMENT OF HIGHWAYS

LEGISLATIVE ACTION

PROGRAM: AGENCY SUMMARY

<u>BUDGET ITEM</u>	<u>FY 1986 Actual</u>	<u>Fiscal 1988</u>		<u>Fiscal 1989</u>		<u>% Change</u>
		<u>Executive</u>	<u>Current Level</u>	<u>Executive</u>	<u>Current Level</u>	
FTE	2005.50	1869.64	1834.07	1871.14	1863.64	-140.36
Personal Services	\$ 52,946,819	\$ 52,945,994	\$ 51,750,565	\$ 52,989,401	\$ 52,949,994	\$ 52,993,526 0.08
Operating Expenses	220,844,206	152,918,455	151,792,746	152,708,082	145,779,812	145,395,679 -30.85
Equipment	7,503,385	6,397,413	6,140,843	6,422,413	6,145,081	5,889,521 6,120,081 -14.41
Non-Operating	33,561,218	21,986,870	20,311,647	5,677,332	20,124,412	18,674,013 3,806,982 -83.08
TOTAL EXPENSES	\$314,855,628	\$234,248,732	\$229,995,801	\$217,797,228	\$226,999,299	\$221,059,174 \$208,316,268 -30.83
FUNDING						
State Special Rev	\$169,387,126	\$123,539,273	\$117,561,227	\$107,179,534	\$113,712,062	\$108,794,525 \$ 97,311,325 -36.73
Federal Revenue	129,073,261	94,258,614	96,453,754	94,119,668	94,799,079	96,207,883 94,539,376 -27.08
Proprietary Funds	16,395,241	16,450,845	15,980,820	16,498,027	16,488,158	16,056,766 16,465,568 0.63
TOTAL FUNDING	\$314,855,628	\$234,248,732	\$229,995,801	\$217,797,228	\$226,999,299	\$221,059,174 \$208,316,268 -30.83

Program Description: The Montana Department of Highways is responsible for designing, constructing, maintaining, and regulating Montana's roads. To accomplish its task, the department is organized into a number of programs. These programs are: preconstruction, responsible for planning roads up to the time projects are let; construction, responsible for letting and inspecting projects; maintenance, responsible for maintaining roads; equipment, responsible for supplying equipment needs of the department; gross vehicle weight, responsible for protecting the highways; general operations, responsible for supporting other programs; service revolving, an internal group of bureaus such as printing which provides support to other programs; and the motor pool, responsible for providing vehicles to state agencies in Helena.

Legislative Intent: The subcommittee recommended the following language be included in the general appropriations bill:

The Legislature anticipates that the Maintenance Division will receive, by budget amendment for each fiscal year of the 1989 biennium, spending authority for any funds in excess of \$292,840 each fiscal year that it collects from damage situations.

The Legislature anticipates the Equipment Program will receive, by budget amendment, spending authority from the proprietary fund account if gasoline costs exceed \$1,519,802 in fiscal year 1988 and \$1,571,409 in fiscal 1989 due to increases in gasoline prices greater than a 1 percent increase per gallon from fiscal 1986 to fiscal 1988 and 4.4 percent increase per gallon from fiscal 1986 to fiscal 1989.

The Legislature anticipates the Motor Pool will receive, by budget amendment, spending authority from the proprietary fund account if gasoline costs exceed \$131,684 in fiscal year 1988 and \$136,169 in fiscal 1989 due to increases in gasoline prices greater than a 1 percent increase per gallon from fiscal 1986 to fiscal 1988 and 4.4 percent increase per gallon from fiscal 1986 to fiscal 1989.

In the event additional federal highway funds become available, additional spending authority and additional FTE may be requested through budget amendment.

Funding may be transferred among all program, including stores inventory, to reflect personal services expenditures.

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The department is appropriated \$11,058,000 in fiscal 1988 and \$21,920,000 in fiscal 1989 for a cash transfer from the highway special revenue accounts to the highway reconstruction trust account.

The Department of Highways is directed to submit to the 1989 Legislature a construction work plan for the 1991 biennium that is detailed by year and project. This work plan must specify, by road system or project area, proposed projects on which \$1 million or more would be spent during the 1991 biennium and an aggregate cost for projects with anticipated expenditures of less than \$1 million. Costs must be detailed by year and project.

The internal service program may request a budget amendment for \$210,000 in fiscal 1988 or fiscal 1989 to overhaul the department's airplane.

The department may adjust appropriations in the construction and preconstruction programs between fiscal years and funding sources to reflect actual expenditures related to the projected work plan.

Decrease w/o needed in Dept. Service P/B, 1/4 55

Budget: The department's budget decreases 30.8 percent from fiscal 1986 to fiscal 1988. The reduction in operating expenses is in contractor payments in the Construction Program which decreases \$69,441,567 from fiscal 1986 to fiscal 1988 and decreases an additional \$6,895,940 to fiscal 1989. Non-operating expenses show a decrease of \$27,883,886 primarily in the Capital Outlay Program and due to debt service payments of \$14,773,285 and transfers of \$13,336,604 which were included in fiscal 1986 and are not continued in fiscal 1988. The debt service payments are statutorily appropriated and, therefore, are not included in the general appropriations act. The transfers are the movement of funds between the highway state special revenue account and the reconstruction trust account. The department's intent was to discontinue the reconstruction trust unless additional revenues became available; therefore, the current level did not include the fund transfers.

If the modifieds are approved, the budget decrease from fiscal 1986 to fiscal 1988 will be 14.55 percent which excludes the debt service expenditures.

Funding: State special funds include bond proceeds, highway state special revenue funds and reconstruction trust funds. The proprietary funds include the motor pool account, the equipment account and the service revolving account.

Table 1 shows a cash flow analyses of the combined highway state special revenue and reconstruction trust accounts. This table includes the additional fuel taxes which will be generated by HB 136, revenues from bond sales, and the recommended modified budgets for the Construction and Reconstruction Programs.

Table 1
Combined Highway Special Revenue and Reconstruction Trust Accounts
Fiscal Year 1987 through 1989

	<u>Fiscal 1987</u>	<u>Fiscal 1988</u>	<u>Fiscal 1989</u>
<u>Beginning Balance</u>	\$ 44,640,643	\$130,665,090	\$111,073,849
<u>Revenues:</u>			
Gasoline Tax	65,146,091	77,000,871	75,516,353
Diesel Tax	17,964,241	20,724,956	20,297,857
GVW Tax	22,702,588	23,061,100	22,899,500
Stores	12,643,971	13,632,007	13,767,451
Coal Tax	5,883,700	7,751,637	8,133,812
Other	1,497,631	1,014,755	1,014,755
Bond Proceeds	<u>100,000,000</u>	<u>-0-</u>	<u>-0-</u>
<u>Total Funds Available</u>	<u>\$270,478,865</u>	<u>\$273,850,416</u>	<u>\$252,703,577</u>
<u>Disbursements:</u>			
Department of Highways - Current Level	\$106,219,009	\$103,840,534	\$ 98,072,325
Department of Highways - Modified	-0-	22,046,030	33,096,118
Bond Principal and Interest	9,088,505	12,221,525	12,227,881
Local Governments	14,000,000	14,000,000	14,000,000
Department of Justice	9,283,571	9,718,961	9,803,802
Department of Commerce	71,250	71,250	71,250
Highway Traffic Safety	68,194	72,000	72,000
Department of Revenue	753,879	806,267	788,714
Adjustments	<u>329,367</u>	<u>-0-</u>	<u>-0-</u>
<u>Total Disbursement & Adjustments</u>	<u>\$139,813,775</u>	<u>\$162,776,567</u>	<u>\$168,132,090</u>
<u>ENDING BALANCE</u>	<u>\$130,665,090</u>	<u>\$111,073,849</u>	<u>\$ 84,571,487</u>

AGENCY: DEPARTMENT OF HIGHWAYS

LEGISLATIVE ACTION

PROGRAM: GENERAL OPERATIONS

<u>BUDGET ITEM</u>	<u>FY 1986 Actual</u>	<u>Fiscal 1988</u>			<u>Fiscal 1989</u>			<u>% Change</u>
		<u>Executive Current Level</u>	<u>Subcommittee</u>		<u>Executive Current Level</u>	<u>Subcommittee</u>		
FTE	142.53	142.18	138.81	142.18	142.18	138.81	142.18	-0.35
Personal Services	\$3,562,577	\$3,709,929	\$3,645,768	\$3,709,929	\$3,711,571	\$3,646,964	\$3,711,571	4.14
Operating Expenses	2,439,248	2,675,092	2,553,328	2,675,092	2,624,451	2,500,053	2,624,451	9.67
Equipment	471,770	300,910	300,910	300,910	128,875	128,875	128,875	-36.22
Non-Operating	301,693	299,693	299,693	299,693	299,693	299,693	299,693	-0.66
TOTAL EXPENSES	\$6,775,288	\$6,985,624	\$6,799,699	\$6,985,624	\$6,764,590	\$6,575,585	\$6,764,590	3.10
FUNDING								
State Special Rev	\$4,643,234	\$5,378,930	\$5,162,998	\$5,378,930	\$5,208,734	\$4,990,747	\$5,208,734	15.84
Federal Revenue	2,132,054	1,606,694	1,636,701	1,606,694	1,555,856	1,584,838	1,555,856	-24.64
TOTAL FUNDING	\$6,775,288	\$6,985,624	\$6,799,699	\$6,985,624	\$6,764,590	\$6,575,585	\$6,764,590	3.10

Program Description: The General Operations Program provides support services for all other programs of the department. Services such as personnel, accounting, planning, research, and general administration are functions of this program.

Budget: Personal services increase \$147,352 primarily due to the pay increase from fiscal 1986 to fiscal 1987. Fiscal 1987 pay matrices are the basis for the 1989 biennium personal services. Vacancy savings was set at 4 percent. Contract services increase \$76,478 over fiscal 1986 primarily in the area of minority business enterprise training, local comprehensive transportation plan, and Rural Transportation Assistance Program. Insurance increases \$164,634 for general liability. Audit fees increase \$23,967 from fiscal 1986 to fiscal 1988 for a total cost to fiscal year 1988 of \$57,600. Computer processing costs decrease \$22,401 from fiscal 1986 to fiscal 1988.

Funding: The state special revenue of \$5,378,930 and \$5,208,734, comes from the highway state special revenue account.

AGENCY: DEPARTMENT OF HIGHWAYS

LEGISLATIVE ACTION

PROGRAM: CONSTRUCTION PROGRAM

<u>BUDGET ITEM</u>	<u>FY 1986 Actual</u>	Fiscal 1988			Fiscal 1989			<u>% Change</u>
		<u>Executive</u>	<u>Current Level</u>	<u>Subcommittee</u>	<u>Executive</u>	<u>Current Level</u>	<u>Subcommittee</u>	
FTE	650.40	571.00	551.55	571.00	565.00	545.55	565.00	-79.40
Personal Services	\$ 16,707,708	\$ 16,097,010	\$ 15,740,958	\$ 16,097,010	\$ 16,017,129	\$ 15,662,778	\$ 16,017,129	-3.66
Operating Expenses	174,969,208	106,742,338	106,459,976	106,560,238	99,367,474	99,073,578	99,031,511	-39.10
Equipment	249,638	174,866	174,856	174,866	174,931	174,931	174,931	-29.95
TOTAL EXPENSES	\$191,926,554	\$123,014,214	\$122,375,790	\$122,832,114	\$115,559,534	\$114,911,287	\$115,223,571	-36.00

FUNDING

State Special Rev	\$ 37,633,808	\$ 35,000,867	\$ 37,590,654	\$ 28,508,537	\$ 26,645,167	\$ 28,432,277	-47.60	
Federal Revenue	120,194,568	85,380,406	87,374,923	85,241,460	87,050,997	88,266,120	86,791,294	-29.08
TOTAL FUNDING	\$191,926,554	\$123,014,214	\$122,375,790	\$122,832,114	\$115,559,534	\$114,911,287	\$115,223,571	-36.00

Program Description: The Construction Program is responsible for assuring that roads and bridges are constructed or reconstructed to meet the needs of Montana's citizens. The reconstruction and construction work is done by private contractors on a bid basis. Personnel in the program are responsible for monitoring the work of the private contractors. Personnel working in the Construction Program are located at 11 construction sections and at the department's headquarters in Helena.

Budget: There was a 84.40 FTE reduction made by the department due to completion of a number of large interstate projects and budget reductions resulting from the 5 percent cutback and reduction in fiscal 1987 pay plan. Five FTE were transferred to the Construction Program from the Pre-Construction Program. Vacancy savings of 1 percent was applied. Contractor payments for Interstate System work reflect the major reason for the reduction in major contracts which decrease \$69,441,567 from fiscal 1986 to fiscal 1988 and a further decrease \$6,895,940 from fiscal 1988 to fiscal 1989. Utilities relocation increases approximately \$643,337 and laboratory testing expense increase \$318,500 from fiscal 1986 to fiscal 1988. Equipment decreased approximately \$74,772 from fiscal years 1986 to 1988.

Funding: State special revenue is bond proceeds of \$4,100,000 in fiscal 1988 only, highway state special revenue funds are \$26,474,715 and \$25,485,509 in fiscal 1988 and 1989 and reconstruction trust fund is \$7,015,939 and \$2,946,768 in fiscal 1988 and 1989.

Modifieds Recommended:

1. Construction - 29.60 FTE with a personal service cost of \$615,904 and 46.00 FTE with a personal service cost of \$938,668, operating costs primarily in contractor payments of \$20,536,311 and \$31,723,070 for fiscal years 1988 and 1989 are recommended to continue the reconstruction of the primary road systems in Montana. The totals by fiscal year for this modified request are \$21,152,215 and \$32,661,738.

AGENCY: DEPARTMENT OF HIGHWAYS

LEGISLATIVE ACTION

PROGRAM: MAINTENANCE PROGRAM

<u>BUDGET ITEM</u>	FY 1986			Fiscal 1988			Fiscal 1989			<u>% Change</u>
	<u>Actual</u>	<u>Executive Current Level</u>	<u>Subcommittee</u>	<u>Executive</u>	<u>Current Level</u>	<u>Subcommittee</u>				
FTE	662.83	642.33	629.23	642.33	642.33	629.23	642.33	642.33	642.33	-20.50
Personal Services	\$18,564,769	\$18,962,443	\$18,176,488	\$18,962,443	\$19,030,425	\$18,243,237	\$19,030,425	\$19,030,425	\$19,030,425	2.14
Operating Expenses	22,542,013	21,425,259	21,134,656	21,418,212	21,608,649	21,296,011	21,601,602	21,601,602	21,601,602	-4.99
Equipment	337,195	100,204	99,204	100,204	100,090	100,090	100,090	100,090	100,090	-70.28
Non-Operating	158,484	133,030	133,030	133,030	133,030	133,030	133,030	133,030	133,030	-16.06
TOTAL EXPENSES	\$41,602,461	\$40,620,936	\$39,543,378	\$40,613,889	\$40,872,194	\$39,772,368	\$40,865,147	\$40,865,147	\$40,865,147	-2.38
FUNDING										
State Special Rev	\$41,546,516	\$40,620,936	\$39,543,378	\$40,613,889	\$40,872,194	\$39,772,368	\$40,865,147	\$40,865,147	\$40,865,147	-2.24
Federal Revenue	55,945	0	0	0	0	0	0	0	0	-100.00
TOTAL FUNDING	\$41,602,461	\$40,620,936	\$39,543,378	\$40,613,889	\$40,872,194	\$39,772,368	\$40,865,147	\$40,865,147	\$40,865,147	-2.38

Program Description: The Maintenance Program is responsible for managing and maintaining state highways and related facilities. Maintenance activities include the patching and repair of the highway surface, periodic sealing of highways, snow removal, and sanding.

Budget: There was a deletion of 20.50 FTE positions in this program resulting from pay plan and budget reductions made in fiscal 1987. Personal services increase from fiscal 1986 to fiscal 1988, even though there is a reduction of FTE, because of the number of vacancies in fiscal 1986 which were at 49.27 FTE at the fiscal year-end. Vacancy Savings of 4 percent was applied to this program. Weed control expense increases \$99,426 from fiscal 1986 to fiscal 1988 and an additional \$10,272 to fiscal 1989. Vehicle rental decreases \$178,570, utilities increase, primarily from inflation, \$90,824, oil mixed materials decrease \$957,117, maintenance contracts decrease \$50,000 from fiscal 1986 to fiscal 1988. A one-time expenditure of \$65,084 in fiscal 1986 was deleted. Equipment decreases approximately \$236,991 or 70.28 percent. Non-operating costs are the purchase of gravel sites for the program. *DC / 6/8*

Funding: The Maintenance Program is funded 100 percent by the highway state revenue funds. Fiscal 1986 has \$55,945 of federal funds for this program which was a budget amendment for a FEMA project for flood damage in northern Montana. *7*

AGENCY: DEPARTMENT OF HIGHWAYS

LEGISLATIVE ACTION

PROGRAM: PRE-CONSTRUCTION

BUDGET ITEM	FY 1986 <u>Actual</u>	Fiscal 1988			Fiscal 1989			% Change
		Executive	Current Level	Subcommittee	Executive	Current Level	Subcommittee	
FTE	243.00	212.00	209.08	212.00	212.00	209.08	212.00	-31.00
Personal Services	\$ 6,491,206	\$ 6,257,282	\$ 6,187,583	\$ 6,257,282	\$ 6,257,793	\$ 6,187,596	\$ 6,257,793	-3.60
Operating Expenses	1,783,894	1,840,621	1,729,888	1,840,621	1,794,669	1,700,048	1,794,669	3.18
Equipment	1,132,527	425,458	425,458	425,458	394,500	394,500	394,500	-62.43
Non-Operating	2,080,970	3,313,950	3,313,826	3,313,950	1,668,600	1,668,300	1,668,600	59.25
TOTAL EXPENSES	\$11,488,597	\$11,837,311	\$11,656,755	\$11,837,311	\$10,115,562	\$9,950,444	\$10,115,562	5.04
FUNDING								
State Special Rev	\$ 4,797,903	\$ 4,565,797	\$ 4,214,625	\$ 4,565,797	\$ 3,923,336	\$ 3,593,519	\$ 3,923,336	-4.84
Federal Revenue	6,690,694	7,271,514	7,442,130	7,271,514	6,192,226	6,356,925	6,192,226	8.68
TOTAL FUNDING	\$11,488,597	\$11,837,311	\$11,656,755	\$11,837,311	\$10,115,562	\$9,950,444	\$10,115,562	5.04

Program Description: The Preconstruction Program is responsible for completing all the activities relating to projects up to the time projects are let. These activities include designing projects, conducting public hearings, right-of-way purchases, and actual letting of projects.

Budget: Thirty-one FTE were deleted by the department due to the implementation of the Computer Aided Design and Drafting System (CADD) and the budget reductions from Special Session III. Vacancy savings at 4 percent was applied. Contracts for appraisers were increased by \$50,000 each fiscal year in the right-of-way bureau maintenance contracts for CADD were increased \$18,788 to fiscal 1988 and then decreased \$5,895 from fiscal 1988 to fiscal 1989. Legal fees increased \$12,120. Training for employees increased \$12,471 to fiscal 1988 and an additional \$4,415 to fiscal 1989. Right-of-way travel decreased \$16,472 to fiscal 1988 and an additional \$30,000 from fiscal 1988 to fiscal 1989. A one-time expenditure of \$20,000 in other expenses was deleted. Equipment budgeted decreased 62.43 percent because fiscal 1986 reflected the purchase of the CADD system of approximately \$1.08 million in fiscal 1986. The fiscal 1988 budget contains \$400,000 to expand the CADD system and there is an additional \$369,500 in fiscal 1989 for the same purpose. Non-operating budget reflects the purchase of right-of-ways for the 1989 biennium.

Funding: State special revenue is the highway state special revenue fund of \$4,325,797 in fiscal 1988 and \$3,715,336 in fiscal 1989 and the reconstruction trust fund of \$240,000 in fiscal 1988 and \$208,000 in fiscal 1989.

Modifieds Recommended:

1. Preconstruction - 20.0 FTE with a personal services cost of \$476,021 in fiscal 1988 and \$475,636 in fiscal 1989, operating costs of \$129,229 and \$133,822 and land costs of \$1,855,650 and \$586,500 are recommendation for fiscal 1988 and 1989. This modified request is a companion request to the modified recommendation in the Construction Program which is for the primary road system. Funding is from three sources. Highway state special funds are \$843,815 and \$410,080, reconstruction trust funds are \$50,000 and \$24,300 and federal funds are \$1,567,085 and \$761,578 and for fiscal 1988 and 1989. Total costs of the modified are \$2,460,900 in fiscal 1988 and \$1,195,958 in fiscal 1989.

AGENCY: DEPARTMENT OF HIGHWAYS

LEGISLATIVE ACTION

PROGRAM: SERVICE REVOLVING

<u>BUDGET ITEM</u>	FY 1986			Fiscal 1988			Fiscal 1989			<u>FY 86-88 % Change</u>
	<u>Actual</u>	<u>Executive</u>	<u>Current Level</u>	<u>Subcommittee</u>	<u>Executive</u>	<u>Current Level</u>	<u>Subcommittee</u>			
FTE	73.25	68.25	67.05	67.75	68.25	67.05	67.75			-5.50
Personal Services	\$1,850,608	\$1,855,757	\$1,837,590	\$1,848,197	\$1,856,268	\$1,838,161	\$1,848,717			-0.13
Operating Expenses	1,025,651	1,042,775	951,340	1,021,550	1,048,834	936,120	1,007,712			-0.40
Equipment	57,063	33,276	33,276	33,276	26,286	26,286	26,286			-41.69
TOTAL EXPENSES	\$2,933,322	\$2,931,808	\$2,822,206	\$2,903,023	\$2,931,388	\$2,800,567	\$2,882,715			-1.03
PROPRIETARY FUNDS	\$2,933,322	\$2,931,808	\$2,822,206	\$2,903,023	\$2,931,388	\$2,800,567	\$2,882,715			=-1.03

Program Description: The Service Revolving Program primarily consists of the aircraft units, printing units, photo unit, materials bureau and administration, data processing entry and systems programming bureau, and the van pool.

Budget: Five FTE were transferred to Construction Program by the department in fiscal 1986. A 0.5 FTE laboratory aide was deleted by the subcommittee. Personal services costs remain approximately the same and reflect the decreased FTE offset by the approximately 3.6 percent employee salary increase from 1986 to the fiscal 1987 which was the basis of the 1989 biennium personal services budget. Vacancy savings of 4 percent was taken. Insurance increases \$5,632 each fiscal year. Repairs for the aerial camera increase \$3,873 for fiscal 1988 and an additional \$2,000 for fiscal 1989. Inflation decreases expenditures by a net \$17,832 in fiscal 1988 and an additional net decrease of \$16,517 for fiscal 1989. The inflation decreases because Department of Administration computer processing costs are decreasing. The major equipment items are four nuclear testing devices at \$17,200 each year and software programs at \$7,500 in fiscal 1986 and \$7,000 in fiscal 1989.

Funding: Funding for this program is from the internal service proprietary fund account. Revenues are generated from changing other programs within the department for the services provided by the program.

AGENCY: DEPARTMENT OF HIGHWAYS

LEGISLATIVE ACTION

PROGRAM: STATE MOTOR POOL

<u>BUDGET ITEM</u>	<u>FY 1986 Actual</u>	<u>Fiscal 1988 Executive Current Level</u>	<u>Fiscal 1989 Subcommittee</u>	<u>Executive Current Level</u>	<u>Fiscal 1989</u>	<u>Subcommittee</u>	<u>% Change</u>	<u>FY 86-88</u>
FTE	6.00	6.00	6.00	6.00	6.00	6.00	0.00	0.00
Personal Services	\$142,876	\$147,684	\$147,970	\$147,684	\$148,107	\$148,400	\$148,107	3.37
Operating Expenses	225,006	212,804	202,148	212,804	217,982	212,061	217,982	-5.42
Equipment	489,711	402,120	427,120	427,120	360,620	360,620	335,620	-12.78
TOTAL EXPENSES	\$857,593	\$762,608	\$752,238	\$787,608	\$726,709	\$721,081	\$701,709	-8.16
PROPRIETARY FUNDS	\$857,593	\$762,608	\$752,238	\$787,608	\$726,709	\$721,081	\$701,709	-8.16

Program Description: The State Motor Pool Program operates and maintains a fleet of rental vehicles available to all state offices and employees in the Helena area.

Budget: The personal service increase reflects the 3.6 percent salary increase from fiscal 1986 to 1987. Vacancy savings was taken at 4 percent. Insurance increases by \$5,932 to fiscal 1988. One-time expenditures of \$4,248 in contract services, and supplies were deleted. Gasoline, including inflation, decreases \$14,758 from fiscal 1986 to 1988 and inflation on gasoline increases \$5,705 from fiscal 1988 to 1989. Equipment decreases 12.78 percent and is comprised entirely of automotive vehicles.

Funding: Funding is from the motor pool proprietary account. Revenues in this account come from vehicle rentals.

AGENCY: DEPARTMENT OF HIGHWAYS

LEGISLATIVE ACTION

PROGRAM: EQUIPMENT PROGRAM

<u>BUDGET ITEM</u>	<u>FY 1986 Actual</u>	<u>Fiscal 1988 Executive Current Level</u>	<u>Subcommittee</u>	<u>Executive Current Level</u>	<u>Fiscal 1989</u>	<u>Subcommittee</u>	<u>FY 86-88 % Change</u>
FTE	120.35	117.85	119.35	119.85	117.85	119.35	119.85
Personal Services	\$ 3,328,003	\$ 3,345,584	\$ 3,389,139	\$ 3,396,551	\$ 3,358,140	\$ 3,402,043	\$ 3,409,223
Operating Expenses	4,627,294	4,505,186	4,367,138	4,505,186	4,566,262	4,482,976	4,566,262
Equipment	6,649,030	4,905,659	4,650,099	4,905,659	4,905,659	4,650,099	4,905,659
Non-Operating	2,910,182	1,675,099	0	1,930,659	1,450,099	0	1,705,659
TOTAL EXPENSES	\$15,514,509	\$14,431,528	\$12,406,376	\$14,738,055	\$14,280,160	\$12,535,118	\$14,586,803
FUNDING							-5.00
State Special Revenue	\$ 2,910,182	\$ 1,675,099	\$ 0	\$ 1,930,659	\$ 1,450,099	\$ 0	\$ 1,705,659
Proprietary Funds	12,604,327	12,756,429	12,406,376	12,807,396	12,830,061	12,535,118	12,881,144
TOTAL FUNDING	\$15,514,509	\$14,431,528	\$12,406,376	\$14,738,055	\$14,280,160	\$12,535,118	\$14,586,803

Program Description: The Equipment Program is responsible for the purchase, distribution, and maintenance of all highway equipment. Equipment is rented out to various programs within the highway department.

Budget: There is a 0.50 FTE administrative office position that was deleted due to pay plan reductions in fiscal 1987. Two FTE mechanic positions were also deleted because of pay plan reductions but were added back by the subcommittee. Vacancy savings of 4 percent was taken. Insurance increases \$48,974 each year. Auctioneer fees, for selling used equipment through the Surplus Property Bureau, increase \$69,519 each fiscal year. Gasoline decreases \$207,725 and diesel decrease \$58,115 each fiscal year. Inflation for utilities and gasoline adds \$24,651 to fiscal 1988 and an additional \$61,232 in fiscal 1989. Non-operating expenses are the transfers of highway state special funds into the equipment proprietary fund.

Funding: The Highway state special revenue funds are \$1,930,659 and \$1,705,659 in fiscal 1988 and 1989. The Highway Equipment Proprietary account funds the balance of the program at \$12,807,396 and \$12,881,144 in fiscal 1988 and 1989, respectively.

AGENCY: DEPARTMENT OF HIGHWAYS

LEGISLATIVE ACTION

PROGRAM: CAPITAL OUTLAY PROGRAM

<u>BUDGET ITEM</u>	<u>FY 1986 Actual</u>	<u>Fiscal 1988</u>		<u>Fiscal 1989</u>		<u>Subcommittee</u>	<u>FY 86-88 % Change</u>
		<u>Executive</u>	<u>Current Level</u>	<u>Executive</u>	<u>Current Level</u>		
FTE	0.00	0.00	0.00	0.00	0.00		0.00
Non-Operating	\$28,109,889						
TOTAL EXPENSES	\$28,109,889	\$0	\$0	\$0	\$0	\$0	\$0
STATE SPECIAL REVENUE	\$28,109,889	\$0	\$0	\$0	\$0	\$0	\$0

Program Description: The Capital Outlay Program constitutes the sinking fund for the retirement of department's bonds. It is also the program used to transfer the highway state special revenue funds to the Reconstruction Trust Account. There are no funds budgeted in this program for the 1989 biennium because the debt service bond principal and interest payments are statutorily appropriated in Section 17-7-502 (4) MCA.

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AGENCY: DEPARTMENT OF HIGHWAYS		LEGISLATIVE ACTION			PROGRAM: STORES INVENTORY		
BUDGET ITEM	FY 1986 Actual	Fiscal 1988 Executive Current Level	Subcommittee	Executive Current Level	Fiscal 1989	Subcommittee	FY 86-88 % Change
FTE	0.00	0.00	0.00	0.00	0.00	0.00	0.00
OPERATING EXPENSES	\$12,442,561	\$13,602,298	\$13,632,007	\$13,602,298	\$13,672,810	\$13,767,451	\$13,672,810 9.32
STATE SPECIAL REVENUE	\$12,442,561	\$13,602,298	\$13,632,007	\$13,602,298	\$13,672,810	\$13,767,451	\$13,672,810 9.32

Program Description: The Highway Stores Program is used to purchase and store materials such as sand, road oil, and gasoline which is needed by the other highway department programs. Physically separate store operations are maintained in Helena, at each of the field areas, and at their respective section houses. Known as Stores Headquarters, the Helena branch of the stores system addresses the needs of the Helena headquarters building and shop facility and acts as the central receiving and distribution center for all quantity stores purchases made for the highway department.

Budget: Contractor payments for production of road oil mix increases by \$221,189, gasoline increases by \$238,000, road oil decreases by \$172,688 and sand cost increases \$843,972 from fiscal 1986 to fiscal 1988. The inflation for gasoline and laboratory supplies increases \$12,278 from fiscal 1986 to fiscal 1988 and an additional \$70,500 to fiscal 1989.

Funding: This program is funded from the highway state special revenue account.

AGENCY: DEPARTMENT OF HIGHWAYS**LEGISLATIVE ACTION****PROGRAM: Gross Vehicle Weight**

<u>BUDGET ITEM</u>	<u>FY 1986 Actual</u>	<u>Fiscal 1988 Executive Current Level</u>	<u>Subcommittee</u>	<u>Fiscal 1989 Executive Current Level</u>	<u>Subcommittee</u>	<u>FY 86-88 % Change</u>
FTE	107.14	110.03	110.03	110.03	110.03	2.89
Personal Services	\$2,299,072	\$2,570,305	\$2,625,070	\$2,570,305	\$2,630,986	\$2,570,561
Operating Expenses	789,331	872,082	762,262	872,082	767,174	878,681
Equipment	116,452	54,920	54,920	54,920	54,120	54,120
TOTAL EXPENSES	\$3,204,855	\$3,497,307	\$3,442,252	\$3,497,307	\$3,503,362	\$3,503,362
STATE SPECIAL REVENUE	\$3,204,855	\$3,497,307	\$3,442,252	\$3,497,307	\$3,452,280	\$3,503,362

Program Description: The Gross Vehicle Weight Division provides enforcement of the statutes and regulations relating to vehicle weights on the state's highways (Title 61, MCA) and collects gross vehicle weight fees. It consists of two bureaus. The Licensing and Collection Bureau registers interstate fleet of vehicles, issues GVW fee licenses, issues oversize and overweight permits, and collects fees and taxes. The Enforcement Bureau operates eight stations across the state and assigns enforcement officers to inspect vehicles for compliance with registration, fuel, size, and weight laws.

Budget: There is a 2.89 FTE increase which is shown in the following table.

Table 1
Gross Vehicle Weight Program FTE Change
Fiscal 1986 to Fiscal 1988

	FTE
Authorized Additional GVW Officers - Fiscal 1987	11.00
Transferred to General Operations Program	(3.00)
Reduction for fiscal 1987 Budget and Pay Plan Cuts	(5.11)
Net FTE Addition	<u>=2.89</u>

The personal services budget increases due to the FTE increases, vacancy savings realized in fiscal 1986, and position compensation increases based on fiscal 1987 pay matrices.

Data processing costs increase \$8,564, utilities increase \$6,049, repairs increase \$19,741, relocation increases \$22,875, allowances increase \$10,807, and recruiting increases by \$2,043 from fiscal 1986 to fiscal 1988. These costs are related to two new weigh stations and costs associated with the additional officers added in fiscal 1987. Inflation on utilities increases \$9,155 to fiscal 1988 and an additional \$8,659 to fiscal 1989. The equipment budget includes six sets of portable scales costing \$44,000 each year of the biennium.

Funding: This program is funded totally from the highway state special revenue account.

A. GENERAL GOVERNMENT AND HIGHWAYS

	<u>Fiscal 1988</u>			<u>Fiscal 1989</u>		
	State	Federal		State	Federal	
3	General	Special		General	Special	
4	<u>General</u>	<u>Special</u>		<u>General</u>	<u>Special</u>	
5	<u>Fund</u>	<u>Revenue</u>	<u>Total</u>	<u>Fund</u>	<u>Revenue</u>	<u>Total</u>
6	DEPARTMENT OF HIGHWAYS					
7	1. Construction					
8	37,590,654	85,241,460	122,832,114			
9	2. General Operations			28,432,277	86,791,294	115,223,571
10	a. Operations					
11	5,321,330	1,606,694	6,928,024	5,208,734	1,555,856	6,764,590
12	b. Audit					
13		57,600	57,600			
14	3. Preconstruction					
15	4,565,797	7,271,514	11,837,311	3,923,336	6,192,226	10,115,562
16	4. Service Revolving			2,903,023	2,903,023	
17						2,882,715
18	5. Maintenance					
19	40,613,889		40,613,889	40,865,147		40,865,147
20	6. Equipment					
21	1,930,659		12,807,396	14,738,055	1,705,659	12,881,144
22	7. Motor Pool			787,608	787,608	701,709
23						701,709
24	8. Stores Inventory			13,602,298		13,672,810
25						13,672,810

	<u>Fiscal 1988</u>						<u>Fiscal 1989</u>								
	State	Federal	General	Special	Revenue	Proprietary	Total	State	Federal	General	Special	Revenue	Proprietary	Total	
	Fund	Revenue	Fund	Revenue	Fund	Revenue	Total	Fund	Revenue	General	Special	Revenue	Proprietary	Total	
5. 9. Gross Vehicle Weight Division															
6.	3,497,307				3,497,307		3,497,307			3,503,362			3,503,362		
7.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
8. Total															
9.	107,179,534	94,119,668	16,498,027	217,797,229			97,311,325	94,539,376	16,465,568	208,316,269					

10. In the event additional federal highway funds become available, additional spending authority and additional FTE
 11 may be requested through budget amendment.
- 12 Funding may be transferred among all programs, including stores inventory, to reflect personal services expenditures.
- 13 The department is appropriated \$11,058,000 in fiscal year 1988 and \$21,920,000 in fiscal year 1989 for a cash transfer from the highway state special revenue accounts to the highway reconstruction trust account.
- 14 The Department of Highways is directed to submit to the 1989 Legislature a construction work plan for the 1991 biennium that is detailed by year and project. This work plan must specify, by road system or project area, proposed projects on which \$1 million or more would be spent during the 1991 biennium and an aggregate cost for projects with anticipated expenditures of less than \$1 million. Costs must be detailed by year and project.
- 15 The Legislature anticipates the Equipment Program will receive, by budget amendment, spending authority from the proprietary fund account if gasoline costs exceed \$1,519,802 in fiscal year 1988 and \$1,571,409 in fiscal year 1989 due to increases in gasoline prices greater than a 1 percent increase per gallon from fiscal 1986 to fiscal 1988 and 4.4 percent increase per gallon from fiscal 1986 to fiscal 1989.
- 16 The Legislature anticipates the Motor Pool will receive, by budget amendment, spending authority from the proprietary fund account if gasoline costs exceed \$131,684 in fiscal year 1988 and \$136,169 in fiscal year 1989 due to

	<u>Fiscal 1988</u>			<u>Fiscal 1989</u>		
	<u>State</u>	<u>Federal</u>	<u>Special</u>	<u>State</u>	<u>Federal</u>	<u>Special</u>
<u>General</u>				<u>General</u>		
<u>Fund</u>	<u>Revenue</u>	<u>Proprietary</u>	<u>Total</u>	<u>Fund</u>	<u>Revenue</u>	<u>Proprietary</u>
5 increases in gasoline prices greater than a 1 percent increase per gallon from fiscal 1986 to fiscal 1988 and 4.4 percent increase per gallon from fiscal 1986 to fiscal 1989.						
7 The department may adjust appropriations in the construction and preconstruction programs between fiscal years and funding sources to reflect actual expenditures related to the projected work plan.						
9 The internal service program may request a budget amendment for \$210,000 in fiscal year 1988 or fiscal year 1989 to overhaul the department's airplane.						
11 The legislature anticipates that the Maintenance Division will receive, by budget amendment for each fiscal year of the 1989 biennium, spending authority for any funds in excess of \$292,840 in each fiscal year that it collects from damage situations.						

VISITOR'S REGISTER

Appropriations COMMITTEE
 BILL(S) HOUSE Bill 2 DATE 3/9/87
 SPONSOR(S) _____

NAME	REPRESENTING	BILL NO.	SUP-PORT	OP-POSE
<i>Steve Walden</i>	<i>MRCCA Mental Health Centre HB2</i>			

IF YOU CARE TO WRITE COMMENTS, ASK SECRETARY FOR VISITOR'S STATEMENT
 IF YOU HAVE WRITTEN COMMENTS, PLEASE GIVE A COPY TO THE SECRETARY

