

MINUTES OF THE MEETING
APPROPRIATIONS COMMITTEE
50TH LEGISLATURE

The meeting of the House Appropriations Committee was called to order by Chairman Rep. Gene Donaldson on March 14, 1987 at 8:00 a.m. in Room 104 of the State Capitol.

ROLL CALL: All members were present at the meeting except Rep. Iverson who arrived late. Also in attendance was Judy Rippingale, LFA and Denise Thompson, Secretary.

SRS:

There was discussion regarding the Long Term Care Specialists. Rep. Poulsen moved to reconsider the Long Term Care Specialist portion of the SRS budget. Rep. Peck called the question. The motion CARRIED unanimously.

(69:A:4.03) Mr. Dave Lewis, Director of SRS stated that they looked at the options and impacts on the elimination of the long term care specialists would be. One of the options they suggested, was the possibility that the contract be changed to having the nurses do their health screening over the telephone.

Joyce Decunzo remarked that the social workers pre-screening is just a portion of the duties that these people perform. Their contract with the foundation is for one very specific purpose and that is to do a medical review of the client. They felt the two professional staff people are sent to not only protect the state's interest, but also protect the clients interest. Two professional staff people actually see that person, see what their needs are and then make a decision. She stated they could make a medical review by telephone, in addition to that, the long-term care specialist could do an on-sight visit. That is just a small portion of their job. They do many many other things, not only for the department but for the client. Certainly they have real compliance issues. They have to have a certain type of screening procedure. They also spend a lot of time with clients when they are declined to help them find other resources so that they can get help. Another function is the Waiver Program. Rep. Peck asked her to explain the Medicaid Waiver Program. It is a special program for the people screened, in meeting all of the federal requirements to be eligible for nursing home payment, but if they want to stay in the community, They can pay for a set of services for them in the the community that will allow them to do that.

Rep. Bardanouve stated they have a working program as it is and it should not be interfered with.

Ms. Ducenzo reviewed the various options on Exhibit 1 page 2, with the committee and explained the budget impacts.

EXECUTIVE ACTION: (69:A:26.15)

Rep. Peck moved to adopt option A of the Exhibit 1 page 2. Rep. Quilici called the question. Reps. Devlin, Switzer, Winslow and Rehberg voted NO. The motion CARRIED.

(69:A:29.00) Rep. Winslow moved that the vacancy savings be changed from 4 percent to 7 percent in this department on the total SRS budget. There was a roll call vote. Reps. Thoft, Winslow, Devlin, Iverson, Nathe, Rehberg, and Switzer voted YES. Reps. Donaldson, Bardanouve, Bradley, Connelly,, Manuel, Menahan, Menke, Miller, Peck, Poulsen, Quilici, Spaeth, and Swift voted NO. The motion FAILED by a vote of 7 to 13.

Rep. Menahan referred to B-90, and moved Exhibit 2 to restore the eyeglasses, hearing aides and dentures to the budget. He suggested that these items perhaps be bid out and therefore that would save money. There was a roll call vote. Rep.s Bradley, Connelly, Menahan, and Quilici voted YES. Reps. Donaldson, Thoft, Winslow, Bardanouve, Devlin, Iverson, Manuel, Menke, Miller, Nathe, Peck, Poulsen, Rehberg, Spaeth, Swift and Switzer voted NO. The motion FAILED by a vote of 4 to 16.

(69:B:.40) Rep. Thoft moved the amendment (Exhibit 3) on page B-11 Lines 10-11. This amendment puts the responsibility back with the department of SRS to establish priorities of service and take whatever action is necessary to maintain the appropriation.

Mr. Lewis presented a table of optional services that he felt would be discontinued to the proportions as shown on the Exhibit 4 if he were in fact mandated to do so. There was a roll call vote. Reps. Donaldson, Thoft, Bardanouve, Connelly, Iverson, Manuel, Menke, Miller, Nathe, Peck, Poulsen, and Quilici voted YES. Reps. Winslow, Bradley, Devlin, Menke, Rehberg, Spaeth, Swift and Switzer voted NO. The motion CARRIED by a vote of 11 to 9.

Rep. Bradley moved that a reduced SSSO proposal for a total of \$373,836 general fund be accepted which would be for 4 group homes to help 30 severely disabled people. These are for group homes in the community to serve 30 instead of the original 50 in a day care type of setting.

Dennis Taylor stated the proposal would fund operational costs for four group homes and a day center. This includes start up costs and construction costs which would be funded through the health facility bonding authority and are included in the annual rate that they would pay that are not part of this proposal. The proposal would be to construct four new accessible group homes in a single community to serve 30 individuals and a center to help provide training services to those individuals.

Rep. Quilici called the question. There was a roll call vote. Reps. Bradley, Connelly, Manuel, Miller, Peck, Poulsen, Quilici, Rehberg, and Spaeth voted YES. Reps. Donaldson, Thoft, Winslow, Bardanouve, Devlin, Iverson, Menahan, Menke, Nathe, Swift and Switzer voted NO. The motion FAILED by a vote of 8 to 11.

Rep. Spaeth referred to B-90 and moved to eliminate the 1.5 percent physician rates and move them back to current level. Rep. Quilici called the question. There was a roll call vote. Reps. Donaldson, Thoft, Devlin, Menke, Miller, Nathe, Peck, Poulsen, and Spaeth voted YES. Reps. Winslow, Bardanouve, Bradley, Connelly, Iverson, Manuel, Menahan, Quilici, Swift and Switzer voted NO. The motion FAILED by a vote of 9 to 10.

(70:A:4.08) Rep. Winslow moved to accept the subcommittee report for the SRS budget as amended and modified. Rep. Peck called the question. The motion CARRIED unanimously.

ADJUTANT GENERAL COMMENTS:

Major Ken Cottrill, Administrator of Centralized Service, Department of Military Affairs stated they are getting a tremendous amount of new federal programs and their efforts are to hold the line on state spending as much as possible.

(70:A:20:00) Veteran's Affairs--Rich Brown The veteran's administration does spend about \$100 million a year in the state roughly on the two hospitals. They act as a middleman between the veteran and the state veteran's affair. There is an additional \$100 million spend to divert state medicaid payments. By assisting the veterans and their spouses who could be served by the veterans administration instead of medicaid monies, this could save dollars for the state.

(70:B:20.00) Tape blank from 1.00 to 20.00

DEPARTMENT OF REVENUE

Mr. LaFaver, Director, Department of Revenue, stated the property assessment has been reviewed and there is a problem but no solutions were discussed. He explained that the LFA

and the subcommittee had taken \$700,000 out of an already really tight budget. He also stated if they cut 4 million more out of what has already been cut, there is no way the department could meet the revenue estimates that the legislature has created. A 6 to 1 revenue loss is a very conservative estimate if they are cut another \$4 million. He sees no way the department could maintain the type of revenue collections that they do now with cuts anywhere near that magnitude.

(71:A:11.20) Chairman Donaldson asked Mr. LaFaver on the 6 to 1 relationship, if he could document that if they add more staff, they can collect more revenue. Mr. LaFaver replied, yes.

COMMISSIONER of POLITICAL PRACTICES

There was discussion regarding the publishing of the book regarding campaign information and the possibility of the commissioner charging for that book.

(71:A:21.00) Tim Wilson, Common Cause said they support the budget and urge adoption of the subcommittee report.

GOVERNOR'S OFFICE

Terry Cohea of the Governor's Office expressed concern regarding the air transportation. She offered a record of the hours of flying time for the past 5 years. She stated generally the plane is used for the transportation of the governor, that was one of the purposes of splitting up the air pool. However, they do try to consolidate trips whenever possible and during state capital for a day, they generally try to take one airplane and fly all the directors, if possible, in the governor's plane. The plane has been used very sparingly for economic development purposes. She noted they are satisfied with the subcommittee's recommendation and they are not asking for anything further. Mr. Dave Hunter commented that they are satisfied with the committee report.

LEGISLATIVE AGENCIES QUESTIONS:

Chairman Donaldson asked on A-8, regarding the fact that the Interim studies has been decreased by 1/2, would that mean the staff are also decreased for non-legislative years? Rep. Rehberg stated it was not addressed in the subcommittee but perhaps should be looked at during executive action.

JUDICIARY:

Rep. Rehberg pointed out that the committee may want to consider raising the pay plan in this area.

(71:B:33.50) Mr. Jim Oppendahl, Court Administrator of the Supreme Court stated they felt they were underbudgeted in a number of areas. One percent in the court slimness causes problems for management information. The budget office position is they are concerned with three things: 1) the pay matrix, 2) vacancy savings, and 3) flexibility for moving money from one place to another with program managers. He also mentioned that they requested in the subcommittee, \$16,000 for judicial education for the District Court Judges.

WATER COURTS:

Judge Lessely spoke and said that he had no complaints regarding the subcommittee report on the Water Courts portion of the budget.

SECRETARY OF STATE:

(72:A:9.00) Mr. Larry Akey, Chief Deputy for the Secretary of State stated they agreed with the subcommittee recommendations. He also suggested three amendments.

1. They requested a further FTE reduction in the Secretary of State's budget which would save about \$25,000 in general fund in each year of the biennium. A portion of the reduction is due to the elimination of some program start up personnel. This request would be for 4.0 FTE reduction in their base operations, Records Management Program.

2. He spoke regarding the farm bill master list distribution program. They felt that \$18,150 of special revenue would be required for each year of the biennium. After a discussion with the LFA this was agreed upon that it is necessary.

3. He requested the committee to consider a committee bill deleting the requirements for general fund transfer in the Administrative Rules Program, that would require an amendment to the Montana Administrative Procedures Act. If the amendment should pass, it would result in a net savings of \$30,600 each year of the biennium.

4. He did express concern with one of the items the misconception that the Secretary of State's office has excessive personal staff.

MONCLIRC:

Mr. Dean Mundt spoke in regard to the MONCLIRC Program. He stated that he understood the subcommittee in reviewing the MONCLIRC project has determined that it is a public service project and should be placed in the Judiciary or criminal

justice side rather than education. Rep. Nathe commented that the subcommittee felt funding should not come out of the university budget. The program could stay where it is but the funding should come out of the Department of Justice or Judiciary or somewhere else.

STATE AUDITOR'S OFFICE:

Andrea Bennett, State Auditor, spoke regarding her budget and in regard to the five people she requested remain in her base. The subcommittee also approved these positions. She stated these people have continued to work in her office, when the governor asked for reductions, these people reduced their time and took leave without pay. She felt a few personnel covered the office and it has been to the advantage of the state of Montana. She also handed out some modified budget requests (Exhibit 5) and reviewed them with the committee.

DEPARTMENT OF JUSTICE:

Rep. Switzer referred to A-66, the legislative intent regarding the dispatch center in Glendive being redirected to Missoula. Rep. Rehberg stated they felt they could cover the Glendive area through the dispatch center in Billings.

There was comprehensive discussion in regard to the asbestos problem in the Motor Vehicle Registrar Bureau in Deerlodge. Rep. Bardanoue suggested the attorney general contact the A & E Division to attempt to obtain assistance and get the regulations regarding this problem.

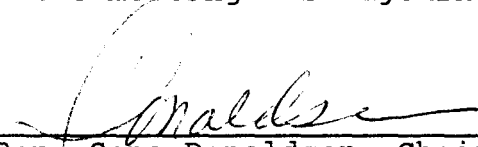
(73:A:001) Attorney General Mike Greely spoke in regard to the budget. He addressed Rep. Bardanoue's request regarding the asbestos saying they were aware of the legal implications and they are aware of the problem and are dealing with it. He also addressed the Highway Communications System saying they have been developing that over the past 6 years. They provided this system on the eastern part of the state first. They are now in the process of completing the western portion of the state. They are transferring 4 dispatchers from Glendive to Missoula which will complete the process. He also suggested that when the Department of Justice presented their budget to the subcommittee, details of the lease agreement on the Law Enforcement Academy was discussed. He spoke in regard to the 9 FTE in the highway patrol. They are the 9 FTE that were left open as vacancies occurred to meet the 5 percent cuts in 1986 and 1987. He stated that if the committee chooses to take out the 10 percent of the budget, they will have to take the responsibility as to what should be cut out. You better cut out a program rather than going across the board. He preferred that it be done in that manner. He also resisted the 10

percent cut. The budget the subcommittee originally passed was adequate, it was not what he would have liked but he felt they could do their job to try to assist in the current situation.

(73:A:18.10) Board of Crime Control-- Mike Lavin asked to clarify one thing on the Crime Victims Program. Mr. Quilici's HB 309 transfers the existing innocent victims of crime program from the Workers' Compensation Division to their division. They have very specific things they pay for people who are innocent victims injured during the commission of a crime. Since they became involved in funding programs for victims of crime, Mr. Quilici's bill puts the two programs, workers comp and the crime control board programs together. The workers comp portion pays for direct needs of the victims and his program pays for programs to help the victims. That was the difference.

ADJOURNMENT:

There being no further business the meeting was adjourned.


Rep. Gene Donaldson, Chairman

DAILY ROLL CALL

APPROPRIATIONS

COMMITTEE

50th LEGISLATIVE SESSION -- 1987

Date

3/14/87

NAME	PRESENT	ABSENT	EXCUSED
DONALDSON, GENE Chairman	✓		
THOFT, REP. BOB Vice Chair	✓		
WINSLOW, REP. CAL	✓		
BARDANOUE, FRANCIS	✓		
BRADLEY, DOROTHY	✓		
CONNELLY, MARY ELLEN	✓		
DEVLIN, GERRY	✓		
IVERSON, DENNIS	✓	late ✓	
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 3/14 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

11 9

Denise Thompson
Secretary

Rep. Gene Donaldson
Chairman

MOTION: Rep. Thoft moved an amendment to put the responsibility
back with the Department of SRS to establish priorities for
service and take whatever action is necessary to maintain
and stay within the appropriation. (Exhibits 3 and 4).

ROLL CALL VOTE

HOUSE APPROPRIATIONS

COMMITTEE

DATE 3/14 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

FAILED

8

11

Denise Thompson
Secretary

Rep. Gene Donaldson
Chairman

MOTION: Rep. Bradley moved that a reduced SSSo proposal
for a total of \$373,836 general fund be accepted which would be
for four group homes to help 30 severely disabled people and
one day treatment center.

ROLL CALL VOTE

HOUSE APPROPRIATIONS

COMMITTEE

DATE 3/14/87 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

FAILED

9 10

Denise Thompson
Secretary

Rep. Gene Donaldson
Chairman

MOTION: Rep. Spaeth referred to B-90, and moved to eliminate the
1.5 perdent increase in physician rates and that they be moved
back to current level.

ROLL CALL VOTE

HOUSE APPROPRIATIONS

COMMITTEE

DATE 3/14 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

FAILED

7 13

Denise Thompson
Secretary

Rep. Gene Donaldson
Chairman

MOTION: Rep. Winslow moved that the vacancy savings be
changed from 4 percent to 7 percent for the total SRS budget.

ROLL CALL VOTE

HOUSE APPROPRIATIONS

COMMITTEE

DATE 3/14 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 Bardonoue		✓
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

4 16

Denise Thompson
Secretary

Rep. Gene Donaldson
Chairman

MOTION: Rep. Menahan moved to restore the eyeglasses, hearing
aides, and dentures to the budget.

LONG TERM CARE SPECIALISTS

Nine Specialists (8 FTE) currently cover 45 of 53 counties that have nursing homes. Specialists are responsible for implementing and monitoring these SRS programs and tasks:

- DUTIES
1. Preadmission screening program for long term care (17% of Specialists' time; done with a nurse)
 2. Medicaid waiver
 3. Development of alternative services for clients who are denied nursing home care, or who need nursing home care but want to stay in the community
 4. Assistance to Medicaid providers in understanding and implementing Medicaid regulation and policy
 5. tasks related to compliance with federal regulations such as: maintenance of data on both screening and waiver programs, such as screening logs; client files; preparation and distribution of legal notices about program eligibility; represent the Department in fair hearings.

NURSE
TIME
TASK

Nurses from the Foundation for Medical Care are under contract to do one task: review the medical needs of persons applying for long term care. The nurse performs this task with a Specialist. This task comprises about 17% of the Specialists' time.

SPECIALIST
TIME
TASK

The other 83% of the Specialists' time (#'s 2 - 5 above) is spent on typical social worker activities such as assistance to clients, coordination of services for clients, federal compliance with regulations, program implementation, community organization and monitoring of services. The Specialists are all social workers, trained for their jobs by both education and experience.

CLIENT
NEEDS

Persons who require long term care often require that care not because they have a medical need which requires a nurse to take care of them, but because they have lost the ability to function on a day to day basis - to bathe, feed or dress themselves; to get in and out of bed alone; to get around in the community. The social worker/Specialist is especially skilled in helping these clients get into community programs already available, but about which the client is not aware. The ability to perform this function often is the difference between the client staying in the community or entering a nursing home.

OPTIONS FOR PREADMISSION SCREENING

Option A: Maintain current system and contract

Impact on Contract: None. Foundation nurses do medical evaluation of preadmission screens and waiver reevaluations

Impact on Specialists: None. All duties maintained including work on alternative placements and waiver control. Approximately 17% of time spent performing functional, social evaluations of preadmission screens.

Budget Impact: \$700,000 - \$1,000,000 annual savings in medicaid benefits (\$210,000 - \$300,000 general fund) through denials and alternative placements. Foundation contract \$75,000 per year.

Option B: Adopt Representative Winslow's amendment

Impact on Contract: Currently, the Foundation contracts for \$75,000 annually to perform only the medical review of the screening, as well as the social and functional review in 8 counties where there are no Specialists. Doubling the contract will probably pay for the additional social/functional review in the other 45 counties, but will allow for little or no funds to pay for training, alternate placement follow-up work in order to secure a denial of admission, and necessary waiver program control and monitoring. These functions will fall through the cracks and therefore the rate of denial may be expected to decline and waiver cost control will be hampered.

Impact on Specialists: Specialist positions eliminated

Budget Impact: Estimate increase of at least \$350,000 annually in benefits (\$105,000 general fund) because contract amount is insufficient to allow for follow-up work to secure current level denial of admissions and appropriate placement. Basically, the process becomes more of a rubber stamp of approval than a full-scope prescreening process due to lack of alternative placement.

Option C: Retain current system but reduce Foundation contract to telephone screens and reevaluations. Specialists perform all on-site visits.

Impact on Contract: Medical component performed for all screens with no travel and reduced contract expenditures

Impact on Specialist: None, except some delays in completing screens

Budget Impact: Maintain \$700,000 - \$1,000,000 annual savings due to same current level of denials. Foundation contract savings of approximately \$56,000.

PROPOSED AMENDMENT TO HB 2
GENERAL APPROPRIATIONS ACT
(AMENDMENT TO SUBCOMMITTEE REPORT)

Proposed amendments to HB 2 in full appropriations committee.
3/11/87

1. Additions to be made to the Medicaid - Primary Care portion of medical assistance ((5)(b)(V)). Add \$466,699 to the general fund and \$1,034,425 to the federal fund for a total fund addition of \$1,501,124 for state fiscal year 1988 to the Medical Assistance program in the Department of Social and Rehabilitation Services. For this program the following amounts should be added for state fiscal year 1989: \$478,981 to the general fund and \$1,168,134 to the federal fund for a total fund increase of \$1,647,115. The total biennium increase is \$945,680 to the general fund and \$2,202,559 to the federal fund for a total biennium increase of \$3,148,239.

Rationale:

This increase is requested to reinstate services for eye-glasses, hearing aids, and dentures to the Medical Assistance - Medicaid program. This program is administered by the Department of Social and Rehabilitation Services. The monetary breakdown for each of these services is as follows: (a) eyeglasses -- \$685,344 (FY'88) and \$742,184 (FY'89) for a total biennium increase of \$1,427,528; (b) hearing aids -- \$215,099 (FY'88) and \$232,939 (FY'89) for a total biennium increase of \$448,038; (c) dentures -- \$600,681 (FY'88) and \$671,992 (FY'89) for a total biennium increase of \$1,272,673. The additions of these three items will increase FY'88 expenditures by \$1,501,124 and increase FY'89 expenditures by \$1,647,115 or a total biennium increase of \$3,148,239.

Submitted by Department of Social
and Rehabilitation Services

ESTIMATED IMPACT OF CUTS IN HEARING AID,
DENTURES AND EYEGLASSES ON ELDERLY

	Number of Recipients	FY 88	FY 89	TOTAL
Hearing Aids	789	\$215,099	\$232,939	\$448,038
65 and Over	480	120,455	130,466	250,901
Dentures	1861	600,681	671,992	1,272,673
65 and Over	558	180,204	201,598	381,802
Eyeglasses	5133	685,344	741,972	1,427,316
65 and Over	1078	143,922	155,814	299,736

DONALDSON

3
3/14/8
2
-1558

Amendments to House Bill 2

1. Page B-11, Line 10 through line 11.
Strike: Lines 10 through "participation." on line 12.
Insert: "In accordance with 53-6-102, MCA it is the intent of the legislature that if funds are inadequate to provide the full array of services described for the medicaid program as defined in 53-6-101, MCA, SRS shall establish priorities of service and take such action as necessary to maintain the medicaid-primary care expenditures within the appropriation."

3/14/87
2
APPROPRIATION REQUEST

1. To conduct health service corporation market conduct examinations. This office is required by law to conduct market conduct examinations of health service corporations every four years. The next examination of Montana's two health service corporations must be completed in the coming biennium. HB 741, introduced by request of this office, requires each health service corporation licensed in Montana to pay the costs of the market conduct examination mandated by 33-30-105, MCA. If HB 741 passes, the \$40,000 appropriation will not be necessary. If HB 741 does not pass, this office will need \$40,000 in contracted services to cover the costs of two mandated market conduct examinations to be conducted in fiscal year 1988 and fiscal year 1989. In fiscal 1988 the cost is \$35,000 and the cost in fiscal 1989 is \$5,000. This would be funded from the State Special Revenue Fund.

MODIFIED REQUESTS

INSURANCE DEPARTMENT

1. Field Investigative Officer, 1 FTE, Policyholder Services Office. Performs field investigations, audits and examinations of agent and company practices, including compliance with Montana's rate filing law. In fiscal 1988 the cost is \$39,222 and the cost in fiscal 1989 is \$38,028. This would be funded from the State Special Revenue Fund.

2. Lawyer, 0.5 FTE (shared with Securities). Will research legal questions and prepare and prosecute insurance violation cases at administrative hearings and in District Court. Administrative actions by the Department have increased from 9 in 1985, to 19 in 1986 and the legal staff has also handled 3 rehabilitation/liquidation proceedings in that period. In fiscal 1988, the cost is \$15,342 and the cost in fiscal 1989 is \$14,724. This would be funded from the State Special Revenue Fund.

3. Computer Disk Storage (shared with Securities). Essential addition of computer disk storage for a WANG VS 65 computer system requires purchase of a 288 megabyte removable disk drive and back-up disks. In fiscal 1988, the cost is \$16,250, and the cost in fiscal 1989 is \$1,250. This would be funded from the State Special Revenue Fund.

4. Administrative Aide, 1 FTE, Licensing Division. Would assist in licensing procedures to allow the Licensing Division to consolidate all licensing functions, increasing efficiency concerning inquiries, complaints and agent regulation. In fiscal 1988, the cost is \$17,149 and the cost in fiscal 1989 is \$15,998. This would be funded from the State Special Revenue Fund.

5. Compliance Specialist II, 1 FTE, Examinations Office. Directly assists the chief examiner in the financial oversight of insurers operating in Montana. In fiscal 1988, the cost is \$32,450 and the cost in fiscal 1989 is \$31,219. This would be funded from the State Special Revenue Fund.

6. Computer Printers (shared with Securities). Office automation needs include a high speed line printer for data processing output from a WANG VS 65 computer and a high-speed laser printer for high volume letter quality output. In fiscal 1988, the cost is \$25,400, and the cost in fiscal 1989 is \$2,900. This would be funded from the State Special Revenue Fund.

SECURITIES DEPARTMENT

1. Lawyer, 0.5 FTE (shared with Insurance). Will research legal questions and prepare and prosecute securities violation cases at administrative hearings, and civil and criminal district court hearings and trials. The following shows the increase in cases referred to the legal staff:

	<u>1985</u>	<u>1986</u>
Criminal Prosecutions	2	4
Administrative Consents	5	6
Injunctions	0	1
Cease & Desist Orders	18	32
Registration Actions	1	1

There are seven criminal investigations ongoing in 1987, which are expected to result in criminal prosecutions. In fiscal 1988, the cost is \$15,342, and the cost in fiscal 1989 is \$14,724. This would be funded from the State Special Revenue Fund.

2. Computer Disk Storage (shared with Insurance). Essential addition of computer disk storage for a WANG VS 65 computer system requires purchase of a 288 megabyte removable disk drive and back-up disks. In fiscal 1988, the cost is \$16,250, and the cost in fiscal 1989 is \$1,250. This would be funded from the State Special Revenue Fund.

3. Lektriver Filing System (electronic filing cabinet). One Lektriver takes up the space of 6 filing cabinets with 4 drawers each, and holds the records of 14 filing cabinets with 4 drawers each. Present system allows filing of only nine months worth of files, with remaining files stacked on floor. In fiscal 1988, the cost is \$15,000, and the cost in fiscal 1989 is \$500. This would be funded from the State Special Revenue Fund.

4. Computer Printers (shared with Insurance). Office automation needs include a high speed line printer for data processing output from a WANG VS 65 computer and a high-speed laser printer for high volume letter quality output. In fiscal 1988, the cost is \$25,400, and the cost in fiscal 1989 is \$2,900. This would be funded from the State Special Revenue Fund.

AGENCY: LEGISLATIVE AUDITOR

LEGISLATIVE ACTION

PROGRAM: AGENCY SUMMARY

BUDGET ITEM	FY 1986	Fiscal 1988			Fiscal 1989			FY 86-88 % Change
	Actual	Executive	Current Level	Subcommittee	Executive	Current Level	Subcommittee	
FTE	60.00	60.00	60.00	60.00	60.00	60.00	60.00	0.00
Personal Services	\$1,627,870	\$1,778,515	\$1,778,515	\$1,707,574	\$1,779,247	\$1,779,247	\$1,708,277	4.90
Operating Expenses	302,314	303,708	305,303	303,224	291,206	292,655	290,628	0.30
Equipment	30,592	37,150	37,150	37,150	28,682	28,682	28,682	21.44
TOTAL EXPENSES	\$1,960,776	\$2,119,373	\$2,120,968	\$2,047,948	\$2,099,135	\$2,100,584	\$2,027,587	4.45
FUNDING								
General Fund	\$1,094,233	\$1,217,733	\$1,083,728	\$1,111,141	\$1,209,495	\$1,075,344	\$1,102,793	1.55
State Special Rev	866,543	901,640	1,037,240	936,807	889,640	1,025,240	924,794	8.11
TOTAL FUNDING	\$1,960,776	\$2,119,373	\$2,120,968	\$2,047,948	\$2,099,135	\$2,100,584	\$2,027,587	4.45

Program Description: The Office of the Legislative Auditor was established in 1967 and is governed by the Legislative Audit Act contained in Title 5, Chapter 13, MCA. Article V, Section 10 (4) of the Montana Constitution mandates a legislative post-audit function.

Legislative Intent: House Bill 2 includes language to require that a fee be assessed on bonding agencies at 30 cents per \$1,000 of bonds issued, to reimburse the state for the portion of the statewide audit that is funded by general fund.

Budget: The budget is as the agency requested with minor adjustments. The budget provides for a 4.4 percent increase from fiscal 1986 to fiscal 1988. The 4.9 percent increase in personal services can be attributed to the pay plan increase from fiscal 1986 to fiscal 1987. A 4 percent vacancy savings rate was applied to this program in the 1989 biennium. Equipment requests in fiscal 1988 include \$18,140 to convert existing word processors to equipment that is compatible with state supported software and other legislative branch agencies. Additional equipment requirements are to complete the long-range plan to automate the audit process.

Funding: The agency is funded from two sources. General fund is appropriated to the agency for performance audits, financial audits, contract audits, legislative requests, and administration of the agency. Revenues from fees

charged to audited agencies are placed in a state special revenue account, and are used to fund the costs of the audits. The statewide audit was funded 50 percent from the general fund, but this expenditure is designed to be offset by reimbursements from bonding agencies which will pay an assessment on the amount of bonds issued.

Modifieds Recommended:

1. Lottery Audit - The approved modified request allows annual audits of the state lottery. The lottery audits will be funded by the proceeds of the lottery, and will cost \$74,256 in fiscal 1988 and \$53,456 in fiscal 1989. The audit cost will be charged to the state special revenue fund, and will be line-itemed.

AGENCY: LEGISLATIVE FISCAL ANALYST

LEGISLATIVE ACTION

PROGRAM: ANALYSIS AND REVIEW

BUDGET ITEM	FY 1986	Fiscal 1988			Fiscal 1989			FY 86-88 % Change
	Actual	Executive	Current Level	Subcommittee	Executive	Current Level	Subcommittee	
FTE	17.50	17.50	17.50	17.50	18.00	18.00	18.00	0.00
Personal Services	\$530,601	\$604,905	\$604,905	\$615,914	\$612,936	\$612,936	\$624,344	16.08
Operating Expenses	127,162	125,156	125,156	125,156	167,862	167,862	167,862	-1.58
Equipment	81,647	2,750	2,750	2,750	2,750	2,750	2,750	-96.63
TOTAL EXPENSES	\$739,410	\$732,811	\$732,811	\$743,820	\$783,548	\$783,548	\$794,956	0.60
GENERAL FUND	\$739,410	\$732,811	\$732,811	\$743,820	\$783,548	\$783,548	\$794,956	0.60

Program Description: The Office of the Legislative Fiscal Analyst (LFA) was established in 1974 to provide concentrated fiscal analysis of state government and to accumulate, compile, analyze, and furnish such information that might bear upon financial matters of the state and that might be relevant to issues of policy and questions of statewide importance. Governing legislation is the Legislative Finance Act, Title 5, Chapter 12, MCA, which also established the Legislative Finance Committee. The major functions of the LFA staff are conducting analyses of budget requests, agency operations, and revenue to provide the legislature with an independent analysis of the executive budget and the Executive branch's execution of legislative intent.

Budget: The budget provides for a 0.6 percent increase from fiscal 1986 to fiscal 1988. Personal services increase 16.1 percent due in part to positions being held vacant in fiscal 1986 to fund the added costs of a new computer system and due to budget cutbacks. In addition, personal services increase approximately \$17,000 each year as the subcommittee added funding to bring the agency up to the fiscal 1987 pay plan to be consistent with other legislative agencies and the executive branch. A 1 percent vacancy savings rate was applied to the program in the 1989 biennium. Operating expenses include a biennium appropriation in fiscal 1988 for consultants. The increase in personal services and operating costs from fiscal 1988 to fiscal 1989 are due primarily to session costs for computer programming, data processing charges, printing, and supplies. Equipment allowances of \$2,750 per year are for miscellaneous small office equipment.

AGENCY: LEGISLATIVE COUNCIL

LEGISLATIVE ACTION

PROGRAM: AGENCY SUMMARY

BUDGET ITEM	FY 1986	Fiscal 1988			Fiscal 1989			FY 86-88 % Change
	Actual	Executive	Current Level	Subcommittee	Executive	Current Level	Subcommittee	
FTE	43.50	44.00	44.00	44.70	57.50	57.50	54.45	1.20
Personal Services	\$1,228,232	\$1,323,639	\$1,323,639	\$1,235,190	\$1,611,821	\$1,611,821	\$1,399,267	0.57
Operating Expenses	735,598	1,691,653	1,618,986	1,313,509	706,587	694,012	584,437	78.56
Equipment	64,592	49,235	109,235	8,860	14,345	14,345	8,500	-86.28
TOTAL EXPENSES	\$2,028,422	\$3,064,527	\$3,051,860	\$2,557,559	\$2,332,753	\$2,320,178	\$1,992,204	26.09
FUNDING								
General Fund	\$1,696,855	\$2,277,136	\$2,264,469	\$1,770,168	\$2,332,753	\$2,320,178	\$1,992,204	4.32
State Special Revenue	316,619	787,391	787,391	787,391	0	0	0	148.69
Other Revenue	14,948	0	0	0	0	0	0	-100.00
TOTAL FUNDING	\$2,028,422	\$3,064,527	\$3,051,860	\$2,557,559	\$2,332,753	\$2,320,178	\$1,992,204	26.09

Program Description: The Legislative Council provides a variety of support services to the Legislature under the general supervision of an eight member bi-partisan committee composed of four members of the House of Representatives and four members of the Senate. The Legislative Council was established in 1957 to provide support to the legislature in the drafting of legislation and to coordinate the activities of standing and select committees and subcommittees by providing staff support and report preparation assistance. The Council also provides legislative research and reference services as well as legal counseling for the legislature, provides interim investigation authority, serves as the agency of interstate cooperation, prepares and publishes the Montana Code Annotated statute text and annotations, and provides other services as assigned by the legislature.

Budget: The table above shows an increase from fiscal 1986 to fiscal 1988 of 26.1 percent, but this is somewhat misleading since the fiscal 1988 figure includes \$921,418 in biennial appropriations. When comparing the 1987 biennium to the 1989 biennium, the Legislative Council shows an agency decrease in funding of 8.9 percent. The decrease occurs due to a 47 percent reduction in the Interim Studies and Conferences program, a 20 percent reduction in the Montana Code Annotated Program for the biennium and a 0.8 percent reduction in the largest program, Legislative Council Operations, which is primarily staff support functions.

Funding: The Legislative Council Operations Program is supported entirely by general fund, and the Interim Studies and Conference Program is general fund supported with the exception of the funding for the Coal Tax Subcommittee, which is funded by coal tax revenues in a state special revenue account. The Montana Code Annotated Program is funded by revenues from the sale of the Codes and Annotations.

AGENCY: LEGISLATIVE COUNCIL

LEGISLATIVE ACTION

PROGRAM: LEGISLATIVE COUNCIL - OPERATIONS

BUDGET ITEM	FY 1986	Fiscal 1988			Fiscal 1989			FY 86-88 % Change
	Actual	Executive	Current Level	Subcommittee	Executive	Current Level	Subcommittee	
FTE	41.50	42.00	42.00	42.70	55.50	55.50	52.45	1.20
Personal Services	\$1,191,096	\$1,323,639	\$1,323,639	\$1,235,190	\$1,611,821	\$1,611,821	\$1,399,267	3.70
Operating Expenses	253,434	494,760	431,093	330,380	608,365	604,790	532,826	30.36
Equipment	64,287	49,235	109,235	8,860	14,345	14,345	8,500	-86.22
TOTAL EXPENSES	\$1,508,817	\$1,867,634	\$1,863,967	\$1,574,430	\$2,234,531	\$2,230,956	\$1,940,593	4.35
GENERAL FUND	\$1,508,817	\$1,867,634	\$1,863,967	\$1,574,430	\$2,234,531	\$2,230,956	\$1,940,593	4.35

Program Description: Title 5, Chapters 5 and 11, establish and govern the Legislative Council. The council staff is responsible for providing research, bill drafting, and legal services to the legislature and its interim committees. The staff is also responsible for printing and distributing bills, preparing House and Senate Journals and Session Laws for publication, and recodifying and indexing Montana statutes. The staff is supervised by the Legislative Council. Staff of the council is functionally grouped into four divisions: Research, Legislative Services, Management, and Legal Services.

Budget: The budget provides for a 4.35 percent increase from fiscal 1986 to fiscal 1988 due to increased personal service and operating costs. Personal services increase 3.7 percent due to a net increase of 1.2 FTE, pay plan increases in fiscal 1987, and allowances for employee promotions of \$27,832 in fiscal 1988 and \$7,698 in fiscal 1989. A 4 percent vacancy savings rate was applied to the program in the 1989 biennium. Operating expenses increase 30 percent due to increased allowances for microfilm services in the library of \$6,000, increased data processing costs of \$46,000, increased supplies and materials of \$4,100, increased office equipment maintenance costs of \$10,200, and increased travel of \$8,900. Equipment allowances are for replacement of small office equipment. FTE and total expense requirements are higher in fiscal 1989 due to increased workload in a session year.

When compared to the original agency budget request for the 1989 biennium, \$470,500 in reductions were approved by the subcommittee. At the recommendation of the Legislative Council, the subcommittee added 0.7 FTE in fiscal 1988 and deleted 3.05 session FTE in fiscal 1989. Contract services were increased \$50,000 in fiscal 1989 to contract with the law school for bill drafting services to replace part of the FTE reductions. In addition, the subcommittee made reductions for position changes, excess personal services, reduced staff travel and training, reduced data processing and equipment costs due to not funding a computer system upgrade, elimination of funding for a microcomputer network, and reduced small equipment replacement. The adjustments made to the original agency request are summarized in the table below.

Table 1
Legislative Council - Operations Program - Subcommittee Action

	Fiscal 1988	Fiscal 1989
Personal Service		
FTE Changes	\$ 14,797	\$ (64,163)
Position Changes	(12,067)	(10,336)
Excess Personal Services	<u>(39,921)</u>	<u>(79,961)</u>
Personal Service Changes	\$ (37,191)	\$ (154,460)
Operating Expense		
Staff Travel/Training	\$ (32,967)	\$ (30,329)
Data Processing	(67,746)	(91,635)
Contract Services - Bill Drafting	<u>-0-</u>	<u>50,000</u>
Operating Expense Changes	\$ (100,713)	\$ (71,964)
Equipment		
Personal Computers	\$ (60,000)	\$ -0-
DBMS - Text Software	(35,000)	-0-
Other Equipment	<u>(5,375)</u>	<u>(5,845)</u>
Equipment Changes	\$ (100,375)	\$ (5,845)
Total Decrease in Operations Program	<u>\$(238,279)</u>	<u>\$(232,269)</u>

AGENCY: LEGISLATIVE COUNCIL

LEGISLATIVE ACTION

PROGRAM: INTERIM STUDIES & CONFERENCES

BUDGET ITEM	FY 1986	Fiscal 1988			Fiscal 1989			FY 86-88 % Change
	Actual	Executive	Current Level	Subcommittee	Executive	Current Level	Subcommittee	
FTE	2.00	2.00	2.00	2.00	2.00	2.00	2.00	0.00
Personal Services	\$ 37,136	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	-100.00
Operating Expenses	169,725	421,502	412,502	207,738	98,222	89,222	51,611	22.40
TOTAL EXPENSES	\$206,861	\$421,502	\$412,502	\$207,738	\$98,222	\$89,222	\$51,611	0.42
FUNDING								
General Fund	\$188,038	\$409,502	\$400,502	\$195,738	\$98,222	\$89,222	\$51,611	4.09
State Special Rev	3,875	12,000	12,000	12,000	0	0	0	209.68
Other Revenue	14,948	0	0	0	0	0	0	-100.00
TOTAL FUNDING	\$206,861	\$421,502	\$412,502	\$207,738	\$98,222	\$89,222	\$51,611	0.42

Program Description: The Interim Studies and Conferences Program provides support and funding for interim studies and legislative activities established under Sections 5-5-502 through 5-5-217, MCA, provides support of interstate cooperation activities of the legislature, and provides support of other interim legislative activities for which appropriations are made.

Budget: The subcommittee accepted the recommendation of the Legislative Council to reduce program funding by nearly 50 percent below the original budget request. Adjustments included reducing dues for interstate organizations by 50 percent, reducing travel budgets for interstate organizations by two-thirds, and a 62 percent reduction in interim studies funding. The subcommittee voted to add \$7,000 per year to continue participation in the western states Forestry Task Force. All activities are line-itemed, and all are biennial appropriations with the exception of dues for the two national interstate cooperative organizations and the Forestry Task Force as shown in Table 2.

Table 2
Legislative Council - Interim Studies and Conferences Program - Subcommittee Action
1989 Biennium Budget

	Original Agency Request	Adjustments	Subcommittee Approved Budget
Interim Studies	\$ 80,000	\$ (60,000)	\$ 20,000
Statewide Issues	25,000	(5,000)	20,000
Revenue Oversight Committee	35,000	-0-	35,000
Coal Tax Subcommittee	12,000	-0-	12,000
Administrative Code Committee	14,000	-0-	14,000
Capitol Building and Planning	5,000	-0-	5,000
Natl Council of State Legislatures			
Dues	92,844	(46,422)	46,422
Travel	86,700	(57,800)	28,900
Council of State Governments			
Dues	81,800	(40,900)	40,900
Travel	51,080	(34,053)	17,027
Five State Biennial Conference	12,300	(8,200)	4,100
Montana-West Canadian Province			
Boundary Advisory Committee	6,000	(4,000)	2,000
Forestry Task Force	-0-	14,000	14,000
Total	\$501,724	\$ (242,375)	\$259,349

Funding: All interim studies and conference activities are funded by the general fund, with the exception of the Coal Tax Subcommittee, which is funded by coal tax revenues in a state special revenue account.

AGENCY: LEGISLATIVE COUNCIL

LEGISLATIVE ACTION

PROGRAM: MONTANA CODE ANNOTATED

BUDGET ITEM	FY 1986	Fiscal 1988			Fiscal 1989			FY 86-88 % Change
	Actual	Executive	Current Level	Subcommittee	Executive	Current Level	Subcommittee	
FTE	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Operating Expenses	\$312,439	\$775,391	\$775,391	\$775,391	\$0	\$0	\$0	148.17
Equipment	305	0	0	0	0	0	0	-100.00
TOTAL EXPENSES	\$312,744	\$775,391	\$775,391	\$775,391	\$0	\$0	\$0	147.93
STATE SPECIAL REVENUE	\$312,744	\$775,391	\$775,391	\$775,391	\$0	\$0	\$0	147.93

Program Description: The Montana Codes Annotated program supports the publication and distribution of the Montana Code Annotated Statute Text, Annotations, and ancillary publications issued under 1-11-301 and 1-11-303, MCA.

Budget: The subcommittee approved the agency budget as requested. The entire amount is a biennial appropriation, so that a comparison between fiscal 1986 actual expenditures and the fiscal 1988 appropriation must consider that fiscal 1986 is one year versus a two year appropriation in fiscal 1988. The 1987 biennium appropriation is \$969,000 compared to the 1989 biennium of \$775,391 which is a 20 percent decrease for the 1989 biennium.

Funding: The program is funded by a state special revenue account, which receives revenue from sales of the Code and Annotations at prices set by the Legislative Council.

CLSAR:arslc.

AGENCY: CONSUMER COUNSEL

LEGISLATIVE ACTION

PROGRAM: AGENCY SUMMARY

BUDGET ITEM	FY 1986	Fiscal 1988			Fiscal 1989			FY 86-88 % Change
	Actual	Executive	Current Level	Subcommittee	Executive	Current Level	Subcommittee	
FTE	4.25	4.25	4.25	4.25	4.25	4.25	4.25	0.00
Personal Services	\$168,672	\$180,205	\$180,205	\$174,278	\$185,715	\$185,715	\$173,898	3.32
Operating Expenses	273,630	669,238	569,238	569,238	668,238	568,238	568,238	108.03
Contingency-Operating Exp	0	0	100,000	100,000	0	100,000	100,000	100.00
Equipment	19,018	2,200	2,200	2,200	2,200	2,200	2,200	-88.43
TOTAL EXPENSES	\$461,320	\$851,643	\$851,643	\$845,716	\$856,153	\$856,153	\$844,336	83.33
STATE SPECIAL REVENUE	\$461,320	\$851,643	\$851,643	\$845,716	\$856,153	\$856,153	\$844,336	83.33

Program Description: The Office of the Consumer Counsel was created by Article XIII, Section 2 of the Montana Constitution of 1972. The office is governed by Title V, Chapter 15, MCA, and by Title 69, Chapters 1 and 2, MCA. The Consumer Counsel is charged with the duty of "representing consumer interests in hearings before the Public Service Commission or any other successor agency." The Consumer Counsel also may initiate, intervene in, or otherwise participate in appropriate proceedings in the state and federal courts and in proceedings before federal administrative agencies on behalf of the consuming public in Montana.

Legislative Intent: \$100,000 was line-itemed for expert witness fees for unanticipated caseload.

Budget: The approved budget is as the agency requested with an adjustment of \$14,350 for the biennium to delete funding for, a 2 percent per year salary increase in the 1989 biennium. The budget provides for an 83.3 percent increase from fiscal 1986 to fiscal 1988. This is due to an actual expenditure of only 52 percent of the fiscal 1986 appropriation as a result of a much smaller caseload than usual during that period. Personal services increase 3.3 percent due to vacancy savings in the attorney position in fiscal 1986. A 1 percent vacancy savings rate was applied to the program in the 1989 biennium. Operating expenses increase 145 percent due to an increase of \$381,560 in contract services for expert witness and legal fees, as well as minor increases in supplies and materials, travel, and repair and maintenance. The agency anticipates a normal case workload in the 1989 biennium. Equipment is budgeted at \$2,200 each year of the biennium for the purchase of small office equipment and computer modems.

Funding: Funding is provided by a consumer counsel tax on all regulated entities under Public Service Commission jurisdiction.
CL\$AR:ar\$con.

AGENCY: ENVIRONMENTAL QUALITY COUNCIL

LEGISLATIVE ACTION

PROGRAM: AGENCY SUMMARY

BUDGET ITEM	FY 1986	Fiscal 1988			Fiscal 1989			FY 86-88 % Change
	Actual	Executive	Current Level	Subcommittee	Executive	Current Level	Subcommittee	
FTE	6.25	6.25	6.50	6.50	6.25	6.50	6.50	0.25
Personal Services	\$163,230	\$179,752	\$179,941	\$183,972	\$174,952	\$174,681	\$178,697	12.71
Operating Expenses	76,086	84,481	84,574	84,575	59,490	59,633	59,634	11.16
Equipment	0	3,000	3,000	3,000	3,000	3,000	3,000	
TOTAL EXPENSES	\$239,316	\$267,233	\$267,515	\$271,547	\$237,442	\$237,314	\$241,331	13.47
FUNDING								
General Fund	\$228,393	\$241,033	\$241,315	\$245,347	\$237,442	\$237,314	\$241,331	7.42
State Special Revenue	10,923	26,200	26,200	26,200	0	0	0	139.86
TOTAL FUNDING	\$239,316	\$267,233	\$267,515	\$271,547	\$237,442	\$237,314	\$241,331	13.47

Program Description: The Environmental Quality Council (EQC) was created in 1971 by the Montana Environmental Policy Act (MEPA). Two programs exist within the agency. The Environmental Quality Council Program is responsible for the general EQC program and is charged to achieve the environmental quality goals established in MEPA. The Water Policy Committee is responsible for advising the legislature on state water policy, and utilizes the staff of the EQC for support.

Budget: The budget provides for a 13.5 percent increase from fiscal 1986 to fiscal 1988. Six percent of the increase is attributable to a biennial appropriation for the Water Policy Committee, which is identical to the prior biennium appropriation. The remaining 7.5 percent increase is in the Environmental Quality Council Program. The increase is primarily in personal services, due to vacancy savings in fiscal 1986 and the pay plan increase of \$5,700 to the fiscal 1987 pay plan, acted upon by the subcommittee to be consistent with other legislative agencies and the executive branch.

Funding: The Environmental Quality Council Program is entirely funded by general fund while the Water Policy Committee is funded by the Resource Indemnity Trust State Special Revenue Account.

AGENCY: ENVIRONMENTAL QUALITY COUNCIL

LEGISLATIVE ACTION

PROGRAM: ENVIRONMENTAL QUALITY COUNCIL PROGRAM

BUDGET ITEM	FY 1986	Fiscal 1988			Fiscal 1989			FY 86-88 % Change
	Actual	Executive	Current	Level	Executive	Current	Level	
FTE	6.25	6.00	6.25	6.25	6.00	6.25	6.25	0.00
Personal Services	\$159,162	\$174,952	\$175,141	\$179,172	\$174,952	\$174,681	\$178,697	12.57
Operating Expenses	69,231	63,081	63,174	63,175	59,490	59,633	59,634	-8.75
Equipment	0	3,000	3,000	3,000	3,000	3,000	3,000	
TOTAL EXPENSES	\$228,393	\$241,033	\$241,315	\$245,347	\$237,442	\$237,314	\$241,331	7.42
GENERAL FUND	\$228,393	\$241,033	\$241,315	\$245,347	\$237,442	\$237,314	\$241,331	7.42

Program Description: The Environmental Quality Council (EQC) was created in 1971 by the Montana Environmental Policy Act (MEPA). As an arm of the legislature, The EQC is charged with implementing the provisions of MEPA and with numerous other statutory duties, as well as completing projects that are assigned to it by the legislature. The EQC reviews the policies and programs of Montana state agencies that are concerned with environmental matters and natural resource development and conservation. The council researches and analyzes environmental trends and problems and recommends ways to improve the state's natural, social, and economic environments. It assists the legislature with natural resource legislation, and staffs the natural resources standing committees and the Water Policy Committee.

Budget: The budget provides for a 7.4 percent increase from fiscal 1986 to fiscal 1988. Personal services increase 12.6 percent due in part to vacancy savings in fiscal 1986 and increase an additional \$5,700 each year as the subcommittee added funding to bring the agency up to the fiscal 1987 pay plan to be consistent with other legislative agencies and the executive branch. A 1 percent vacancy savings rate was applied to the program for the 1989 biennium. Operating expenses decrease 8.75 percent primarily due to fewer requirements for contract professional services with a full staff in the 1989 biennium. Equipment costs of \$3,000 per year are included to allow replacement of old and dated small office equipment.

AGENCY: ENVIRONMENTAL QUALITY COUNCIL

LEGISLATIVE ACTION

PROGRAM: WATER POLICY COMMITTEE

BUDGET ITEM	FY 1986	Fiscal 1988			Fiscal 1989			FY 86-88 % Change
	Actual	Executive	Current Level	Subcommittee	Executive	Current Level	Subcommittee	
FTE	0.00	0.25	0.25	0.25	0.25	0.25	0.25	0.25
Personal Services	\$ 4,068	\$ 4,800	\$ 4,800	\$ 4,800	\$ 0	\$ 0	\$ 0	17.99
Operating Expenses	6,855	21,400	21,400	21,400	0	0	0	212.18
TOTAL EXPENSES	<u>\$10,923</u> =====	<u>\$26,200</u> =====	<u>\$26,200</u> =====	<u>\$26,200</u> =====	<u>\$0</u> =====	<u>\$0</u> =====	<u>\$0</u> =====	<u>139.86</u> =====
STATE SPECIAL REVENUE	<u>\$10,923</u> =====	<u>\$26,200</u> =====	<u>\$26,200</u> =====	<u>\$26,200</u> =====	<u>\$0</u> =====	<u>\$0</u> =====	<u>\$0</u> =====	<u>139.86</u> =====

Program Description: The Water Policy Committee was created statutorily by the 49th Legislature. The Committee's duties include advising the legislature on the adequacy of the state's water policy and of important state, regional, national, and international developments relating to Montana's water resources; overseeing the policies and activities of the Department of Natural Resources and Conservation and other entities as they relate to water management; analyzing and commenting on the state water plan, the water development program, water research, and water data management system; and reporting to the legislature each biennium.

Budget: The budget is identical to that of the previous biennium. The appropriation is a biennial amount. The 0.25 FTE increase is due to assignment of a 0.25 FTE to the Water Policy Committee, and does not represent actual position increases.

Funding: Funding for the Water Policy Committee is derived from the Resource Indemnity Trust State Special Revenue Account.

CLSAR:arseqc.

AGENCY: JUDICIARY

LEGISLATIVE ACTION

PROGRAM: AGENCY SUMMARY

BUDGET ITEM	FY 1986	Fiscal 1988			Fiscal 1989			FY 86-88 % Change
	Actual	Executive	Current Level	Subcommittee	Executive	Current Level	Subcommittee	
FTE	91.00	90.50	89.00	90.50	87.00	85.50	87.00	-0.50
Personal Services	\$3,593,338	\$3,647,267	\$3,595,910	\$3,646,020	\$3,537,172	\$3,493,237	\$3,535,651	1.47
Operating Expenses	806,339	921,453	823,991	844,788	917,385	822,062	843,906	4.77
Equipment	257,569	241,088	227,248	229,848	233,038	205,638	205,638	-10.76
TOTAL EXPENSES	\$4,657,246	\$4,809,808	\$4,647,149	\$4,720,656	\$4,687,595	\$4,520,937	\$4,585,195	1.36
FUNDING								
General Fund	\$4,223,721	\$4,281,842	\$4,165,759	\$4,235,556	\$4,183,035	\$4,039,023	\$4,103,176	0.28
State Special Revenue	424,667	504,366	481,390	485,100	504,560	481,914	482,019	14.23
Federal Revenue	8,858	23,600	0	0	0	0	0	-100.00
TOTAL FUNDING	\$4,657,246	\$4,809,808	\$4,647,149	\$4,720,656	\$4,687,595	\$4,520,937	\$4,585,195	1.36

Program Description: The Judicial branch of state government is provided for in Article III, Section I and Article VII of the Montana Constitution. In Section II of Article VII, the jurisdiction of the Supreme Court is defined. That jurisdiction consists of all appellate jurisdiction and original jurisdiction in petitions for writs of habeas corpus and other such writs, general supervisory control over all courts, and rule making powers of Montana's courts.

Budget: The budget for the Judiciary provides for a 1.4 percent increase from fiscal 1986 to fiscal 1988, primarily in operating expenses. Personal services increase 1.5 percent, due in large part to actual vacancy savings in excess of the amount budgeted in fiscal 1986, and to the addition of a 0.5 FTE clerical position in the Boards and Commissions Program that was formerly a contract service. Vacancy savings of 4 percent were applied to all programs with the exception of elected officials, which are the Supreme Court justices and District Court judges. Operating expenses are up 4.8 percent, or \$38,450, from fiscal 1988 to fiscal 1989. Operating expenses were decreased in three programs for a total of \$19,350, due predominantly to removal of one-time expenses. Law library operating expenses increased \$5,480 for anticipated volume increases. The net decrease in operating expense for the other programs was more than offset by an increase of \$52,300, or 54 percent in the Water Courts Program, for anticipated workload increases. Ninety-four percent of the equipment budget is for books and reference material for the Law Library.

Funding: The Judiciary is funded by general fund with the exception of the Water Courts Program, which is funded by the Water Development State Special Revenue Account, and the Westlaw legal research service in the Law Library, which is funded by a state special revenue account that receives reimbursement from the service users. The 14.2 percent increase in state special revenue funds is due entirely to the increased budget for the Water Courts Program.

AGENCY: JUDICIARY

LEGISLATIVE ACTION

PROGRAM: SUPREME COURT OPERATIONS

BUDGET ITEM	FY 1986	Fiscal 1988			Fiscal 1989			FY 86-88 % Change
	Actual	Executive	Current Level	Subcommittee	Executive	Current Level	Subcommittee	
FTE	32.00	32.00	31.00	32.00	28.50	27.50	28.50	0.00
Personal Services	\$1,007,703	\$1,006,151	\$ 973,824	\$1,008,801	\$ 894,439	\$ 862,539	\$ 897,089	0.11
Operating Expenses	306,738	322,143	291,045	292,599	312,504	281,565	282,960	-4.61
Equipment	29,118	8,050	8,050	8,050	0	0	0	-72.35
TOTAL EXPENSES	\$1,343,559	\$1,336,344	\$1,272,919	\$1,309,450	\$1,206,943	\$1,144,104	\$1,180,049	-2.54
GENERAL FUND	\$1,343,559	\$1,336,344	\$1,272,919	\$1,309,450	\$1,206,943	\$1,144,104	\$1,180,049	-2.54

Program Description: The Supreme Court is the appellate court in the State of Montana. The Supreme Court also has original jurisdiction to issue, hear, and determine writs of habeas corpus and other writs as provided by law. The Supreme Court Operations Program relates specifically to the day-to-day operations of the court.

Budget: The budget provides for a 2.5 percent decrease from fiscal 1986 to fiscal 1988. Personal services are based upon the fiscal 1986 pay plan. Four percent vacancy savings were taken on this program, except on elected officials' salaries. The decrease of 3.5 FTE in fiscal 1989 is due to the sunset provision for two supreme court justices and their staff on January 1, 1989. Operating expenses are decreased 4.6 percent, primarily due to removal of one-time expenditures for systems development costs of \$34,000. This reduction was partially offset by increases of \$3,700 in dues for the National Center for State Courts, and inclusion of the biennial audit fee in fiscal 1988 of \$14,400. The subcommittee did not fund \$22,300 per year for the printing of a backlog in the Montana Reports. Equipment costs include \$3,580 for the balance of the payment for the upgrade of the Statewide Judicial Information System and \$4,470 for a computer and software to be used for word processing and budget analysis in court administration.

AGENCY: JUDICIARY

LEGISLATIVE ACTION

PROGRAM: BOARDS AND COMMISSIONS

BUDGET ITEM	FY 1986	Fiscal 1988			Fiscal 1989			FY 86-88 % Change
	Actual	Executive	Current Level	Subcommittee	Executive	Current Level	Subcommittee	
FTE	3.00	3.00	2.00	3.00	3.00	2.00	3.00	0.00
Personal Services	\$ 46,369	\$ 73,233	\$ 41,579	\$ 66,458	\$ 73,101	\$ 41,494	\$ 66,322	43.32
Operating Expenses	117,258	127,711	113,341	113,341	127,751	113,383	113,383	-3.34
Equipment	756	0	0	0	0	0	0	-100.00
TOTAL EXPENSES	\$164,383	\$200,944	\$154,920	\$179,799	\$200,852	\$154,877	\$179,705	9.38
GENERAL FUND	\$164,383	\$200,944	\$154,920	\$179,799	\$200,852	\$154,877	\$179,705	9.38

Program Description: The Montana Constitution assigns a number of duties to the Supreme Court. These duties include, but are not limited to, supervision over all other courts, development of rules for appellate procedure, establishment of appropriate practice and procedure for all other courts, plus rule-making for admissions to the bar and member conduct. The majority of these duties are accomplished by 11 active boards and commissions which are a part of the Supreme Court. Other duties are accomplished by the Supreme Court staff and by temporary boards and commissions.

Budget: The budget provides for a 9.4 percent increase from fiscal 1986 to fiscal 1988, primarily due to funding of a 0.5 FTE budget and finance officer position at a cost of \$15,800 that had been vacant during all of fiscal 1986 and the addition of a 0.5 FTE clerical position at a cost of \$10,440 to do work for the Commission on Practice that was previously a contracted service. The budget and finance officer position was previously a 1.0 FTE position. Four percent vacancy savings was applied to this program. Operating costs decreased slightly due to removal of \$10,350 of consulting and professional services from fiscal 1986 levels because of excessive annual growth. This reduction was partially offset by a \$7,700 increase for statutorily mandated training costs for the Courts of Limited Jurisdiction.

AGENCY: JUDICIARY

LEGISLATIVE ACTION

PROGRAM: STATE LAW LIBRARY

BUDGET ITEM	FY 1986	Fiscal 1988			Fiscal 1989			FY 86-88 % Change
	Actual	Executive	Current Level	Subcommittee	Executive	Current Level	Subcommittee	
FTE	6.50	6.50	6.50	6.50	6.50	6.50	6.50	0.00
Personal Services	\$168,319	\$157,785	\$157,212	\$157,874	\$157,693	\$156,904	\$157,566	-6.21
Operating Expenses	141,918	155,636	142,669	147,401	156,679	145,120	152,094	3.86
Equipment	215,538	215,538	219,198	219,198	215,538	205,638	205,638	1.70
TOTAL EXPENSES	\$525,775	\$528,959	\$519,079	\$524,473	\$529,910	\$507,662	\$515,298	-0.25
FUNDING								
General Fund	\$499,136	\$486,959	\$501,004	\$506,398	\$511,510	\$489,587	\$497,223	1.45
State Special Revenue	17,781	18,400	18,075	18,075	18,400	18,075	18,075	1.65
Federal Revenue	8,858	23,600	0	0	0	0	0	-100.00
TOTAL FUNDING	\$525,775	\$528,959	\$519,079	\$524,473	\$529,910	\$507,662	\$515,298	-0.25

Program Description: The State Law Library is a law reference source for the Montana Supreme Court, lower courts, the legislature, state agencies, attorneys, and the general public of Montana. The inventory of books and materials on hand can be classified into the following categories: treatises, law reviews, reports, microform, and video/audio tapes for continuing legal education. The Law Library also maintains a collection of all state codes.

Budget: The budget provides for a .25 percent decrease from fiscal 1986 to fiscal 1988. Personal services decreased 6.2 percent, primarily because the program experienced no vacancy savings in fiscal 1986, and the subcommittee budgeted vacancy savings at 4 percent for the 1989 biennium. Operating expenses increase 3.9 percent due to an increase of \$3,650 approved by the subcommittee for photocopying supplies and a building rent increase for inflation. Equipment allowances include \$3,660 in fiscal 1988 for an upgrade of the cataloging system terminal, and the balance was for books and reference material, funded at fiscal 1986 levels.

Funding: The state special revenue account is for reimbursements for the on-line reference service, Westlaw. Fees for this service are based on the amount charged by the vendor with no markup. The balance of the Law Library budget is funded by general fund.

AGENCY: JUDICIARY

LEGISLATIVE ACTION

PROGRAM: DISTRICT COURT OPERATIONS

BUDGET ITEM	FY 1986	Fiscal 1988			Fiscal 1989			FY 86-88 % Change
	Actual	Executive	Current Level	Subcommittee	Executive	Current Level	Subcommittee	
FTE	36.00	36.00	36.00	36.00	36.00	36.00	36.00	0.00
Personal Services	\$2,072,790	\$2,097,347	\$2,094,354	\$2,097,347	\$2,099,742	\$2,103,998	\$2,099,742	1.18
Operating Expenses	143,853	160,248	142,562	142,562	163,988	146,457	146,457	-0.90
TOTAL EXPENSES	<u>\$2,216,643</u>	<u>\$2,257,595</u>	<u>\$2,236,916</u>	<u>\$2,239,909</u>	<u>\$2,263,730</u>	<u>\$2,250,455</u>	<u>\$2,246,199</u>	<u>1.05</u>
GENERAL FUND	<u>\$2,216,643</u>	<u>\$2,257,595</u>	<u>\$2,236,916</u>	<u>\$2,239,909</u>	<u>\$2,263,730</u>	<u>\$2,250,455</u>	<u>\$2,246,199</u>	<u>1.05</u>

Program Description: The District Court Operations Program allocates monies to pay salaries, travel, and training expenses for district judges.

Budget: The budget provides for a 1 percent increase from fiscal 1988 to fiscal 1989, due to an increase in personal services. Personal services increase due to an additional paid day in fiscal 1988 over fiscal 1986, and due to a slight increase in benefits. No vacancy savings is budgeted in this program. Operating expenses decrease slightly due to removal of various one-time costs in fiscal 1986.

AGENCY: JUDICIARY

LEGISLATIVE ACTION

PROGRAM: WATER COURTS SUPERVISION

BUDGET ITEM	FY 1986	Fiscal 1988				Fiscal 1989				FY 86-88 % Change
	Actual	Executive	Current Level	Subcommittee		Executive	Current Level	Subcommittee		
FTE	13.50	13.00	13.50	13.00		13.00	13.50	13.00		-0.50
Personal Services	\$298,157	\$312,751	\$328,941	\$315,540		\$312,197	\$328,302	\$314,932		5.83
Operating Expenses	96,572	155,715	134,374	148,885		156,463	135,537	149,012		54.17
Equipment	12,157	17,500	0	2,600		17,500	0	0		-78.61
TOTAL EXPENSES	\$406,886	\$485,966	\$463,315	\$467,025		\$486,160	\$463,839	\$463,944		14.78
STATE SPECIAL REVENUE	\$406,886	\$485,966	\$463,315	\$467,025		\$486,160	\$463,839	\$463,944		14.78

Program Description: The Water Courts Program staff is responsible for the adjudication of claims of existing water rights in Montana and for supervision of the distribution of water among the four water divisions.

Budget: The budget provides for an increase of 14.8 percent from fiscal 1986 to fiscal 1988. The increase is due primarily to an anticipated increase in the level of activity of the Court. For the 1987 biennium, much of the work of the Court has been tied up in litigation in the Supreme Court. Personal services increase 5.8 percent primarily due to actual vacancy savings in fiscal 1986, partially offset by the reduction of a 0.5 FTE clerical position at the agency's request. Paraprofessional position hours were down approximately 70 percent, while water master hours were down 15 percent. Clerical position vacancy savings were offset by overtime hours. Vacancy savings of 4 percent were applied to this program. The 54.2 percent increase in operating expenses is also due primarily to an anticipated workload increase, requiring additional travel, contract services for outside court reporting services, advertising notices for legal filings, and office supplies. Travel of \$12,400 as well as minor increases in supplies and repair and maintenance is added for a new water master. The equipment budget in fiscal 1988 only is for an upgrade of the phone system for the new water master.

Funding: Funding for the Water Courts Program comes from the Water Development State Special Revenue Account.

Modifieds Recommended: The subcommittee approved a modified request to add a 1.0 FTE water master position to assist in issuing decrees, hearing objections, and processing the increased volume of claims anticipated in the 1989 biennium. The additional cost of this modified is \$31,640 in fiscal 1988 and \$31,582 in fiscal 1989, funded by the Water Development State Special Revenue Fund.

AGENCY: GOVERNOR'S OFFICE

LEGISLATIVE ACTION

PROGRAM: AGENCY SUMMARY

BUDGET ITEM	FY 1986	Fiscal 1988			Fiscal 1989			FY 86-88 % Change
	Actual	Executive	Current Level	Subcommittee	Executive	Current Level	Subcommittee	
FTE	64.08	61.40	62.40	60.40	61.90	62.90	60.90	-3.18
Personal Services	\$1,915,316	\$2,000,344	\$1,968,153	\$1,943,294	\$2,012,039	\$1,979,917	\$1,955,130	1.46
Operating Expenses	910,065	951,291	1,081,748	942,291	972,680	1,061,533	938,680	3.54
Equipment	46,205	8,575	8,837	6,365	2,875	3,137	2,875	-86.22
Non-Operating	0	1,300,000	1,300,000	1,300,000	1,300,000	1,300,000	1,300,000	--
TOTAL EXPENSES	\$2,871,586	\$4,260,210	\$4,358,738	\$4,191,950	\$4,287,594	\$4,344,587	\$4,196,685	45.98
FUNDING	=====	=====	=====	=====	=====	=====	=====	=====
General Fund	\$2,229,960	\$2,228,172	\$2,136,569	\$2,163,299	\$2,255,439	\$2,123,341	\$2,167,911	-2.99
State Special Revenue	63,847	1,590,000	1,590,000	1,590,000	1,590,000	1,590,000	1,590,000	2390.33
Federal Revenue	504,029	442,038	496,569	438,651	442,155	495,646	438,774	-12.97
Other Revenue	73,750	0	135,600	0	0	135,600	0	-100.00
TOTAL FUNDING	\$2,871,586	\$4,260,210	\$4,358,738	\$4,191,950	\$4,287,594	\$4,344,587	\$4,196,685	45.98
	=====	=====	=====	=====	=====	=====	=====	=====

Program Description: The Governor has constitutional and statutory authority to administer the affairs of the State of Montana; assure that the laws of Montana are faithfully executed; appoint all military and civil officers of the state whose appointments are provided for by statute or the Constitution; approve or disapprove legislation; report to the legislature on the condition of the state; submit a biennial executive budget; grant reprieves and pardons within the best interests of Montana, serve on various boards and commissions as provided by the Constitution and statutes; and represent the state in relations with other governments, the public, and various organizations of states.

Budget: The budget approved by the subcommittee for the Governor's Office provides a 46 percent increase from fiscal 1986 to fiscal 1988 because \$1,500,000 was included in fiscal 1988 for the Statehood Centennial Office while \$45,847 was spent in the Centennial Office in fiscal 1986. The large expenditure increase in the Centennial Office was authorized in anticipation of the statehood centennial celebration in fiscal 1989. Without this large increase in the statehood office, the change in expenditures between fiscal 1986 and fiscal 1988 is a 4.7 percent decrease.

Full time equivalent positions decrease overall 3.18 FTE from fiscal 1986 to fiscal 1989. The decrease is attributable to decreases made by the agency in response to the fiscal 1987 pay plan cuts (3.18 FTE), voluntary

reductions made by the Northwest Power Planning Council (2.0 FTE), and cuts made by the subcommittee in the Lt. Governor's office (1.0 FTE). Three FTE were added to the Statehood Centennial Office.

Operating expense increases were allowed in the Air Transportation Program and the Northwest Power Planning Council. The increase in the Air Transportation Program allows for approximately 16 percent more flying time than experienced in fiscal 1986. The operating increase in the Northwest Power Planning Council allows the council to retain the services of experts with specialized skills in the areas of electric energy planning, conservation technology, and fish and wildlife protection and restoration.

Non-operating expenses are grants allocated for as-yet undetermined statehood centennial activities. These may take the form of grants or contracts with local or regional entities, or may be transferred into office operations to fund office sponsored or directed activities.

Funding: The Governor's Office is funded from general fund, state special revenue, and federal revenue. The state special revenue includes \$90,000 annually from Resource Indemnity Trust funds for a portion of the Clark Fork River Project in the Executive Office. The remaining \$1,500,000 state special revenue is for the Statehood Centennial Office and is from donations and centennial revenue-raising projects.

Federal revenue is used to support the Clark Fork River Project and the Client Assistance Program in the Executive Office and completely supports the Northwest Power Planning Council.

General fund supports all remaining functions of the Governor's Office and is budgeted to decrease 3 percent from fiscal 1986 to fiscal 1988 and increase .2 percent from fiscal 1988 to fiscal 1989.

AGENCY: GOVERNOR'S OFFICE

LEGISLATIVE ACTION

PROGRAM: EXECUTIVE OFFICE PROGRAM

BUDGET ITEM	FY 1986	Fiscal 1988			Fiscal 1989			FY 86-88 % Change
	Actual	Executive	Current Level	Subcommittee	Executive	Current Level	Subcommittee	
FTE	24.68	23.00	23.00	23.00	23.00	23.00	23.00	-1.68
Personal Services	\$ 758,612	\$ 744,965	\$ 740,235	\$ 742,602	\$ 745,780	\$ 739,705	\$ 743,462	-2.11
Operating Expenses	452,554	416,862	416,777	418,362	406,495	367,923	382,995	-7.56
Equipment	4,824	5,700	5,700	3,490	0	0	0	-27.65
TOTAL EXPENSES	\$1,215,990	\$1,167,527	\$1,162,712	\$1,164,454	\$1,152,275	\$1,107,628	\$1,126,457	-4.24
FUNDING								
General Fund	\$1,023,807	\$ 952,527	\$ 946,440	\$ 952,841	\$ 937,275	\$ 892,628	\$ 914,838	-6.93
State Special Revenue	18,000	90,000	90,000	90,000	90,000	90,000	90,000	400.00
Federal Revenue	174,183	125,000	126,272	121,613	125,000	125,000	121,619	-30.18
TOTAL FUNDING	\$1,215,990	\$1,167,527	\$1,162,712	\$1,164,454	\$1,152,275	\$1,107,628	\$1,126,457	-4.24

Program Description: The Executive Office Program is responsible for overseeing and directing the activities of the executive branch of government, insuring responsible and responsive government for Montana. Special projects assigned to the executive office in the 1989 biennium include the Flathead Basin Commission, the Aging Services Coordinator, the Client Assistance Program, and the Clark Fork River Basin Project.

Budget: The subcommittee-approved budget includes four percent vacancy savings applied to all positions including the elected official. Full time equivalent positions have been reduced 1.68 since fiscal 1986. The reductions, made in response to the fiscal 1987 cutbacks, included 0.18 FTE for the Coal Tax Advocacy, a 1.0 FTE office manager, and a 0.5 FTE professional staff responsible for human service areas.

The executive office contains funding for several special projects which are listed in Table 1. Funding for these projects comes from the general fund, state special funds, and federal funds as delineated on the table.

Table 1
Special Projects Included in Executive Office Program
1989 Biennium

<u>Project</u>	<u>Fiscal 1988</u>	<u>Fiscal 1989</u>	<u>Fund Type</u>
Aging Services Coordinator	\$40,057	\$40,279	General
Flathead Basin Commission	19,845	19,845	General
Clark Fork River Basin	90,000	90,000	State Special
	46,613	46,619	Federal
Client Assistance Program	75,000	75,000	Federal

The subcommittee-approved budget also includes a biennial, line-itemed \$25,000 general fund appropriation as a contingency fund. This appropriation is to be used for unforeseen "bureaucratic" emergencies.

The budget includes \$4,000 annually, line-itemed, for state membership to the Uniform State Laws Commission.

Legislative audit costs of \$12,000 are included in fiscal 1988.

The equipment authorized in fiscal 1988 includes two replacement typewriters (\$930), software (\$650), computer hardware upgrade (\$935), and replacement of a graphics printer (\$975). No equipment was authorized in fiscal 1989.

Funding: The state special revenue funds are Resource Indemnity Trust funds used for the Clark Fork River Project. Federal funds are from the U.S. Department of Education and are used for the Client Assistance Program. The remaining federal funds, approximately \$46,600 annually, are used for the Clark Fork River Project.

AGENCY: GOVERNOR'S OFFICE

LEGISLATIVE ACTION

PROGRAM: MANSION MAINTENANCE PROGRAM

BUDGET ITEM	FY 1986	Fiscal 1988			Fiscal 1989			FY 86-88 % Change
	Actual	Executive	Current Level	Subcommittee	Executive	Current Level	Subcommittee	
FTE	2.15	1.90	1.90	1.90	1.90	1.90	1.90	-0.25
Personal Services	\$33,503	\$37,052	\$37,083	\$37,052	\$37,087	\$37,119	\$37,087	10.59
Operating Expenses	21,847	23,587	44,340	23,587	24,515	45,043	24,515	7.96
Equipment	170	0	0	0	0	0	0	-100.00
TOTAL EXPENSES	\$55,520	\$60,639	\$81,423	\$60,639	\$61,602	\$82,162	\$61,602	9.22
GENERAL FUND	\$55,520	\$60,639	\$81,423	\$60,639	\$61,602	\$82,162	\$61,602	9.22

Program Description: The staff of the Mansion Maintenance Program maintains the Governor's official residence.

Budget: The subcommittee-approved budget provides funding for this program at the fiscal 1986 operating expense level with allowances for utility cost increases. Personal services increase 10.6 percent from fiscal 1986 to fiscal 1988 as approximately 12 percent vacancy savings was experienced in fiscal 1986 and 4 percent is applied in each year of the 1989 biennium. A quarter-time FTE custodial worker is reduced from fiscal 1986 to the 1989 biennium due to fiscal 1987 cutbacks.

Funding: This program is funded from the general fund.

AGENCY: GOVERNOR'S OFFICE

LEGISLATIVE ACTION

PROGRAM: AIR TRANSPORTATION

BUDGET ITEM	FY 1986		Fiscal 1988			Fiscal 1989			FY 86-88 % Change
	Actual		Executive	Current Level	Subcommittee	Executive	Current Level	Subcommittee	
FTE	1.00		1.00	1.00	1.00	1.00	1.00	1.00	0.00
Personal Services	\$31,935		\$ 32,408	\$32,418	\$ 32,408	\$ 32,536	\$32,546	\$ 32,536	1.48
Operating Expenses	59,009		69,094	63,444	69,094	71,853	66,792	71,853	17.09
Equipment	199		0	0	0	0	0	0	-100.00
TOTAL EXPENSES	<u>\$91,143</u> =====		<u>\$101,502</u> =====	<u>\$95,862</u> =====	<u>\$101,502</u> =====	<u>\$104,389</u> =====	<u>\$99,338</u> =====	<u>\$104,389</u> =====	<u>11.37</u> =====
GENERAL FUND	<u>\$91,143</u> =====		<u>\$101,502</u> =====	<u>\$95,862</u> =====	<u>\$101,502</u> =====	<u>\$104,389</u> =====	<u>\$99,338</u> =====	<u>\$104,389</u> =====	<u>11.37</u> =====

Program Description: The Air Transportation Program is responsible for providing the Governor with safe and reliable air transportation.

Budget: The subcommittee-approved budget provides increased operating expenses in the 1989 biennium to allow for approximately 16 percent more flying time than was experienced in fiscal 1986. The budget includes funding for 1.0 FTE pilot. Co-pilot services, budgeted at \$2,800 each year, are obtained on contract. The budget includes \$28,152 in fiscal 1988 and \$30,129 in fiscal 1989 for aircraft maintenance. In fiscal 1986, \$28,836 was spent for this purpose.

Funding: This program is funded from the general fund.

AGENCY: GOVERNOR'S OFFICE		LEGISLATIVE ACTION				PROGRAM: OFFICE OF BUDGET & PROG PLANNING			
BUDGET ITEM	FY 1986	Fiscal 1988			Fiscal 1989			FY 86-88	
	Actual	Executive	Current Level	Subcommittee	Executive	Current Level	Subcommittee	% Change	
FTE	18.25	16.50	15.50	16.50	17.00	16.00	17.00	-1.25	
Personal Services	\$523,504	\$565,710	\$495,159	\$549,223	\$576,854	\$507,726	\$560,402	4.91	
Operating Expenses	176,609	119,075	252,158	119,075	146,707	275,956	146,707	-32.58	
Equipment	39,168	1,875	2,137	1,875	1,875	2,137	1,875	-95.21	
TOTAL EXPENSES	\$739,281	\$686,660	\$749,454	\$670,173	\$725,436	\$785,819	\$708,984	-9.35	
FUNDING									
General Fund	\$665,531	\$686,660	\$613,854	\$670,173	\$725,436	\$650,219	\$708,984	0.70	
Other Revenue	73,750	0	135,600	0	0	135,600	0	-100.00	
TOTAL FUNDING	\$739,281	\$686,660	\$749,454	\$670,173	\$725,436	\$785,819	\$708,984	-9.35	

Program Description: The Office of Budget and Program Planning assists the Governor in the planning, preparation, and administration of the state budget; the development and evaluation of alternative program plans for the provision of state government services; and the examination of methods of providing services to the citizens of Montana.

Legislative Intent: The subcommittee approved language which provides that any funds remaining in the proprietary fund used by OBPP in the 1987 biennium for the statewide audit shall be transferred to the General fund to partially offset the statewide audit costs in the Legislative Auditor's office in the 1989 biennium.

Budget: The subcommittee-approved budget provides a 9 percent reduction in total expenditures from fiscal 1986 to fiscal 1988. Full time equivalent positions are reduced 1.75 FTE from fiscal 1986 to fiscal 1988 and 1.25 from fiscal 1986 to fiscal 1989. A 1.0 FTE budget analyst and a 0.25 FTE administrative clerk were eliminated in both years of the 1989 biennium as part of the agency's five percent cut. In addition, the agency requested a 0.5 FTE word processing operator be eliminated in non-session years. Personal services increases between fiscal 1986 and fiscal 1988 because the office experienced 18 percent vacancy savings in fiscal 1986 while the subcommittee applied 4 percent vacancy savings to all positions in the 1989 biennium.

Operating expenses decrease primarily because the statewide audit costs have been transferred to the Legislative Auditor's Office in the 1989 biennium. The Office of Budget and Program Planning had transferred \$73,750 of non-general fund revenues to the Legislative Auditor's Office in fiscal 1986 for this purpose.

Equipment authorized for the 1989 biennium included \$1,875 each year for software upgrades.

Funding: The office is funded from general fund.

LEGISLATIVE ACTION

PROGRAM: NORTHWEST POWER PLANNING COUNCIL

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	7.00	5.00	5.00	7.00	5.00	-2.00
Personal Services	\$237,536	\$198,417	\$252,860	\$198,417	\$198,536	\$252,889	\$198,536	-16.47
Operating Expenses	90,499	117,621	116,437	117,621	117,619	116,757	117,619	29.97
Equipment	1,811	1,000	1,000	1,000	1,000	1,000	1,000	-44.78
TOTAL EXPENSES	\$329,846	\$317,038	\$370,297	\$317,038	\$317,155	\$370,646	\$317,155	-3.88
FEDERAL REVENUE FUNDS	\$329,846	\$317,038	\$370,297	\$317,038	\$317,155	\$370,646	\$317,155	-3.88

Program Description: The Northwest Power Planning Council was created in 1981, pursuant to the Pacific Northwest Electric Power Planning and Conservation Act of 1980. The Council is charged with the development of a twenty year electric energy plan that will provide an efficient and adequate electric power supply for consumers in the Pacific northwest and will encourage conservation and development of natural resources.

Budget: The subcommittee-approved budget reflects a 2.0 FTE reduction from fiscal 1986. This FTE reduction was proposed by the agency as a cost savings measure. Four percent vacancy savings was applied to the remaining 5.0 FTE. Contracted services were increased \$17,236 from fiscal 1986 to fiscal 1988 primarily to allow the council to retain the services of experts with specialized skills in the areas of electric energy planning, conservation technology, and fish and wildlife protection and restoration. Out-of-state travel was increased \$4,621 as the council anticipates increases in both the volume and the cost of travel in the 1989 biennium.

Funding: The council is funded 100 percent from the Bonneville Power Administration, a federal agency.

AGENCY: GOVERNOR'S OFFICE

LEGISLATIVE ACTION

PROGRAM: LIEUTENANT GOVERNOR

BUDGET ITEM	FY 1986	Fiscal 1988			Fiscal 1989			FY 86-88 % Change
	Actual	Executive	Current Level	Subcommittee	Executive	Current Level	Subcommittee	
FTE	6.00	6.00	6.00	5.00	6.00	6.00	5.00	-1.00
Personal Services	\$191,251	\$202,112	\$186,607	\$163,912	\$201,855	\$186,461	\$163,716	-14.29
Operating Expenses	36,847	47,826	37,291	37,326	48,028	37,492	37,528	1.30
TOTAL EXPENSES	\$228,098	\$249,938	\$223,898	\$201,238	\$249,883	\$223,953	\$201,244	-11.78
GENERAL FUND	\$228,098	\$249,938	\$223,898	\$201,238	\$249,883	\$223,953	\$201,244	-11.78

Program Description: The Lieutenant Governor is responsible for performing the duties provided by law and those delegated to him by the Governor. Current priorities include infrastructure issues and the local voter review process. The Office also handles supervision of Intergovernmental Review Clearinghouse operations, planning for Statehood Centennial activities, and occasional special projects.

Budget: The subcommittee-approved budget reflects a 12 percent reduction as 1.0 FTE personal staff was removed from the office. This position, which was responsible for local government relations, was paid approximately \$32,000 in fiscal 1986 while the 1985 legislature had budgeted it for approximately \$19,500. Agency testimony during budget hearings indicated the office would have little recourse other than vacating the position if it was forced to reduce the salary to the level approved by the 1985 legislature. The subcommittee, therefore, deleted the position.

Funding: The Lt. Governor's office is funded from the general fund.

AGENCY: GOVERNOR'S OFFICE

LEGISLATIVE ACTION

PROGRAM: CITIZENS' ADVOCATE OFFICE

BUDGET ITEM	FY 1986		Fiscal 1988		Fiscal 1989		FY 86-88 % Change
	Actual		Executive Current Level	Subcommittee	Executive Current Level	Subcommittee	
FTE	1.00		1.00	1.00	1.00	1.00	0.00
Personal Services	\$32,573		\$31,575	\$31,575	\$31,518	\$31,518	-3.06
Operating Expenses	16,065		16,052	16,052	16,052	16,052	-0.08
TOTAL EXPENSES	<u>\$48,638</u>		<u>\$47,627</u>	<u>\$47,627</u>	<u>\$47,570</u>	<u>\$47,570</u>	<u>-2.08</u>
GENERAL FUND	<u>\$48,638</u>		<u>\$47,627</u>	<u>\$47,627</u>	<u>\$47,570</u>	<u>\$47,570</u>	<u>-2.08</u>

Program Description: The Citizen's Advocate Office gives Montana's citizens ready access to state government. The public contacts the Office by toll-free telephone to obtain information, make suggestions, air complaints, and ask for assistance with problems regarding state government.

Budget: The subcommittee-approved budget allows for services to be continued at the fiscal 1986 level into the 1989 biennium. The personal services reduction between fiscal 1986 and fiscal 1988 results from four percent vacancy savings being applied to the 1.0 FTE in this program. As other programs experienced greater than 4 percent vacancy savings in fiscal 1986, it is expected that any vacancy savings shortfall in this program will be absorbed by other programs within the governor's office.

Funding: This program is funded from the general fund.

AGENCY: GOVERNOR'S OFFICE

LEGISLATIVE ACTION

PROGRAM: MENTAL DISABILITIES BD OF VISITORS

BUDGET ITEM	FY 1986	Fiscal 1988			Fiscal 1989			FY 86-88 % Change
	Actual	Executive	Current Level	Subcommittee	Executive	Current Level	Subcommittee	
FTE	3.00	3.00	3.00	3.00	3.00	3.00	3.00	0.00
Personal Services	\$ 79,844	\$ 89,933	\$ 89,956	\$ 89,933	\$ 89,865	\$ 89,891	\$ 89,865	12.64
Operating Expenses	37,346	39,346	37,508	39,346	39,419	37,580	39,419	5.36
Equipment	33	0	0	0	0	0	0	-100.00
TOTAL EXPENSES	\$117,223	\$129,279	\$127,464	\$129,279	\$129,284	\$127,471	\$129,284	10.28
GENERAL FUND	\$117,223	\$129,279	\$127,464	\$129,279	\$129,284	\$127,471	\$129,284	10.28

Program Description: The Mental Disabilities Board of Visitors, established by Section 2-15-211, MCA, protects the rights of the mentally ill and the developmentally disabled by reviewing the care and treatment provided by those community mental health centers and state institutions which serve this population. The Board also provides legal services for the residents at those institutions.

Budget: The subcommittee-approved budget provides a 10 percent increase to allow increases in personal services and operating expenses. The program experienced over 8 percent vacancy savings in fiscal 1986 while the subcommittee applied a 4 percent vacancy savings rate in the 1989 biennium. This caused the 12.6 percent personal services increase between fiscal 1986 and fiscal 1988.

The operating expense increase is due primarily to the subcommittee approving a \$1,425 increase for contracted services related to on-site facility reviews and a \$263 increase in supplies and travel for the legal services unit.

Funding: This program is funded from the general fund.

AGENCY: GOVERNOR'S OFFICE

LEGISLATIVE ACTION

PROGRAM: STATEHOOD CENTENNIAL OFFICE

BUDGET ITEM	FY 1986	Fiscal 1988			Fiscal 1989			FY 86-88 % Change
	Actual	Executive	Current Level	Subcommittee	Executive	Current Level	Subcommittee	
FTE	1.00	4.00	4.00	4.00	4.00	4.00	4.00	3.00
Personal Services	\$26,558	\$ 98,172	\$ 102,259	\$ 98,172	\$ 98,008	\$ 102,062	\$ 98,008	269.65
Operating Expenses	19,289	101,828	97,741	101,828	101,992	97,938	101,992	427.91
Non-Operating	0	1,300,000	1,300,000	1,300,000	1,300,000	1,300,000	1,300,000	--
TOTAL EXPENSES	\$45,847	\$1,500,000	\$1,500,000	\$1,500,000	\$1,500,000	\$1,500,000	\$1,500,000	3171.75
STATE SPECIAL REVENUE	\$45,847	\$1,500,000	\$1,500,000	\$1,500,000	\$1,500,000	\$1,500,000	\$1,500,000	3171.75

Program Description: The 1985 Legislature created the Montana Statehood Centennial Commission. The purpose of the commission is to encourage the commemoration and celebration of Montana's 100th anniversary of statehood in 1989.

Budget: In anticipation of the statehood centennial celebration in 1989, the subcommittee approved a large expansion in this program's budget. Three FTE were added to the program between fiscal 1986 and fiscal 1988 to help with the centennial celebration fund raising and other activities. Grants, represented in the table as non-operating expenses, represent the entire amount allocated for as yet undetermined centennial activities. These may take the form of grants or contracts with local or regional entities, or may be transferred into office operations to fund office sponsored or directed activities.

Funding: The funding for this program is from donations and centennial revenue-raising projects.

AGENCY: SECRETARY OF STATE

LEGISLATIVE ACTION

PROGRAM: AGENCY SUMMARY

BUDGET ITEM	FY 1986	Fiscal 1988			Fiscal 1989			FY 86-88 % Change
	Actual	Executive	Current Level	Subcommittee	Executive	Current Level	Subcommittee	
FTE	35.00	28.50	28.50	28.50	28.50	28.50	28.50	-6.50
Personal Services	\$ 677,723	\$ 617,435	\$ 616,016	\$ 616,016	\$ 616,665	\$ 615,390	\$ 615,390	-9.11
Operating Expenses	460,024	527,519	487,108	487,108	483,926	446,111	446,111	5.89
Equipment	16,435	0	0	0	0	0	0	-100.00
Non-Operating	30,600	63,600	63,600	63,600	63,600	63,600	63,600	107.84
TOTAL EXPENSES	\$1,184,782	\$1,208,554	\$1,166,724	\$1,166,724	\$1,164,191	\$1,125,101	\$1,125,101	-1.52
FUNDING	=====	=====	=====	=====	=====	=====	=====	=====
General Fund	\$ 861,923	\$ 768,950	\$ 763,721	\$ 763,721	\$ 770,088	\$ 765,864	\$ 765,864	-11.39
State Special Revenue	322,859	439,604	403,003	403,003	394,103	359,237	359,237	24.82
TOTAL FUNDING	\$1,184,782	\$1,208,554	\$1,166,724	\$1,166,724	\$1,164,191	\$1,125,101	\$1,125,101	-1.52
	=====	=====	=====	=====	=====	=====	=====	=====

Program Description: The Office of the Secretary of State was established by Article VI, Section 1, of the Montana Constitution and its duties are set forth in Title 2, Part 4, of the Montana Code Annotated (MCA). It is primarily a record keeping office which files, maintains, and preserves the permanent records of the state and certain public interest records of private citizens. The office also publishes the Montana Administrative Register (MAR) and the Administrative Rules of Montana (ARM).

Budget: The budget for the agency provides for a net budget decrease of 1.5 percent from fiscal 1986 to fiscal 1988. Personal services decrease 9.1 percent, due to the net reduction of 6.5 FTE in the Records Management Program from fiscal 1986 to fiscal 1988. The FTE reductions were made due to one-time start up costs and due to efficiency from records automation. Operating expenses increase a net 5.9 percent, even though they are decreased in the Records Management Program due to removal of one-time expenses for systems development and completion of a Uniform Commercial Code microfilming project. Those decreases are nearly offset by increases in the Agricultural Lien Program costs and in the Administrative Code Program for a reprint of the ARM manual. Non-operating costs increase due to the resumption of the requirement that the general fund pay for costs associated with the free distribution of ARM to state agencies. The requirement was eliminated in Special Session III for fiscal 1987 only. Non-operating costs also increase due to the requirement implemented in fiscal 1987 for payment of filing fees to counties associated with the new Agricultural Lien Program administered by the Secretary of State.

Funding: The records management function is funded by general fund, while the Agricultural Lien Program and the Administrative Code Program are funded by state special revenue funds which recover costs with user fees. General funds of \$30,600 per year are also used to reimburse the Administrative Code State Special Revenue Account for the cost of free distribution of ARM updates to state agencies. General fund requirements are reduced 11.4 percent due to the personal services reduction and the allocation of overhead costs to the expanded Agricultural Lien Program.

AGENCY: SECRETARY OF STATE

LEGISLATIVE ACTION

PROGRAM: RECORDS MANAGEMENT PROGRAM

BUDGET ITEM	FY 1986	Fiscal 1988			Fiscal 1989			FY 86-88 % Change
	Actual	Executive	Current Level	Subcommittee	Executive	Current Level	Subcommittee	
FTE	31.50	25.00	25.00	25.00	25.00	25.00	25.00	-6.50
Personal Services	\$590,197	\$532,182	\$531,132	\$531,132	\$531,555	\$530,617	\$530,617	-10.01
Operating Expenses	389,855	406,331	378,442	378,442	408,455	377,789	377,789	-2.93
Equipment	15,261	0	0	0	0	0	0	-100.00
Non-Operating	0	33,000	33,000	33,000	33,000	33,000	33,000	100.00
TOTAL EXPENSES	\$995,313	\$971,513	\$942,574	\$942,574	\$973,010	\$941,406	\$941,406	-5.30
FUNDING								
General Fund	\$831,323	\$738,350	\$733,121	\$733,121	\$739,488	\$735,264	\$735,264	-11.81
State Special Revenue	163,990	233,163	209,453	209,453	233,522	206,142	206,142	27.72
TOTAL FUNDING	\$995,313	\$971,513	\$942,574	\$942,574	\$973,010	\$941,406	\$941,406	-5.30

Program Description: The Records Management Program provides statutorily required services relating to elections, filing of corporate records, and custodianship of the state's official documents. The program also administers the Agricultural Lien Program, a centralized filing and access system for security interests covering agricultural products and property.

Budget: The budget provides for a 5.3 percent decrease from fiscal 1986 to fiscal 1988. There are two distinct programs within the Records Management Program -- Records Management and the Agricultural Lien Program. The overall decrease in the Program was due to a significant decrease in the Records Management Program, offset partially by an increase in the Agricultural Lien Program. Table 1 shows the changes in current level from fiscal 1986 to fiscal 1988 by subprogram.

Table 2

Total Funds

in fiscal 1986 as start-up costs, and the elimination of start-up equipment costs.

operating expenses.

A. FTE and Personal Services

There is a 10 percent reduction for personal services from fiscal 1986 to fiscal 1988, primarily due to FTE reductions. A net total of 6.5 FTE positions were deleted from current level in fiscal 1988. In the Agricultural Lien Sub-program, 3.0 FTE data entry operators were deleted, as the positions were hired for program start-up. A 1.0 FTE administrative aide position was added to the program. In the Records Management Sub-program, 4.5 FTE were deleted, including 1.0 FTE as a one-time start-up cost of the UCC microfilming program, a 0.5 FTE clerk position deleted in fiscal 1986 as a result of automation, and 0.5 FTE data entry operator deleted from the Corporations Bureau as part of the five percent cuts. An additional 2.5 FTE, including a 1.0 FTE administrative aide and 1.5 FTE office clerks, were eliminated at the agency's request. A 4 percent vacancy savings rate was applied to the program budget for the 1989 biennium.

B. Operating Expenses

Operating expenses are increased \$35,100 for microfilming costs, \$23,900 for computer processing costs, and \$4,230 for photocopying, primarily due to increased reporting requirements, volume and demand in the Agricultural Lien Program. Current level is increased in fiscal 1988 only for audit costs of \$8,100. Printing costs of \$18,900 are added in fiscal 1989 only for required publications, including the biennial voter information pamphlet.

Decreases in operating expenses include \$41,860 in microfilming costs for one-time expenditures to convert Uniform Commercial Code documents to microfilm, \$19,630 in one-time system development costs for the Agricultural Lien Program, and \$3,200 in postage costs. At the agency's request, other operating expense reductions include printing costs of \$5,750 and an additional \$7,420 in miscellaneous areas. Other minor adjustments and inflation factors resulted in a net reduction in spending authority of \$5,060 in fiscal 1988. In fiscal 1989 at the request of the agency, an additional \$6,000 reduction in travel costs was taken.

Non-operating costs are \$33,000 in each year for pass-through of agricultural lien recording fees to county clerk and recorders.

Funding: The Records Management Subprogram is funded by general fund. The Agricultural Lien Subprogram is funded by a state special revenue account, which recovers the cost of the program with user fees.

AGENCY: SECRETARY OF STATE

LEGISLATIVE ACTION

PROGRAM: ADMINISTRATIVE CODE PROGRAM

BUDGET ITEM	FY 1986	Fiscal 1988			Fiscal 1989			FY 86-88 % Change
	Actual	Executive	Current Level	Subcommittee	Executive	Current Level	Subcommittee	
FTE	3.50	3.50	3.50	3.50	3.50	3.50	3.50	0.00
Personal Services	\$ 87,526	\$ 85,253	\$ 84,884	\$ 84,884	\$ 85,110	\$ 84,773	\$ 84,773	-3.02
Operating Expenses	70,169	121,188	108,666	108,666	75,471	68,322	68,322	54.86
Equipment	1,174	0	0	0	0	0	0	-100.00
Non-Operating	30,600	30,600	30,600	30,600	30,600	30,600	30,600	0.00
TOTAL EXPENSES	\$189,469	\$237,041	\$224,150	\$224,150	\$191,181	\$183,695	\$183,695	18.30
FUNDING	=====	=====	=====	=====	=====	=====	=====	=====
General Fund	\$ 30,600	\$ 30,600	\$ 30,600	\$ 30,600	\$ 30,600	\$ 30,600	\$ 30,600	0.00
State Special Revenue	158,869	206,441	193,550	193,550	160,581	153,095	153,095	21.83
TOTAL FUNDING	\$189,469	\$237,041	\$224,150	\$224,150	\$191,181	\$183,695	\$183,695	18.30
	=====	=====	=====	=====	=====	=====	=====	=====

Program Description: The Administrative Code Program is responsible for filing, publishing, and distributing Administrative Rules of Montana developed for the operation of state agencies.

Budget: The budget provides for a 18.3 percent increase from fiscal 1986 to fiscal 1988 due to increased operating expenses. Personal services decrease 3 percent due primarily to an actual vacancy savings rate in fiscal 1986 that was less than the 4 percent vacancy savings budgeted in fiscal 1988. Operating expenses increase 54.9 percent in fiscal 1988 due to budgeting \$37,900 for printing and binding expenses to print 100 new sets of the ARM manual for resale. The costs of the publication will be recovered in the state special revenue account as the volumes are sold. Audit fees of \$2,700 are also included in fiscal 1988 only. Fiscal 1989 costs are a slight decrease from the fiscal 1986 expenditure levels.

Non-operating costs of \$30,600 each year are for general fund reimbursement of the state special revenue fund for the cost of free distribution of ARMS updates to certain state agencies.

Funding: The program is funded by a state special revenue which charges fees for its publications. The general fund appropriation is to reimburse the state special revenue account for distribution of ARMS updates to general fund agencies.
CLSAR:arsss.

AGENCY: COMMISSIONER OF POLITICAL PRACTICES

LEGISLATIVE ACTION

PROGRAM: AGENCY SUMMARY

BUDGET ITEM	FY 1986	Fiscal 1988			Fiscal 1989			FY 86-88 % Change
	Actual	Executive	Current Level	Subcommittee	Executive	Current Level	Subcommittee	
FTE	4.75	4.75	3.75	3.00	4.75	3.75	3.00	-1.75
Personal Services	\$125,198	\$129,018	\$105,362	\$ 73,038	\$128,952	\$105,338	\$ 73,038	-41.66
Operating Expenses	14,503	22,621	16,205	28,751	18,145	13,195	30,751	98.24
TOTAL EXPENSES	\$139,701	\$151,639	\$121,567	\$101,789	\$147,097	\$118,533	\$103,789	-27.14
FUNDING								
General Fund	\$139,653	\$150,839	\$120,767	\$100,989	\$146,497	\$117,733	\$ 98,989	-27.69
State Special Revenue	48	800	800	800	600	800	4,800	1566.67
TOTAL FUNDING	\$139,701	\$151,639	\$121,567	\$101,789	\$147,097	\$118,533	\$103,789	-27.14

Program Description: The purpose of the Commissioner of Political Practices Office is to establish consistent requirements for the full disclosure and reporting of the source and disposition of funds used in Montana to support or oppose state and local candidates, political committees, or political issues. The Commissioner's office is also responsible for enforcing the election and campaign finance laws and the provisions of the Montana Lobbyist Disclosure Act. In addition, the Commissioner is responsible for publishing and disseminating a number of election-related reports, forms, and manuals as provided in Title 13, Chapter 37, MCA.

Legislative Intent: The subcommittee approved a change to require the Commissioner of Political Practices to charge a fee for the Summary of Contributions/Expenditures for Candidates/Committees booklet which is distributed after each statewide election, and adopted language to that effect, including the provision that the fee charged must be sufficient to recover publishing costs and that the funds are to be placed in the state special revenue account, with the balance reverting to the general fund at the end of the biennium.

Budget: A revised budget submitted by the new Commissioner of Political Practices, which provides for a 27.1 percent reduction in the agency budget from fiscal 1986 to fiscal 1988, was approved. Personal services are reduced 41.7 percent due to a reduction from 4.75 FTE in fiscal 1986 to 3.0 FTE in fiscal 1988. A full-time attorney position was deleted for a savings of \$34,350 in fiscal 1988, and was replaced by \$15,000 in operating expenses for contract legal services. In addition, a 1.0 FTE accountant position was eliminated for a cost savings of \$29,000. An administrative aide position was increased from 0.75 to 1.0 FTE, at a cost of \$3,670. Some savings from the FTE reductions are

offset by vacancy savings in fiscal 1986. Operating expenses increased due to the inclusion of \$15,000 for contract legal services.

Funding: A state special revenue account is used to record receipts and pay expenses relating to fees collected for copies provided and the sale of the post-election booklet. The balance of the agency operations are funded by general fund.

CLSAR:arscpp.

AGENCY: STATE AUDITOR'S OFFICE

LEGISLATIVE ACTION

PROGRAM: AGENCY SUMMARY

BUDGET ITEM	FY 1986	Fiscal 1988			Fiscal 1989			FY 86-88 % Change
	Actual	Executive	Current Level	Subcommittee	Executive	Current Level	Subcommittee	
FTE	60.17	56.50	60.50	60.50	56.50	60.50	60.50	0.33
Personal Services	\$1,323,499	\$1,326,353	\$1,407,497	\$1,413,997	\$1,325,008	\$1,406,153	\$1,412,641	6.84
Operating Expenses	914,471	889,905	858,042	860,042	831,609	800,387	802,387	-5.95
Equipment	102,705	18,237	7,082	11,782	288	288	288	-88.53
TOTAL EXPENSES	\$2,340,675	\$2,234,495	\$2,272,621	\$2,285,821	\$2,156,905	\$2,206,828	\$2,215,316	-2.34
FUNDING								
General Fund	\$1,072,584	\$ 881,340	\$ 811,169	\$ 845,250	\$ 832,328	\$ 768,085	\$ 802,154	-21.19
State Special Revenue	1,268,091	1,353,155	1,461,452	1,440,571	1,324,577	1,438,743	1,413,162	13.60
TOTAL FUNDING	\$2,340,675	\$2,234,495	\$2,272,621	\$2,285,821	\$2,156,905	\$2,206,828	\$2,215,316	-2.34

Program Description: The Office of the State Auditor, established by Article VI, Section 1 of the Montana Constitution, has statutory responsibility to superintend the fiscal concerns of the state, suggest plans for improvement and management of public revenues, keep an accounting system of all state funds, and pay into the treasury all funds and fees received. The state auditor is both the ex-officio commissioner of insurance and ex-officio securities commissioner. The State Auditor is charged with the duty of licensing and regulating insurance companies and agents within the state. The State Auditor is also assigned the responsibility of regulating and registering issuers, broker-dealers, and investment advisors, and licensing all securities salesmen. The State Auditor is the director of the central payroll system which is responsible for paying state employees.

Budget: The budget provides for a 2.3 percent decrease from fiscal 1986 to fiscal 1988, primarily due to removal of one-time expenditures for systems development costs and equipment costs for office and program automation, which exceed \$100,000 per year in the 1987 biennium, and the removal of one-time start-up costs for the non-gender insurance and title insurance law implementations. Vacancy Savings of 4 percent are applied to this agency.

Funding: The state special revenue fund expenditure increases 13.6 percent while general fund decreases in the 1989 biennium primarily as a result of utilizing a fund balance of over \$200,000 in the central payroll operating fund to fund biennium expenditures and increasing the fees charged to users of the fund by over \$100,000 per year over the 1987 biennium fee levels. This results in a corresponding reduction in general fund requirements.

AGENCY: STATE AUDITOR'S OFFICE

LEGISLATIVE ACTION

PROGRAM: CENTRAL MANAGEMENT

BUDGET ITEM	FY 1986	Fiscal 1988				Fiscal 1989				FY 86-88 % Change
	Actual	Executive	Current	Level	Subcommittee	Executive	Current	Level	Subcommittee	
FTE	9.00	7.00	9.00	9.00	9.00	7.00	9.00	9.00	9.00	0.00
Personal Services	\$211,522	\$178,598	\$215,578	\$215,578	\$215,578	\$178,572	\$215,547	\$215,547	\$215,547	1.92
Operating Expenses	78,908	43,943	43,102	43,102	43,102	41,290	40,492	40,492	40,492	-45.38
Equipment	73,681	5,713	423	423	423	0	0	0	0	-99.43
TOTAL EXPENSES	\$364,111 =====	\$228,254 =====	\$259,103 =====	\$259,103 =====	\$259,103 =====	\$219,862 =====	\$256,039 =====	\$256,039 =====	\$256,039 =====	-28.84 =====
GENERAL FUND	\$364,111 =====	\$228,254 =====	\$259,103 =====	\$259,103 =====	\$259,103 =====	\$219,862 =====	\$256,039 =====	\$256,039 =====	\$256,039 =====	-28.84 =====

Program Description: The Central Management Division of the State Auditor's Office is responsible for centralized services, including personnel, payroll, accounting, data processing assistance, mail service, administrative and budgeting functions for the agency.

Budget: The budget provides for a 28.8 percent decrease from fiscal 1986 to fiscal 1988, due to one-time costs of office automation and other systems studies in fiscal 1986. Personal services increase only slightly due to pay plan increases. Vacancy savings of 4 percent are applied to this program. Operating expenses decrease 45.4 percent, because one-time costs of \$38,530 appropriated by the 1985 legislature for warrant writing system improvements and for office automation feasibility study, development, and partial implementation, were deleted. The office automation project was completed in the 1987 biennium, but the warrant writing system was not budgeted for full implementation in the 1987 biennium. Audit fees of \$2,832 are in fiscal 1988 only. Equipment is budgeted at \$423 for a file cabinet and microfiche reader.

AGENCY: STATE AUDITOR'S OFFICE

LEGISLATIVE ACTION

PROGRAM: AUDIT DEPARTMENT

BUDGET ITEM	FY 1986	Fiscal 1988				Fiscal 1989				FY 86-88 % Change
	Actual	Executive	Current Level	Subcommittee	Executive	Current Level	Subcommittee			
FTE	19.50	19.50	19.50	19.50	19.50	19.50	19.50	19.50	0.00	
Personal Services	\$ 393,135	\$ 412,424	\$ 406,143	\$ 412,643	\$411,911	\$405,653	\$412,141	\$412,141	4.96	
Operating Expenses	598,913	610,699	610,025	610,025	564,655	564,558	564,558	564,558	1.86	
Equipment	20,401	3,320	3,320	3,320	0	0	0	0	-83.73	
TOTAL EXPENSES	\$1,012,449	\$1,026,443	\$1,019,488	\$1,025,988	\$976,566	\$970,211	\$976,699	\$976,699	1.34	
	=====	=====	=====	=====	=====	=====	=====	=====	=====	
FUNDING										
General Fund	\$ 708,473	\$ 653,086	\$ 552,066	\$ 586,147	\$612,466	\$512,046	\$546,115	\$546,115	-17.27	
State Special Revenue	303,976	373,357	467,422	439,841	364,100	458,165	430,584	430,584	44.70	
TOTAL FUNDING	\$1,012,449	\$1,026,443	\$1,019,488	\$1,025,988	\$976,566	\$970,211	\$976,699	\$976,699	1.34	
	=====	=====	=====	=====	=====	=====	=====	=====	=====	

Program Description: The Audit Department is comprised of two divisions, Fiscal Management Division and Central Payroll Division. The Fiscal Management Division is responsible for preparing and mailing state warrants and for depositing all monies received by the State Auditor. The Central Payroll Division is responsible for preparing the state payroll for all state agencies. The bureau is responsible for maintaining the data base for the Payroll/Personnel/Position Control System (PPP), which is an integrated data base system incorporating all the requirements and data elements of three systems -- payroll, personnel, and position control.

Budget: The budget provides for a 1.3 percent increase from fiscal 1986 to fiscal 1988. Personal services increase 5 percent, due primarily to deletion of a 1.0 FTE administrative clerk, grade 6, vacated as a part of the 5 percent cuts, and transfer of a 1.0 FTE personnel technician II, grade 10, from the Department of Administration. The transferred position had worked closely with the State Auditor's Office and will continue to perform the same function. The net increase in general fund as a result of these adjustments is \$12,988. Other increases in personal services are due to the fiscal 1987 pay plan increase. Vacancy savings of 4 percent are applied to this program. Operating costs increase slightly, due to the inclusion of audit costs of \$40,217 in fiscal 1988 only. The audit fees are for the agency audit as well as the audit of the central payroll system and the warrant writing system. Other significant operating expense adjustments were a reduction of \$9,760 for one-time office remodeling costs. Equipment costs of \$3,320 are included for replacement of small office equipment.

Funding: The program obtains funds in the form of payroll service fees from agency non-general fund operations. These fees are deposited into the state special revenue central payroll operating fund. The state special revenue central payroll operating fund expenditures increase as a result of utilizing the existing fund balance for biennium expenditures plus increases in payroll service fees by over \$100,000 per year. The general fund shows a corresponding decrease. The subcommittee intent was for the state special revenue balance to be used before utilizing general fund.

Modifieds Recommended:

1. Warrant Writing System - The subcommittee approved a general fund modified proposal for a biennial appropriation of \$199,250 for the design, development, and implementation of a new warrant writing system. The current warrant writing system is deemed to be near failure, out of date, and not satisfactorily supported for replacement parts and supplies.

LEGISLATIVE ACTION

PROGRAM: INSURANCE DIVISION

BUDGET ITEM	FY 1986	Fiscal 1988			Fiscal 1989			FY 86-88 % Change
	Actual	Executive	Current Level	Subcommittee	Executive	Current Level	Subcommittee	
FTE	22.67	21.00	23.00	23.00	21.00	23.00	23.00	0.33
Personal Services	\$505,801	\$505,696	\$556,093	\$556,093	\$505,112	\$555,485	\$555,485	9.94
Operating Expenses	193,183	192,651	165,152	165,152	185,791	158,291	158,291	-14.51
Equipment	5,681	4,056	2,891	2,891	288	288	288	-49.11
TOTAL EXPENSES	\$704,665	\$702,403	\$724,136	\$724,136	\$691,191	\$714,064	\$714,064	2.76
STATE SPECIAL REVENUE	\$704,665	\$702,403	\$724,136	\$724,136	\$691,191	\$714,064	\$714,064	2.76

Program Description: The Insurance Division is responsible for regulating activities related to the insurance industry in the state. The duties of the division include licensing of insurance agents, monitoring of trade practices and insurance rates, and the investigation of insurance-related consumer complaints. Section 33-30-105, MCA, requires the audit of non-profit health organizations once every four years.

Budget: The budget provides for a 2.8 percent increase from fiscal 1986 to fiscal 1988, due to an increase in personal service costs. Personal services increase 9.9 percent, because of an increase in FTE, vacancy savings in excess of the amount budgeted in fiscal 1986, and the fiscal 1987 pay plan increase. FTE increase .33 due to the transfer of a 0.5 FTE payroll clerk position to the Audit Division, and the increase of an compliance specialist position from 0.17 to 1.0 FTE. The position was only 0.17 in fiscal 1986 since it had only existed two months of the fiscal year. It was created by the legislature in special session for the Montana Insurance Assistance Program. Vacancy savings of 4 percent are applied to this program. Operating expenses decrease 14.5 percent due to removal of one-time start-up costs of \$11,000 for the non-gender insurance law, \$8,000 for the new title insurance regulation law, and one-time remodeling expenses of over \$10,000 associated with the agency reorganization. A biennial appropriation of \$7,396 for audit fees is included in fiscal 1988 only. Equipment budgeted is for typewriters and small office equipment.

Funding: The Insurance Division is funded by the Insurance Regulatory State Special Revenue Account, which receives fee and licence revenues from regulated insurance companies. Any balance in the account at fiscal year end reverts to the general fund. Therefore, any increase to this budget has a dollar for dollar impact on general fund revenue.

Modifieds Recommended:

1. Insurance Regulation - Additional Staff - The subcommittee approved the addition of 3.0 FTE for insurance regulation, contingent upon passage of House Bill 372. House Bill 372, which received a "do pass" recommendation from the subcommittee, provides for increased regulated insurance company licenses and fees. The intent of the bill was to provide additional revenue for insurance regulated and was supported by insurance industry representatives for that specific purpose. The subcommittee approved the following additional FTE to provide increased insurance regulation, at a cost which should approximate the increased revenues generated by House Bill 372.

Actuary - 1.0 FTE - The actuary will review the adequacy of insurer's loss reserves, evaluate the adequacy and/or appropriateness of premium rate filings and assist in the examination of insurers domiciled in the State of Montana. At the present time, the Insurance Division has no one with the technical expertise to evaluate premium rates charged by insurers for fairness, although such a review is a statutory requirement. The cost in fiscal 1988 is \$59,756 and the cost in fiscal 1989 is \$58,416. This will be funded from the state special insurance regulatory account.

Field Investigator - 1.0 FTE - The field investigator will perform field investigations, audits, and examinations to ensure compliance with Montana Insurance Codes, including rate compliance. In fiscal 1988 the cost is \$39,222 and the cost in fiscal 1989 is \$38,028 from the state special insurance regulatory account.

Administrative Aide - Examinations - 1.0 FTE - The administrative aide will assist the chief examiner and compliance specialist with filing, typing, answering telephones, reviewing and distributing mail. In fiscal 1988, the cost is \$17,149 and in fiscal 1989 the cost is \$15,998 from the state special insurance regulatory account.

The total cost of this modified request is \$116,127 in fiscal 1988 and \$112,442 in fiscal 1989. The added fee revenue will be \$1,370 more than the cost in fiscal 1988 and \$5,055 more than the costs in fiscal 1989.

AGENCY: STATE AUDITOR'S OFFICE

LEGISLATIVE ACTION

PROGRAM: SECURITIES DIVISION

BUDGET ITEM	FY 1986	Fiscal 1988			Fiscal 1989			FY 86-88 % Change
	Actual	Executive	Current Level	Subcommittee	Executive	Current Level	Subcommittee	
FTE	9.00	9.00	9.00	9.00	9.00	9.00	9.00	0.00
Personal Services	\$213,041	\$229,635	\$229,683	\$229,683	\$229,413	\$229,468	\$229,468	7.81
Operating Expenses	43,467	42,612	39,763	41,763	39,873	37,046	39,046	-3.92
Equipment	2,942	5,148	448	5,148	0	0	0	74.98
TOTAL EXPENSES	\$259,450	\$277,395	\$269,894	\$276,594	\$269,286	\$266,514	\$268,514	-6.61
STATE SPECIAL REVENUE	\$259,450	\$277,395	\$269,894	\$276,594	\$269,286	\$266,514	\$268,514	-6.61

Program Description: The Securities Division is responsible for the administration of the Securities Act of Montana. The Division carries out licensing, regulation, and enforcement duties related to securities and investments.

Budget: The budget provides for a 6.6 percent increase from fiscal 1986 to fiscal 1988, due primarily to an increase in personal service costs. Personal services increased 7.8 percent because of vacancy savings in excess of the amount budgeted in fiscal 1986 and the pay plan increase. Vacancy savings of 4 percent are applied to this program. Operating expenses are reduced 3.9 percent due to several minor adjustments for a net decrease of \$1,704, after including a biennial audit appropriation of \$2,895 in fiscal 1988 only. Equipment budgeted in 1988 only is \$448 for a file cabinet and paper shredder, and the subcommittee added funding of \$1,700 above LIA current level for a Wang computer.

Funding: The Securities Division is funded by the Securities Regulatory State Special Revenue Account, which receives fees and license/fine revenues from regulated securities companies. Any balance in the account at fiscal year end reverts to the general fund. Therefore, any increase to this budget has a dollar for dollar impact on general fund revenue.

AGENCY: DEPARTMENT OF JUSTICE

LEGISLATIVE ACTION

PROGRAM: AGENCY SUMMARY

BUDGET ITEM	FY 1986	Fiscal 1988		Fiscal 1989		FY 86-88 % Change
	Actual	Executive	Current Level	Executive	Current Level	
FTE	544.27	523.83	529.50	523.83	529.50	-14.42
Personal Services	\$15,120,800	\$14,371,202	\$14,830,431	\$14,398,848	\$14,836,156	-2.77
Operating Expenses	4,624,402	5,057,769	4,776,231	4,709,437	4,677,233	3.37
Equipment	1,361,804	1,120,800	923,848	1,006,908	917,328	-19.97
SUBTOTAL	\$21,107,006	\$20,549,771	\$20,530,510	\$20,115,193	\$20,430,717	-2.53
10 percent cut	0	0	0	0	0	N/A
TOTAL EXPENSES	\$21,107,006	\$20,549,771	\$20,530,510	\$20,115,193	\$20,430,717	-5.32
FUNDING						
General Fund	\$8,852,444	\$5,988,640	\$6,146,387	\$5,877,601	\$6,008,172	-33.68
General Fund - 10 percent cut	0	0	0	0	0	N/A
State Special Revenue	11,103,284	13,570,590	13,364,674	13,249,147	13,401,819	23.12
Federal Revenue	696,313	527,506	526,309	525,101	527,272	-22.80
Proprietary Fund	454,965	463,035	493,140	463,344	493,454	8.39
TOTAL FUNDING	\$21,107,006	\$20,549,771	\$20,530,510	\$20,115,193	\$20,430,717	-5.32

Program Description: The Department of Justice, under the direction of the Attorney General, is responsible for state law enforcement and public safety. The duties of the department include the following: (1) attend the Supreme Court; (2) exercise supervisory powers over county attorneys in all matters pertaining to the duties of their offices; (3) assist county attorneys in the discharge of their duties; (4) give legal opinions; (5) enforce Montana traffic laws and register all motor vehicles; and (6) enforce state fire safety codes and regulations.

10 Percent Reduction: The subcommittee approved a ten percent reduction of the Department's total general fund appropriation. However, the subcommittee did not designate where the reductions would be taken. The 10 percent reduction is shown above as a negative appropriation.

Budget: The budget provides for a 2.5 percent reduction before the 10 percent cut, and a 5.3 percent reduction after the cut, from fiscal 1986 to fiscal 1988.

Personal services decrease 2.8 percent, primarily due to a reduction of 14.42 FTE and the elimination of the requirement in the June 1986 special session to pay deputy county attorneys (a savings of over \$600,000 per year), which more than offsets the increase to the 1987 pay plan. FTE reductions occurred in Legal Services Division, Highway Patrol Division, County Attorney Payroll (accounting difference only), Law Enforcement Academy, Identification Bureau, Central Services Division, and Data Processing Division, for a total reduction of 18.25 FTE. FTE increases occurred in The Highway Patrol Cadets Program and the Highway Patrol Communications Bureau, for a total increase of 3.83 FTE. A 4 percent vacancy savings rate was applied to the Department of Justice, with the exception of Agency Legal Services (proprietary fund), County Attorney Payroll Program, and the federally funded Motor Carrier Safety Assistance Program (MCSAP) in the Highway Patrol Division. In addition, vacancy savings was not applied to any of the recommended modified requests.

Operating expenses increase 3.4 percent for several reasons, including increases in expert witness fees in the Agency Legal Services Program, increases in data processing fees in the Registrar of Motor Vehicles and Data Processing Division, increased building rent and equipment maintenance costs in the Forensic Science Division, and increased audit fees in Central Services Division. The most significant decrease in operating expenses was in Highway Patrol Division, where costs are down over \$100,000, including large reductions in gas costs and elimination of costs for the 55 MPH Enforcement Squad, which was removed from current level.

Equipment expenditures decrease 20 percent, primarily in the Highway Patrol Division, where \$328,000 was expended in fiscal 1986 to complete the statewide highband radio network installation.

Funding: The general fund supports all or part of 13 divisions, including the Legal Services Division, Indian Legal Jurisdiction, County Prosecutor Services, Driver Services Bureau, Law Enforcement Services Administration, County Attorney Payroll, Fire Marshall Bureau, Identification Bureau, Criminal Investigation Bureau, Central Services Division, Data Processing Division, Transportation of Prisoners, and the Forensic Science Division. General fund decreases 33.7 percent in fiscal 1988, despite a shift of funding of \$1,147,900 in the 1989 biennium from motor vehicle funds to the general fund in the Forensic Science Division due to a shortage of motor vehicle funds as compared to the 1987 biennium. Increases, however, were more than offset by a shift in funding for the Highway Patrol Division beginning in fiscal 1987 from general fund to highway gas tax funds, this shift reducing the general fund appropriation by \$2,822,900 at fiscal 1986 levels. In addition, a reduction in the county attorney payroll of 41.8 percent reduced general fund requirements.

State special revenue funds provide 68 percent of total funding for the Department of Justice in fiscal 1988. The majority of the state special revenue funds (97 percent) come from the highway special revenue account (\$9,658,785), and the motor vehicle account (\$3,647,765). The motor vehicle account supports the programs shown in Table 1 below. The highways special revenue account funds the Highway Patrol Division. State special revenue funds increase 23.1 percent from fiscal 1986 to fiscal 1988 primarily due to the shift of the Highway Patrol Division from general fund.

Federal revenues decrease because federally funded budget amendments are included in the fiscal 1986 totals only and the 55 MPH Enforcement Squad in the Highway Patrol Division in fiscal 1986 is not included in fiscal 1988.

Motor Vehicle Account: The motor vehicle account funds are used for several programs within the Department of Justice, as well as for the prison license plate factory, as shown in Table 1 below. In the 1985 biennium, approximately 54 percent, or \$2.1 million of the budgets of the Law Enforcement Academy, the Law Enforcement

Network, and the Forensic Science Division were general fund and approximately 46 percent was other funds. In the 1987 biennium, all of the general fund for those divisions was replaced with motor vehicle funds.

Table 1 shows the programs being funded with motor vehicle funds in the 1987 biennium and as approved by the subcommittee for the 1989 biennium.

Table 1
Motor Vehicle Account Cash Flow Summary

	Actual		Projected	
	Fiscal 1986	Fiscal 1987	Fiscal 1988	Fiscal 1989
Beginning Balance*	\$1,795,516	\$1,093,405	\$ 700,004	\$ 133,840
Revenues	<u>3,401,138</u>	<u>3,464,000</u>	<u>3,566,000</u>	<u>3,666,000</u>
Total Funds Available	\$5,196,654	\$4,557,405	\$4,266,004	\$3,799,840
Expenditures				
Vehicle Registration	\$1,929,716	\$1,858,062	\$1,993,923	\$1,981,572
Prison	330,652	335,000	484,399	495,919
Driver Services Bureau	298,960	284,668	304,341	300,986
Data Processing Division	419,129	444,861	387,391	384,443
Central Services	4,462	-0-	5,205	-0-
Law Enforcement Academy	517,837	500,862	516,403	511,920
Forensic Science Division	603,570	536,446	440,502	-0-
Adjustments	<u>(1,077)</u>	<u>(102,498)</u>	<u>-0-</u>	<u>-0-</u>
Total Expenditures	<u>\$4,103,249</u>	<u>\$3,857,401</u>	<u>\$4,132,164</u>	<u>\$3,674,840</u>
Ending Balance	<u>\$1,093,405</u>	<u>\$ 700,004</u>	<u>\$ 133,840</u>	<u>\$ 125,000</u>

*Does not include inventory at the prison, assumed to remain constant.

A required ending balance in the motor vehicle fund of \$125,000 was approved to allow a working balance and as a reserve in case of revenue shortfalls. Reducing the ending balance to that level will not leave a sufficient balance to issue new license plates, which would require \$1.6 million. There is a shortfall of funds required to fully fund the 1989 biennium at fiscal 1986 levels. Due to a lack of sufficient motor vehicle account funds, the Forensic Science Division is shifted predominantly to general fund in the 1989 biennium, with an increase in general fund requirements of \$375,297 in fiscal 1988 and \$772,600 in fiscal 1989. However, language is included in the bill under Department of

Justice to allow the portions of the Forensic Science and Data Processing Divisions funded by general fund to be replaced by motor vehicle funds, if additional motor vehicle funds become available through passage of session bills. In addition, approved modified budgets are included, with funding contingent upon passage of House Bill 492. Table 2 below itemizes bills currently introduced that would increase motor vehicle funds, total funds prospectively available, and how the funds would be distributed to approved modifications and in accordance with current language in the bill.

Table 2
Motor Vehicle Account Cash Flow - Additional Fund Availability

	<u>Fiscal 1988</u>	<u>Fiscal 1989</u>	<u>Biennium Total</u>
Session Bills - Funds Generated:			
House Bill 291 - \$2 surcharge, speed conservation law	\$ 88,000	\$ 88,000	\$ 176,000
House Bill 492 - Increase motor vehicle fees	<u>703,500</u>	<u>1,234,000</u>	<u>1,937,500</u>
Total Funds Generated	\$ 791,500	\$1,322,000	\$2,113,500
Contingent Appropriation of New Funds:*			
Replace General Fund, Forensic Science Division	\$ 375,297	\$ 772,600	\$1,147,897
Replace General Fund, Data Processing Division	<u>316,460</u>	<u>316,060</u>	<u>632,520</u>
Total General Fund Replacement	\$ 691,757	\$1,088,660	\$1,780,417
Modified - Undercover Drug Investigation Unit (match funds)	\$ 145,864	\$ 129,136	\$ 275,000
Modified - Added Basic Course, Law Enforcement Academy	<u>-0-</u>	<u>15,984</u>	<u>15,984</u>
Total Funds Appropriated	<u>\$ 837,621</u>	<u>\$1,233,780</u>	<u>\$2,071,401</u>
Excess (Deficit) Funds Generated over Funds Appropriated**	<u>\$ (46,121)</u>	<u>\$ 88,220</u>	<u>\$ 42,099</u>

* All approved, contingent upon passage of House Bill 492.

**Increases (decreases) motor vehicle fund working balance, \$125,000.

Modifieds Recommended:

The subcommittee approved eight modified non-general fund requests for the Department of Justice, which would add appropriation authority of \$1,134,464 in fiscal 1988 and \$1,101,379 in fiscal 1989. Descriptions of the modifieds are listed with each program budget.

LEGISLATIVE ACTION

PROGRAM: LEGAL SERVICES DIVISION

BUDGET ITEM	FY 1986	Fiscal 1988			Fiscal 1989			FY 86-88 % Change
	Actual	Executive	Current Level	Subcommittee	Executive	Current Level	Subcommittee	
FTE	20.00	18.75	20.00	19.00	18.75	20.00	19.00	-1.00
Personal Services	\$679,134	\$668,500	\$695,148	\$668,500	\$667,890	\$694,690	\$667,890	-1.57
Operating Expenses	131,594	129,669	129,165	132,188	126,743	130,162	129,185	0.45
Equipment	10,596	0	0	0	0	0	0	-100.00
TOTAL EXPENSES	<u>\$821,324</u> =====	<u>\$798,169</u> =====	<u>\$824,313</u> =====	<u>\$800,688</u> =====	<u>\$794,633</u> =====	<u>\$824,852</u> =====	<u>\$797,075</u> =====	<u>-2.51</u> =====
FUNDING								
General Fund	\$785,710	\$776,134	\$802,278	\$778,653	\$772,743	\$802,962	\$775,185	-0.90
State Special Revenue	20,118	22,035	22,035	22,035	21,890	21,890	21,890	9.53
Federal Revenue	15,496	0	0	0	0	0	0	-100.00
TOTAL FUNDING	<u>\$821,324</u> =====	<u>\$798,169</u> =====	<u>\$824,313</u> =====	<u>\$800,688</u> =====	<u>\$794,633</u> =====	<u>\$824,852</u> =====	<u>\$797,075</u> =====	<u>-2.51</u> =====

Program Description: The Legal Services Division provides the Attorney General with legal research and analysis; provides legal counsel for state government officials, bureaus, and boards; represents Montana's interests in cases before state and federal courts, anti-trust cases, and cases involving property that reverts to the state in the absence of legal heirs; interprets laws; provides legal assistance to local governments on bond issues and other matters; and enforces the laws relating to the reporting and collection of unclaimed property owing to persons who cannot be located.

Budget: The budget provides for a 2.5 percent decrease from fiscal 1986 to fiscal 1988, due to the elimination of funding for 1.25 FTE and no budget for equipment. Personal services increased due to the pay plan, but the increase was more than offset by the elimination of a 1.0 FTE administrative secretary and the elimination of 25 percent of the funding for an attorney position, for a total personal services savings of \$28,500 in fiscal 1988. A 4 percent vacancy savings rate was applied to this program. The subcommittee approved an increase in case travel which was line-itemed at \$9,500 each year of the biennium. Printing costs are \$4,000 lower in fiscal 1989 due to a biennial cost of printing the Attorney General's opinions.

Funding: The state special revenue fund pays part of the costs of an attorney and related operating expenses for assisting the Department of Revenue in enforcing the laws relating to enforcing and collecting of unclaimed property from financial institutions.

AGENCY: DEPARTMENT OF JUSTICE

LEGISLATIVE ACTION

PROGRAM: INDIAN LEGAL JURISDICTION

BUDGET ITEM	FY 1986	Fiscal 1988			Fiscal 1989			FY 86-88 % Change
	Actual	Executive	Current Level	Subcommittee	Executive	Current Level	Subcommittee	
FTE	2.00	2.00	2.00	2.00	2.00	2.00	2.00	0.00
Personal Services	\$ 59,996	\$ 60,252	\$ 60,258	\$ 60,258	\$60,323	\$60,335	\$60,335	0.44
Operating Expenses	48,848	339,417	105,321	105,321	5,245	5,322	5,322	115.61
Equipment	422	0	0	0	0	0	0	-100.00
TOTAL EXPENSES	<u>\$109,266</u> =====	<u>\$399,669</u> =====	<u>\$165,579</u> =====	<u>\$165,579</u> =====	<u>\$65,568</u> =====	<u>\$65,657</u> =====	<u>\$65,657</u> =====	<u>51.54</u> =====
GENERAL FUND	<u>\$109,266</u> =====	<u>\$399,669</u> =====	<u>\$165,579</u> =====	<u>\$165,579</u> =====	<u>\$65,568</u> =====	<u>\$65,657</u> =====	<u>\$65,657</u> =====	<u>51.54</u> =====

Program Description: The Indian Legal Jurisdiction Program provides coordination of trial and appellate lawsuits involving the State of Montana on the Indian tribes, provides legal services, and supervises private attorneys contracted by the state to assist with those cases.

Budget: The approved budget provides for 51.5 percent increase from fiscal 1986 to fiscal 1988, but the fiscal 1988 amount includes a biennial appropriation of \$100,000. When comparing 1987 biennium projected total expenditures to the 1989 biennium appropriation, the increase is 6 percent. The biennial appropriation is also line-itemed, to be used for legal fees, expert witnesses, and other court costs. The program received a \$400,000 line-item appropriation in fiscal 1986 for the same purpose, but the June 1986 Special Session of the legislature took \$118,551 as part of the 5 percent cuts and the agency took an additional \$62,940 as part of the 2 percent cuts in fiscal 1986 and 1987, leaving a balance of \$218,509. Of the remaining balance, only \$43,536 was expended in fiscal 1986, and only \$14,494 has been expended in the first seven months of fiscal 1987, for a total expended in fiscal 1986 and 1987, leaving a balance of \$218,509. The balance in the appropriation at the end of January 1987 was \$160,479. The primary reason for the low expenditure of the line-itemed appropriation has been the attempt by the agency to minimize the use of outside counsel on new cases, using state attorneys where possible, and due to the relatively little activity in the Blackfeet case in the 1987 biennium. The \$100,000 line-item appropriation approved by the subcommittee provides for an increase over projected 1987 biennium expenditures, and the subcommittee clarified that it understands that there may be a need for a supplemental appropriation during the biennium if the Blackfeet case goes to court during the 1989 biennium.

A 4 percent vacancy savings rate was applied to this program.

AGENCY: DEPARTMENT OF JUSTICE

LEGISLATIVE ACTION

PROGRAM: COUNTY PROSECUTOR SERVICES

BUDGET ITEM	FY 1986	Fiscal 1988			Fiscal 1989			FY 86-88 % Change
	Actual	Executive	Current Level	Subcommittee	Executive	Current Level	Subcommittee	
FTE	3.00	3.00	3.00	3.00	3.00	3.00	3.00	0.00
Personal Services	\$108,158	\$112,938	\$112,961	\$112,961	\$112,844	\$112,868	\$112,868	4.44
Operating Expenses	22,016	22,164	22,220	22,220	22,373	22,466	22,466	0.93
TOTAL EXPENSES	\$130,174	\$135,102	\$135,181	\$135,181	\$135,217	\$135,334	\$135,334	3.85
GENERAL FUND	\$130,174	\$135,102	\$135,181	\$135,181	\$135,217	\$135,334	\$135,334	3.85

Program Description: The County Prosecutor Services Program (CPS) provides legal assistance to counties in the prosecution and disposition of major felonies and in cases in which county attorneys have conflicts of interest. This program also coordinates training and continuing legal education for county attorneys and city attorneys.

Budget: The budget provides for a 3.8 percent increase from fiscal 1986 to fiscal 1988, primarily due to the pay plan increase. A four percent vacancy savings rate was applied to this program.

AGENCY: DEPARTMENT OF JUSTICE

LEGISLATIVE ACTION

PROGRAM: AGENCY LEGAL SERVICES

BUDGET ITEM	FY 1986	Fiscal 1988			Fiscal 1989			FY 86-88 % Change
	Actual	Executive	Current Level	Subcommittee	Executive	Current Level	Subcommittee	
FTE	10.00	10.00	10.00	10.00	10.00	10.00	10.00	0.00
Personal Services	\$341,938	\$352,757	\$367,455	\$367,455	\$353,246	\$367,965	\$367,965	7.46
Operating Expenses	100,907	109,700	125,107	125,107	110,098	125,489	125,489	23.98
Equipment	11,525	0	0	0	0	0	0	-100.00
TOTAL EXPENSES	\$454,370	\$462,457	\$492,562	\$492,562	\$463,344	\$493,454	\$493,454	8.41
PROPRIETARY FUND	\$454,370	\$462,457	\$492,562	\$492,562	\$463,344	\$493,454	\$493,454	8.41

Program Description: The Agency Legal Services Program (ALS) provides legal services, upon request, to state agencies. Agencies are billed (at a current rate of \$45 per hour) for attorney time and case-related costs to support the program.

Budget: The budget provides for an 8.4 percent increase from fiscal 1986 to fiscal 1988. Personal services increase due to pay plan increases and promotions. No vacancy savings was applied to this program. Operating expenses increase \$15,000 for expert witness fees. Repair and maintenance costs increase \$4,100 for maintenance contracts on computer equipment. Travel increases \$2,300, and other minor adjustments and inflation increase costs \$2,800 from fiscal 1986 to fiscal 1988. The increases are predominantly for case-related costs, and should these costs not materialize, the agency will receive no revenue to support the expenditures.

Funding: Agency Legal Services is a proprietary fund operation. The source of revenue is an hourly fee charged to user agencies for its services. The hourly fee is fiscal 1986 was \$45. The legislature had approved an increase to \$46 in fiscal 1987. However, Agency Legal Services retained the rate at \$45 in fiscal 1987 due to budget constraints for user agencies. The fee will need to increase 6.2 percent to cover the budget at the approved level before pay increases. This increase would make the attorney cost per hour \$47.80 and the investigator's hourly rate \$27.50. The expenditure increases above the fiscal 1986 level are expected to be charged to the client as case-related.

AGENCY: DEPARTMENT OF JUSTICE

LEGISLATIVE ACTION

PROGRAM: DRIVER SERVICES BUREAU

BUDGET ITEM	FY 1986	Fiscal 1988				Fiscal 1989				FY 86-88 % Change
	Actual	Executive	Current Level	Subcommittee	Executive	Current Level	Subcommittee			
FTE	81.70	77.20	81.70	81.70	77.20	81.70	81.70			0.00
Personal Services	\$1,624,794	\$1,613,907	\$1,688,072	\$1,688,072	\$1,612,978	\$1,687,322	\$1,687,322			3.89
Operating Expenses	517,783	538,538	513,027	538,250	539,850	496,968	529,255			3.95
Equipment	83,466	35,950	23,804	31,956	40,244	17,804	27,000			-61.71
TOTAL EXPENSES	\$2,226,043	\$2,188,395	\$2,224,903	\$2,258,278	\$2,193,072	\$2,202,094	\$2,243,577			1.45
FUNDING										
General Fund	\$1,811,213	\$1,802,195	\$1,844,210	\$1,862,585	\$1,978,536	\$1,824,393	\$1,850,876			2.84
State Special Revenue	373,977	371,200	380,693	380,693	199,536	377,701	377,701			1.80
Federal Revenue	40,853	15,000	0	15,000	15,000	0	15,000			-63.28
TOTAL FUNDING	\$2,226,043	\$2,188,395	\$2,224,903	\$2,258,278	\$2,193,072	\$2,202,094	\$2,243,577			1.45

Program Description: The Driver Services Bureau is responsible for implementing and administering the laws relating to the examination, issuance, cancellation, suspension, revocation, and reinstatement of drivers' licenses and driving privileges.

Budget: The budget provides for a 1.5 percent increase from fiscal 1986 to fiscal 1988. Personal services increases due to the pay plan increase. A 4 percent vacancy savings rate was applied to this program. Operating expenses increase 4 percent, primarily due to increases of \$8,000 to purchase a better grade of typewriter ribbons, and \$15,000 Highway Traffic Safety grant funds to provide enhancements to the driver history system. Printing costs are reduced in fiscal 1989 due to the biennial cost of printing driver manuals occurring in fiscal 1988 only. The equipment budget allows for replacement of 3 vehicles in each year of the biennium. No funds were included for replacement of office equipment.

Funding: The program is funded by general fund in an amount roughly equivalent to the amount that the program generates for the general fund in fees. In addition, the program is funded by state special revenue funds of \$47,358 for 3.33 percent of drivers' license fee collections, \$27,500 for driver rehabilitation fees collected from individuals attending driver rehabilitation and improvement courses to defray course costs, and \$1,494 for fees charged to recover costs of the Montana Highway Patrol Identification Card issues. Federal funds are received as grants from the

Highway Traffic Safety Division for specific projects, including funds in the 1989 biennium for improvements in the driver history program. The balance of the funding for the Driver Services Bureau comes from the Motor Vehicle Fee State Special Revenue Account, which will be \$304,341 in fiscal 1988 and \$300,986 in fiscal 1989.

AGENCY: DEPARTMENT OF JUSTICE

LEGISLATIVE ACTION

PROGRAM: HIGHWAY PATROL DIVISION - UNIFORMED

BUDGET ITEM	FY 1986	Fiscal 1988			Fiscal 1989			FY 86-88 % Change
	Actual	Executive	Current Level	Subcommittee	Executive	Current Level	Subcommittee	
FTE	204.00	191.00	200.00	200.00	191.00	200.00	200.00	-4.00
Personal Services	\$6,498,543	\$6,206,570	\$6,554,170	\$6,425,551	\$6,213,459	\$6,561,709	\$6,433,255	-1.12
Operating Expenses	1,556,945	1,512,259	1,465,967	1,449,086	1,526,649	1,496,235	1,489,417	-6.93
Equipment	1,091,408	883,710	811,670	930,670	872,200	832,000	981,800	-14.73
TOTAL EXPENSES	\$9,146,896	\$8,602,539	\$8,831,807	\$8,805,307	\$8,612,308	\$8,889,944	\$8,904,472	-3.73
FUNDING								
General Fund	\$2,246,395	\$	\$	\$	\$	\$	\$	-100.00
State Special Revenue	6,754,160	8,572,614	8,798,807	8,772,307	8,582,383	8,856,944	8,871,472	29.88
Federal Revenue	146,341	29,925	33,000	33,000	29,925	33,000	33,000	-77.45
TOTAL FUNDING	\$9,146,896	\$8,602,539	\$8,831,807	\$8,805,307	\$8,612,308	\$8,889,944	\$8,904,472	-3.73

Program Description: The Uniformed Program of the Highway Patrol Division includes the payroll for the uniformed patrol officers of the Division and the general mission operations of the Highway Patrol.

Budget: The budget provides for a 3.7 percent decrease from fiscal 1986 to fiscal 1988, due in large part to the removal of the 55 MPH Squad from current level as directed by the 49th Legislature, and due to the removal of several one-time expenditures from the base.

Personal services decrease due to the removal of the 4.0 FTE members of the 55 MPH Enforcement Squad from fiscal 1986 levels, and an increase in the vacancy savings from 2 percent budgeted in fiscal 1986 to 4 percent in fiscal 1988. These decreases are partially offset by the pay plan increase.

Operating expenses decrease nearly 7 percent, or \$107,860, for the reasons listed in Table 2.

Table 3
Highway Patrol Division - Uniformed Program Operating Expense Changes
Fiscal 1986 to Fiscal 1988

\$ (38,000)	Elimination of costs of the 55 MPH Squad from current level
(16,900)	Termination of contract for dispatch services in Missoula through 911 Center (intend to establish Highway Patrol dispatch center)
(8,500)	Remove one-time costs in fiscal 1986 - \$4,500 for new phone system in Missoula, \$4,000 for installation of speed phone loops
(4,000)	Reduce medical costs for individuals jailed by the Highway Patrol - costs were unusually high in fiscal 1986
(16,000)	Remove one-time cost of setting up a quartermaster system for uniform replacement
(27,500)	Deflation of gas cost from fiscal 1986 levels
(14,800)	Remove unusually high vehicle maintenance costs in fiscal 1986
(11,200)	Remove unusually high patrolmen relocation costs in fiscal 1986
13,500	Increase in insurance and bond costs
9,000	Increase in building rent costs
10,400	Increase in the per diem paid to local jails for the cost of prisoners jailed by the Highway Patrol
(3,860)	Other minor adjustments
<u>\$ (107,860)</u>	Total reduction in operating expenses from fiscal 1986 to fiscal 1988

Operating costs increase approximately \$40,000 over fiscal 1988 levels in fiscal 1989 for \$28,500 in gas inflation costs, \$10,000 for printing a supply of warning and citation books, and \$1,400 for increased building rent. Equipment budgeted is as shown below.

Table 4
Highway Patrol Division - Uniformed Program Equipment Budget

	<u>Fiscal 1988</u>	<u>Fiscal 1989</u>
Vehicles - 70 per year	\$872,410	\$959,700
Highband Radios - 10 in fiscal 1988 only	25,160	-0-
Base Station Repeaters - 4 per year	20,000	20,000
Siren Control Heads - 7 in fiscal 1988 only	3,500	-0-
Typewriters - 2 per year	2,100	2,100
Copy machine - 1 in fiscal 1988 only	<u>7,500</u>	<u>-0-</u>
Total Equipment	<u>\$930,670</u>	<u>\$981,800</u>

Funding: The Uniformed Program would receive federal funds of \$33,000 from a Highway Traffic Safety grant for advanced training for patrolmen. The remainder of the program is funded by the Highway State Special Revenue Account. The June 1986 special session of the legislature shifted funding of the program from the general fund to this funding source beginning in fiscal 1987.

Modifieds Recommended:

1. 55 MPH Enforcement Squad - Federal funds for a 55 MPH enforcement squad consisting of 4 FTE were approved at a cost of \$158,500 each year of the biennium. The special force was included in current level in the 1987 biennium, but the 49th Legislature directed that it not be included in current level in the 1989 biennium. No vacancy savings was applied to this modified.

AGENCY: DEPARTMENT OF JUSTICE

LEGISLATIVE ACTION

PROGRAM: HIGHWAY PATROL DIVISION - NON-UNIFORMED

BUDGET ITEM	FY 1986	Fiscal 1988			Fiscal 1989			FY 86-88 % Change
	Actual	Executive	Current Level	Subcommittee	Executive	Current Level	Subcommittee	
FTE	14.60	14.60	14.60	14.60	14.60	14.60	14.60	0.00
Personal Services	\$290,017	\$296,585	\$302,869	\$296,762	\$296,351	\$302,632	\$296,534	2.33
Operating Expenses	6,020	9,033	9,041	9,041	9,019	9,027	9,027	50.18
Equipment	2,944	1,200	0	0	0	0	0	-100.00
TOTAL EXPENSES	\$298,981	\$306,818	\$311,910	\$305,803	\$305,370	\$311,659	\$305,561	2.28
FUNDING								
General Fund	\$298,981	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	-100.00
State Special Revenue	0	306,818	311,910	305,803	305,370	311,659	305,561	100.00
TOTAL FUNDING	\$298,981	\$306,818	\$311,910	\$305,803	\$305,370	\$311,659	\$305,561	2.28

Program Description: The Non-uniformed Program of the Highway Patrol Division includes the payroll for the non-uniformed support staff for the Highway Patrol and administrative support costs of the division.

Budget: The budget provides for a 2.3 percent increase from fiscal 1986 to fiscal 1988. A personal services increase of 2.3 percent reflects the pay plan increase, reduced by the application of a 4 percent vacancy savings rate to this program, compared with 2 percent in fiscal 1986. The increase in operating expenses is due to the cost of telephone loops to monitor vehicle speeds through phone lines from monitors installed in high risk/high speed areas.

Funding: The Program is funded by the Highway State Special Revenue Account. Special Session III shifted funding of the program from the general fund to this funding source beginning in fiscal 1987.

AGENCY: DEPARTMENT OF JUSTICE

LEGISLATIVE ACTION

PROGRAM: HIGHWAY PATROL DIVISION - CADETS

BUDGET ITEM	FY 1986	Fiscal 1988				Fiscal 1989				FY 86-88 % Change
	Actual	Executive	Current	Level	Subcommittee	Executive	Current	Level	Subcommittee	
FTE	1.92	3.75	3.75	3.75	3.75	3.75	3.75	3.75	3.75	1.83
Personal Services	\$28,413	\$61,272	\$62,636	\$61,358	\$61,171	\$62,530	\$61,254	115.95		
Operating Expenses	7,589	27,317	20,493	20,493	27,314	20,480	20,480	170.04		
TOTAL EXPENSES	\$36,002	\$88,589	\$83,129	\$81,851	\$88,485	\$83,010	\$81,734	127.35		
FUNDING										
General Fund	\$36,002	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	-100.00		
State Special Revenue	0	88,589	83,129	81,851	88,485	83,010	81,734	100.00		
TOTAL FUNDING	\$36,002	\$88,589	\$83,129	\$81,851	\$88,485	\$83,010	\$81,734	127.35		

Program Description: The Cadets Program of the Highway Patrol Division is a training program to prepare candidates to become qualified Highway Patrol Officers. Qualified candidates are brought into the Highway Patrol on a training basis and attend a three month training course to become qualified to apply for vacant positions on the force.

Budget: The budget provides for an increase of 127.3 percent from fiscal 1986 to fiscal 1988. This increase is due to an increase in the number of cadets in the program from 8 to 15 per year. In the 1987 biennium, each cadet represented a .24 FTE, being in the program for 12 weeks. In the 1989 biennium, each cadet will represent a .25 FTE, due to an increase in the program to 13 weeks. Personal services increases due to the increase in the length of the program by one week and the addition of 7 cadets, increasing the FTE from 1.92 to 3.75. The additional cadets are deemed necessary due to an anticipated higher turnover rate in the Patrol, primarily because a large number of patrolmen will become retirement eligible during the 1989 biennium. The Highway Patrol Division relies almost exclusively on the Cadet Program to fill vacant positions. Personal services also increase because of the pay plan increase. A 4 percent vacancy savings rate was applied to this program.

Operating expenses increase proportionately for the increase in the number of cadets in the program and the increased length of the basic course. Medical screening of candidates before entering the basic course is added at a cost of \$2,550, to ensure physical qualifications before expending funds to place them in the course.

Funding: The Program is funded by the Highway State Special Revenue Account. The June 1986 Special Session of the legislature shifted funding of the program from the general fund to this funding source beginning in fiscal 1987.

AGENCY: DEPARTMENT OF JUSTICE

LEGISLATIVE ACTION

PROGRAM: HIGHWAY PATROL DIVISION - MCSAP

BUDGET ITEM	FY 1986	Fiscal 1988			Fiscal 1989			FY 86-88 % Change
	Actual	Executive	Current Level	Subcommittee	Executive	Current Level	Subcommittee	
FTE	6.00	6.00	6.00	6.00	6.00	6.00	6.00	0.00
Personal Services	\$102,354	\$147,394	\$150,522	\$150,522	\$147,372	\$150,505	\$150,505	47.06
Operating Expenses	38,721	51,326	46,858	46,858	51,518	47,226	47,226	21.01
Equipment	13,500	0	0	0	0	0	0	-100.00
TOTAL EXPENSES	\$154,575	\$198,720	\$197,380	\$197,380	\$198,890	\$197,731	\$197,731	27.69
FEDERAL REVENUE	\$154,575	\$198,720	\$197,380	\$197,380	\$198,890	\$197,731	\$197,731	27.69

Program Description: The Motor Carrier Safety Assistance (MCSAP) Program of the Highway Patrol Division is a federal program administered by the U.S. Department of Transportation for the purpose of inspecting trucks for compliance with safety standards.

Budget: The budget provides for a 27.7 percent increase from fiscal 1986 to fiscal 1988. The increase is because the program was transferred from the Public Service Commission at the beginning of fiscal 1986, and the program did not become fully manned and operational until approximately 6 months into fiscal 1986. Therefore, the fiscal 1986 costs do not reflect a full year of operation.

Funding: The Program is funded by federal funds from the U.S. Department of Transportation. There is a 20 percent match requirement, which is currently satisfied by a soft match, using highway patrolmen to conduct a truck inspections along the highway or at GVN stations.

Modifieds Recommended:

1. MCSAP Program Expansion - The subcommittee approved a modified request to increase the MCSAP Program by approximately 130 percent, expanding the number of FTE from 6 to 12. Additional federal funds are available for the program, and the federal government has encouraged Montana to increase the program. An increase in the federal funding also requires an increase in the state match. Additional soft match utilizing highway patrolmen reduces the amount of time the officers have available for regular patrol duties. Therefore, the subcommittee approved the match for the increased federal funding as a hard match, to come from the Highway State Special Revenue Account. The modified budget provides for a total budget of \$503,844 in fiscal 1988 and \$452,344 in fiscal 1989. Of that amount, new Highway Gas Tax State Special Revenue Funds of \$71,333 in fiscal 1988 and \$61,633 in fiscal 1989 are included as

match funds. Although the number of FTE doubles, program costs more than double due largely to the added hard match and to the increase of the travel appropriation by four times over 1987 biennium levels to allow for better coverage of the state. No vacancy savings was applied to the modified request.

AGENCY: DEPARTMENT OF JUSTICE

LEGISLATIVE ACTION

PROGRAM: HIGHWAY PATROL DIVISION COMMUNICATIONS BUREAU

BUDGET ITEM	FY 1986	Fiscal 1988			Fiscal 1989			FY 86-88 % Change
	Actual	Executive	Current Level	Subcommittee	Executive	Current Level	Subcommittee	
FTE	23.05	23.05	23.05	25.05	23.05	23.05	25.05	2.00
Personal Services	\$422,804	\$428,966	\$432,653	\$463,556	\$427,857	\$432,064	\$462,908	9.64
Operating Expenses	12,486	23,041	20,811	20,811	23,064	20,794	20,794	66.67
TOTAL EXPENSES	\$435,290	\$452,007	\$453,464	\$484,367	\$450,921	\$452,858	\$483,702	11.27
FUNDING								
General Fund	\$241,563	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	-100.00
State Special Revenue	193,727	452,007	453,464	484,367	450,921	452,858	483,702	150.03
TOTAL FUNDING	\$435,290	\$452,007	\$453,464	\$484,367	\$450,921	\$452,858	\$483,702	11.27

Program Description: The Communications Program of the Highway Patrol Division provides around-the-clock communication and radio dispatch from three regional dispatch centers, serving the entire area of the state east of the Continental Divide. The program also provides communication and radio dispatch service for other state agencies.

Legislative Intent: The Glendive Dispatch Center will be converted to a remote site serviced out of the Billings Dispatch center. The 4.0 FTE at the Glendive site will be transferred to Missoula. A new dispatch center will be opened in Missoula, utilizing the 4.0 FTE transferred from Glendive along with one additional FTE which would cost approximately the same amount as the costs eliminated by cancellation of the current contract by the Uniformed Program for dispatch services with the Missoula 911 center. The creation of a Missoula Dispatch Center is made possible by the completion in the 1987 biennium of the statewide highband radio network, and the Missoula office would serve all of Montana west of the Continental Divide, providing a complete dispatch network in the Communications Program for the entire state.

Language is included in House Bill 2 requiring the Department of Justice to develop a cost allocation plan for the purpose of recovering the cost of communication and dispatch services provided to other agencies, and to submit the funding plan to the 51st Legislature within the agency's 1991 biennium budget request. Currently, the program is funded entirely by highway gas tax funds. It is the intent of the subcommittee that the state special highway gas tax account be reimbursed for services provided to user agencies that aren't funded by the gas tax funds. Agencies served include the Attorney General, Fire Marshall, Criminal Investigators, Department of Livestock, Department of

Fish, Wildlife, and Parks, Disaster and Emergency Services, and the Department of Highways. Similar language had been included in the 1987 biennium appropriations bill, but the agency did not comply.

Budget: The budget provides for an 11.3 percent increase from fiscal 1986 to fiscal 1988, primarily due to increases in communications costs.

Personal services increase 9.6. percent due to the addition of 2.0 FTE to the program and the pay plan increase. The increases are partially offset by the application of a 4 percent vacancy savings rate to the program. One of the additional FTE comes from a transfer of a programmer analyst position from the Data Processing Division. The position had been vacant for over a year in the Data Processing Division. The position would be used in the Communications Program for a supervisor in the Helena center, at a cost of approximately \$24,000 in fiscal 1986. The second added FTE would be a new grade 8 dispatcher position, assigned to the new Missoula Dispatch Center, and as mentioned above, the added cost of approximately \$17,000 per year is slightly higher than the contract services eliminated in the Uniformed Program for contract dispatch services in Missoula in prior bienniums.

Operating costs increase \$6,000 due to the cost of newly installed telephone radio loops between Helena/Missoula and Billings/Glendive, installed as part of the highband radio network project, and \$1,700 increased costs for the installation of a statewide emergency telephone number, for the use of citizens to identify their location when in trouble. Other minor adjustments increase operating costs an additional \$700.

Funding: The program is funded by the Highway State Special Revenue Account. The June 1986 special session of the legislature shifted funding of the program to this funding source beginning in fiscal 1987.

AGENCY: DEPARTMENT OF JUSTICE

LEGISLATIVE ACTION

PROGRAM: REGISTRAR OF MOTOR VEHICLES

BUDGET ITEM	FY 1986	Fiscal 1988			Fiscal 1989			FY 86-88 % Change
	Actual	Executive	Current Level	Subcommittee	Executive	Current Level	Subcommittee	
FTE	70.00	70.00	70.00	70.00	70.00	70.00	70.00	0.00
Personal Services	\$1,212,409	\$1,256,364	\$1,256,844	\$1,256,844	\$1,255,425	\$1,255,954	\$1,255,954	3.67
Operating Expenses	678,437	669,306	698,659	710,039	661,391	699,198	707,578	4.66
Equipment	38,870	64,703	18,040	27,040	32,330	18,040	18,040	-30.43
TOTAL EXPENSES	\$1,929,716	\$1,990,373	\$1,973,543	\$1,993,923	\$1,949,146	\$1,973,192	\$1,981,572	3.33
STATE SPECIAL REVENUE	\$1,929,716	\$1,990,373	\$1,973,543	\$1,993,923	\$1,949,146	\$1,973,192	\$1,981,572	3.33

Program Description: The Motor Vehicle Registrar's Bureau provides a system of motor vehicle registration, a certificate of ownership, lien filing, and licensing of automobile dealers and manufacturers. This program also processes registration for boats and snowmobiles.

Legislative Intent: The agency budget request included \$4,000 for the installation of a suspended ceiling in the basement to prevent asbestos from falling on employees. The subcommittee did not approve this project, expressing concern that it was not the proper solution to a health hazard, and elected to refer their concerns to the Long Range Planning Committee for a permanent solution to the problem.

Budget: The budget provides for a 3.3 percent increase from fiscal 1986 to fiscal 1988, due to increases in personal services and operating expenses. Personal services increase due to the pay plan increase. A 4 percent vacancy savings rate was applied to this program. Operating expenses increase \$15,700 for increased data processing charges by the Department of Administration, \$11,000 for printing costs including \$6,000 for new vehicle registration decals and \$3,000 to print the County Treasurer's Manual in fiscal 1988 only, \$1,000 for new maintenance contracts for computer equipment, \$3,000 for increased freight charges to handle centennial plate issues, and \$2,400 to buy SORG paper. Operating expenses decrease \$3,300 for boiler inspection fees due to removal of the boiler, and other minor adjustments and inflation increase costs \$1,800. The equipment budget will allow \$7,740 for the purchase of six computer terminals per year, \$5,300 for the purchase of one computer printer per year, \$5,000 per year for the purchase of small office equipment, and \$9,000 in fiscal 1988 only for the payoff on a contract purchase of a microfiche reader-printer.

Funding: The program is funded by the Motor Vehicle Fee State Special Revenue Account.

AGENCY: DEPARTMENT OF JUSTICE

LEGISLATIVE ACTION

PROGRAM: LAW ENFORCEMENT SERVICES DIVISION

BUDGET ITEM	FY 1986	Fiscal 1988				Fiscal 1989				FY 86-88
	Actual	Executive	Current	Level	Subcommittee	Executive	Current	Level	Subcommittee	% Change
FTE	2.00	2.00		2.00	2.00	2.00		2.00	2.00	0.00
Personal Services	\$67,993	\$68,266		\$68,279	\$68,279	\$68,137		\$68,150	\$68,150	0.42
Operating Expenses	8,768	10,055		8,662	9,618	10,188		8,778	9,734	9.69
Equipment	0	765		765	765	0		0	0	
TOTAL EXPENSES	\$76,761	\$79,086		\$77,706	\$78,662	\$78,325		\$76,928	\$77,894	2.48
GENERAL FUND	\$76,761	\$79,086		\$77,706	\$78,662	\$78,325		\$76,928	\$77,894	2.48

Program Description: The Law Enforcement Services Division administers three bureaus: Criminal Investigation, Fire Marshall, and Identification. These bureaus provide a broad spectrum of services vital to local, county, state, and federal law enforcement agencies throughout Montana.

Budget: The budget provides for a 2.5 percent increase from fiscal 1986 to fiscal 1988 due to increased operating expenses. Personal services increase due to the pay plan increase, but that increase is offset by the application of a 4 percent vacancy savings to the budget, as the program experienced no vacancy savings in fiscal 1986. Operating expenses increase due to subcommittee approval of an increase in travel expenses. Travel expenses were low in fiscal 1986 as the division administrator did not travel during the six months he was acting director of the Law Enforcement Academy. Equipment of \$765 in fiscal 1988 is for a file cabinet and a sound shield acoustical cover for the word processor printer.

AGENCY: DEPARTMENT OF JUSTICE

LEGISLATIVE ACTION

PROGRAM: COUNTY ATTORNEY PAYROLL

BUDGET ITEM	FY 1986	Fiscal 1988			Fiscal 1989			FY 86-88 % Change
	Actual	Executive	Current Level	Subcommittee	Executive	Current Level	Subcommittee	
FTE	28.00	28.00	18.40	18.60	28.00	18.40	18.60	-9.40
Personal Services	\$1,587,734	\$925,444	\$906,053	\$924,317	\$951,101	\$908,130	\$937,463	-41.78
TOTAL EXPENSES	\$1,587,734	\$925,444	\$906,053	\$924,317	\$951,101	\$908,130	\$937,463	-41.78
GENERAL FUND	\$1,587,734	\$925,444	\$906,053	\$924,317	\$951,101	\$908,130	\$937,463	-41.78

Program Description: The County Attorney Payroll Program pays one-half of the salary and benefits of the 56 county attorneys from the state general fund, as required under section 7-4-2502, MCA.

Budget: The budget provides for a 41.8 percent decrease from fiscal 1986 to fiscal 1988. The significant decrease occurs due to passage of Senate Bill 7 in the June 1986 special session which removed the requirement beginning in fiscal 1987 that the state general fund pay for deputy county attorney salaries. In fiscal 1986, the law required payment of one-half the salary of up to two deputy county attorneys per county.

The reduction of 9.4 FTE shown in the table above reflects a change in the way county attorney FTE are calculated for payroll purposes. It has no impact on the actual number of positions or the amount of pay.

The budget provides for the increased pay for one county attorney due to the county's decision to increase the position from part-time to full-time, and provides for 1.2 percent pay increases each year for the county attorneys, at an increased cost of \$12,000 in fiscal 1988 and \$23,000 in fiscal 1989. By statute, pay increases are at the discretion of county commissioners, within certain limits. The law also allows the county commissioners to freeze the salaries, which was done by 31 of the counties in fiscal 1987.

AGENCY: DEPARTMENT OF JUSTICE

LEGISLATIVE ACTION

PROGRAM: LAW ENFORCEMENT ACADEMY

BUDGET ITEM	FY 1986	Fiscal 1988			Fiscal 1989			FY 86-88		
	Actual	Executive	Current	Level	Subcommittee	Executive	Current	Level	Subcommittee	% Change
FTE	11.00	10.58		10.00		10.58		10.00		-1.00
Personal Services	\$277,033	\$295,350		\$274,782		\$294,893		\$274,365		-0.81
Operating Expenses	304,729	311,995		303,516		319,852		310,619		-1.35
Equipment	6,587	8,796		3,000		8,470		3,000		-1.32
TOTAL EXPENSES	\$588,349	\$616,141		\$581,298		\$623,215		\$587,984		-1.10
FUNDING										
State Special Revenue	\$583,590	\$616,141		\$581,298		\$623,215		\$587,984		-0.29
Federal Revenue	4,759	0		0		0		0		-100.00
TOTAL FUNDING	\$588,349	\$616,141		\$581,298		\$623,215		\$587,984		-1.10

Program Description: The Law Enforcement Academy Division provides a professional education and training program in criminal justice for Montana law enforcement officers and other criminal justice personnel.

Budget: The budget provides for a 1.1 percent decrease from fiscal 1986 to fiscal 1988. Personal services increase for pay plan increases, but that increase is more than offset by the application of a 4 percent vacancy savings rate to the budget. The division actually experienced a higher vacancy savings rate in fiscal 1986, but the savings was utilized by the agency to raise the director's salary nearly 17 percent to go from a bureau chief position to division head. The approved budget eliminates a 1.0 FTE grade 15 training officer which had been upgraded by the agency to a grade 18 lawyer, but was never filled in fiscal 1986. The elimination of the position saved approximately \$36,200 in fiscal 1988. The position was to be used for training, and with the subcommittee decreased the rent allowance by \$2,900 contracted for legal services. Operating expenses decrease as the subcommittee decreased the rent allowance for rent in the fiscal 1988. These reductions place the rent budget at the levels of the City of Great Falls proposal for rent in the 1989 biennium on a lease basis. (In fiscal 1989, the Bozeman lease contract has a \$9,800 cost increase. Since the Great Falls proposal has no increase, \$9,800 would be saved.) Other adjustments result in a net decrease below fiscal 1986 levels of \$1,200. The equipment budget provides for \$3,000 each year for miscellaneous training equipment and a \$3,500 line-itemed, biennial appropriation in fiscal 1988, to be expended only for training handguns.

Funding: There are two sources of funding for the Academy -- tuition/fees and the motor vehicle account. Tuition is charged for certain classes taught by the Academy, particularly specialized classes. The motor vehicle account funds the balance of the budget.

Modifieds Recommended:

1. First Responder/Emergency Vehicle Operation Training - The subcommittee approved a modified to allow the Academy authority to provide certified medical training in lifesavings skills and emergency vehicle driving skills to entry level officers at the Academy. Funds will be provided by state special revenue tuition funds from tuition increases to pay for the additional training component. The modified request provides \$18,583 in fiscal 1988 and \$24,778 in fiscal 1989. There is no added FTE requirement.

2. Executive Institute - The subcommittee approved a modified to allow the academy funds to provide a series of six executive level seminars each year which address contemporary issues of concern to criminal justice administrators. The seminars will be funded by the state special revenue tuition account using tuition fees charged to participants. There is no added FTE requirement. The modified request provides for \$25,310 in each year of the biennium.

3. Additional Basic Course - The subcommittee approved a modified, contingent upon the passage of House Bill 492, to allow the Academy to conduct one additional basic course annually beginning in fiscal 1989 to provide a total of four basic courses per year. The additional course would allow the Law Enforcement Academy to limit class size to 30 students. The amount approved by the subcommittee was \$15,984 in fiscal 1989 only, to be funded by the motor vehicle state special revenue account. The subcommittee made approval contingent upon passage of House Bill 492 because there are not enough projected funds in the motor vehicle account to fund in under present law. House Bill 492 would increase motor vehicle fees. There is no added FTE requirement in this modified.

AGENCY: DEPARTMENT OF JUSTICE

LEGISLATIVE ACTION

PROGRAM: FIRE MARSHALL BUREAU

BUDGET ITEM	FY 1986	Fiscal 1988				Fiscal 1989				FY 86-88
	Actual	Executive	Current Level	Subcommittee	Executive C	nt Level	Subcommittee	% Change		
FTE	8.00	7.75	8.00	8.00	7.75	8.00	8.00	0.00		
Personal Services	\$247,895	\$231,681	\$237,280	\$237,280	\$231,948	\$237,547	\$237,547	-4.28		
Operating Expenses	77,138	69,242	71,195	71,195	69,816	71,936	71,936	-7.70		
Equipment	14,400	26,872	9,852	9,852	1,200	9,852	9,852	-31.58		
TOTAL EXPENSES	\$339,433	\$327,795	\$318,327	\$318,327	\$302,964	\$319,335	\$319,335	-6.22		
FUNDING										
General Fund	\$326,272	\$327,795	\$318,327	\$318,327	\$302,964	\$319,335	\$319,335	-2.44		
Federal Revenue	13,161	0	0	0	0	0	0	-100.00		
TOTAL FUNDING	\$339,433	\$327,795	\$318,327	\$318,327	\$302,964	\$319,335	\$319,335	-6.22		

Program Description: The Fire Marshall Bureau is responsible for reducing the loss of life and property from fire, explosion, and arson. Services offered through this program are fire and arson investigation, inspection of state-owned buildings, fire code interpretation and enforcement, and the collection of fire data through the fire incident reporting system.

Budget: The budget provides for a 6.2 percent decrease from fiscal 1986 to fiscal 1988. Personal services increase due to the pay plan increase, but that increase is more than offset by application of a 4 percent vacancy savings rate in the 1988 budget whereas no vacancy savings were realized in fiscal 1986. Operating expenses decrease approximately \$6,000 for the removal of various one-time expenditures. The equipment budget provides \$8,652 each year for the replacement of one vehicle per year, and \$1,200 each year for the replacement of flammable gas detectors.

AGENCY: DEPARTMENT OF JUSTICE

LEGISLATIVE ACTION

PROGRAM: IDENTIFICATION BUREAU

BUDGET ITEM	FY 1986	Fiscal 1988			Fiscal 1989			FY 86-88 % Change
	Actual	Executive	Current Level	Subcommittee	Executive	Current Level	Subcommittee	
FTE	6.00	7.00	7.00	7.00	7.00	7.00	7.00	-1.00
Personal Services	\$166,664	\$164,103	\$164,152	\$164,152	\$163,953	\$164,002	\$164,002	-1.51
Operating Expenses	66,492	68,440	67,003	67,003	70,471	68,507	68,507	0.77
Equipment	563	6,674	5,000	5,579	579	0	579	890.94
TOTAL EXPENSES	\$233,719	\$239,222	\$236,155	\$236,734	\$245,003	\$232,509	\$233,088	1.29
GENERAL FUND	\$233,719	\$239,222	\$236,155	\$236,734	\$245,003	\$232,509	\$233,088	1.29

Program Description: The Identification Bureau collects, processes, preserves, and disseminates criminal history record information; provides latent print services; and provides related training to criminal justice agencies throughout the state and nation. The bureau maintains the automated Criminal History Record Information System, which contains arrest records, charges, dispositions, and descriptions on individuals who have criminal histories. This file is available to all law enforcement officials who have access to the Law Enforcement Network System.

Budget: The budget provides for a 1.3 percent increase from fiscal 1986 to fiscal 1988, due primarily to increased equipment requirements. Personal services increase due to the pay plan, but that increase is more than offset by the application of a 4 percent vacancy savings rate to the program in fiscal 1988 and the elimination of a 1.0 FTE grade 6 administrative clerk, at the request of the agency. Operating expenses are continued at fiscal 1986 levels with minor adjustments. Equipment budgeted is \$5,000 in fiscal 1988 for the replacement and installation of a fuming cabinet, and \$579 each year for the purchase of file cabinets.

LEGISLATIVE ACTION

PROGRAM: CRIMINAL INVESTIGATION BUREAU

BUDGET ITEM	FY 1986	Fiscal 1988			Fiscal 1989			FY 86-88
	Actual	Executive	Current Level	Subcommittee	Executive	Current Level	Subcommittee	% Change
FTE	6.00	6.00	6.00	6.00	6.00	6.00	6.00	0.00
Personal Services	\$155,294	\$180,287	\$180,320	\$180,320	\$180,279	\$180,324	\$180,324	16.12
Operating Expenses	46,919	43,487	44,173	44,173	43,969	44,742	44,742	-5.85
Equipment	3,946	30,040	6,935	15,935	9,000	0	0	303.83
TOTAL EXPENSES	\$206,159	\$253,814	\$231,428	\$240,428	\$233,248	\$225,066	\$225,066	16.62
FUNDING								
General Fund	\$156,840	\$202,959	\$174,108	\$180,805	\$181,996	\$167,647	\$165,527	15.28
Federal Revenue	49,319	50,855	57,320	59,623	51,252	57,419	59,539	20.89
TOTAL FUNDING	\$206,159	\$253,814	\$231,428	\$240,428	\$233,248	\$225,066	\$225,066	16.62

Program Description: The Criminal Investigation Bureau is required by statute to assist city, county, state, and federal law enforcement agencies at their request by providing expert and immediate aid investigation and solution of felonies committed in Montana and by investigating apparent violations of penal statutes disclosed by the audit of a state agency conducted by the Legislative Auditor and reported by him to the Attorney General and the Governor. The program also collects, analyzes, and disseminates criminal investigative information throughout the law enforcement community in Montana and other states.

Budget: The budget provides for a 16.6 percent increase from fiscal 1986 to fiscal 1988 due to increases in personal services and equipment requirements. Personal services increase due to the pay plan and to a vacancy savings rate of 17 percent in fiscal 1986, which was significantly more than the 4 percent vacancy savings rate applied to the budget in fiscal 1988. The vacancy savings incurred in fiscal 1986 was predominantly in the federally funded positions. Operating expenses decrease \$2,746 due to several minor adjustments. Equipment budgeted includes \$9,000 in fiscal 1988 only for the purchase of vehicles, either new or used, based on needs for undercover work. In addition, equipment funds of \$1,935 in fiscal 1988 are included for five tape recorders, and \$5,000 is included in fiscal 1988 for the purchase of a photographic image computer.

Funding: Federal funds are from the Rocky Mountain Information System (RMIN), which is an eight state regional intelligence sharing network comprised of local, state, and federal intelligence agencies. RMIN's goal is to provide law enforcement agencies with support in the detection, enforcement, and prosecution of criminal activities that cross jurisdictional boundaries. These federal funds support 2 FTE, a grade 9 secretary and a grade 15 program officer, and 30 percent of the operating expenses. General fund supports the balance of the program.

Modifieds Recommended:

1. Customs Investigator - The subcommittee approved a modified request, contingent upon availability of federal funds, for a 1.0 FTE criminal investigator to work with U. S. Customs special agents on border interdiction along the Montana/Canadian border. The modified would be funded by the Federal Special Law Enforcement Assistance Account, not from the motor vehicle account as requested by the agency. The subcommittee action on the modified request provides spending authority, in the event federal money becomes available in the account. The state special revenue account is anticipated to receive funds from the federal government as proceeds from a forfeiture in a felony bust, in which the state participated in the bust. The budget for this modified is \$56,993 in fiscal 1988 and \$42,809 in fiscal 1989.

LEGISLATIVE ACTION

PROGRAM: CRIMINAL INVESTIGATION - COAL BOARD

BUDGET ITEM	FY 1986	Fiscal 1988			Fiscal 1989			FY 86-88 % Change
	Actual	Executive	Current Level	Subcommittee	Executive	Current Level	Subcommittee	
FTE	5.00	5.00	5.00	5.00	5.00	5.00	5.00	0.00
Personal Services	\$164,808	\$146,780	\$146,789	\$146,789	\$146,820	\$146,840	\$146,840	-10.93
Operating Expenses	86,161	84,780	91,820	84,293	83,214	92,282	82,955	-2.17
Equipment	16,619	0	0	0	0	0	0	-100.00
TOTAL EXPENSES	\$267,588	\$231,560	\$238,609	\$231,082	\$230,034	\$239,122	\$229,795	-13.64
FEDERAL REVENUE	\$267,588	\$231,560	\$238,609	\$231,082	\$230,034	\$239,122	\$229,795	-13.64

Program Description: The Criminal Investigation - Coal Board Program (Special Investigation Section of the Criminal Investigation Bureau) provides undercover criminal investigative services, primarily in illegal drugs and stolen property, to the Eastern Coal Counties Task Force. The counties served are Yellowstone, Big Horn, Rosebud, Treasure, Powder River, Carbon, Custer, Musselshell, and Stillwater.

Budget: The budget provides for a 13.6 percent decrease from fiscal 1986 to fiscal 1988, primarily due to personal services reductions and no new requirements for equipment. Personal services decrease nearly 11 percent because of an overexpenditure of personal services in fiscal 1986 that was not budgeted in fiscal 1988, and the application of a 4 percent vacancy savings in fiscal 1988. Personal services were overexpended in fiscal 1986 due to no vacancy savings and due to legal services staff hours provided by the County Prosecutor Services Program being charged to this program. Operating expenses decrease only slightly due to minor adjustments. The subcommittee eliminated funding for an apartment in Billings, but did not object to use of an apartment if it were less expensive than other lodging costs when investigators travelled.

Funding: The program is funded by a grant from the Eastern Counties Task Force, which receives its funding from the Montana Coal Board. Continued coal board funding may be questionable.

Modifieds Recommended:

1. **Criminal Investigator** - The subcommittee approved a modified request, contingent upon availability of federal or other special funds, for a 1.0 FTE investigator position plus operating expenses in the Special Investigation Section. It would increase the total number of investigators in the program to five. The new agent would work narcotics and stolen property cases. The action of the subcommittee approved spending authority, with funding

contingent upon the availability of either coal board funds or Board of Crime Control federal grant funds. The approved modified request provides for \$68,140 spending authority in fiscal 1988 and \$68,067 in fiscal 1989.

2. Undercover Unit - The subcommittee approved a modified request, contingent upon passage of House Bill 492 or the availability of smokeless tobacco tax proceeds, for authority to establish a statewide investigative program to combat trafficking in illegal drugs and stolen property. The modified as approved authorizes a state investigative team of 8.75 FTE in fiscal 1988 and 10.6 FTE in fiscal 1989 to carry out ongoing undercover investigations against traffickers in illegal drugs and stolen property at the request of local agencies. Federal grant funds administered by the Board of Crime Control for anti drug enforcement are expected to be made available, but will require a 25 percent cash match using new dollars. The subcommittee action provides spending authority based upon availability of federal grant funds and the passage of House Bill 492 to provide state match dollars from increased motor vehicle fees and/or the availability of funds from passage of a tax on smokeless tobacco. The approved modified request provides the following spending authority.

Table 5
Undercover Unit Modified Request

	<u>Fiscal 1988</u>	<u>Fiscal 1989</u>
Federal Special Revenue (Board of Crime Control grant funds)	\$350,610	\$382,162
State Special Revenue (House Bill 492 proceeds or smokeless tobacco tax)	<u>145,864</u>	<u>129,136</u>
Total	<u>\$496,474</u>	<u>\$511,298</u>

BUDGET ITEM	FY 1986	Fiscal 1988			Fiscal 1989			FY 86-88 % Change
	Actual	Executive	Current Level	Subcommittee	Executive	Current Level	Subcommittee	
FTE	10.00	9.15	10.00	9.15	9.15	10.00	9.15	-0.85
Personal Services	\$269,882	\$259,727	\$274,837	\$260,048	\$259,592	\$274,687	\$259,926	-3.64
Operating Expenses	98,535	125,110	113,673	113,673	95,560	85,199	85,199	15.36
Equipment	7,348	11,000	11,000	11,000	11,000	11,000	11,000	49.70
TOTAL EXPENSES	<u>\$375,765</u> =====	<u>\$395,837</u> =====	<u>\$399,510</u> =====	<u>\$394,721</u> =====	<u>\$366,152</u> =====	<u>\$370,886</u> =====	<u>\$356,125</u> =====	<u>2.38</u> =====
FUNDING								
General Fund	\$353,682	\$363,151	\$367,444	\$351,209	\$355,152	\$359,060	\$344,299	-0.70
State Special Revenue	21,488	30,662	31,488	31,488	11,000	11,826	11,826	46.54
Federal Revenue	0	1,446	0	1,446	0	0	0	100.00
Proprietary Fund	595	578	578	578	0	0	0	-2.86
TOTAL FUNDING	<u>\$375,765</u> =====	<u>\$395,837</u> =====	<u>\$399,510</u> =====	<u>\$394,721</u> =====	<u>\$366,152</u> =====	<u>\$370,886</u> =====	<u>\$356,125</u> =====	<u>2.38</u> =====

Program Description: The Central Services Division provides the administrative, budgeting, accounting, and fiscal support for the Department of Justice.

Budget: The budget provides for a 2.4 percent increase from fiscal 1986 to fiscal 1988, primarily due to audit fees. Personal services decrease in spite of the pay plan increase due to overexpenditure of personal services in fiscal 1986, the application of a 4 percent vacancy savings to the budget in fiscal 1988, and the elimination of a 0.85 FTE grade 9 accounting technician. The 0.85 FTE reduction saves approximately \$14,800 general fund in fiscal 1988. Operating expenses, which increase approximately \$15,000, include a biennial appropriation for legislative audit fees, and the full amount, \$28,914, is included in fiscal 1988. The biennial audit fees in the 1987 biennium were \$29,747, of which only \$13,954 was expended in fiscal 1986, or approximately \$15,000 less than appropriated in fiscal 1988. Equipment is budgeted at \$10,000 per year for vehicles and \$1,000 per year for radios, for replacement of Department of Justice insurance reimbursed equipment.

Funding: Central Services Division is supported by general fund with the exception of \$21,686 in fiscal 1988 for reimbursement of audit funds and \$11,826 each year for insurance reimbursement. The Department of Justice audit fee is paid out of the Central Services Division, and non-general fund sources are allocated a share of the total audit

cost, including \$5,205 from the Motor Vehicle State Special Revenue Account, \$14,457 from the Highways State Special Revenue Account, \$1,446 from the Department of Justice Highway Traffic Safety Grant Funds Special Revenue Account, and \$578 from the Agency Legal Services Proprietary Account. The funds for insurance reimbursement come from the Department of Justice Insurance Clearing State Special Revenue Account.

AGENCY: DEPARTMENT OF JUSTICE

LEGISLATIVE ACTION

PROGRAM: DATA PROCESSING DIVISION

BUDGET ITEM	FY 1986	Fiscal 1988				Fiscal 1989				FY 86-88 % Change
	Actual	Executive	Current	Level	Subcommittee	Executive	Current	Level	Subcommittee	
FTE	15.00	15.00		14.00	14.00	15.00		14.00	14.00	-1.00
Personal Services	\$337,334	\$419,796		\$396,979	\$396,979	\$419,342		\$396,583	\$396,583	17.68
Operating Expenses	456,690	484,794		501,772	492,372	481,714		498,820	489,420	7.81
Equipment	10,153	8,221		2,500	2,500	8,221		2,500	2,500	-75.38
TOTAL EXPENSES	<u>\$804,177</u> =====	<u>\$912,811</u> =====		<u>\$901,251</u> =====	<u>\$891,851</u> =====	<u>\$909,277</u> =====		<u>\$897,903</u> =====	<u>\$888,503</u> =====	10.90
FUNDING										=====
General Fund	\$310,795	\$301,225		\$316,779	\$316,460	\$307,690		\$316,380	\$316,060	1.82
State Special Revenue	493,382	611,586		584,472	575,391	601,587		581,523	572,443	16.62
TOTAL FUNDING	<u>\$804,177</u> =====	<u>\$912,811</u> =====		<u>\$901,251</u> =====	<u>\$891,851</u> =====	<u>\$909,277</u> =====		<u>\$897,903</u> =====	<u>\$888,503</u> =====	10.90

Program Description: The Data Processing Division provides a full range of automated data processing and telecommunication services for the Department of Justice, including: System development and maintenance of the motor vehicle registration system, driver history system, criminal history record information system, and the Montana Uniform Crime Reporting System; computer operator support for the Armory computer center; and system development and support for the Criminal Justice Information Network (CJIN). CJIN links law enforcement/criminal justice agencies with information sources at local, state, and national levels by interfacing with the National Law Enforcement Telecommunications System, the National Crime Information Center, and numerous State of Montana files.

Budget: The budget provides for a 10.9 percent increase from fiscal 1986 to fiscal 1988, due primarily to high vacancy savings in fiscal 1986 and increased data processing charges. Personal services increases 17.7 percent, due to a 14 percent vacancy savings rate in fiscal 1986 during a period of program transfers and reorganization, the fiscal 1987 pay plan increase, and position upgrades. A 4 percent vacancy savings rate was applied to the program. A 1.0 FTE programmer analyst position, grade 12, vacant all of fiscal 1986, was transferred to the Communications Bureau. Operating costs increase 7.8 percent due to increases of \$41,500 in data processing services charged by the Department of Administration, and utility charges for electricity increase \$14,400 due to undercharges in past years. Communications costs were reduced \$16,900, including \$7,500 to eliminate a toll-free line for user agencies of the CJIN network for technical assists and \$9,400 for reductions in the cost of a back-up communications line to the National Crime Information Center. An additional \$2,500 was removed from building maintenance, and other minor adjustments

reduced expenses \$818, for a net increase in total operating expenses of \$35,682. Equipment was budgeted at \$2,500 per year for maintenance of the present data processing system.

Funding: General fund supports the original 10 FTE and operating expenses in the division prior to reorganization. The CJIN network, which was transferred to Data Processing Division from the Communications Bureau, is supported by the CJIN State Special Revenue Account, which receives its revenue from fees to user agencies, which are \$188,000 per year in the 1989 biennium. The balance of the budget is supported by motor vehicle funds, since a high percentage of the data processing function is motor vehicle registration administration. Language is included in House Bill 2 to replace all general fund in this program, \$632,520, with motor vehicle state special revenue funds if additional motor vehicle funds are generated by session bills. See Table 2 and the discussion under the Department of Justice agency summary.

AGENCY: DEPARTMENT OF JUSTICE

LEGISLATIVE ACTION

PROGRAM: EXTRADITION AND TRANSPORTATION OF PRISONERS

BUDGET ITEM	FY 1986	Fiscal 1988				Fiscal 1989				FY 86-88 % Change
	Actual	Executive	Current Level	Subcommittee		Executive	Current Level	Subcommittee		
FTE	0.00	0.00	0.00	0.00		0.00	0.00	0.00		0.00
OPERATION EXPENSES	\$147,337 =====	\$144,971 =====	\$147,321 =====	\$147,321 =====		\$144,979 =====	\$147,337 =====	\$147,337 =====		-0.01 =====
GENERAL FUND	\$147,337 =====	\$144,971 =====	\$147,321 =====	\$147,321 =====		\$144,979 =====	\$147,337 =====	\$147,337 =====		-0.01 =====

Program Description: The Extradition and Transportation of Prisoners Program pays claims to sheriffs for expenses of transporting certain prisoners to state prison and for claims of any agent employed by the state to return a fugitive from justice to this state by order of the Governor.

Budget: The budget is maintained at fiscal 1986 levels with minor adjustments for inflation.

AGENCY: DEPARTMENT OF JUSTICE

LEGISLATIVE ACTION

PROGRAM: FORENSIC SCIENCE DIVISION

BUDGET ITEM	FY 1986	Fiscal 1988			Fiscal 1989			FY 86-88 % Change
	Actual	Executive	Current Level	Subcommittee	Executive	Current Level	Subcommittee	
FTE	15.00	14.00	15.00	15.00	14.00	15.00	15.00	0.00
Personal Services	\$477,603	\$474,258	\$497,372	\$497,372	\$473,867	\$496,954	\$496,954	4.14
Operating Expenses	210,287	283,125	270,427	270,427	286,410	275,646	275,646	28.60
Equipment	49,457	42,869	31,282	48,000	23,664	23,132	0	-2.95
TOTAL EXPENSES	\$737,347	\$800,252	\$799,081	\$815,799	\$783,941	\$795,732	\$772,600	10.64
FUNDING								
General Fund	\$ 0	\$291,687	\$655,246	\$375,297	\$368,327	\$652,500	\$772,600	100.00
State Special Revenue	733,126	508,565	143,835	440,502	415,614	143,232	0	-39.91
Federal Revenue	4,221	0	0	0	0	0	0	-100.00
TOTAL FUNDING	\$737,347	\$800,252	\$799,081	\$815,799	\$783,941	\$795,732	\$772,600	10.64

Program Description: The Forensic Science Division, which includes the Crime Laboratory, provides for a statewide system of death investigations, forensic science training, scientific criminal investigations in the state, and scientific analysis of specimens submitted by law enforcement officials, coroners, and state agencies. The laboratory analyzes blood, breath, and urine samples taken by law enforcement officers in connection with driving under the influence of alcohol or drugs (DUI) cases. The laboratory also performs drug and alcohol screens for the state Department of Institutions.

Budget: The budget provides for a 10.6 percent increase from fiscal 1986 to fiscal 1988, primarily due to a significant building rent increase and increased equipment maintenance costs.

Personal services increases due to the pay plan increase and position upgrades. A 4 percent vacancy savings rate is applied to this program.

Operating expenses increase 28.6 percent, or \$60,140, from fiscal 1986 to fiscal 1988. Rent accounts for 70 percent of this increase or \$42,110 over the base year (however, the base year includes three months at the increased

rate -- the actual annual rent increase is \$52,900, a 170 percent increase). The increased rent is due to the move to a new building after the state architect cited unsafe structural conditions in the old building. Janitorial costs in the new building increase \$3,960, while utility costs decrease \$4,430 (utility costs are included in the new contract). Equipment maintenance costs increase \$23,110 in fiscal 1988 and \$26,810 in fiscal 1989. The increased maintenance on general laboratory equipment is 52 percent. The increase is partially attributed to expiration of warranty periods, particularly on DUI program breath testing equipment. One-time expenses for the move to a new building are removed from the budget, and other minor adjustments result in a net increase of \$705.

The equipment budget was approved as a line-itemed, biennial appropriation for lab equipment, including \$38,000 for gas chromatograph equipment and \$10,000 for fume hoods.

Funding: In the 1987 biennium, the program was funded at approximately 18 percent of total costs by Alcoholism Treatment State Special Revenue Funds, due to the laboratory testing done by the division for the DUI program primarily with breath testing equipment. The balance of the program was funded by the Motor Vehicle State Special Revenue Fund in the 1987 biennium. The subcommittee approved the elimination of funding from the Alcoholism Treatment State Special Revenue Account in the 1989 biennium, considering it an inappropriate use of those funds. Further, the motor vehicle account has insufficient funds to support all the programs it did in the 1987 biennium (see discussion under Department of Justice - Agency Summary). Therefore, the motor vehicle fund will support only a portion of the fiscal 1988 budget and none of the 1989 budget for the Forensic Science Division. The shortfall will be funded by general fund. The impact of the funding changes on general fund is summarized below.

Table 6
General Fund Replacement of Other Funds - Forensic Science Division
1989 Biennium

	<u>Fiscal 1988</u>	<u>Fiscal 1989</u>	<u>Biennium Total</u>
Elimination of Alcoholism Treatment Funds	\$143,835	\$143,232	\$ 287,067
Shortfall of Motor Vehicle Funds	<u>231,462</u>	<u>629,368</u>	<u>860,830</u>
Total General Fund Impact	<u>\$375,297</u>	<u>\$772,600</u>	<u>\$1,147,897</u>

Language is included in House Bill 2 to replace all general fund in this program with motor vehicle state special revenue funds if additional motor vehicle funds are generated by session bills. See Table 2 and the discussion under the Department of Justice agency summary.

AGENCY: HIGHWAY TRAFFIC SAFETY

LEGISLATIVE ACTION

PROGRAM: HIGHWAY TRAFFIC SAFETY

BUDGET ITEM	FY 1986	Fiscal 1988				Fiscal 1989				FY 86-88 % Change
	Actual	Executive	Current Level	Subcommittee	Executive	Current Level	Subcommittee			
FTE	8.50	8.50	8.50	8.50	8.50	8.50	8.50	8.50	0.00	
Personal Services	\$ 245,222	\$ 248,299	\$ 258,645	\$ 258,645	\$ 247,942	\$ 258,273	\$ 258,273	\$ 258,273	5.47	
Operating Expenses	315,357	199,800	197,587	197,587	197,880	195,768	195,768	195,768	-37.34	
Equipment	14,886	1,650	1,500	1,500	2,393	1,900	1,900	1,900	-89.92	
Grant funds	933,701	720,000	720,000	720,000	720,000	720,000	720,000	720,000		
TOTAL EXPENSES	\$1,509,166	\$1,169,749	\$1,177,732	\$1,177,732	\$1,168,215	\$1,175,941	\$1,175,941	\$1,175,941	-21.96	
FUNDING										
State Special Revenue	\$ 70,794	\$ 72,000	\$ 72,000	\$ 72,000	\$ 72,000	\$ 72,000	\$ 72,000	\$ 72,000	1.70	
Federal Revenue	1,438,372	1,097,749	1,105,732	1,105,732	1,096,215	1,103,941	1,103,941	1,103,941	-23.13	
TOTAL FUNDING	\$1,509,166	\$1,169,749	\$1,177,732	\$1,177,732	\$1,168,215	\$1,175,941	\$1,175,941	\$1,175,941	-21.96	

Program Description: Highway Traffic Safety Division assists local and state governmental entities in promoting traffic safety in order to reduce death, injury, and property loss that result from highway traffic accidents. Current program priorities include alcohol education and occupant restraint usage projects.

Budget: The budget provides for a 22 percent decrease from fiscal 1986 to fiscal 1988. Personal services increase 5.5 percent, primarily due to the pay plan increase. There was no vacancy savings applied to this program. The primary reasons for the decrease from fiscal 1986 levels is the elimination of a special grant of \$125,300 provided in fiscal 1986 only, and the reduction in grant funds available for distribution to state and local agencies by \$213,700 due to a decrease in federal funds available. A biennial appropriation of \$2,364 for audit fees is included in fiscal 1988 only. Equipment budgeted is \$1,200 for computer and field monitoring equipment replacement, \$300 for additional films for the film library, and \$400 to purchase a typewriter in fiscal 1989.

Funding: Funding is provided by federal funds from the National Highway Traffic Safety Administration. A 50 percent state match on administration and planning costs is required in order to secure the federal funds. The state's 50 percent match, \$72,000, comes from the Highway Gas Tax State Special Revenue Account.

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AGENCY: CRIME CONTROL DIVISION

LEGISLATIVE ACTION

PROGRAM: BOARD OF CRIME CONTROL

BUDGET ITEM	FY 1986	Fiscal 1988				Fiscal 1989				FY 86-88 % Change
	Actual	Executive	Current Level	Subcommittee	Executive	Current Level	Subcommittee			
FTE	14.00	13.00	13.00	13.00	13.00	13.00	13.00			-1.00
Personal Services	\$ 408,043	\$ 397,301	\$ 414,049	\$ 397,551	\$ 397,205	\$ 413,948	\$ 397,455			-2.57
Operating Expenses	165,138	149,959	147,191	147,191	141,085	138,379	138,379			-10.87
Equipment	5,965	3,500	3,500	3,500	3,500	3,500	3,500			-41.32
Grants	554,050	762,500	762,500	762,500	762,500	762,500	762,500			37.62
TOTAL EXPENSES	\$1,133,196	\$1,313,260	\$1,327,240	\$1,310,742	\$1,304,290	\$1,318,327	\$1,301,834			15.67
FUNDING										
General Fund	\$ 480,263	\$ 468,260	\$ 482,240	\$ 465,742	\$ 459,290	\$ 473,327	\$ 456,834			-3.04
Federal Revenue - Admin	98,783	82,500	82,500	82,500	82,500	82,500	82,500			-16.48
Federal Revenue - Grants	554,050	762,500	762,500	762,500	762,500	762,500	762,500			37.62
TOTAL FUNDING	\$1,133,196	\$1,313,260	\$1,327,240	\$1,310,742	\$1,304,290	\$1,318,327	\$1,301,834			15.67

Program Description: The Montana Board of Crime Control is governed by a supervisory board of 18 members, appointed by the Governor and representing law enforcement and criminal justice agencies. The major source of funding for this agency until fiscal 1984 was the now defunct Law Enforcement Assistance Administration.

The mission of the Board of Crime Control is to promote public safety by strengthening the coordination and performance of the criminal and juvenile justice system and by increasing citizen and public official support and involvement in criminal justice. In addition to administering several federal action grant programs related to criminal justice, the agency provides technical and supportive services in the areas of jail improvement, management and statistical analysis, crime prevention, crime stoppers, manpower development, information systems, and residential programs for youth in trouble, and establishes minimum law enforcement standards for personnel, equipment and procedures, as well as certification of law enforcement officers. The agency also administers a juvenile justice training program for law enforcement officials.

Legislative Intent: The Board of Crime Control administers three federal pass-through grant programs, and will add a fourth program if federal Drug Enforcement Act funds requested by a modified are approved. The grant funds have a three year federal appropriation authority, on a federal fiscal year basis. To provide continuing authority for the

pass-through grants for the three year federal authority, the subcommittee approved language to make the grant funds a biennial appropriation, and to allow prior biennium federal grant authority to continue into the next biennium.

Budget: Personal services decrease 2.6 percent, resulting from a combination of increases for the pay plan increase in fiscal 1987, vacancy savings in fiscal 1986 in excess of the amount budgeted, and the reduction of a 1.0 FTE statistical clerk position taken as part of the 5 percent cuts in Special Session III. Operating expenses decrease 10.9 percent due to the exclusion of \$19,000 in budget amendments included in fiscal 1986 totals, and a \$10,000 decrease in data entry costs due to conversion of the Montana Uniform Crime Reporting System data entry to the Criminal Justice Information Network, allowing many local law enforcement agencies to enter their own data directly. These reductions are partially offset by inclusion in fiscal 1988 of a biennial audit appropriation of \$9,522. Equipment is budgeted for the purchase of one computer each year of the biennium for the juvenile justice program.

Grant funds increase 37.6 percent from fiscal 1986 to fiscal 1988 due primarily to non-inclusion of one of the federal grant programs in the fiscal 1986 totals. The juvenile justice grant funds were agency funds in that year, but were added to the appropriation process in the 1989 biennium at the recommendation of the Legislative Auditor. Three federal pass-through grant programs are included in the budget before modifieds. They include \$224,000 per year for the Victims of Crime grants, \$396,000 for the Criminal Justice Block Grants, and \$142,500 for the Juvenile Justice Grants. The grant programs are line-itemed, and as mentioned above, include language in the bill to provide for continuing authority for the three year federal grant authority period.

Funding: In addition to federal funding for the pass-through grant programs, federal funding of \$82,500 is provided, of which \$54,375 is for the Juvenile Information Reporting System, \$11,250 is for operations of the Youth Justice Council, and \$16,875 is for administration of the Juvenile Justice grant program. A general fund 50 percent match of \$16,875 is provided for the Juvenile Justice grant administration, and is the only state funding for the juvenile justice programs. Funding for all other Board of Crime Control activities is general fund, including the peace officer standards and certification program, the Montana Uniform Crime Reporting System, general agency administration, and administrative costs of two of the federal pass-through grant programs, which cannot utilize any federal grant funds for grant program administration.

Modifieds Recommended:

1. Federal Drug Enforcement Block Grant Program - The subcommittee approved a modified request for federal pass-through grant program funds to be administered by the Board of Crime Control. The funds would be provided for drug enforcement grants by the federal Office of Justice Assistance, Drug Enforcement Assistance Program. The Drug Enforcement grants require a 25 percent match with new funds, which will be passed on to grant recipients. In addition, there is a requirement that 55 percent of the funds be passed through to local governments. The approved appropriation authority is as follows:

Table 1
Purpose of Federal Drug Enforcement Block Grant Funds

<u>Purpose</u>	<u>Fiscal 1988</u>	<u>Fiscal 1989</u>
Drug Enforcement Grants	\$ 911,812	\$ 943,364
Drug Education/Prevention Grants	238,651	238,651
Grant Administration	65,136	69,636
Total	<u>\$1,215,599</u>	<u>\$1,251,651</u>

2. Crime Victims' Compensation Program Transfer - The subcommittee approved a modified for the administrative costs of administering the Crime Victims' Compensation Program, contingent upon passage of House Bill 309, which transfers administration of the Crime Victims' Compensation Act of Montana from the Workers' Compensation Division to the Board of Crime Control. House Bill 309 received a "do pass" recommendation from the General Government and Highways Subcommittee. The subcommittee approved the following appropriation, to be funded by the state special revenue fund, plus spending authority for victim's fund grants received from the federal government, which can also be used for crime victim's compensation.

Table 2
Crime Victims Compensation Program Costs

	<u>Fiscal 1988</u>	<u>Fiscal 1989</u>
Personal Services	\$ 43,569	\$ 43,623
Operating Expenses	11,231	11,231
Equipment	2,750	500
Benefits and Claims	<u>509,245</u>	<u>516,582</u>
Total Expenses	<u>\$566,795</u>	<u>\$571,936</u>
<u>Funding</u>		
State Special Revenue	\$437,795	\$435,936
Federal Special Revenue	<u>129,000</u>	<u>136,000</u>
Total Funding	<u>\$566,795</u>	<u>\$571,936</u>

AGENCY: DEPARTMENT OF REVENUE

LEGISLATIVE ACTION

PROGRAM: AGENCY SUMMARY

BUDGET ITEM	FY 1986	Fiscal 1988			Fiscal 1989			FY 86-88 % Change
	Actual	Executive	Current Level	Subcommittee	Executive	Current Level	Subcommittee	
FTE	831.80	737.67	710.67	708.17	737.67	710.67	708.17	-123.63
Personal Services	\$17,370,147	\$16,318,983	\$15,755,048	\$15,717,884	\$16,324,690	\$15,752,624	\$15,715,531	-9.51
Operating Expenses	4,104,162	4,334,553	4,003,098	4,115,639	4,265,738	3,873,312	4,059,038	0.28
Equipment	512,338	263,067	182,172	235,332	382,697	139,008	205,608	-54.07
Non-Operating	1,871,374	160,000	5,276,750	180,000	175,000	4,731,500	195,000	-90.38
SUB-TOTAL	\$23,858,021	\$21,076,603	\$25,217,068	\$20,248,855	\$21,148,125	\$24,496,444	\$20,175,177	-15.13
10 Percent Cut	0	0	0	(1,748,892)	0	0	(1,755,744)	--
TOTAL EXPENSES	\$23,858,021	\$21,076,603	\$25,217,068	\$18,499,963	\$21,148,125	\$24,496,444	\$18,419,433	-22.46
FUNDING								
General Fund	\$18,841,546	\$17,809,800	\$16,922,119	\$17,056,754	\$17,894,043	\$16,800,616	\$17,002,542	-9.47
General Fund - 10 percent Cut	0	0	0	(1,748,892)	0	0	(1,755,744)	--
State Special Revenue	2,864,362	1,131,190	6,237,404	1,087,274	1,122,193	5,655,863	1,081,134	-62.04
Federal Revenue	1,363,391	1,446,515	1,314,275	1,290,815	1,470,786	1,321,548	1,302,176	-5.32
Proprietary Funds	788,722	689,098	743,270	814,012	661,103	718,417	789,325	3.21
TOTAL FUNDING	\$23,858,021	\$21,076,603	\$25,217,068	\$18,499,963	\$21,148,125	\$24,496,444	\$18,419,433	-22.46

Program Description: The Department of Revenue is responsible for the collection and enforcement of approximately 31 state taxes and fees. It is also responsible for regulating the sale and distribution of alcoholic beverages in Montana. The Department is organized into the Director's Office and eight operating divisions. The Liquor Division is not reflected in the agency main table.

10 Percent Cut: The subcommittee approved a 10 percent general fund cut in the 1989 biennium, but did not specify where to take it from within the department.

Budget: The 15 percent decrease in total expenses between fiscal 1986 and fiscal 1988 contained in the subcommittee-approved budget before the 10 percent cut is largely due to the 123.63 FTE decrease from fiscal 1986 to the 1989 biennium. This FTE decrease results from scheduled FTE reductions between the 1987 and 1989 bienniums

and further reductions to accommodate the 5 percent and fiscal 1987 pay plan funding shortfall. The scheduled FTE reductions between the 1987 and 1989 bienniums were 24.0 temporary additional FTE added in fiscal 1986 to help complete the property reappraisal cycle, 35.0 FTE added in the Investigations, Income Tax, and Natural Resources and Corporate Tax Divisions but required by the 1985 Legislature to be removed from the agency's 1989 biennium current level budget, and .33 FTE fewer auditors in the Natural Resources and Corporation Tax Division authorized in fiscal 1987 and the 1989 biennium than in fiscal 1986.

Operating expenses increase less than 1 percent from fiscal 1986 to fiscal 1988 and decrease 1.4 percent from fiscal 1988 to fiscal 1989. Several factors contributed to the operating expense change. The subcommittee approved approximately \$500,000 in fiscal 1988 and \$595,000 in fiscal 1989 for additional computer processing charges in the Centralized Services Division, Data Processing Division, Child Support Bureau, Income and Miscellaneous Tax Division, and Property Assessment Division. The subcommittee also approved additional funds totaling \$85,900 in fiscal 1988 and \$45,600 in fiscal 1989 for additional services in the Child Support Enforcement Bureau, the Natural Resources and Corporate Tax Division, and the Property Assessment Division. Miscellaneous cost increases totaling approximately \$16,300 in fiscal 1988 and \$23,300 in fiscal 1989 were added.

These operating increases were offset by decreases relating to program consolidation, removing modified expenditures, miscellaneous cost decreases, reduced county computer support, and removing one-time costs. The Department consolidated the Miscellaneous Tax Division with the Income Tax Division in fiscal 1987; reorganized the Property Assessment Division; and eliminated the Medicaid Fraud Bureau. This restructuring resulted in an overall cost savings of approximately \$213,000 annually. The subcommittee removed \$73,400 annually from ongoing expenditures for operating costs associated with the "sunset" FTE authorized by the 1985 Legislature. Miscellaneous cost reductions endorsed by the subcommittee resulted in an approximate \$69,000 savings in fiscal 1988 and \$65,000 savings in fiscal 1989. The \$126,400 reduction of county computer support in the Property Assessment Division is a continuation of part of the agency's 5 percent cut from fiscal 1987.

In fiscal 1986, the Department spent \$310,000 in various operating divisions for expenditures relating to the Property Assessment Division. These costs were primarily computer processing and printing charges. The subcommittee transferred \$145,000 in fiscal 1988 and \$137,000 in fiscal 1989 of these costs to the Property Assessment Division for the 1989 biennium. The remaining costs of \$165,000 in fiscal 1988 and \$173,000 in fiscal 1989 were removed from ongoing expenditures.

Audit costs totaling \$115,600 are included in fiscal 1988 in the Director's Office. The agency spent \$61,816 on audit costs in fiscal 1986.

Equipment authorized for purchase in the 1989 biennium is budgeted to decrease 54 percent from fiscal 1986 actual purchases. The Property Assessment Division is authorized the largest amount at \$185,000 annually. Included in this \$185,000 is \$160,000 annually for 16 cars and \$25,000 annually for office equipment for county and field staff.

Non-operating expenditures in the 1989 biennium include federal child support enforcement funds and welfare fraud funds which are passed thru to local governments as reimbursement for enforcement activities at the local level. Non-operating expenses in fiscal 1986 included the transfer of \$1,750,680 of Resource Indemnity Trust Interest funds from the department to other state agencies. The subcommittee approved boilerplate language for these types of transfers for the 1989 biennium rather than establish a specific dollar amount.

Funding: General fund supports all or a portion of every program in the Department of Revenue except for the Video Poker Program and the Motor Fuels Division. General fund is budgeted to decrease 9.5 percent from fiscal 1986 to fiscal 1986 due primarily to expenditure decreases in the Property Assessment Division.

State special revenue includes highways special revenue, video poker license fees allocated for administration, unclaimed property proceeds, cigarette enforcement funds, nongame wildlife checkoff funds, oil and gas special revenue, and the state lands resource development account. These funds are shown to decrease 62 percent from fiscal 1986 to fiscal 1988 because the fiscal 1986 actual expenditures include \$1,750,680 of Resource Indemnity Trust Interest funds, which are classified as state special revenue, transferred from the Department to other state agencies. This transfer is authorized in boilerplate language in the 1989 biennium rather than establishing a specific dollar amount. Without the transfer in fiscal 1986 actual, the state special revenue funds are budgeted to decrease 2.4 percent from fiscal 1986 to fiscal 1988. State special revenues are used in the Director's Office, the Centralized Services Division, the Investigations and Enforcement Division, the Income and Miscellaneous Tax Division, the Natural Resources and Corporation Tax Division, and the Motor Fuels Division.

Federal funds include child support enforcement funds; medical and welfare fraud investigation funds; and federal royalty audit funds. These funds are used in the Centralized Services Division, the Investigations & Enforcement Division, and the Natural Resources and Corporation Tax Division.

Proprietary funds are Liquor Division funds and are used to support a portion of the Director's Office and Legal Bureau, the Data Processing Division, and the Investigations and Enforcement Division.

LEGISLATIVE ACTION

PROGRAM: DIRECTOR'S OFFICE - ADMINISTRATION

BUDGET ITEM	FY 1986	Fiscal 1988			Fiscal 1989			FY 86-88 % Change
	Actual	Executive	Current Level	Subcommittee	Executive	Current Level	Subcommittee	
FTE	9.00	8.50	8.50	8.50	8.50	8.50	8.50	-0.50
Personal Services	\$268,894	\$284,712	\$284,114	\$284,804	\$284,596	\$283,999	\$284,689	5.92
Operating Expenses	175,887	239,249	227,109	227,205	124,027	112,225	112,324	29.18
Equipment	314	0	0	0	0	0	0	-100.00
TOTAL EXPENSES	<u>\$445,095</u> =====	<u>\$523,961</u> =====	<u>\$511,223</u> =====	<u>\$512,009</u> =====	<u>\$408,623</u> =====	<u>\$396,224</u> =====	<u>\$397,013</u> =====	<u>15.03</u> =====
FUNDING								
General Fund	\$306,013	\$379,062	\$386,941	\$387,727	\$311,079	\$315,859	\$316,648	26.70
State Special Revenue	111,496	116,099	95,482	95,482	97,544	80,365	80,365	-14.36
Proprietary Funds	27,586	28,800	28,800	28,800	0	0	0	4.40
TOTAL FUNDING	<u>\$445,095</u> =====	<u>\$523,961</u> =====	<u>\$511,223</u> =====	<u>\$512,009</u> =====	<u>\$408,623</u> =====	<u>\$396,224</u> =====	<u>\$397,013</u> =====	<u>15.03</u> =====

Program Description: The Director's Office provides management control, coordination of policy direction, strategic planning, and personnel services that assist the tax programs in carrying out their respective collection and enforcement responsibilities.

Budget: The subcommittee-approved budget deletes \$9,745 from fiscal 1986 actual expenditures relating to a one-time contract with a person who is now an employee of the department. Four percent vacancy savings was applied to all positions. Fiscal 1988 operating expenditures include \$115,200 for biennial legislative audit costs while \$61,816 was spent on audit costs in fiscal 1986. Operating costs were also increased \$11,728 annually for increased insurance costs. Miscellaneous operating costs were reduced \$2,546 annually. No equipment was authorized for the 1989 biennium.

Funding: This program is funded from the state general fund, an allocation from the highways state special revenue account, and liquor division proprietary funds. The highways special revenue funds approximately 12 percent of the current level budget for the director's office and the legal office, plus an additional \$13,824 in fiscal 1988 for the legislative audit costs. The liquor division funding, \$28,800 in fiscal 1988, is for legislative audit costs. The remaining \$72,576 legislative audit costs are funded from the general fund.

AGENCY: DEPARTMENT OF REVENUE

LEGISLATIVE ACTION

PROGRAM: DIRECTOR'S OFFICE - LEGAL BUREAU

BUDGET ITEM	FY 1986	Fiscal 1988				Fiscal 1989				FY 86-88 % Change
	Actual	Executive	Current Level	Subcommittee	Executive	Current Level	Subcommittee	Subcommittee		
FTE	7.50	6.50	6.50	6.50	6.50	6.50	6.50	6.50	-1.00	
Personal Services	\$227,877	\$235,373	\$234,844	\$235,534	\$236,379	\$234,700	\$235,390		3.36	
Operating Expenses	31,679	30,781	31,328	31,395	30,789	31,490	31,559		-0.90	
Equipment	514	440	675	675	465	700	700		31.32	
TOTAL EXPENSES	\$260,070	\$266,594	\$266,847	\$267,604	\$267,633	\$266,890	\$267,649		2.90	
FUNDING										
General Fund	\$215,745	\$221,166	\$218,977	\$219,734	\$222,028	\$218,290	\$219,049		1.85	
Proprietary Funds	44,325	45,428	47,870	47,870	45,605	48,600	48,600		8.00	
TOTAL FUNDING	\$260,070	\$266,594	\$266,847	\$267,604	\$267,633	\$266,890	\$267,649		2.90	

Program Description: The Legal Bureau provides legal representation and other legal services to the Director and the eight divisions of the Department of Revenue, especially the tax administering divisions. The office handles a large number of tax appeals before the State Tax Appeal Board as well as state courts. The major activities of the office consist of litigation preparation, legal research, and writing for legal opinions and briefs.

Budget: The subcommittee-approved budget provides a 2.9 percent increase from fiscal 1986 to fiscal 1988. One FTE legal assistant II was deleted from this program as part of the fiscal 1987 pay plan cuts. Personal services increases in spite of the 1.0 FTE reduction as the program experienced over 11 percent vacancy savings in fiscal 1986 and the subcommittee applied 4 percent vacancy savings in the 1989 biennium.

Operating expenses were continued at slightly below the fiscal 1986 level.

Funding: The Legal Bureau is funded from general fund and an allocation from the liquor division funds.

AGENCY: DEPARTMENT OF REVENUE

LEGISLATIVE ACTION

PROGRAM: CENTRALIZED SERVICES DIVISION

BUDGET ITEM	FY 1986	Fiscal 1988				Fiscal 1989				FY 86-88 % Change
	Actual	Executive	Current	Level	Subcommittee	Executive	Current	Level	Subcommittee	
FTE	37.27	35.27	35.27	35.27	35.27	35.27	35.27	35.27	35.27	-2.00
Personal Services	\$ 733,691	\$746,565	\$ 752,047	\$746,910	\$746,910	\$746,787	\$ 752,324	\$747,187	\$747,187	1.80
Operating Expenses	124,302	143,834	92,254	136,145	145,852	145,852	92,743	142,076	142,076	9.53
Equipment	6,783	3,900	4,091	4,091	4,091	4,450	4,103	4,103	4,103	-39.69
Non-Operating	1,750,680	0	5,096,750	0	0	0	4,536,500	0	0	-100.00
TOTAL EXPENSES	\$2,615,456	\$894,299	\$5,945,142	\$887,146	\$887,146	\$897,089	\$5,385,670	\$893,366	\$893,366	-66.08
FUNDING	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====
General Fund	\$ 858,176	\$887,413	\$ 841,792	\$880,546	\$880,546	\$890,181	\$ 842,570	\$886,766	\$886,766	2.61
State Special Revenue	1,750,680	0	5,096,750	0	0	0	4,536,500	0	0	-100.00
Federal Revenue	6,600	6,886	6,600	6,600	6,600	6,908	6,600	6,600	6,600	0.00
TOTAL FUNDING	\$2,615,456	\$894,299	\$5,945,142	\$887,146	\$887,146	\$897,089	\$5,385,670	\$893,366	\$893,366	-66.08
	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====

Program Description: The Centralized Services Division provides support services to all department divisions. In addition, the Division provides bad debt collection and write-off services for all state agencies and administers the beer and wine tax statutes regarding department tax collections.

Legislative Intent: The subcommittee approved language which allows the Department of Revenue to transfer Resource Indemnity Trust Interest funds to state agencies that receive project appropriation authority by the 50th Legislature.

Budget: The subcommittee budget deletes 2.0 FTE, an accounting/fiscal manager and an accounting technician, from fiscal 1986 to the 1989 biennium as the agency's reduction for the pay plan cuts in fiscal 1987 are continued. Personal services increases 1.8 percent even with the 2.0 FTE reduction as the Division experienced 10 percent vacancy savings in fiscal 1986 and the subcommittee applied 4 percent vacancy savings in the 1989 biennium.

Operating expenses were increased \$43,758 in fiscal 1988 and \$49,195 in fiscal 1989 for additional computer processing charges relating to the Department's Revenue Control System developed in the 1987 biennium. The development of this system was not specifically authorized by the 1985 Legislature. Contracted professional and printing costs totaling \$27,000 incurred on behalf of the Property Assessment Division were removed from base

operating costs. Miscellaneous costs totaling approximately \$4,800 annually were removed in the budget approved by the subcommittee.

Authorized equipment includes one typewriter, one microfiche reader, and one personal computer for liquor store auditors each year of the biennium.

Funding: The Centralized Services Division is funded from the general fund and an allocation from child support federal funds. The current level budget included Resource Indemnity Trust Interest funds which the agency transfers to other state agencies that receive appropriation authority to spend on special projects. The subcommittee chose to use language to give the Division authority to transfer these funds rather than set a specific dollar amount.

AGENCY: DEPARTMENT OF REVENUE

LEGISLATIVE ACTION

PROGRAM: DATA PROCESSING DIVISION

BUDGET ITEM	FY 1986	Fiscal 1988			Fiscal 1989			FY 86-88 % Change
	Actual	Executive	Current Level	Subcommittee	Executive	Current Level	Subcommittee	
FTE	60.50	54.50	52.50	52.50	54.50	52.50	52.50	-8.00
Personal Services	\$1,205,760	\$1,274,680	\$1,227,768	\$1,228,458	\$1,273,448	\$1,226,648	\$1,227,338	1.88
Operating Expenses	326,814	198,971	185,067	196,228	206,741	190,951	202,186	-39.96
Equipment	38,714	10,475	0	0	7,950	0	0	-100.00
TOTAL EXPENSES	\$1,571,288	\$1,484,126	\$1,412,835	\$1,424,686	\$1,488,139	\$1,417,599	\$1,429,524	-9.33
FUNDING								
General Fund	\$1,151,103	\$1,094,145	\$993,427	\$1,005,278	\$1,097,076	\$995,219	\$1,007,144	-12.67
Proprietary Funds	420,185	389,981	419,408	419,408	391,063	422,380	422,380	-0.18
TOTAL FUNDING	\$1,571,288	\$1,484,126	\$1,412,835	\$1,424,686	\$1,488,139	\$1,417,599	\$1,429,524	-9.33

Program Description: The Data Processing Division provides automated data and word processing services, detailed systems requirements analysis, systems development and maintenance services, data entry services, computer operation support services, technical support for departmental and personal computers, and research services relating to tax policy, revenue estimating, and Montana tax laws.

Budget: The subcommittee-approved budget provides a 9 percent decrease from fiscal 1986 to fiscal 1988 primarily because operating expenses associated with a program transfer in fiscal 1986 were not continued into the 1989 biennium. Office automation charges from the Department of Administration were provided at \$9,600 in fiscal 1988 and \$10,560 in fiscal 1989. In fiscal 1989, \$6,000 was added for printing the Department's biennial report to the legislature.

The 1985 Legislature authorized 50.0 FTE for fiscal 1986 and 51.5 FTE for fiscal 1987 for this Division. In fiscal 1986 and fiscal 1987, the agency transferred 10.0 FTE into this division to recentralize the data processing function in the agency. Before pay plan cuts, the division had 61.5 FTE in this Division. In response to fiscal 1987 pay plan cuts, the agency deleted 4.0 FTE. For the 1989 biennium, the agency requested 6.0 FTE of the 10.0 FTE transferred into the division in fiscal 1986 be retained. The remaining 4.0 FTE from the 10.0 FTE transfer were "sunset" FTE which were required to be eliminated from the department's 1989 biennium budget request. Finally, the subcommittee deleted 1.0 FTE programmer/analyst as the position had been vacant over 50 percent of fiscal 1986 and was still vacant

as of February 13, 1987. Personal services increases between fiscal 1986 and the 1989 biennium because the fiscal impact of the FTE transfers added approximately \$87,000 annually to the personal services costs of the Division.

Operating expenses decrease 40 percent as computer processing charges and consulting and professional services totaling \$135,000 incurred on behalf of the Property Assessment Division in fiscal 1986 was removed from ongoing expenditures in the 1989 biennium.

No equipment was authorized for purchase in the 1989 biennium.

Funding: The Data Processing Division is funded from general fund and an allocation from the Liquor Division funds.

AGENCY: DEPARTMENT OF REVENUE

LEGISLATIVE ACTION

PROGRAM: INVESTIGATIONS AND ENFORCEMENT DIVISION -
ADMINISTRATION PROGRAM

BUDGET ITEM	FY 1986	Fiscal 1988			Fiscal 1989			FY 86-88 % Change
	Actual	Executive	Current Level	Subcommittee	Executive	Current Level	Subcommittee	
FTE	3.00	3.00	3.00	3.00	3.00	3.00	3.00	0.00
Personal Services	\$120,436	\$115,594	\$115,658	\$115,658	\$115,677	\$115,752	\$115,752	-3.97
Operating Expenses	9,121	8,180	8,910	9,088	8,180	8,989	9,173	-0.36
Equipment	257	0	0	0	0	0	0	-100.00
TOTAL EXPENSES	\$129,814	\$123,774	\$124,568	\$124,746	\$123,857	\$124,741	\$124,925	-3.90
FUNDING								
General Fund	\$ 79,299	\$ 45,745	\$ 31,641	\$ 50,397	\$ 45,763	\$ 31,684	\$ 50,470	-36.45
State Special Revenue	0	0	18,685	0	0	18,711	0	--
Federal Revenue	50,431	63,176	55,557	55,637	63,231	55,635	55,716	10.32
Proprietary Revenue	84	14,853	18,685	18,712	14,863	18,711	18,739	--
TOTAL FUNDING	\$129,814	\$123,774	\$124,568	\$124,746	\$123,857	\$124,741	\$124,925	-3.90

Program Description: The Investigations and Enforcement Division administers the Video Poker Control Program, Investigations Program, Child Support Enforcement Program, and the Medicaid Fraud Program. The Administration Program contains the division administrator, the investigation and enforcement bureau chief, and an administrative secretary.

Budget: The budget approved by the subcommittee maintains fiscal 1986 expenditures with the exception that 4 percent vacancy savings was applied to all positions in the program while no vacancy savings was actually experienced in fiscal 1986. No equipment was authorized for the 1989 biennium.

Funding: State special revenue funds in current level are an allocation from video poker revenue in the approximate amount of time the administration staff expects to spend on video poker activities. The subcommittee determined there was insufficient video poker revenue to fund this activity and replaced it with general fund. Federal funds include child support enforcement, and welfare and medicaid fraud. Child support funds require a 34 percent match from the general fund. Welfare and medicaid fraud funds require a 50 percent general fund match. Approximately \$31,700 general fund per year is used to match the federal funds. In addition, approximately \$18,700 general fund is used

each year to cover the estimated amount of time spent by the Administration Program's staff on video poker investigation. Liquor division proprietary funds represent 15 percent of the Administration Program's staff time on liquor investigation.

AGENCY: DEPARTMENT OF REVENUE

LEGISLATIVE ACTION

PROGRAM: INVESTIGATIONS AND ENFORCEMENT DIVISION -
INVESTIGATIONS PROGRAM

BUDGET ITEM	FY 1986	Fiscal 1988				Fiscal 1989				FY 86-88 % Change
	Actual	Executive	Current	Level	Subcommittee	Executive	Current	Level	Subcommittee	
FTE	13.50	16.50	17.00		14.50	16.50	17.00		14.50	1.00
Personal Services	\$336,589	\$402,245	\$414,338		\$359,127	\$401,888	\$414,059		\$358,919	6.70
Operating Expenses	90,250	82,731	83,456		84,239	81,694	84,220		85,030	-6.66
Equipment	21,167	8,652	10,000		10,000	9,000	10,000		10,000	-52.76
Non-Operating	0	0	20,000		20,000	0	20,000		20,000	--
TOTAL EXPENSES	\$448,006	\$493,628	\$527,794		\$473,366	\$492,582	\$528,279		\$473,949	5.66
FUNDING										
General Fund	\$ 52,648	\$ 49,430	\$ 93,102		\$ 31,509	\$ 41,237	\$ 93,470		\$ 25,460	-40.15
State Special Revenue	28,719	108,277	76,500		12,950	155,840	76,400		19,200	-54.91
Federal Revenue	70,288	125,885	129,685		129,685	125,933	129,683		129,683	84.51
Proprietary Revenue	296,351	210,036	228,507		299,222	209,572	228,726		299,606	0.97
TOTAL FUNDING	\$448,006	\$493,628	\$527,794		\$473,366	\$492,582	\$528,279		\$473,949	5.66

Program Description: The Investigations and Enforcement Division's Investigations Program performs the criminal and regulatory investigative functions required by state and federal statute. Specific areas of responsibility are alcohol beverage control, video poker enforcement, welfare fraud investigation, cigarette tax enforcement, criminal income tax, and intra departmental investigation as well as special investigation when required.

Legislative Intent: The General Government and Highways subcommittee considered existing statute impacting video poker control when developing the budget for the Investigations Program. This meant that the subcommittee assumed the video poker licensing and investigation functions would stay in the Department of Revenue and that the administration allocation would go to 3 percent in the 1989 biennium. The estimated revenue from 3 percent was \$141,075 in fiscal 1988 and \$147,488 in fiscal 1989. The subcommittee's intent was to fund the licensing function in the video poker program first and the remaining revenue would fund the investigation function in this program. The video poker program was estimated to cost \$128,125 in fiscal 1988 and \$128,288 in fiscal 1989 leaving \$12,950 in fiscal 1988 and \$19,200 in fiscal 1989 for the investigation program.

House Bill 189, which transfers the licensing function of the video poker program to the Department of Commerce and maintains the administrative allocation at 5 percent, has passed the House of Representatives. The Natural Resources and Commerce appropriations subcommittee assumed this bill will become law and included the video poker licensing function in the Department of Commerce budget. It also included \$61,535 in fiscal 1988 and \$69,155 in fiscal 1989 for contracting with this Division to perform the investigation function.

The legislature needs to determine which video poker assumption is appropriate for budgeting purposes. If the legislature assumes House Bill 189 will become law, the Video Poker Program will be eliminated from the Department of Revenue and transferred to the Department of Commerce. In addition, the state special revenue amount in this program will increase to \$69,155 annually to fund the video poker investigation function.

Budget: The subcommittee-approved budget provides a 5.7 percent increase from fiscal 1986 to fiscal 1988 due to the Medicaid fraud function being transferred into this Program in the 1989 biennium. In fiscal 1986, the Medicaid Fraud Program was separate from the Investigations Program and was eliminated in the 5 percent cuts in fiscal 1987. One FTE was transferred into this Program in the 1989 biennium to provide Medicaid fraud investigation on a limited basis.

Operating expenses are reduced \$2,329 for one-time remodeling costs and \$6,850 for repair and maintenance on an agency vehicle. Increases totaling \$3,238 were included for increased rent and computer maintenance costs. Each year of the biennium includes \$10,000 to purchase a new vehicle.

Funding: Funding for the Investigations Program comes from general fund, video poker license fees, federal welfare and Medicaid fraud funds, and liquor proprietary funds. The subcommittee set the video poker revenue estimate at \$12,950 in fiscal 1988 and \$19,200 in fiscal 1989. This is based on existing statute which leaves the entire video poker function at the Department of Revenue and has the administrative allocation from the video poker revenues at 3 percent of collections in the 1989 biennium. As noted under Legislative Intent, if House Bill 189 becomes law, the Department of Commerce would take over the licensing function, the administrative allocation would remain at 5 percent as it was in the 1987 biennium, and the Department of Commerce would contract with the Department of Revenue for \$61,535 in fiscal 1988 and \$69,155 in fiscal 1989 for video poker investigation functions.

Federal welfare fraud funds are included in the subcommittee budget at the agency's request of \$105,885 in fiscal 1988 and \$105,933 in fiscal 1989. Of this amount, \$20,000 each year is passed through to local governments for reimbursement for expenses incurred in prosecuting welfare fraud cases. Welfare fraud funds used to administer the program total \$85,885 in fiscal 1988 and \$85,933 in fiscal 1989. The remaining federal funds, \$23,800 in fiscal 1988 and \$23,750 in fiscal 1989, are Medicaid fraud funds used to support the 1.0 FTE transferred into this program from the now defunct Medicaid fraud program. Federal funds show a 84.5 percent increase from fiscal 1986 to fiscal 1988 primarily due to the welfare grants and Medicaid fraud function being included in this program.

Proprietary funds are liquor division funds. It was the intent of the subcommittee that liquor proprietary funds be used in addition to general fund to match federal funds as necessary.

AGENCY: DEPARTMENT OF REVENUE

LEGISLATIVE ACTION

PROGRAM: INVESTIGATIONS AND ENFORCEMENT DIVISION -
CHILD SUPPORT BUREAU

BUDGET ITEM	FY 1986	Fiscal 1988		Fiscal 1989		FY 86-88 % Change
	Actual	Executive	Current Level	Executive	Current Level	
FTE	54.00	50.00	41.00	50.00	41.00	-13.00
Personal Services	\$ 987,865	\$1,086,667	\$ 917,031	\$1,086,024	\$ 916,669	-7.17
Operating Expenses	289,913	372,067	347,534	386,166	344,698	7.57
Equipment	50,534	8,600	8,625	9,000	0	-82.93
Non-Operating	120,694	160,000	160,000	175,000	175,000	32.57
TOTAL EXPENSES	\$1,449,006	\$1,627,334	\$1,433,190	\$1,656,190	\$1,436,367	-3.55
FUNDING						
General Fund	\$ 429,348	\$ 498,894	\$ 432,885	\$ 503,604	\$ 428,865	-2.00
Federal Revenue	1,019,657	1,128,440	1,000,305	1,152,586	1,007,502	-4.21
Other Revenue	1	0	0	0	0	-100.00
TOTAL FUNDING	\$1,449,006	\$1,627,334	\$1,433,190	\$1,656,190	\$1,436,367	-3.55

Program Description: The Child Support Enforcement program was created for the purpose of establishing, enforcing, and collecting support obligations owed by absent parents to their children and the spouses with whom such children are living. The Child Support Enforcement program generates revenue from three sources: (1) recovered AFDC funds originally paid out by the State of Montana, (2) federal incentives paid to states for operating a cost effective program, and (3) fees generated in non-AFDC cases.

Budget: The subcommittee-approved budget eliminated the 13.0 "sunset" FTE approved by the 1985 Legislature. In addition, approximately \$63,400 was removed from fiscal 1986 as an estimate of the operating costs associated with the 13 FTE. A portion of these FTE and operating costs were approved by the subcommittee as a modified. This is described in a separate section below.

Base operating costs were increased \$63,400 for anticipated additional computer charges relating to the new computer system developed in the 1987 biennium. The subcommittee also increased operating costs \$20,490 in fiscal 1988 and \$26,196 in fiscal 1989 for increased hearing officers' costs, increased lab test fees for paternity testing, increased charges for IRS intercepts, and rent. In fiscal 1988, \$8,625 was provided for purchase of a replacement vehicle. No equipment was authorized in fiscal 1989.

Non-operating costs include pass-thru funds to local governments to reimburse them for child support enforcement activities at the local level.

Funding: The Child Support Enforcement Program is funded from federal child support enforcement funds and general fund. A 34 percent general fund match is required to receive the federal funds.

Modifieds Recommended:

1. Additional 9.0 FTE - The subcommittee recommends approval of a modified request for 9.0 additional FTE for the child support enforcement program. These FTE were "sunset" by the 1985 Legislature. The total modified cost is \$232,329 in fiscal 1988 and \$231,398 in fiscal 1989. This includes \$78,992 general fund in fiscal 1988 and \$78,675 general fund in fiscal 1989 which is 34 percent of the modified cost.

AGENCY: DEPARTMENT OF REVENUE

LEGISLATIVE ACTION

PROGRAM: INVESTIGATIONS AND ENFORCEMENT -
DIVISION - MEDICAID FRAUD

BUDGET ITEM	FY 1986	Fiscal 1988				Fiscal 1989				FY 86-88 % Change
	Actual	Executive	Current Level	Subcommittee	Executive	Current Level	Subcommittee			
FTE	4.00	0.00	0.00	0.00	0.00	0.00	0.00			-4.00
Personal Services	\$113,232	\$0	\$0	\$0	\$0	\$0	\$0			-100.00
Operating Expenses	23,190	0	0	0	0	0	0			-100.00
Equipment	895	0	0	0	0	0	0			-100.00
TOTAL EXPENSES	\$137,217	\$0	\$0	\$0	\$0	\$0	\$0			-100.00
FUNDING										
General Fund	\$ 33,559	\$0	\$0	\$0	\$0	\$0	\$0			-100.00
Federal Revenue	103,568	0	0	0	0	0	0			-100.00
Proprietary Funds	190	0	0	0	0	0	0			-100.00
TOTAL FUNDING	\$137,217	\$0	\$0	\$0	\$0	\$0	\$0			-100.00

Budget: This program was eliminated by the agency in fiscal 1987 and a portion of its function was combined with the Investigations Program.

AGENCY: DEPARTMENT OF REVENUE

LEGISLATIVE ACTION

PROGRAM: INVESTIGATIONS AND ENFORCEMENT DIVISION -
VIDEO POKER

BUDGET ITEM	FY 1986	Fiscal 1988			Fiscal 1989			FY 86-88 % Change
	Actual	Executive	Current Level	Subcommittee	Executive	Current Level	Subcommittee	
FTE	7.00	0.00	4.00	4.00	0.00	4.00	4.00	-3.00
Personal Services	\$ 95,695	\$0	\$103,144	\$103,144	\$0	\$103,257	\$103,257	7.78
Operating Expenses	24,173	0	24,340	24,981	0	24,369	25,031	3.34
Equipment	12,919	0	0	0	0	0	0	-100.00
TOTAL EXPENSES	<u>\$132,787</u>	<u>\$0</u>	<u>\$127,484</u>	<u>\$128,125</u>	<u>\$0</u>	<u>\$127,626</u>	<u>\$128,288</u>	<u>-3.51</u>
FUNDING	=====	=====	=====	=====	=====	=====	=====	=====
STATE SPECIAL REVENUE	\$132,787	\$0	\$127,484	\$128,125	\$0	\$127,626	\$128,288	-3.51
	=====	=====	=====	=====	=====	=====	=====	=====

Program Description: The Video Poker Program is responsible for the control and regulation of Montana's video poker industry. The program examines and approves machines for operation in the state, licenses machines, and collects license fees. License fee monies are distributed to local and state governments as required by statute.

Legislative Intent: See comments under Investigations and Enforcement Division, Investigations Program.

Budget: The subcommittee-approved budget deleted 3.0 FTE which reflects the agency's reduction in this program. The remaining 4.0 FTE will perform video poker licensing functions provided the program remains within the Department of Revenue. If this function is transferred to the Department of Commerce, this program and the 4.0 FTE should be eliminated from the Department of Revenue.

Funding: The Video Poker Program is funded from machine licensing fees. Current statute provides that 3 percent of the estimated revenue may be used for administrative functions in the 1989 biennium.

AGENCY: DEPARTMENT OF REVENUE		LEGISLATIVE ACTION				PROGRAM: INCOME AND MISCELLANEOUS TAX DIVISION			
BUDGET ITEM	FY 1986	Fiscal 1988		Fiscal 1989		FY 86-88 % Change			
	Actual	Executive	Current Level	Subcommittee	Executive		Current Level	Subcommittee	
FTE	108.30	108.15	90.65	90.65	108.15	90.65	90.65	-17.65	
Personal Services	\$2,142,754	\$2,267,998	\$1,938,756	\$1,938,756	\$2,266,947	\$1,938,234	\$1,938,234	-9.52	
Operating Expenses	869,215	1,008,082	1,017,170	965,020	1,092,845	1,050,365	1,054,346	11.02	
Equipment	107,649	8,260	35,100	8,260	5,000	18,400	5,000	-92.33	
TOTAL EXPENSES	\$3,119,618	\$3,284,340	\$2,991,026	\$2,912,036	\$3,364,792	\$3,006,999	\$2,997,580	-6.65	
FUNDING									
General Fund	\$3,042,230	\$3,142,797	\$2,908,142	\$2,829,152	\$3,218,998	\$2,919,115	\$2,909,696	-7.00	
State Special Revenue	77,388	141,543	82,884	82,884	145,794	87,884	87,884	7.10	
TOTAL FUNDING	\$3,119,618	\$3,284,340	\$2,991,026	\$2,912,036	\$3,364,792	\$3,006,999	\$2,997,580	-6.65	

Program Description: The Income and Miscellaneous Tax Division administers and enforces the Montana personal income and withholding taxes, which includes partnership returns, fiduciary and trust returns, estimated income tax, filing extensions, and elderly homeowner/renter credit. These taxes constitute the largest payments to the General fund. The distribution of the taxes is 64 percent General fund, 25 percent school equalization fund, and 11 percent to the long-range building program. The division is also responsible for the administration of 17 miscellaneous taxes and licenses.

Budget: The subcommittee-approved budget provides a 6.7 percent decrease from fiscal 1986 to fiscal 1988 because of FTE and equipment purchase reductions. The FTE are reduced 17.65 from fiscal 1986 to the 1989 biennium as 13.5 were "sunset" FTE and required by the 1985 Legislature to not be included in the 1989 biennium budget request and 4.15 FTE were reduced by the agency responding to the fiscal 1987 pay plan cuts.

Operating expenses increase 11 percent from fiscal 1986 to fiscal 1988 and 9 percent from fiscal 1988 to fiscal 1989 as the subcommittee authorized increased computer processing charges, \$204,000 in fiscal 1988 and \$288,000 in fiscal 1989, for the Department's new computer systems to be implemented in fiscal years 1988 and 1989. Additional computer maintenance charges, \$12,435 in fiscal 1988 and \$15,589 in fiscal 1989 were added.

The subcommittee deleted \$85,000 of computer processing charges which the division had incurred on behalf of the Property Assessment Division in fiscal 1986. Consolidation of the Income Tax and Miscellaneous Tax Division also resulted in an approximate \$34,000 annual savings.

Funding: The Income and Miscellaneous Tax Division is funded from general fund and state special revenue funds. State special revenue funds include unclaimed property, \$60,000 in fiscal 1988 and \$65,000 in fiscal 1989; cigarette enforcement funds, \$15,000 annually; and non-game wildlife checkoff funds, \$7,884 annually.

Modifieds Recommended:

1. Income Tax Assessments/Collection Staff - The subcommittee recommends approval of a modified for 13 FTE auditors which were part of the "sunset" FTE approved by the 1985 Legislature. The FTE would be used to continue audit and collection efforts initiated in the 1987 biennium. The general fund cost of the modified is \$262,795 in fiscal 1988 and \$262,421 in fiscal 1989.

AGENCY: DEPARTMENT OF REVENUE

LEGISLATIVE ACTION

PROGRAM: NATURAL RESOURCES AND CORP TAX DIVISION

BUDGET ITEM	FY 1986	Fiscal 1988			Fiscal 1989			FY 86-88 % Change
	Actual	Executive	Current Level	Subcommittee	Executive	Current Level	Subcommittee	
FTE	35.83	35.00	33.00	33.00	35.00	33.00	33.00	-2.83
Personal Services	\$ 890,136	\$ 967,814	\$ 906,384	\$ 906,384	\$ 976,903	\$ 907,026	\$ 907,026	1.83
Operating Expenses	379,924	342,614	318,291	318,376	341,968	318,445	318,533	-16.20
Equipment	9,994	2,500	0	0	0	0	0	-100.00
TOTAL EXPENSES	\$1,280,054	\$1,312,928	\$1,224,675	\$1,224,760	\$1,318,871	\$1,225,471	\$1,225,559	-4.32
FUNDING								
General Fund	\$1,110,273	\$1,136,026	\$1,045,499	\$1,045,584	\$1,141,701	\$1,046,295	\$1,046,383	-5.83
State Special Revenue	56,934	54,774	57,048	57,048	55,042	57,048	57,048	0.20
Federal Revenue	112,847	122,128	122,128	122,128	122,128	122,128	122,128	8.22
TOTAL FUNDING	\$1,280,054	\$1,312,928	\$1,224,675	\$1,224,760	\$1,318,871	\$1,225,471	\$1,225,559	-4.32

Program Description: The Natural Resources and Corporate Tax Division administers 17 different taxes, including corporate license tax, oil and gas severance tax, coal severance tax, metal mines tax, gross and net proceeds tax, electrical energy license tax, and the resource indemnity trust tax. The division also administers the state and federal royalty audit programs related to mineral production from state and federal lands located in Montana.

Budget: The subcommittee-approved budget reflects a 2.83 FTE reduction from fiscal 1986 to the 1989 biennium. This includes .33 FTE reduced because the 1985 Legislature authorized .33 FTE less royalty auditors in fiscal 1987 than in fiscal 1986, 0.5 FTE reduced for the fiscal 1987 pay plan cut, and 2.0 FTE cut because they were "sunset" by the 1985 Legislature and could not be included in the current level budget for the 1989 biennium. Personal services increases 1.8 percent in spite of the FTE reductions because the actual vacancy savings in fiscal 1986 was 6 percent while the subcommittee applied 4 percent vacancy savings to all positions in the 1989 biennium.

Operating expenses decrease 16.2 percent from fiscal 1986 to fiscal 1988 as the subcommittee deleted \$63,000 of computer and printing charges the Division had incurred on behalf of the Property Assessment Division in fiscal 1986. Operating expenses were also reduced \$10,000 which were related to the 2.0 sunset FTE. Miscellaneous costs were reduced approximately \$5,400 annually.

Out of state travel was increased \$17,945 to allow for increased out of state audits.

No equipment was authorized for purchase in the 1989 biennium.

Funding: The Natural Resources and Corporation Tax Division is funded from general fund, state special revenue, and federal funds. The state special revenue includes an allocation of the oil and gas special revenue account and the state lands resource development account. The federal funds include federal royalty audit funds and are used to support 3.0 FTE federal mineral royalty auditors and operating costs.

General fund is budgeted to decrease 5.8 percent from fiscal 1986 to fiscal 1988 because the sunset FTE were funded from the general fund.

Modifieds Recommended:

1. Two Revenue Agents - Two revenue agents, one for corporation tax and one for natural resource tax, have been recommended for approval by the subcommittee. These positions were sunset by the 1985 Legislature. The modified positions and related operating expenses are proposed to cost \$79,269 in fiscal 1988 and \$79,181 in fiscal 1989 funded from the general fund.

AGENCY: DEPARTMENT OF REVENUE

LEGISLATIVE ACTION

PROGRAM: PROPERTY ASSESSMENT DIVISION -
ELECTED ASSESSORS

BUDGET ITEM	FY 1986	Fiscal 1988			Fiscal 1989			FY 86-88		
	Actual	Executive	Current	Level	Subcommittee	Executive	Current	Level	Subcommittee	% Change
FTE	36.40	35.70	35.70	35.70	35.70	35.70	35.70	35.70	35.70	-0.70
Personal Services	\$0	\$797,154	\$748,365	\$769,479	\$798,624	\$749,772	\$770,886	\$770,886	--	
TOTAL EXPENSES	\$0	\$797,154	\$748,365	\$769,479	\$798,624	\$749,772	\$770,886	\$770,886	--	
GENERAL FUND	\$0	\$797,154	\$748,365	\$769,479	\$798,624	\$749,772	\$770,886	\$770,886	--	

Program Description: The Elected Assessors Program, newly created in this budget cycle, contains the personal services budget for Montana's elected county assessors.

Budget: The subcommittee-approved budget funds Montana's 51 elected county assessors at 70 percent of the estimated salaries and benefits and 100 percent of the estimated health insurance costs. Four percent vacancy savings was applied to all positions in this program.

AGENCY: DEPARTMENT OF REVENUE

LEGISLATIVE ACTION

PROGRAM: PROPERTY ASSESSMENT DIVISION -
APPRAISERS & NON-ELECTED ASSESSORS

BUDGET ITEM	FY 1986	Fiscal 1988				Fiscal 1989				FY 86-88 % Change
	Actual	Executive	Current Level	Subcommittee	Executive	Current Level	Subcommittee	Executive	Current Level	
FTE	395.10	335.05	334.05	334.05	335.05	334.05	334.05			-61.05
Personal Services	\$ 8,771,135	\$6,901,365	\$6,871,413	\$6,873,283	\$6,898,525	\$6,868,642	\$6,870,732			-21.64
Operating Expenses	1,263,527	1,404,224	1,261,930	1,375,772	1,337,851	1,211,619	1,321,938			8.88
Equipment	212,039	201,600	105,000	185,000	345,600	105,000	185,000			-12.75
TOTAL EXPENSES	\$10,246,701	\$8,507,189	\$8,238,343	\$8,434,055	\$8,581,976	\$8,185,261	\$8,377,670			-17.69
FUNDING										
General Fund	\$10,221,701	\$8,507,189	\$8,240,213	\$8,434,055	\$8,581,976	\$8,187,351	\$8,377,670			-17.49
State Special Revenue	25,000	0	0	0	0	0	0			-100.00
TOTAL FUNDING	\$10,246,701	\$8,507,189	\$8,240,213	\$8,434,055	\$8,581,976	\$8,187,351	\$8,377,670			-17.69

Program Description: The Appraisers and Non-Elected Assessors Program contains the expenses necessary to operate the county offices and eight area offices.

Budget: Between fiscal 1986 and each year of the 1989 biennium, FTE are budgeted to decrease 61.05. This occurs because 24.0 FTE were authorized for fiscal 1986 only to assist in completing the reappraisal cycle and because most of the division reductions for the fiscal 1987 five percent and pay plan cuts were in this subprogram. Personal services decrease 21.6 percent from fiscal 1986 to fiscal 1988 because of the FTE reductions.

Operating expenses increase 8.9 percent from fiscal 1986 to fiscal 1988 primarily because approximately \$140,000 of computer costs borne by other operating divisions in fiscal 1986 on behalf of the Property Assessment Division were added to this program in the 1989 biennium and additional funds were added (\$82,963 in fiscal 1988 and \$79,440 in fiscal 1989) to enable the Division to develop a standardized property tax classification and appraisal notice as required by Senate Bill 19 passed by the Special Session III in June 1986. Operating funds totaling \$46,000 were provided in fiscal 1988 only for the Division to use local and area fee appraisers to assist field staff and to obtain a unit cost analysis needed to develop the appraisal manual for use during the third appraisal cycle, and a subscription to the Marshall Valuation Service for the field staff.

These additional expenses were offset by an annual \$126,400 reduction from fiscal 1986 in the funds budgeted for county computer support costs and an annual \$22,604 reduction from fiscal 1986 for postage costs. The reduction for county computer support costs was part of the agency's fiscal 1987 five percent cut which has been continued into the 1989 biennium. The postage expense reduction results from the completion of the second appraisal cycle.

The subcommittee authorized \$160,000 annually in the 1989 biennium for the Division to purchase 16 cars each year. In addition, \$25,000 was provided annually for the Division to purchase office equipment for the county offices.

Modifieds Recommended:

1. On-Line Data System - This modified would develop an on-line data capture system accessible from county offices that would be used to electronically transmit agricultural land records and updates to existing residential/commercial records for batch processing on the Helena computer. In addition, the current batch system would be modified to accept agricultural land data. The modified proposal includes the recommendation that the state discontinue the use of the county computer systems for the purposes of real property appraisal and continue to use the county systems only for personal property appraisal. The modified cost recommended by the subcommittee is \$94,533 with a \$93,463 current level cost reduction for an overall cost of \$1,070 in fiscal 1988 and a net \$125,351 cost in fiscal 1989 (\$287,372 cost less \$162,021 current level reduction). This would be funded from the general fund.

AGENCY: DEPARTMENT OF REVENUE

LEGISLATIVE ACTION

PROGRAM: PROPERTY ASSESSMENT DIVISION - HELENA

BUDGET ITEM	FY 1986	Fiscal 1988				Fiscal 1989				FY 86-88 % Change
	Actual	Executive	Current Level	Subcommittee	Executive	Current Level	Subcommittee			
FTE	14.00	11.00	11.00	11.00	11.00	11.00	11.00			-3.00
Personal Services	\$403,603	\$299,820	\$299,878	\$299,878	\$300,021	\$300,104	\$300,104			-25.70
Operating Expenses	113,007	155,242	53,624	53,624	114,948	53,581	53,581			-52.55
Equipment	24,213	8,652	9,025	9,025	500	373	373			-62.73
TOTAL EXPENSES	\$540,823	\$423,714	\$362,527	\$362,527	\$415,469	\$354,058	\$354,058			-32.97
FUNDING										
General Fund	\$540,823	\$423,714	\$362,527	\$362,527	\$415,469	\$354,058	\$354,058			-32.97
TOTAL FUNDING	\$540,823	\$423,714	\$362,527	\$362,527	\$415,469	\$354,058	\$354,058			-32.97

Program Description: The Helena office of the Property Assessment Division is responsible for centrally assessing all intercounty and industrial property, defending the lawsuits, and regularly audits all county offices.

Budget: The subcommittee-approved budget provides a 33 percent decrease from fiscal 1986 to fiscal 1988 due to FTE reductions and operating expense reductions. The Division reorganized in fiscal 1987 which resulted in the FTE reduction and operating expense efficiencies. The subcommittee did not increase expenditures \$2,117 for maps and charts as recommended by the executive.

Modifieds Recommended:

1. Railroad Appraisal - The Department has asked for litigation funds for expected railroad and powerline tax appeals continuing in the 1989 biennium. The subcommittee recommended \$60,000 annually and that the appropriation be line-itemed for this purpose only. This modified is funded from the general fund.

AGENCY: DEPARTMENT OF REVENUE

LEGISLATIVE ACTION

PROGRAM: PROPERTY ASSESSMENT DIVISION -
ADMINISTRATION PROGRAM

BUDGET ITEM	FY 1986	Fiscal 1988			Fiscal 1989			FY 86-88 % Change
	Actual	Executive	Current Level	Subcommittee	Executive	Current Level	Subcommittee	
FTE	19.90	13.50	13.50	13.50	13.50	13.50	13.50	-6.40
Personal Services	\$508,909	\$421,334	\$421,518	\$421,518	\$421,326	\$421,520	\$421,520	-17.17
Operating Expenses	285,124	204,695	196,054	197,454	204,549	196,116	197,516	-30.75
Equipment	6,595	1,036	1,036	1,036	432	432	432	-84.29
TOTAL EXPENSES	\$800,628	\$627,065	\$618,608	\$620,008	\$626,307	\$618,068	\$619,468	-22.56
GENERAL FUND	\$800,628	\$627,065	\$618,608	\$620,008	\$626,307	\$618,068	\$619,468	-22.56

Program Description: The Administration Program of the Property Assessment Division contains the administrative and legal function of the division.

Budget: The subcommittee-approved budget reflects the agency's 6.4 FTE reduction caused by division reorganization and pay plan cuts in fiscal 1987. Personal services decrease 17 percent from fiscal 1986 to fiscal 1988 because of the reorganization and pay plan cuts. Operating expenses are budgeted to decrease 30.8 percent from fiscal 1986 to fiscal 1988 due primarily to expenditure efficiencies obtained in the reorganization. Building rent for the staff in Helena is contained in this program at \$50,000 annually.

AGENCY: DEPARTMENT OF REVENUE

LEGISLATIVE ACTION

PROGRAM: MOTOR FUELS TAX DIVISION

BUDGET ITEM	FY 1986	Fiscal 1988			Fiscal 1989			FY 86-88 % Change
	Actual	Executive	Current Level	Subcommittee	Executive	Current Level	Subcommittee	
FTE	26.50	25.00	25.00	25.00	25.00	25.00	25.00	-1.50
Personal Services	\$563,571	\$517,662	\$517,920	\$517,920	\$517,545	\$517,828	\$517,828	-8.10
Operating Expenses	98,036	183,883	156,031	184,245	190,128	153,501	190,521	87.94
Equipment	19,751	8,952	8,620	8,620	300	0	0	-56.36
TOTAL EXPENSES	<u>\$681,358</u> =====	<u>\$710,497</u> =====	<u>\$682,571</u> =====	<u>\$710,785</u> =====	<u>\$707,973</u> =====	<u>\$671,329</u> =====	<u>\$708,349</u> =====	<u>4.32</u> =====
STATE SPECIAL REVENUE	<u>\$681,358</u> =====	<u>\$710,497</u> =====	<u>\$682,571</u> =====	<u>\$710,785</u> =====	<u>\$707,973</u> =====	<u>\$671,329</u> =====	<u>\$708,349</u> =====	<u>4.32</u> =====

Program Description: The Motor Fuels Tax Division administers and enforces the motor fuel tax law including the issuance of licenses and permits, collection of taxes, enforcement of the bonding requirements, and payment of refunds.

Budget: The subcommittee-approved budget deletes 1.50 FTE from fiscal 1986 to the 1989 biennium. This reflects the reduction made by the agency in response to the fiscal 1987 pay plan cut. Four percent vacancy savings was applied in this program.

Operating expenses increase 88 percent because the subcommittee authorized an additional \$83,358 in fiscal 1988 and \$89,601 in fiscal 1989 for increased computer processing costs expected to be incurred by the Division as a result of implementing the new computer system developed in the 1987 biennium.

One vehicle was authorized for purchase in fiscal 1988. No equipment was authorized for purchase in fiscal 1989.

Funding: The Motor Fuels Tax Division is funded from an allocation of the Department of Highways gas tax state special revenue fund.

AGENCY: DEPARTMENT OF ADMINISTRATION

LEGISLATIVE ACTION

PROGRAM: AGENCY SUMMARY

BUDGET ITEM	FY 1986	Fiscal 1988			Fiscal 1989			FY 86-88 % Change
	Actual	Executive	Current Level	Subcommittee	Executive	Current Level	Subcommittee	
FTE	419.30	411.59	406.09	402.59	413.09	410.09	406.59	-12.71
Personal Services	\$10,494,406	\$10,903,900	\$10,702,433	\$10,686,855	\$10,902,972	\$10,791,420	\$10,749,732	1.83
Operating Expenses	18,078,784	21,128,492	18,787,431	19,921,928	21,711,652	19,152,478	20,277,132	10.20
Equipment	1,828,450	1,830,774	1,336,533	1,323,402	1,603,648	1,126,483	1,124,899	-27.62
Non-Operating	3,432,916	2,989,065	4,044,546	3,479,690	2,980,948	4,041,954	3,459,334	1.36
SUB-TOTAL	\$33,834,556	\$36,852,231	\$34,870,943	\$35,411,875	\$37,199,220	\$35,112,335	\$35,611,097	4.66
10 Percent Cut	0	0	0	(303,091)	0	0	(300,993)	--
TOTAL EXPENSES	\$33,834,556	\$36,852,231	\$34,870,943	\$35,108,784	\$37,199,220	\$35,112,335	\$35,310,104	3.77
FUNDING								
General Fund	\$ 3,695,103	\$ 4,104,965	\$ 3,750,838	\$ 3,538,861	\$ 4,010,101	\$ 3,758,861	\$ 3,541,987	-4.23
General Fund - 10 Percent Cut	0	0	0	(303,091)	0	0	(300,993)	--
State Special Revenue	843,128	907,236	842,269	866,676	899,596	843,342	859,579	2.79
Other Revenue	29,296,325	31,840,030	30,277,836	31,006,338	32,289,523	30,510,132	31,209,531	5.84
TOTAL FUNDING	\$33,834,556	\$36,852,231	\$34,870,943	\$35,108,784	\$37,199,220	\$35,112,335	\$35,310,104	3.77

Program Description: The primary goal of the Department of Administration is to provide services to state agencies in the areas of accounting, financial reporting, insurance, communications, data processing, personnel management and labor relations, purchasing, printing, mail and messenger, and records management. The Department also administers the Long-Range Building Program, State Employee Group Benefits Program, and various state retirement programs. Functions attached to the Department for administrative purposes include the Board of Examiners, State Tax Appeals Board, Workers' Compensation Court, Board of Investments, Public Employees' Retirement System, and Teachers' Retirement Division.

10 Percent Cut: The subcommittee approved a 10 percent general fund cut in the 1989 biennium which totaled \$362,308 in fiscal 1988 and \$360,110 in fiscal 1989. A portion of this cut, \$59,217 in fiscal 1988 and \$59,117 in fiscal 1988, was taken in the Purchasing Bureau due to the deletion of 3.0 FTE both years of the biennium. The remaining portion of the 10 percent cut, \$303,091 in fiscal 1988 and \$300,993 in fiscal 1989, was not specifically identified.

Budget: The subcommittee-approved budget provides a 4.7 percent increase for the Department of Administration from fiscal 1986 to fiscal 1988 before the 10 percent cut. FTE were decreased 12.71, primarily resulting from agency reductions for the 5 percent and pay plan cuts in fiscal 1987. The subcommittee also deleted 3.5 FTE due to vacancies and workload decreases. FTE reductions totaling 16.5 FTE were made in the Accounting Division, Information Services Division, Purchasing Division, General Services Division, Centralized Services Division, the Board of Investments, the Workers' Compensation Court, Public Employees' Retirement Division, and Teachers' Retirement System. FTE increases totaling 3.79 FTE occurred in the Architecture and Engineering Division and Publications and Graphics Division. The increase in the Publications and Graphics Division occurs only in legislative years.

Personal services increases 1.83 percent from fiscal 1986 to fiscal 1988 in spite of the FTE reductions primarily because personal services in the 1989 biennium is based on a fully funded fiscal 1987 pay matrix. Another cause of the increase is the department experienced an overall vacancy savings rate of 4.2 percent in fiscal 1986 while the subcommittee applied a 4 percent vacancy savings rate in the 1989 biennium.

Operating expenses increase 10.2 percent due to several factors. Growth in agency services, approximately \$388,000 in fiscal 1988 and \$527,000 in fiscal 1989, was added in the Information Services Division, Property and Supply Bureau, and Mail and Management Program. The subcommittee also added \$549,300 each year for a full year's operation of the Print and Purchasing Coordinator Program in Publications and Graphics as the program operated only 9 months in fiscal 1986. Total agency legislative audit expenditures in fiscal 1988 is budgeted at \$224,400. The agency actually expended \$92,011 in fiscal 1986.

Higher costs was the cause of increased operating expenditures in the General Services Division and Tort Claims Division. The General Services Division is budgeted to pay an additional \$222,602 in fiscal 1988 and \$379,197 in fiscal 1989 due to anticipated cost increases for utilities and janitorial services. The Tort Claims Division is budgeted to pay an additional \$346,158 annually for increased insurance costs.

Two divisions, Information Services and the Board of Investments, are budgeted to pay an additional \$23,393 annually for increased rent on non-state buildings. The Personnel Division was provided an additional \$48,650 annually to allow for increased health promotion services, increased computer charges to respond to new federal legislation, and annual claims audit expense required by law. The Workers' Compensation Court was provided an additional \$27,655 in fiscal 1988 and \$19,500 in fiscal 1989 in the event the Court is required to move from its present location. Finally, the Teachers' Retirement System was provided an additional \$38,266 in fiscal 1988 and \$41,855 in fiscal 1989 to allow for increased computer processing charges associated with its new computer system implemented July 1986.

Equipment expenditures are budgeted to decrease 27.6 percent from fiscal 1986 to fiscal 1988. Approximately 95 percent of the authorized equipment purchases are in the Information Services Division, Operations Program.

Non-operating expenditures include lease purchase payments in the Publications and Graphics Division, Information Services Division, Mail and Management Program, and the Board of Investments. Lease purchase payments total \$2,146,255 in fiscal 1988 and \$2,136,332 in fiscal 1989. Transfers from non-proprietary funds to proprietary funds as required by generally accepted accounting principles also constitute a portion of non-operating costs each year. This type of transfer occurs in the Tort Claims Division and the Personnel Division. Fund transfers of this type total \$773,062 in fiscal 1988 and \$760,602 in fiscal 1989. The Architecture and Engineering Division also transfers funds

from the long-range building capital projects fund into a state special revenue fund to operate the division. This transfer is \$560,373 in fiscal 1988 and \$562,400 in fiscal 1989.

Funding: The Department is funded from general fund, state special revenue, and other revenue which consists primarily of proprietary funds. General fund supports all or a portion of several divisions, including the: Director's Office, Accounting Division, General Services Division, Purchasing Division, Centralized Services Division, Personnel Division, and the State Tax Appeal Board. General fund contributes 10.1 percent of the Department's total budget in the 1989 biennium compared to 10.9 percent in fiscal 1986.

State special revenue includes the transfer of long-range building funds to the Architecture and Engineering Division and an allocation of the Workers' Compensation state special revenue account for the Workers' Compensation Court. State special revenue contributes approximately 2 percent of the total funding for the Department.

Other revenue includes pension trust funds, \$1,182,532 in fiscal 1988 and \$1,110,157 in fiscal 1989, capital project funds, \$619,174 in fiscal 1988 and \$621,201 in fiscal 1989, and proprietary funds, \$29,204,632 in fiscal 1988 and \$29,478,173 in fiscal 1989. The pension trust funds are used for the two retirement systems. The capital project funds are used to fund the operating costs for the Architecture and Engineering Division and a portion of the costs in the General Services Division. Proprietary funds are used to support several divisions, including the: Publications and Graphics Division, Information Services Division, General Services Division, Property and Supply Bureau, Mail and Management Program, Board of Investments, Tort Claims Division, and the Personnel Division.

AGENCY: DEPARTMENT OF ADMINISTRATION

LEGISLATIVE ACTION

PROGRAM: DIRECTOR'S OFFICE

BUDGET ITEM	FY 1986	Fiscal 1988				Fiscal 1989				FY 86-88 % Change
	Actual	Executive	Current Level	Subcommittee	Executive	Current Level	Subcommittee			
FTE	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	0.00	
Personal Services	\$260,518	\$277,603	\$276,916	\$277,016	\$277,526	\$276,625	\$276,725	6.33		
Operating Expenses	23,037	26,272	26,207	26,207	27,171	27,117	27,117	13.76		
Equipment	11,581	0	0	0	0	0	0	-100.00		
TOTAL EXPENSES	<u>\$295,136</u> =====	<u>\$303,875</u> =====	<u>\$303,123</u> =====	<u>\$303,223</u> =====	<u>\$304,697</u> =====	<u>\$303,742</u> =====	<u>\$303,842</u> =====	2.74		
FUNDING										
General Fund	\$253,155	\$252,877	\$254,047	\$254,147	\$254,089	\$255,053	\$255,153	0.39		
Proprietary Fund Revenue	41,981	50,998	49,076	49,076	50,608	48,689	48,689	16.90		
TOTAL FUNDING	<u>\$295,136</u> =====	<u>\$303,875</u> =====	<u>\$303,123</u> =====	<u>\$303,223</u> =====	<u>\$304,697</u> =====	<u>\$303,742</u> =====	<u>\$303,842</u> =====	2.74		

Program Description: This program is responsible for the overall supervision and coordination of the department's ten divisions and the four administratively attached boards and agencies. In addition, the program provides legal services, internal management reviews, and assistance in special projects to the divisions and bonding expertise for the Board of Examiners.

Budget: The subcommittee budget provides a 2.74 percent increase from fiscal 1986 to fiscal 1988. Per diem and travel costs totaling \$490 each year for two legislative members of the Capital Finance Advisory Council are included. Computer charges of \$600 per year are included for the Director's Office to be hooked up to the state mainframe net-working system. No equipment was authorized for the 1989 biennium.

Funding: This program is funded from the general fund and proprietary funds. The proprietary funds are fees charged to various divisions within the Department of Administration for legal services provided by the legal staff on behalf of the divisions. These fees are used to pay the personal services for 1 3/8 FTE legal staff in the Director's Office in the 1989 biennium. This is up from 1.25 FTE lawyers in fiscal 1986.

AGENCY: DEPARTMENT OF ADMINISTRATION

LEGISLATIVE ACTION

PROGRAM: GOVERNOR ELECT PROGRAM

BUDGET ITEM	FY 1986	Fiscal 1988		Fiscal 1989		FY 86-88 % Change
	Actual	Executive	Current Level	Executive	Current Level	
FTE	0.00	0.00	0.00	0.00	0.00	--
Operating Expenses	\$0 ===	\$0 ===	\$0 ===	\$0 ===	\$25,000 =====	100.00 =====
GENERAL FUND	\$0 ===	\$0 ===	\$0 ===	\$0 ===	\$25,000 =====	100.00 =====

Program Description: Section 2-15-221, MCA provides that the Department of Administration shall provide the governor-elect and his necessary staff suitable office space in the capitol building together with operating expenses for the period between the general election and the inauguration.

Budget: The subcommittee approved a \$25,000 budget for fiscal 1989 as requested by the department for this purpose.

Funding: This program is funded from the general fund.

AGENCY: DEPARTMENT OF ADMINISTRATION

LEGISLATIVE ACTION

PROGRAM: ACCOUNTING DIVISION

BUDGET ITEM	FY 1986	Fiscal 1988				Fiscal 1989				FY 86-88 % Change
	Actual	Executive	Current	Level	Subcommittee	Executive	Current	Level	Subcommittee	
FTE	12.25	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	-0.25
Personal Services	\$316,110	\$323,497	\$323,583	\$323,583	\$323,583	\$323,458	\$323,562	\$323,562	\$323,562	2.36
Operating Expenses	499,650	510,868	478,141	479,641	479,641	504,526	449,808	451,308	451,308	-4.00
Equipment	12,982	200	0	0	0	100	0	0	0	-100.00
TOTAL EXPENSES	\$828,742	\$834,565	\$801,724	\$803,224	\$803,224	\$828,084	\$773,370	\$774,870	\$774,870	-3.08
GENERAL FUND	\$828,742	\$834,565	\$801,724	\$803,224	\$803,224	\$828,084	\$773,370	\$774,870	\$774,870	-3.08

Program Description: The accounting division operates and maintains the Statewide Budgeting and Accounting System (SBAS) and the Property Accountability Management System (PAMS). SBAS controls agencies' use of appropriation authority and cash balances in accordance with legal mandates. The division controls the inflow of data to SBAS and distributes daily, monthly, and year-end reports that summarize agencies' accounting transactions. The division establishes the state's accounting policies in accordance with generally accepted accounting principles and provides accounting assistance and instruction to agencies. The division also prepares the state's annual financial report and the statewide indirect cost allocation plan.

Budget: The subcommittee-approved budget provides a 3 percent decrease from fiscal 1986 to fiscal 1988 due primarily to a \$29,000 reduction in the SBAS key verification contract the division has with Information Services Division. The division eliminated a portion of this expense in fiscal 1987 in response to the fiscal 1987 cuts. This reduction is being continued into the 1989 biennium.

Legislative audit costs are included in fiscal 1988 at \$18,000. Four percent vacancy savings was applied to all positions in this division.

Modified:

1. Statewide Cost Allocation Plan - The subcommittee approved \$25,000 general fund in fiscal 1988 for the division to use to acquire services on a contingency fee basis for assistance in preparing the state's statewide cost allocation plan used in negotiating an indirect cost rate with the federal government.

AGENCY: DEPARTMENT OF ADMINISTRATION

LEGISLATIVE ACTION

PROGRAM: ARCHITECTURE AND ENGINEERING DIVISION

BUDGET ITEM	FY 1986	Fiscal 1988			Fiscal 1989			FY 86-88 % Change
	Actual	Executive	Current Level	Subcommittee	Executive	Current Level	Subcommittee	
FTE	14.96	15.25	15.25	15.25	15.25	15.25	15.25	0.29
Personal Services	\$ 418,278	\$ 459,605	\$ 451,082	\$ 460,222	\$ 459,268	\$ 450,772	\$ 459,897	10.03
Operating Expenses	86,526	99,753	95,980	97,723	101,964	98,700	100,443	12.94
Equipment	26,356	2,806	\$2,428	2,428	2,438	2,060	2,060	-90.79
Non-Operating	536,737	562,164	549,490	560,373	563,670	551,532	562,400	4.40
TOTAL EXPENSES	\$1,067,897	\$1,124,328	\$1,098,980	\$1,120,746	\$1,127,340	\$1,103,064	\$1,124,800	4.95
FUNDING								
State Special Revenue	\$ 531,160	\$ 562,164	\$ 549,490	\$ 560,373	\$ 563,670	\$ 551,532	\$ 562,400	5.50
Capital Projects Fund	536,737	562,164	549,490	560,373	563,670	551,532	562,400	4.40
TOTAL FUNDING	\$1,067,897	\$1,124,328	\$1,098,980	\$1,120,746	\$1,127,340	\$1,103,064	\$1,124,800	4.95

Program Description: The architecture and engineering division oversees construction, renovations, and repair of state-owned buildings. The division also formulates a long-range building plan for legislative consideration each session.

Budget: The subcommittee budget provides an approximate 5 percent increase from fiscal 1986 to fiscal 1988 due to 10 and 13 percent increases in personal services and operating expenses, respectively. Personal services increase 10 percent as the division experienced over 7 percent vacancy savings in fiscal 1986 and the subcommittee applied 4 percent vacancy savings in the 1989 biennium.

Operating expenses increase approximately 13 percent primarily because the department of administration is allocating a larger portion of the director's office legal staff costs to the architecture and engineering division. The subcommittee budget provides \$18,138 in fiscal 1988 and \$17,996 in fiscal 1989 for these legal costs compared to \$8,583 spent by this division for these services in fiscal 1986. Printing costs increase \$3,200 in fiscal 1989 to allow for the printing of the biennial Long Range Building Plan.

Funding: The Architecture and Engineering Division is funded from the long range building cash account. This account receives 20.25 percent of the cigarette tax, interest on bond proceeds, and supervisory fees which Architecture and Engineering collects for assisting with non-long range building cash projects. The amount needed to operate the Architecture and Engineering Division is transferred from the long range building cash account to a separate account in the state special revenue fund. This transfer shows on the table as non-operating expenses.

AGENCY: DEPARTMENT OF ADMINISTRATION

LEGISLATIVE ACTION

PROGRAM: PUBLICATIONS AND GRAPHICS -
PURCHASING AND PRINT COORDINATOR

BUDGET ITEM	FY 1986	Fiscal 1988				Fiscal 1989				FY 86-88 % Change
	Actual	Executive	Current Level	Subcommittee	Executive	Current Level	Subcommittee			
FTE	6.00	2.50	2.50	2.50	2.50	2.50	2.50			-3.50
Personal Services	\$ 61,110	\$ 53,081	\$ 52,235	\$ 52,925	\$ 53,156	\$ 52,314	\$ 53,004			-13.39
Operating Expenses	1,429,600	1,982,176	1,429,885	1,980,919	1,983,353	1,429,996	1,981,089			38.56
Equipment	1,993	2,487	2,487	0	1,115	1,115	0			-100.00
TOTAL EXPENSES	\$1,492,703	\$2,037,744	\$1,484,607	\$2,033,844	\$2,037,624	\$1,483,425	\$2,034,093			36.25
PROPRIETARY FUND	\$1,492,703	\$2,037,744	\$1,484,607	\$2,033,844	\$2,037,624	\$1,483,425	\$2,034,093			36.25

Program Description: The purchasing and print coordination function of the publications and graphics division was authorized by the 1985 legislature as the central agency which will procure private printing contracts on behalf of other state agencies. This program also monitors the awarded contracts, performs a compliance inspection upon delivery of the product, and audits all claims prior to payment.

Budget: The subcommittee-approved budget provides a 36 percent increase from fiscal 1986 to fiscal 1988 due to a \$549,300 annual increase in the 1989 biennium over actual fiscal 1986 expenditures for goods for resale. The adjustment was allowed to reflect a full year's operations of the program, rather than 9 months as was experienced in fiscal 1986.

Personal services decreases 13 percent and FTE decrease 3.5 due to reorganization of the personnel within the publications and graphics division and reduction for the unfunded fiscal 1987 pay plan. Vacancy savings was set at 4 percent. No equipment was authorized for the 1989 biennium.

Funding: This program is funded from fees charged to user agencies and deposited to the division's proprietary fund. In fiscal 1986, 49 percent of the revenue in this proprietary fund was derived from the general fund.

AGENCY: DEPARTMENT OF ADMINISTRATION

LEGISLATIVE ACTION

PROGRAM: PUBLICATION AND GRAPHICS-OPERATIONS

BUDGET ITEM	FY 1986	Fiscal 1988			Fiscal 1989			FY 86-88 % Change
	Actual	Executive	Current Level	Subcommittee	Executive	Current Level	Subcommittee	
FTE	13.00	18.50	18.50	18.50	22.50	22.50	22.50	9.50
Personal Services	\$ 403,158	\$ 413,586	\$ 417,260	\$ 417,260	\$ 492,572	\$ 507,646	\$ 496,778	3.50
Operating Expenses	539,821	583,589	585,023	581,011	780,755	783,149	779,186	7.63
Equipment	33,605	25,800	25,800	7,800	0	0	0	-76.79
Non-Operating	123,913	123,913	123,913	123,913	123,913	123,913	123,913	0.00
TOTAL EXPENSES	\$1,100,497	\$1,146,888	\$1,151,996	\$1,129,984	\$1,397,240	\$1,414,708	\$1,399,877	2.68
PROPRIETARY FUND	\$1,100,497	\$1,146,888	\$1,151,996	\$1,129,984	\$1,397,240	\$1,414,708	\$1,399,877	2.68

Program Description: The operations program of the publications and graphics division includes the pre-press and printing functions, such as publication design and illustrative act, typography, reprographics, and duplicating and binding.

Budget: The subcommittee budget provides a 2.7 percent increase from fiscal 1986 to fiscal 1988. The 5.5 FTE increase between fiscal 1986 and 1988 is due to reorganization within the division. The 4 FTE increase in fiscal 1989 is for temporary staff added during the regular 1989 legislative session.

Equipment funding in fiscal 1988 is for one collator and two map files. No equipment was authorized for fiscal 1989. The non-operating expenses are for principal and interest payments for the division's duplicating equipment.

Funding: The operations program is funded from the division's proprietary fund which receives revenue from charging fees to user agencies. In fiscal 1986, 49 percent of the revenue within proprietary fund was derived from the general fund.

AGENCY: DEPARTMENT OF ADMINISTRATION

LEGISLATIVE ACTION

PROGRAM: PUBLICATIONS AND GRAPHICS -
ADMINISTRATION

BUDGET ITEM	FY 1986	Fiscal 1988			Fiscal 1989			FY 86-88 % Change
	Actual	Executive	Current Level	Subcommittee	Executive	Current Level	Subcommittee	
FTE	8.00	5.50	5.50	5.50	5.50	5.50	5.50	-2.50
Personal Services	\$152,582	\$156,608	\$156,673	\$156,673	\$156,772	\$156,852	\$156,852	2.68
Operating Expenses	276,612	291,902	285,553	290,054	306,174	299,737	304,391	4.86
Equipment	20,971	1,608	672	1,608	0	0	0	-92.33
Non-Operating	251,640	251,640	251,640	251,640	251,640	251,640	251,640	0.00
TOTAL EXPENSES	\$701,805	\$701,758	\$694,538	\$699,975	\$714,586	\$708,229	\$712,883	-0.26
PROPRIETARY FUND	\$701,805	\$701,758	\$694,538	\$699,975	\$714,586	\$708,229	\$712,883	-0.26

Program Description: This program is responsible for the administration of the publications and graphics division and operates the state's photocopier pool as authorized in Section 2-17-301, MCA.

Budget: The subcommittee budget provides a 0.3 percent decrease in fiscal 1988 from fiscal 1986. The FTE decrease of 2.5 is due to reorganization within the division. Four percent vacancy savings was applied to all FTE. Equipment funding in fiscal 1988 includes \$936 for two replacement desks, \$400 for a display case, and \$272 for two bookcases. No equipment is authorized for fiscal 1989. The non-operating expenses include principal and interest payments for the division's photocopiers used for the photocopy pool.

Funding: This program is funded from fees charged to user agencies and deposited to the division's proprietary fund. In fiscal 1986, 49 percent of the revenue in this proprietary fund was derived from the general fund.

AGENCY: DEPARTMENT OF ADMINISTRATION

LEGISLATIVE ACTION

PROGRAM: INFORMATION SERVICES DIVISION - ADMIN

BUDGET ITEM	FY 1986	Fiscal 1988			Fiscal 1989			FY 86-88 % Change
	Actual	Executive	Current Level	Subcommittee	Executive	Current Level	Subcommittee	
FTE	7.00	7.00	7.00	7.00	7.00	7.00	7.00	0.00
Personal Services	\$213,497	\$236,672	\$236,833	\$236,833	\$236,895	\$237,072	\$237,072	10.93
Operating Expenses	68,577	95,536	62,409	76,809	54,966	44,055	44,055	12.00
Equipment	3,217	2,200	0	0	7,735	0	0	-100.00
Non-Operating	265	0	0	0	0	0	0	-100.00
TOTAL EXPENSES	\$285,556	\$334,408	\$299,242	\$313,642	\$299,596	\$281,127	\$281,127	9.84
PROPRIETARY FUND	\$285,556	\$334,408	\$299,242	\$313,642	\$299,596	\$281,127	\$281,127	9.84

Program Description: This program administers the information services division; controls, coordinates, and plans for statewide data processing and information services; and manages an equipment pool for use by user agencies.

Budget: The subcommittee-approved budget provides a 9.8 percent increase in total expenses from fiscal 1986 to fiscal 1988. Personal services increase 10.9 percent in the same time period while FTE remain constant because a 1.0 FTE systems analyst was transferred into the program at an estimated annual \$39,000 cost while another 1.0 FTE planner was deleted at an estimated annual savings of \$23,600. In addition, the program experienced 4.5 percent vacancy savings in fiscal 1986 rather than the 2 percent budgeted by the 1985 legislature. The subcommittee applied a 4 percent vacancy savings rate to all positions in this program in the 1989 biennium.

Operating expenses increase between fiscal 1986 and fiscal 1988 and then decrease into fiscal 1989 because \$33,005 is included in fiscal 1988 for audit costs while \$13,071 was spent on audits in fiscal 1986. Funding for the division's share of the department's legal services in the Director's Office increased \$8,799 in fiscal 1988 and \$8,728 in fiscal 1989. Rent paid to the general services division increased \$2,379 in fiscal 1988 and \$2,699 in fiscal 1989 from the fiscal 1986 expenditure level.

No equipment was authorized for the 1989 biennium.

Funding: This program is funded from the central data processing proprietary fund. In fiscal 1986, 39 percent of the revenue in this proprietary fund was derived from the general fund.

AGENCY: DEPARTMENT OF ADMINISTRATION

LEGISLATIVE ACTION

PROGRAM: INFORMATION SERVICES DIVISION -
CENTRAL COMPUTER OPERATIONS

BUDGET ITEM	FY 1986	Fiscal 1988			Fiscal 1989			FY 86-88 % Change
	Actual	Executive	Current Level	Subcommittee	Executive	Current Level	Subcommittee	
FTE	78.45	76.45	76.45	76.45	76.45	76.45	76.45	-2.00
Personal Services	\$1,910,847	\$1,918,565	\$1,932,359	\$1,919,580	\$1,917,479	\$1,931,293	\$1,918,242	0.46
Operating Expenses	2,176,760	2,404,235	2,200,304	2,255,677	2,533,984	2,231,032	2,328,820	3.63
Equipment	1,428,410	1,652,092	1,256,960	1,256,960	1,470,595	1,078,963	1,078,963	-12.00
Non-Operating	119,563	0	0	0	0	0	0	-100.00
TOTAL EXPENSES	\$5,635,580	\$5,974,892	\$5,389,623	\$5,432,217	\$5,922,058	\$5,241,288	\$5,326,025	-3.61
PROPRIETARY FUND	\$5,635,580	\$5,974,892	\$5,389,623	\$5,432,217	\$5,922,058	\$5,241,288	\$5,326,025	-3.61

Program Description: The Central Computer Operations Program provides mainframe computer processing 24 hours a day, 7 days a week. Other services include data network control and management, data entry and word processing, problem resolution, technical support, and records management.

Budget: The subcommittee-approved budget includes a 2.0 FTE reduction made by the agency in response to the pay plan cut in fiscal 1987. Four percent vacancy savings was applied to the remaining positions for the 1989 biennium. Operating expenses increase 3.6 percent between fiscal 1986 and 1988 as the subcommittee approved increases in supplies in anticipation of growth of computer services by user agencies.

The equipment expenditures include \$1,244,960 in fiscal 1988 and \$1,076,463 for principal payments on existing installment purchases. Also included is \$2,500 per year for shelving and \$9,000 in fiscal 1988 only for a microfilm camera.

Funding: This program is supported by the central data processing proprietary fund. In fiscal 1986, 39 percent of the revenue into this fund came from the general fund.

Modified:

1. Operating System - The subcommittee approved \$100,000 each year for upgrading the operating system on the state mainframe. This operating system will enhance the capacity of the mainframe making additional on-line and database processing possible.

AGENCY: DEPARTMENT OF ADMINISTRATION

LEGISLATIVE ACTION

PROGRAM: INFORMATION SERVICES DIVISION -
INFORMATION CENTER

BUDGET ITEM	FY 1986	Fiscal 1988			Fiscal 1989			FY 86-88 % Change
	Actual	Executive	Current	Level	Subcommittee	Executive	Current	
FTE	12.00	12.00		12.00	12.00	12.00		0.00
Personal Services	\$329,668	\$334,308		\$334,404	\$334,404	\$334,474	\$334,596	1.44
Operating Expenses	126,612	89,265		77,054	77,054	85,089	77,373	-39.14
Equipment	17,117	93,754		36,000	36,000	92,754	36,000	110.32
Non-Operating	1,591	0		0	0	0	0	-100.00
TOTAL EXPENSES	\$474,988	\$517,327		\$447,458	\$447,458	\$512,317	\$447,969	-5.80
PROPRIETARY FUND	\$474,988	\$517,327		\$447,458	\$447,458	\$512,317	\$447,969	-5.80

Program Description: The Information Center provides user assistance, trains users on mainframe and microcomputer products, provides technical support for microcomputers and word processing systems and provides consultation on office automation needs, system selection, and implementation planning.

Budget: The subcommittee-approved budget provides for fiscal 1986 services in the 1989 biennium. The 5.8 percent overall expenditure decrease is caused by the software merchandising function being transferred to the Purchasing Division in the 1989 biennium. Four percent vacancy savings was applied to all positions in this program.

The equipment budget includes funding for three microcomputer systems, with related hardware and software, each year of the 1989 biennium.

Funding: This program is funded from an allocation from the central data processing proprietary fund. In the 1989 biennium, the Information Services Division will begin charging a separate fee, assessed to agencies on the basis of the number of microcomputers owned by the agency, to help pay for the services offered by the Information Center. This separate fee is expected to generate approximately \$90,000 in fiscal 1988 and \$99,000 in fiscal 1989.

AGENCY: DEPARTMENT OF ADMINISTRATION

LEGISLATIVE ACTION

PROGRAM: INFORMATION SERVICES DIVISION -
SYSTEMS DEVELOPMENT

BUDGET ITEM	FY 1986		Fiscal 1988		Fiscal 1989		FY 86-88 % Change
	Actual	Executive	Current Level	Subcommittee	Executive	Current Level	Subcommittee
FTE	24.00	23.00	23.00	23.00	23.00	23.00	23.00
Personal Services	\$ 747,380	\$ 737,482	\$737,818	\$737,818	\$ 736,601	\$736,952	\$736,952
Operating Expenses	251,445	378,812	222,095	222,095	379,845	223,115	223,115
Equipment	6,418	25,380	0	0	17,630	0	0
TOTAL EXPENSES	\$1,005,243	\$1,141,674	\$959,913	\$959,913	\$1,134,076	\$960,067	\$960,067
PROPRIETARY FUND	\$1,005,243	\$1,141,674	\$959,913	\$959,913	\$1,134,076	\$960,067	\$960,067
	=====	=====	=====	=====	=====	=====	=====
							-4.51
							=====

Program Description: This program is responsible for planning, designing, developing, and supporting computer programs for state agencies. The staff in this program also assist all agency programming staffs with the design of computer programs using the state database software.

Budget: The subcommittee-approved budget provides a 4.5 percent decrease from fiscal 1986 to fiscal 1988. One FTE systems analyst is transferred from this program to the Information Services Division's Administration program. Vacancy savings was set at 4 percent.

Operating expenses are continued primarily at the fiscal 1986 level. The 11.7 percent reduction between fiscal 1986 and fiscal 1988 is due to the removal of contracted programming services from current level expenditures. The 1985 general appropriations act prohibited this expense from being included in the current level budget request for the 1989 biennium. The modified approved by the subcommittee addresses contract programming in the 1989 biennium. No equipment was authorized for this program for the 1989 biennium.

Funding: This program is funded from an allocation of the central data processing proprietary fund. The systems development program assesses an hourly rate for designing, developing, and supporting computer programs for state agencies. The cost incurred for the assistance provided to programming staff in other agencies is recovered through other computer rates.

Modified:

1. Contract Programming - The subcommittee approved \$100,000 as a biennial appropriation line-itemed for contract programming. The modified is funded from the central data processing proprietary fund.

AGENCY: DEPARTMENT OF ADMINISTRATION

LEGISLATIVE ACTION

PROGRAM: INFORMATION SERVICES DIVISION -
TELECOMMUNICATIONS

BUDGET ITEM	FY 1986	Fiscal 1988			Fiscal 1989			FY 86-88 % Change
	Actual	Executive	Current Level	Subcommittee	Executive	Current Level	Subcommittee	
FTE	16.14	16.14	16.14	16.14	16.14	16.14	16.14	0.00
Personal Services	\$ 472,167	\$ 482,695	\$ 482,801	\$ 482,801	\$ 482,801	\$ 482,941	\$ 482,941	2.25
Operating Expenses	5,295,968	5,682,525	5,215,820	5,249,200	5,775,476	5,308,255	5,311,635	-0.88
Equipment	58,220	0	0	0	0	0	0	-100.00
Non-Operating	1,764,673	1,758,236	1,758,236	1,758,236	1,754,698	1,754,398	1,754,398	-0.36
TOTAL EXPENSES	\$7,591,028	\$7,923,456	\$7,456,857	\$7,490,237	\$8,012,975	\$7,545,594	\$7,548,974	-1.33
PROPRIETARY FUND	\$7,591,028	\$7,923,456	\$7,456,857	\$7,490,237	\$8,012,975	\$7,545,594	\$7,548,974	-1.33

Program Description: The Telecommunications Program is responsible for the operation of the state telephone system, designing and developing telecommunication systems, technical service and support, and planning and coordinating statewide telecommunications in general.

Budget: The subcommittee-approved budget provides a 1.3 percent decrease in total expenditures from fiscal 1986 to fiscal 1988. Factors contributing to the decrease include reduced operating expenses, specifically long distance charges, and no equipment being authorized for purchase in the 1989 biennium. Legislative audit fees are included at \$14,669 in fiscal 1988. Four percent vacancy savings was applied to all positions in the program.

Non-operating expenses are the lease purchase payments for the state's telephone system.

Funding: The Telecommunications Program is funded from the telecommunications proprietary fund. This program charges state agencies for the use and maintenance of the telephone equipment and the telephone calls made by the user agencies. These fees are deposited into the telecommunication proprietary fund. In fiscal 1986, 36 percent of the fees deposited into this proprietary fund came from the general fund.

Modified:

1. Centralize Telephone Equipment and Maintenance - The subcommittee approved \$403,633 in fiscal 1988 and \$411,719 in fiscal 1989 to allow the department to continue to centralize telephone equipment and maintenance payments for state agencies that currently pay telephone vendors directly for telephone services.

AGENCY: DEPARTMENT OF ADMINISTRATION

LEGISLATIVE ACTION

PROGRAM: INFORMATION SERVICES DIVISION -
911 EMERGENCY

BUDGET ITEM	FY 1986	Fiscal 1988		Fiscal 1989		FY 86-88 % Change
	Actual	Executive	Current Level	Executive	Current Level	
FTE	0.00	2.00	0.00	2.00	0.00	2.00
Personal Services	\$0	\$62,983	\$0	\$62,889	\$0	100.00
Operating Expenses	0	13,688	0	13,782	0	100.00
TOTAL EXPENSES	\$0	\$76,671	\$0	\$76,671	\$0	100.00
PROPRIETARY FUND	\$0	\$76,671	\$0	\$76,671	\$0	100.00

Program Description: The 911 Emergency program was authorized by the 1985 Legislature to allow the development of a statewide system for 911 emergency telephone help from a public safety agency. The program became effective January 1, 1987.

Budget: The subcommittee adopted the executive recommendation. The department is allowed by law to spend not more than 7 percent of the anticipated revenue to carry out its functions defined in statute. The budget adopted by the subcommittee reflects 7 percent of the anticipated revenue collections each year of the 1989 biennium. Two FTE will be used to implement the program.

Funding: Statute provides that a 25 cent fee per month will be assessed on each access line on each service subscriber in the state. This fee will be used to support the program within the Department of Administration as well as reimbursing service providers for collecting the fee, modifying equipment for the service, and converting pay telephones to provide the 911 service. Funds are also distributed on a per capita basis to cities and counties within a 911 jurisdiction that have an approved final plan.

AGENCY: DEPARTMENT OF ADMINISTRATION

LEGISLATIVE ACTION

PROGRAM: GENERAL SERVICES DIVISION-SECURITY PROGRAM

BUDGET ITEM	FY 1986	Fiscal 1988				Fiscal 1989				FY 86-88 % Change
	Actual	Executive	Current Level	Subcommittee	Executive	Current Level	Subcommittee	Executive	Subcommittee	
FTE	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	0.00
Personal Services	\$54,236	\$54,874	\$54,890	\$54,890	\$54,793	\$54,810	\$54,810			1.21
Operating Expenses	122	2,439	153	153	2,436	153	153			25.41
TOTAL EXPENSES	\$54,358	\$57,313	\$55,043	\$55,043	\$57,229	\$54,963	\$54,963			1.26
GENERAL FUND	\$54,358	\$57,313	\$55,043	\$55,043	\$57,229	\$54,963	\$54,963			1.26

Program Description: The Security Program provides security protection for the Governor.

Budget: The subcommittee-approved budget for the 1989 biennium maintains the same level of services provided to the Governor in fiscal 1986. Four percent vacancy savings is applied to the 2.0 FTE positions in the program.

AGENCY: DEPARTMENT OF ADMINISTRATION

LEGISLATIVE ACTION

PROGRAM: GENERAL SERVICES DIVISION

BUDGET ITEM	FY 1986	Fiscal 1988				Fiscal 1989				FY 86-88 % Change
	Actual	Executive	Current	Level	Subcommittee	Executive	Current	Level	Subcommittee	
FTE	47.75	46.00	46.00	46.00	46.00	46.00	46.00	46.00	46.00	-1.75
Personal Services	\$ 961,967	\$ 987,888	\$ 992,723	\$ 992,723	\$ 992,723	\$ 989,681	\$ 994,502	\$ 994,502	\$ 994,502	3.20
Operating Expenses	2,172,636	2,090,691	2,064,940	2,477,022	2,477,022	2,218,845	2,170,833	2,599,408	2,599,408	14.01
Equipment	8,635	5,150	5,150	5,150	5,150	0	0	0	0	-40.36
Non-Operating	148,390	0	568,998	568,998	0	0	586,765	586,765	0	-100.00
TOTAL EXPENSES	\$3,291,628	\$3,083,729	\$3,631,811	\$3,474,895	\$3,208,526	\$3,752,100	\$3,593,910	\$3,593,910	\$3,593,910	-5.57
FUNDING										
General Fund	\$ 380,336	\$ 362,991	\$ 510,197	\$ 353,281	\$ 377,967	\$ 527,964	\$ 366,033	\$ 366,033	\$ 366,033	-7.11
Proprietary Fund	2,911,292	2,720,738	3,121,614	3,121,614	2,830,559	3,224,136	3,227,877	3,227,877	3,227,877	7.22
TOTAL FUNDING	\$3,291,628	\$3,083,729	\$3,631,811	\$3,474,895	\$3,208,526	\$3,752,100	\$3,593,910	\$3,593,910	\$3,593,910	-5.57

Program Description: The General Services Division provides maintenance and janitorial services and pays the utility bills for 36 buildings with a total of 1,173,198 square feet located primarily in the capitol complex.

Legislative Intent: The subcommittee approved boilerplate language which specifies the maximum rental rate each year of the biennium and the maximum cash the department may carry over at the end of the 1989 biennium.

Budget: The subcommittee budget provides a 5.6 percent increase from fiscal 1986 to fiscal 1988 due to increased personal services and increased utility costs. Personal services increase 3.2 percent in part because the Division experienced an actual vacancy savings rate exceeding 5 percent in fiscal 1986 and the subcommittee budgeted vacancy savings at 4 percent for the 1989 biennium.

Operating costs increase 14 percent due primarily to allowances for increased utility costs. The operating budget increases \$204,631 in fiscal 1988 and \$351,226 in fiscal 1989 for utility increases. Other increases over fiscal 1986 actual expenses include \$11,237 annually for increased insurance costs, \$17,971 annually for increased janitorial costs, and \$10,000 in fiscal 1989 only for paint.

Funding: The General Services Division is funded from several sources. General fund is appropriated to the Division in lieu of charging agencies for the "common area" space in the Capitol Complex. This common area includes legislative space in the Capitol, museum space in the Historical Society, and the Governor's executive residence. The subcommittee adopted the executive recommendation to set the common area allocation as 12 percent of the operating budget, down from 18 percent established by the 1985 legislature. This percentage adopted by the subcommittee is based on the actual amount of general fund spent compared to total funds spent in fiscal 1986 rather than on square footage. The general fund appropriation decreases in the 1989 biennium from fiscal 1986 because of this change in the manner of setting the general fund appropriation for the Division.

Another funding source paid to the General Services Division in lieu of charging agencies for services is \$58,801 each year from the capitol building account. These funds, grouped in the proprietary fund category on the main table, are used for capitol building maintenance. Both the general fund and the capitol building funds are paid directly to the division for operating costs rather than the division recovering these costs through the rental rate charged to agencies within the capitol complex.

A third funding source in the General Services Division is \$60,000 each year from direct reimbursement from state agencies for special projects, rather than routine maintenance. These funds are also grouped in the proprietary fund category on the main table. If special project costs are not incurred, the revenue will not be received.

The final funding source in the General Services Division is the rental rate assessed state agencies on the basis of square footage. The square footage rate is based on the operating costs of the division less the first three funding sources. The remaining operating costs are then divided by the occupied square footage in the capitol complex to determine the square footage rate. For the 1989 biennium, the square footage rate is calculated to be no more than \$2.97 in fiscal 1988 and \$3.08 in fiscal 1989. The amount to be recovered through rental charges is \$3,002,813 in fiscal 1988 and \$3,109,076 in fiscal 1989.

AGENCY: DEPARTMENT OF ADMINISTRATION

LEGISLATIVE ACTION

PROGRAM: PURCHASING DIVISION - PURCHASING PROGRAM

BUDGET ITEM	FY 1986	Fiscal 1988			Fiscal 1989			FY 86-88 % Change
	Actual	Executive	Current Level	Subcommittee	Executive	Current Level	Subcommittee	
FTE	16.25	15.00	15.00	12.00	15.00	15.00	12.00	-4.25
Personal Services	\$409,059	\$374,696	\$373,342	\$314,815	\$374,247	\$372,902	\$314,475	-23.03
Operating Expenses	83,677	91,929	89,127	89,127	92,635	89,931	89,931	6.51
Equipment	2,082	0	0	0	0	0	0	-100.00
TOTAL EXPENSES	\$494,818	\$466,625	\$462,469	\$403,942	\$466,882	\$462,833	\$404,406	-18.37
GENERAL FUND	\$494,818	\$466,625	\$462,469	\$403,942	\$466,882	\$462,833	\$404,406	-18.37

Program Description: The Purchasing Division provides a centralized purchasing service for state agencies as required by statute. The Purchasing Program investigates possible sources for products, determined alternate product possibilities, prepares specifications, and enforces the terms and conditions outlined in purchase orders issued. The Program ensures compliance with purchasing law and rule for agencies with delegated purchasing authority and provides technical assistance on agency purchases.

Legislative Intent: The subcommittee intended that the Purchasing Bureau delegate purchasing authority of \$2,000 to all state agencies. Currently 18 agencies do not use the delegated purchasing authority arrangement with the Purchasing Bureau.

Budget: The subcommittee-approved budget includes a 4.25 FTE reduction which reflects 3.0 FTE reduced by the subcommittee due to vacancies and workload decreases and 1.25 FTE reduced by the agency for pay plan cuts. The FTE reduction accounts for the 23 percent personal services decrease from fiscal 1986 to fiscal 1988. Four percent vacancy savings was applied to the remaining positions in the program. Operating expenses are continued at the fiscal 1986 level with increases allowed for computer charges, computer maintenance, and rent.

AGENCY: DEPARTMENT OF ADMINISTRATION

LEGISLATIVE ACTION

PROGRAM: PURCHASING DIVISION -
PROPERTY AND SUPPLY BUREAU

BUDGET ITEM	FY 1986	Fiscal 1988			Fiscal 1989			FY 86-88 % Change
	Actual	Executive	Current Level	Subcommittee	Executive	Current Level	Subcommittee	
FTE	16.00	16.00	16.00	15.50	16.00	16.00	15.50	-0.50
Personal Services	\$ 343,848	\$ 365,031	\$ 364,150	\$ 355,301	\$ 364,974	\$ 364,099	\$ 355,265	3.33
Operating Expenses	2,315,468	2,478,509	2,529,601	2,524,380	2,710,742	2,523,713	2,518,492	9.02
Equipment	85,469	0	0	0	0	0	0	-100.00
TOTAL EXPENSES	\$2,744,785	\$2,843,540	\$2,893,751	\$2,879,681	\$3,075,716	\$2,887,812	\$2,873,757	4.91
PROPRIETARY FUND	\$2,744,785	\$2,843,540	\$2,893,751	\$2,879,681	\$3,075,716	\$2,887,812	\$2,873,757	4.91

Program Description: The Property and Supply Bureau provides centralized purchasing and distribution of office and janitorial supplies for state agencies. The Bureau is responsible for the Surplus Property Program which disposes of property no longer needed by state agencies.

Budget: The subcommittee-approved budget provides a 4.9 percent total expenditure increase from fiscal 1986 to fiscal 1988. Personal services increase 3.3 percent while the FTE decrease 0.5 FTE as the Bureau experienced an actual 7 percent vacancy savings rate in fiscal 1986 while the subcommittee applied 4 percent vacancy savings in the 1989 biennium. The subcommittee reduced a 0.5 FTE computer operator due to vacancy.

Operating expenses increase 9 percent as the subcommittee allowed for growth in goods purchased for resale. The Bureau has been experiencing rapid growth in the amount of goods purchased for resale as they have been adding items to their inventory categories. The subcommittee budget allows for 10 percent growth between fiscal 1986 and the 1989 biennium.

Funding: The Property and Supply Bureau is funded from the charges they assess user agencies for the products purchased and an administrative fee. These charges and fees are intended to recover the costs of the product, all other Bureau operating costs, such as shipping, and all administrative overhead. All revenue is deposited to a proprietary fund. In fiscal 1986, approximately 28 percent of the total revenue in this proprietary fund came from the General fund.

AGENCY: DEPARTMENT OF ADMINISTRATION

LEGISLATIVE ACTION

PROGRAM: MAIL AND MANAGEMENT PROGRAM

BUDGET ITEM	FY 1986	Fiscal 1988				Fiscal 1989				FY 86-88 % Change
	Actual	Executive	Current Level	Subcommittee		Executive	Current Level	Subcommittee		
FTE	9.25	11.25	9.25	9.25		11.25	9.25	9.25		0.00
Personal Services	\$174,953	\$ 194,672	\$ 164,362	\$ 167,914		\$ 195,388	\$ 165,020	\$ 168,572		-4.02
Operating Expenses	791,241	1,335,455	952,695	952,695		1,465,196	1,048,905	1,048,905		20.41
Equipment	3,254	6,420	0	6,420		6,195	6,195	6,195		97.30
Non-Operating	819	3,276	3,276	3,276		2,457	2,457	2,457		300.00
TOTAL EXPENSES	\$970,267	\$1,539,823	\$1,120,333	\$1,130,305		\$1,669,236	\$1,222,577	\$1,226,129		16.49
PROPRIETARY FUND	\$970,267	\$1,539,823	\$1,120,333	\$1,130,305		\$1,669,236	\$1,222,577	\$1,226,129		16.49

Program Description: The Mail and Management Program serves as the state's central mail operation. Both outgoing U.S. mail and inter-office mail are routed and delivered by this program for a majority of Helena-based agencies.

Budget: The budget approved by the subcommittee provides a 16.5 percent increase from fiscal 1986 to fiscal 1988 primarily caused by an anticipated 11 percent annual volume increase in the mail processed by this program. The subcommittee authorized higher equipment cash purchases in the 1989 biennium than the program spent in fiscal 1986 which also contributes towards the overall expenditure increase. The equipment authorized was \$6,420 for a mail processor in fiscal 1988 and \$6,195 for an electronic scale in fiscal 1989.

Non-operating expenses increase 300 percent from fiscal 1986 to fiscal 1988 and include lease purchase payments for a mail processing machine acquired in fiscal 1986 on a lease purchase contract.

Funding: The Mail and Management Program receives its funding from three sources. Each state agency is assessed a fee for mail sorting and delivery based on its volume of mail in the base year. This is known as "deadhead" mail. The total deadhead revenue is estimated to be \$110,376 annually. The second revenue source is the overhead cost collected on postage for outgoing U.S. mail. In the 1989 biennium, the overhead rate will be 17.5 percent. Total overhead revenue is estimated to be \$160,050 in fiscal 1988 and \$177,255 in fiscal 1989. The third revenue source is a contract with the U.S. Postal Service for \$38,976 annually which covers the costs of normal operating hours of the Capitol post office and other services provided for the U.S. Post Office. All revenue is deposited to a proprietary fund from which all program costs are paid. The actual postage and shipping costs are also recovered from the agencies and deposited to this proprietary fund. In fiscal 1986, 53 percent of the revenue deposited into this proprietary fund came from the general fund.

AGENCY: DEPARTMENT OF ADMINISTRATION

LEGISLATIVE ACTION

PROGRAM: TREASURY CENTRAL SERVICES DIVISION

BUDGET ITEM	FY 1986	Fiscal 1988				Fiscal 1989				FY 86-88
	Actual	Executive	Current Level	Subcommittee		Executive	Current Level	Subcommittee		% Change
FTE	14.75	14.50	14.50	14.50		14.50	14.50	14.50		-0.25
Personal Services	\$373,003	\$386,670	\$386,160	\$386,850		\$386,693	\$386,206	\$386,896		3.71
Operating Expenses	58,434	60,779	61,918	61,318		52,279	52,879	52,279		4.94
Equipment	9,638	0	0	0		0	0	0		-100.00
TOTAL EXPENSES	\$441,075	\$447,449	\$448,078	\$448,168		\$438,972	\$439,085	\$439,175		1.61
FUNDING										
General Fund	\$413,184	\$416,485	\$417,114	\$417,204		\$408,063	\$408,176	\$408,266		0.97
Proprietary Revenue	27,891	30,964	30,964	30,964		30,909	30,909	30,909		11.02
TOTAL FUNDING	\$441,075	\$447,449	\$448,078	\$448,168		\$438,972	\$439,085	\$439,175		1.61

Program Description: The Treasury Central Services Division is divided into two functions. The central services function contains central budget and personnel functions for the department. The treasury function is the state's central bank. It receives and disburses funds and monitors the records of accounts for all approved commercial depositories throughout the state.

Budget: The subcommittee-approved budget provides a 1.6 percent increase from fiscal 1986 to fiscal 1988. Full-time equivalent positions decrease 0.25 from fiscal 1986 to the 1989 biennium as the agency reduced an accounting technician from 0.75 to 0.50 FTE to help meet the pay plan cut in fiscal 1987. This reduction was continued into the 1989 biennium. Personal services increase while FTE decrease because the Division experienced an actual 5.6 vacancy savings rate in fiscal 1986 while the subcommittee applied 4 percent vacancy savings in the 1989 biennium.

Funding: The Treasury Central Services Division is funded from the general fund and an allocation from the Investment Division proprietary fund. The proprietary fund supports 1.0 FTE and operating expenses in the treasury function as this position deals with Board of Investment functions.

AGENCY: DEPARTMENT OF ADMINISTRATION

LEGISLATIVE ACTION

PROGRAM: BOARD OF INVESTMENTS

BUDGET ITEM	FY 1986	Fiscal 1988			Fiscal 1989			FY 86-88 % Change
	Actual	Executive	Current Level	Subcommittee	Executive	Current Level	Subcommittee	
FTE	19.00	19.00	16.00	16.00	19.00	16.00	16.00	-3.00
Personal Services	\$526,145	\$ 613,946	\$522,289	\$541,839	\$ 613,803	\$522,307	\$526,857	2.98
Operating Expenses	283,475	344,114	301,530	302,899	268,378	227,363	227,363	6.85
Equipment	3,575	5,259	3,500	3,500	1,759	0	0	-2.10
Non-Operating	7,021	259,190	9,190	9,190	253,924	3,924	3,924	30.89
TOTAL EXPENSES	\$620,216	\$1,222,509	\$636,509	\$657,428	\$1,137,864	\$753,594	\$758,144	4.54
FUNDING	=====	=====	=====	=====	=====	=====	=====	=====
General Fund	\$ 0	\$ 250,000	\$ 0	\$ 0	\$ 250,000	\$ 0	\$ 0	
Proprietary Fund	820,216	972,509	836,509	857,428	887,864	753,594	758,144	4.54
TOTAL FUNDING	\$620,216	\$1,222,509	\$836,509	\$857,428	\$1,137,864	\$753,594	\$758,144	4.54
	=====	=====	=====	=====	=====	=====	=====	=====

Program Description: The Board of Investments has the sole authority to invest state funds. It directs the investment of state funds in accordance with the Montana Constitution and state statute. The investment staff initiates the investment process for board approval and accounts for those investments.

Budget: Three FTE are deleted from the current level budget approved by the subcommittee. Two of the three FTE were deleted by the agency in response to the pay plan cut in fiscal 1987. The subcommittee also removed a 1.0 FTE security analyst because the position had been vacant for over two years. Four percent vacancy savings was applied to all positions in the 1989 biennium. Fiscal 1988 personal services also includes \$15,000 line-itemed for termination pay for the current Chief Investment Officer.

Operating expenses increase 6.9 percent between fiscal 1986 and fiscal 1988 but then decrease in fiscal 1989. The increase is attributable to increased audit and rent costs partially offset by one-time moving costs being removed from the operating base. The fiscal 1989 decrease is attributable to all audit costs being included in fiscal 1988. Authorized in fiscal 1988 only, was \$3,500 for word processing equipment.

Non-operating costs are lease purchase payments for the Board's telephone system and computer equipment.

Funding: The Board of Investments is funded from investment income.

Modified:

1. Portfolio Managers - The subcommittee approved a modified request for 2.0 FTE portfolio managers, grade 17, step 13, at a cost of \$81,709 in fiscal 1988 and \$81,613 in fiscal 1989 funded from investment income.

AGENCY: DEPARTMENT OF ADMINISTRATION

LEGISLATIVE ACTION

PROGRAM: TORT CLAIMS DIVISION

BUDGET ITEM	FY 1986	Fiscal 1988			Fiscal 1989			FY 86-88 % Change
	Actual	Executive	Current Level	Subcommittee	Executive	Current Level	Subcommittee	
FTE	8.50	8.50	8.50	8.50	8.50	8.50	8.50	0.00
Personal Services	\$ 238,404	\$ 265,935	\$ 266,025	\$ 266,025	\$ 265,571	\$ 265,662	\$ 265,662	11.59
Operating Expenses	738,287	1,336,629	1,199,121	1,191,674	1,324,543	1,187,052	1,179,805	61.44
Equipment	8,889	0	0	0	0	0	0	-100.00
Non-Operating	447,739	0	745,737	738,490	0	733,305	726,058	64.94
TOTAL EXPENSES	\$1,433,219	\$1,602,564	\$2,210,883	\$2,196,389	\$1,590,114	\$2,186,019	\$2,171,525	53.24
PROPRIETARY FUND	\$1,433,219	\$1,602,564	\$2,210,883	\$2,196,389	\$1,590,114	\$2,186,019	\$2,171,525	53.24

Program Description: The Tort Claims Division provides for the investigation, defense, and payment of bodily injury and property damage claims incurred by all agencies, officers and employees of the state of Montana under Article II, Section 18 of the Montana Constitution, and state statute. The Division also assesses the fire, casualty, and bond risks of the state for all state-owned buildings, equipment, fixtures, boilers, aircraft, cash and securities, and provides either commercial or self-insurance protection for the financial loss of such property.

Legislative Intent: The subcommittee approved boilerplate language to allow the department to spend any available self-insurance reserves and revenues to pay any deficit that may be incurred for property and liability insurance premiums due and payable through June 30, 1989. This would be needed is the charges assessed to other state agencies was insufficient to cover the premiums.

Budget: Total expenses are anticipated to increase 53 percent between fiscal 1986 and fiscal 1988 for two reasons. First, non-operating costs, which are the transfer of funds from the self-insurance account to the operating account to pay for all operating costs except commercial insurance premiums, are budgeted to increase approximately 65 percent due to increased operating costs and because the agency used a large portion of the operating account fund balance in fiscal 1986. The operating account has a much smaller fund balance going into the 1989 biennium, therefore, the transfer amount for operating costs increases.

The second reason total expenses increase is because operating expenses increase 61 percent. This large expenditure increase is caused from commercial insurance premiums going from \$373,251 in fiscal 1986 to \$719,409 in

each year of the 1989 biennium, a 93 percent increase. Operating expenses also increase between fiscal 1986 and the 1989 biennium due to the agency coding a \$98,433 operating expense in fiscal 1986 as a benefit and claim.

Personal services increase 11.6 percent due primarily because the division experienced over 19 percent vacancy savings in fiscal 1986 and the subcommittee applied 4 percent vacancy savings in the 1989 biennium.

Funding: The Tort Claims Division is funded from two sources. First, state agencies are assessed charges for insurance coverage which are intended to cover both commercial insurance premiums and the amount necessary for self-insurance. These charges are deposited into the state's self-insurance fund. The second revenue source is the interest earnings from the self-insurance fund. The interest earnings are used to pay for the administrative costs of the Tort Claims Division.

AGENCY: DEPARTMENT OF ADMINISTRATION

LEGISLATIVE ACTION

PROGRAM: PERSONNEL DIVISION - PERSONNEL PROGRAM

BUDGET ITEM	FY 1986	Fiscal 1988			Fiscal 1989			FY 86-88 % Change
	Actual	Executive	Current Level	Subcommittee	Executive	Current Level	Subcommittee	
FTE	29.50	27.75	27.50	27.50	27.75	27.50	27.50	-2.00
Personal Services	\$749,698	\$758,572	\$747,757	\$747,757	\$757,688	\$746,899	\$746,899	-0.26
Operating Expenses	129,241	129,999	122,726	123,996	131,108	123,871	125,141	-4.06
Equipment	10,979	350	0	0	350	0	0	-100.00
TOTAL EXPENSES	<u>\$889,918</u> =====	<u>\$888,921</u> =====	<u>\$870,483</u> =====	<u>\$871,753</u> =====	<u>\$889,146</u> =====	<u>\$870,770</u> =====	<u>\$872,040</u> =====	-2.04 =====
FUNDING								
General Fund	\$889,010	\$888,921	\$870,483	\$871,753	\$889,146	\$870,770	\$872,040	-1.94
Proprietary Fund	908	0	0	0	0	0	0	-100.00
TOTAL FUNDING	<u>\$889,918</u> =====	<u>\$888,921</u> =====	<u>\$870,483</u> =====	<u>\$871,753</u> =====	<u>\$889,146</u> =====	<u>\$870,770</u> =====	<u>\$872,040</u> =====	-2.04 =====

Program Description: The Personnel Program provides centralized personnel services to state agencies including classification, employee relations, labor relations, and development of personnel policy.

Budget: The subcommittee-approved budget reflects a 2.0 FTE decrease from fiscal 1986 to the 1989 biennium. The reductions occur due to division reorganization, fiscal 1987 cuts, and moving 0.5 FTE of the state labor relations chief position from the Personnel Program to the Employee Benefits Program as intended by the 1985 Legislature.

Operating expenses decrease 4 percent from fiscal 1986 to fiscal 1988 as the subcommittee allowed \$3,000 in fiscal 1988 for legal review of personnel policy drafts, forms layout and design services of the professional development center, and a classification consultant. In fiscal 1986, approximately \$12,500 was spent for these purposes. The subcommittee also reduced contracted secretarial services by \$1,100. Increases were provided for computer processing charges, printing classification manuals, photocopy expense, insurance, and mail.

No equipment was authorized in the 1989 biennium.

Funding: The Personnel Program is funded from the general fund.

AGENCY: DEPARTMENT OF ADMINISTRATION

LEGISLATIVE ACTION

PROGRAM: PERSONNEL DIVISION -
EMPLOYEE BENEFITS PROGRAM

BUDGET ITEM	FY 1986	Fiscal 1988				Fiscal 1989				FY 86-88 % Change
	Actual	Executive	Current	Level	Subcommittee	Executive	Current	Level	Subcommittee	
FTE	5.50	6.25		6.50	6.50	6.25		6.50	6.50	1.00
Personal Services	\$135,821	\$161,247		\$171,940	\$171,940	\$161,184		\$171,866	\$171,866	26.59
Operating Expenses	80,245	132,962		90,849	127,303	136,933		92,456	128,910	58.64
Equipment	6,077	900		541	541	0		0	0	-91.10
TOTAL EXPENSES	\$222,143	\$295,109		\$263,330	\$299,784	\$298,117		\$264,322	\$300,776	34.95
FUNDING										
General Fund	\$ 30,515	\$ 32,000		\$ 31,530	\$ 31,530	\$ 35,000		\$ 34,030	\$34,030	3.33
Proprietary Fund	191,628	263,109		231,800	268,254	263,117		230,292	266,746	39.99
TOTAL FUNDING	\$222,143	\$295,109		\$263,330	\$299,784	\$298,117		\$264,322	\$300,776	34.95

Program Description: The Employee Benefits Program is responsible for administration of the state's health insurance and employee benefits program.

Budget: The subcommittee-approved budget for the Employee Benefits Program increases 35 percent from fiscal 1986 to fiscal 1988 due to personal services changes and operating cost increases.

Personal services increase 26.6 percent from fiscal 1986 to fiscal 1988 as 0.5 FTE was added by the subcommittee in the 1989 biennium for one-half of the state labor relations chief position and the subcommittee approved a division transfer of a 0.5 FTE administrative officer in the 1989 biennium which was not included in this program in fiscal 1986. These changes added approximately \$36,000 to the personal services costs between fiscal 1986 and fiscal 1988.

Operating expenses increase significantly over fiscal 1986 actual expenditures as the subcommittee approved an additional \$20,000 annually for increased health promotion activities and \$4,650 annually for increased printing and computer costs related to federal legislation. In addition approximately \$24,000 is included each year for an annual audit of employee benefit claims as required by statute.

The subcommittee line-itemed \$11,804 each year for the voluntary statewide genetics program. This represents the estimated state share of the program which is based on 45 cents for each Montana resident insured under the state group insurance plan.

A microfiche reader and table is authorized for purchase in fiscal 1988. No equipment is authorized for fiscal 1989.

Funding: The Employee Benefits Program is funded from investment earnings of the self-insurance fund and from the general fund. The general fund is used to fund 1.0 FTE related to compensation and the biennial salary survey.

AGENCY: DEPARTMENT OF ADMINISTRATION

LEGISLATIVE ACTION

PROGRAM: PERSONNEL DIVISION - TRAINING PROGRAM

BUDGET ITEM	FY 1986	Fiscal 1988				Fiscal 1989				FY 86-88 % Change
	Actual	Executive	Current	Level	Subcommittee	Executive	Current	Level	Subcommittee	
FTE	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	0.00
Personal Services	\$ 92,534	\$ 91,282	\$ 91,321	\$ 91,321	\$ 91,321	\$ 91,328	\$ 91,374	\$ 91,374	\$ 91,374	-1.31
Operating Expenses	63,337	61,610	55,346	54,260	54,260	62,038	55,024	53,938	53,938	-14.33
Equipment	4,712	200	200	200	200	200	200	200	200	-95.76
Non-Operating	30,565	30,646	34,066	34,066	34,572	30,646	34,020	34,544	34,544	13.11
TOTAL EXPENSES	\$191,148	\$183,738	\$180,933	\$180,933	\$180,353	\$184,212	\$180,618	\$180,056	\$180,056	-5.65
FUNDING										
General Fund	\$ 30,647	\$ 30,646	\$ 34,066	\$ 34,572	\$ 30,646	\$ 34,020	\$ 34,544	\$ 34,544	\$ 34,544	12.81
Proprietary Fund	160,501	153,092	146,867	145,781	153,566	146,598	145,512	145,512	145,512	-9.17
TOTAL FUNDING	\$191,148	\$183,738	\$180,933	\$180,353	\$184,212	\$180,618	\$180,056	\$180,056	\$180,056	-5.65

Program Description: The Training Program provides central coordination for general training activities throughout state government.

Budget: The budget approved by the subcommittee results in a 5.6 percent reduction from fiscal 1986 to fiscal 1988 because 4 percent vacancy savings was applied in fiscal 1988 and none was experienced in fiscal 1986 and because the subcommittee reduced operating expenses approximately \$9,300 annually. Operating expense reductions occurred in contracted training (\$6,550), printing supplies (\$1,086), and meeting room rent (\$1,703).

Two hundred dollars annually is authorized for software purchases.

Non-operating expenses represent the transfer of the general fund appropriation into the proprietary fund. This is done to meet generally accepted accounting principles.

Funding: The Training Program is funded from fees for state-sponsored training classes and general fund. The general fund is used to support 1.0 FTE for the management training program.

AGENCY: DEPARTMENT OF ADMINISTRATION

LEGISLATIVE ACTION

PROGRAM: WORKERS' COMPENSATION JUDGE

BUDGET ITEM	FY 1986	Fiscal 1988				Fiscal 1989				FY 86-88 % Change
	Actual	Executive	Current	Level	Subcommittee	Executive	Current	Level	Subcommittee	
FTE	9.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	-1.00
Personal Services	\$227,542	\$224,559	\$224,152	\$224,152	\$224,152	\$224,359	\$223,949	\$223,949	\$223,949	-1.49
Operating Expenses	50,314	119,713	54,496	54,496	82,151	110,767	53,730	73,230	73,230	63.28
Equipment	34,112	800	0	0	0	800	0	0	0	-100.00
TOTAL EXPENSES	\$311,968	\$345,072	\$278,648	\$306,303	\$306,303	\$335,926	\$277,679	\$297,179	\$297,179	-1.82
STATE SPECIAL REVENUE FUND	\$311,968	\$345,072	\$278,648	\$306,303	\$306,303	\$335,926	\$277,679	\$297,179	\$297,179	-1.82

Program Description: The Workers' Compensation Judge adjudicates disputed compensation claims among workers, insurance carriers, and employers.

Budget: The subcommittee-approved budget provides a 1.8 percent decrease in total operating costs from fiscal 1986 to fiscal 1988. One FTE is eliminated in the 1989 biennium as part of the agency's cutbacks for the pay plan cut in fiscal 1987.

The subcommittee approved \$19,500 each year for office rental and \$8,155 in fiscal 1988 only for moving costs in the event the office is forced to move from its present location. These costs are line-itemed.

Operating costs were also increased \$2,360 each year for court reporting services obtained on contract. The fiscal 1986 expenditure reflected 10 months expenditure. Office equipment maintenance expenses were increased \$2,162 each year.

No equipment was authorized for purchase in the 1989 biennium.

Funding: The Workers' Compensation Judge is funded from the workers' compensation state special revenue fund which receives workers' compensation insurance premiums.

AGENCY: DEPARTMENT OF ADMINISTRATION

LEGISLATIVE ACTION

PROGRAM: STATE TAX APPEAL BOARD

BUDGET ITEM	FY 1986	Fiscal 1988			Fiscal 1989			FY 86-88 % Change
	Actual	Executive	Current Level	Subcommittee	Executive	Current Level	Subcommittee	
FTE	5.50	6.00	5.50	5.50	5.50	5.50	5.50	0.00
Personal Services	\$212,434	\$266,001	\$209,196	\$209,196	\$236,324	\$209,188	\$209,188	-1.52
Operating Expenses	102,288	244,645	103,569	103,569	151,175	103,494	103,494	1.25
Equipment	5,616	1,896	1,400	1,400	496	0	0	-75.07
TOTAL EXPENSES	\$320,338	\$512,542	\$314,165	\$314,165	\$387,995	\$312,682	\$312,682	-1.93
GENERAL FUND	\$320,338	\$512,542	\$314,165	\$314,165	\$387,995	\$312,682	\$312,682	-1.93

Program Description: The State Tax Appeals Board hears appeals resulting from decisions of county appeals boards and from taxation decisions of the Department of Revenue. Included in the board's authority are property taxes, corporate license taxes, income taxes, and liquor taxes. In addition to funding state board operations, the budget includes salaries and travel expenses for the county tax appeal boards.

Budget: The subcommittee-approved budget continues the fiscal 1986 current level services. A slight reduction in total operating costs results from less equipment authorized in fiscal 1988 than the Board spent in fiscal 1986.

Per diem costs of \$53,055 are included each year for county board members and approximately \$43,000 is included each year for contracted secretarial services for the county boards. The subcommittee applied 4 percent vacancy savings to all positions in the program for the 1989 biennium.

AGENCY: DEPARTMENT OF ADMINISTRATION

LEGISLATIVE ACTION

PROGRAM: PUBLIC EMPLOYEES' RETIREMENT DIVISION

BUDGET ITEM	FY 1986	Fiscal 1988				Fiscal 1989				FY 86-88 % Change
	Actual	Executive	Current	Level	Subcommittee	Executive	Current	Level	Subcommittee	
FTE	22.50	19.60	21.60	19.60	17.60	21.60	19.60	-2.90		
Personal Services	\$486,508	\$471,881	\$499,613	\$470,073	\$423,149	\$499,515	\$470,008	-3.38		
Operating Expenses	303,597	345,966	292,932	290,664	238,366	261,277	241,575	-4.26		
Equipment	23,153	1,395	1,395	1,395	1,481	1,950	1,481	-93.97		
TOTAL EXPENSES	\$813,258	\$819,242	\$793,940	\$762,132	\$662,996	\$762,742	\$713,064	-6.29		
	=====	=====	=====	=====	=====	=====	=====	=====		
PENSION TRUST FUND	\$813,258	\$819,242	\$793,940	\$762,132	\$662,996	\$762,742	\$713,064	-6.29		
	=====	=====	=====	=====	=====	=====	=====	=====		

Program Description: The Public Employees' Retirement Division is administratively attached to the Department of Administration. It administers the retirement systems for the members and their beneficiaries of eight retirement systems.

Budget: The subcommittee-approved budget provides a 6 percent decrease from fiscal 1986 to fiscal 1988 due to the agency deleting 2.0 FTE related to the social security function formerly operated by the division. The agency also deleted .9 FTE in response to the five percent and pay plan cuts in fiscal 1987. This reduction is continued into the 1989 biennium.

Operating expenses decrease between fiscal 1988 and fiscal 1989 due to \$30,000 audit costs included in fiscal 1988 only and approximately \$8,000 for further reductions in the social security program, \$9,000 for decreased printing costs, and \$2,100 for decreased computer processing costs.

Funding: The Public Employees Retirement Division is funded from investment earnings from the retirement fund.

AGENCY: DEPARTMENT OF ADMINISTRATION

LEGISLATIVE ACTION

PROGRAM: TEACHERS' RETIREMENT SYSTEM

BUDGET ITEM	FY 1986	Fiscal 1988				Fiscal 1989				FY 86-88 % Change
	Actual	Executive	Current Level	Subcommittee	Executive	Current Level	Subcommittee			
FTE	11.00	10.40	10.40	10.40	10.40	10.40	10.40	10.40	-0.60	
Personal Services	\$222,939	\$229,961	\$231,499	\$229,961	\$229,899	\$231,446	\$229,899		3.15	
Operating Expenses	131,814	194,431	176,876	190,439	174,126	151,379	167,194		44.48	
Equipment	1,389	2,077	0	0	0	0	0		-100.00	
TOTAL EXPENSES	\$356,142	\$426,469	\$408,375	\$420,400	\$404,025	\$382,825	\$397,093		18.04	
	=====	=====	=====	=====	=====	=====	=====		=====	
PENSION TRUST FUND	\$356,142	\$426,469	\$408,375	\$420,400	\$404,025	\$382,825	\$397,093		18.04	
	=====	=====	=====	=====	=====	=====	=====		=====	

Program Description: The Teachers' Retirement System provides retirement, disability and survivor benefits for the state teachers and their beneficiaries. The Teachers' Retirement Board, which is comprised of six members is responsible for the administration of the system. The program is regulated by Title 19, Chapter 4, MCA. The Teachers' Retirement System is administratively attached to the Department of Administration.

Budget: The subcommittee-approved budget provides a 18 percent increase in total operating expenses caused primarily by increased computer processing charges for the System's new computer system and biennial audit and actuary costs being included in fiscal 1988.

No equipment was authorized for the 1989 biennium.

Funding: The Teachers' Retirement System is funded from the investment earnings of the system.

AGENCY: DEPARTMENT OF HIGHWAYS

LEGISLATIVE ACTION

PROGRAM: AGENCY SUMMARY

BUDGET ITEM	FY 1986	Fiscal 1988			Fiscal 1989			FY 86-88 % Change
	Actual	Executive	Current Level	Subcommittee	Executive	Current Level	Subcommittee	
FTE	2005.50	1869.64	1834.07	1871.14	1863.64	1828.07	1865.14	-140.36
Personal Services	\$ 52,946,819	\$ 52,945,994	\$ 51,750,565	\$ 52,989,401	\$ 52,949,994	\$ 51,760,164	\$ 52,993,526	0.08
Operating Expenses	220,844,206	152,918,455	151,792,746	152,708,082	145,779,812	144,735,476	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	\$224,999,299	\$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	\$217,797,229	\$224,999,299	\$221,059,174	\$208,316,269	-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 and 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.

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.

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 Preconstruction 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>
Beginning Balance	\$ 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>
Total Funds Available	\$270,478,865	\$273,850,416	\$252,703,577
<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>
Total Disbursement & Adjustments	\$139,813,775	\$162,776,567	\$168,132,090
ENDING BALANCE	<u>\$130,665,090</u>	<u>\$111,073,849</u>	<u>\$ 84,571,487</u>

AGENCY: DEPARTMENT OF HIGHWAYS

LEGISLATIVE ACTION

PROGRAM: GENERAL OPERATIONS

BUDGET ITEM	FY 1986	Fiscal 1988			Fiscal 1989			FY 86-88 % Change
	Actual	Executive	Current Level	Subcommittee	Executive	Current Level	Subcommittee	
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

BUDGET ITEM	FY 1986	Fiscal 1988			Fiscal 1989			FY 86-88 % Change
	Actual	Executive	Current Level	Subcommittee	Executive	Current Level	Subcommittee	
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	\$ 71,731,986	\$ 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 Service Revolving Program. Vacancy savings of 4 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

BUDGET ITEM	FY 1986	Fiscal 1988				Fiscal 1989				FY 86-88 % Change
	Actual	Executive	Current Level	Subcommittee	Executive	Current Level	Subcommittee			
FTE	662.83	642.33	629.23	642.33	642.33	629.23	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			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			-4.99
Equipment	337,195	100,204	99,204	100,204	100,090	100,090	100,090			-70.28
Non-Operating	158,484	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			-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			-2.24
Federal Revenue	55,945	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			-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.

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.

AGENCY: DEPARTMENT OF HIGHWAYS

LEGISLATIVE ACTION

PROGRAM: PRE-CONSTRUCTION

BUDGET ITEM	FY 1986	Fiscal 1988			Fiscal 1989			FY 86-88 % Change
	Actual	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	3.04
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	3.04
	=====	=====	=====	=====	=====	=====	=====	=====

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

BUDGET ITEM	FY 1986	Fiscal 1988			Fiscal 1989			FY 86-88 % Change
	Actual	Executive	Current Level	Subcommittee	Executive	Current Level	Subcommittee	
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 Constructin 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

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

BUDGET ITEM	FY 1986	Fiscal 1988			Fiscal 1989			FY 86-88 % Change
	Actual	Executive	Current Level	Subcommittee	Executive	Current Level	Subcommittee	
FTE	120.35	117.85	119.35	119.85	117.85	119.35	119.85	-0.50
Personal Services	\$ 3,328,003	\$ 3,345,584	\$ 3,389,139	\$ 3,396,551	\$ 3,358,140	\$ 3,402,043	\$ 3,409,223	2.06
Operating Expenses	4,627,294	4,505,186	4,367,138	4,505,186	4,566,262	4,482,976	4,566,262	-2.64
Equipment	4,649,030	4,905,659	4,650,099	4,905,659	4,905,659	4,650,099	4,905,659	5.52
Non-Operating	2,910,182	1,675,099	0	1,930,659	1,450,099	0	1,705,659	-33.66
TOTAL EXPENSES	\$15,514,509	\$14,431,528	\$12,406,376	\$14,738,055	\$14,280,160	\$12,535,118	\$14,586,803	-5.00
FUNDING	=====	=====	=====	=====	=====	=====	=====	=====
State Special Revenue	\$ 2,910,182	\$ 1,675,099	\$ 0	\$ 1,930,659	\$ 1,450,099	\$ 0	\$ 1,705,659	-33.66
Proprietary Funds	12,604,327	12,756,429	12,406,376	12,807,396	12,830,061	12,535,118	12,881,144	1.61
TOTAL FUNDING	\$15,514,509	\$14,431,528	\$12,406,376	\$14,738,055	\$14,280,160	\$12,535,118	\$14,586,803	-5.00
	=====	=====	=====	=====	=====	=====	=====	=====

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

BUDGET ITEM	FY 1986	Fiscal 1988				Fiscal 1989				FY 86-88 % Change
	Actual	Executive	Current	Level	Subcommittee	Executive	Current	Level	Subcommittee	
FTE	0.00	0.00	0.00	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	\$0	\$0	
STATE SPECIAL REVENUE	\$28,109,889	\$0	\$0	\$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.

AGENCY: DEPARTMENT OF HIGHWAYS

LEGISLATIVE ACTION

PROGRAM: STORES INVENTORY

BUDGET ITEM	FY 1986	Fiscal 1988			Fiscal 1989			FY 86-88 % Change
	Actual	Executive	Current Level	Subcommittee	Executive	Current Level	Subcommittee	
FTE	0.00	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

BUDGET ITEM	FY 1986	Fiscal 1988			Fiscal 1989			FY 86-88 % Change
	Actual	Executive	Current Level	Subcommittee	Executive	Current Level	Subcommittee	
FTE	107.14	110.03	113.00	110.03	110.03	113.00	110.03	2.89
Personal Services	\$2,299,072	\$2,570,305	\$2,625,070	\$2,570,305	\$2,570,561	\$2,630,986	\$2,570,561	11.80
Operating Expenses	789,331	872,082	762,262	872,082	878,681	767,174	878,681	10.48
Equipment	116,452	54,920	54,920	54,920	54,120	54,120	54,120	-52.84
TOTAL EXPENSES	\$3,204,855	\$3,497,307	\$3,442,252	\$3,497,307	\$3,503,362	\$3,452,280	\$3,503,362	9.13
STATE SPECIAL REVENUE	\$3,204,855	\$3,497,307	\$3,442,252	\$3,497,307	\$3,503,362	\$3,452,280	\$3,503,362	9.13

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

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

AGENCY: ADJUTANT GENERAL

LEGISLATIVE ACTION

PROGRAM: AGENCY SUMMARY

BUDGET ITEM	FY 1986	Fiscal 1988			Fiscal 1989			FY 86-88 % Change
	Actual	Executive	Current Level	Subcommittee	Executive	Current Level	Subcommittee	
FTE	91.00	95.50	78.00	77.50	95.50	78.00	75.00	-13.50
Personal Services	\$1,850,966	\$2,248,700	\$1,875,358	\$1,857,945	\$2,255,204	\$1,878,749	\$1,862,006	-0.38
Operating Expenses	1,708,874	1,855,420	1,661,809	1,667,502	1,874,647	1,710,722	1,716,110	-2.42
Equipment	23,181	9,460	3,500	3,500	0	0	0	-84.90
Non-Operating	1,983,366	1,002,280	2,280	2,280	1,002,280	2,280	2,280	N/A
TOTAL EXPENSES	\$5,566,387	\$5,115,860	\$3,542,947	\$3,531,227	\$5,132,131	\$3,591,751	\$3,580,396	-36.56
FUNDING								
General Fund	\$1,822,275	\$1,836,982	\$1,816,084	\$1,806,770	\$1,818,031	\$1,831,154	\$1,821,710	-0.85
Federal Revenue	3,744,112	3,278,878	1,726,863	1,724,457	3,314,100	1,760,597	1,758,686	-33.94
TOTAL FUNDING	\$5,566,387	\$5,115,860	\$3,542,947	\$3,531,227	\$5,132,131	\$3,591,751	\$3,580,396	-36.56

Program Description: The Department of Military Affairs oversees all activities of the Army National Guard and the Air Guard Programs, the Veterans' Affairs Division, and the Disaster and Emergency Services Division, which is responsible for the preparation, update coordination, and testing of all state emergency preparedness, response, and recover plans. The division is also responsible for radiological defense efforts and calibration and maintenance of radiological instruments.

Budget: The reduction of 13.5 FTE is due to the elimination of 11.0 FTE security guard positions directly paid by the federal government in the 1989 biennium, and the elimination of 2.5 FTE due to fiscal 1987 budget cuts.

The reduction in total costs of the department is primarily the result of three factors: 1) elimination of budget amendments totaling \$247,757 in fiscal 1986, 2) elimination of start-up costs of the veterans' cemetery of \$25,000, and 3) elimination of local civil defense reimbursements of \$1,800,861, which are requested as a modified budget in the 1989 biennium.

Funding: General fund supports all or a portion of all programs of the department with the exception of Emergency Management Development, which is entirely federally funded. A detailed discussion of the funding of each program is contained in the narrative that follows.

AGENCY: ADJUTANT GENERAL

LEGISLATIVE ACTION

PROGRAM: ADMINISTRATION PROGRAM

BUDGET ITEM	FY 1986	Fiscal 1988				Fiscal 1989				FY 86-88 % Change
	Actual	Executive	Current Level	Subcommittee		Executive	Current Level	Subcommittee		
FTE	4.00	4.00	4.00	4.00		4.00	4.00	4.00		0.00
Personal Services	\$121,920	\$124,576	\$124,598	\$124,598		\$124,629	\$124,655	\$124,655		2.20
Operating Expenses	49,247	54,628	56,519	56,519		54,070	56,117	56,117		14.77
TOTAL EXPENSES	\$171,167	\$179,204	\$181,117	\$181,117		\$178,699	\$180,772	\$180,772		5.81
FUNDING	=====	=====	=====	=====		=====	=====	=====		=====
General Fund	\$163,822	\$169,508	\$171,016	\$171,016		\$168,961	\$170,627	\$170,627		4.39
Federal Revenue	7,345	9,696	10,101	10,101		9,738	10,145	10,145		37.52
TOTAL FUNDING	\$171,167	\$179,204	\$181,117	\$181,117		\$178,699	\$180,772	\$180,772		5.81
	=====	=====	=====	=====		=====	=====	=====		=====

Program Description: The Administration Program provides management and supervisory support to the Department of Military Affairs.

Budget: The rise in operating expenses of 15 percent is due to increases in utility costs of \$3,607 in fiscal 1988 and \$7,019 in fiscal 1989, and an audit fee increase of \$3,428 in fiscal 1988 above the fiscal 1986 level. Total audit costs are \$4,200 in fiscal 1988 only.

Funding: General fund provides the entire support of this program with the exception of 0.5 FTE of a 1.0 FTE accounting technician position, who is 50 percent funded with federal funds as reimbursement for federal work performed. The rise in federal funds of 37.5 percent is due to the position being funded with approximately 40 percent federal funds in fiscal 1986.

BUDGET ITEM	FY 1986	Fiscal 1988			Fiscal 1989			FY 86-88 % Change
	Actual	Executive	Current Level	Subcommittee	Executive	Current Level	Subcommittee	
FTE	15.00	15.00	15.00	14.00	15.00	15.00	14.00	-1.00
Personal Services	\$ 290,326	\$ 309,224	\$ 305,774	\$ 287,159	\$ 309,919	\$ 306,451	\$ 287,814	-1.09
Operating Expenses	1,075,847	1,081,863	993,050	993,050	1,110,670	1,024,496	1,024,496	-7.70
Equipment	902	3,000	0	0	0	0	0	-100.00
Non-Operating	157,505	2,280	2,280	2,280	2,280	2,280	2,280	
TOTAL EXPENSES	\$1,524,580	\$1,396,367	\$1,301,104	\$1,282,489	\$1,422,869	\$1,333,227	\$1,314,590	-15.86
FUNDING								
General Fund	\$ 836,127	\$ 842,986	\$ 854,660	\$ 850,006	\$ 858,570	\$ 874,637	\$ 869,978	1.66
Federal Revenue	688,453	553,381	446,444	432,483	564,299	458,590	444,612	-37.18
TOTAL FUNDING	\$1,524,580	\$1,396,367	\$1,301,104	\$1,282,489	\$1,422,869	\$1,333,227	\$1,314,590	-15.86

Program Description: The Army National Guard provides trained and equipped military organizations for the Governor in the event of a state emergency and for the President in the event of a national emergency. The state's responsibilities include coordination and maintenance of all National Guard facilities.

Budget: The reduction of 1.0 FTE is due to the deletion of a vacant security Guard position due to fiscal 1987 budget cuts. The reduction in operating expenses of 7.7 percent is the cumulative result of the following: 1) expenses of two budget amendments totaling \$92,757 were eliminated, 2) insurance expenses were reduced \$17,096, 3) uniform reimbursements were reduced \$3,150, and 4) utilities were increased \$29,742 in fiscal 1988 and \$61,095 in fiscal 1989.

Non-operating costs in the 1989 biennium consist of \$2,280 each year in payments to a national guardsman injured in a prison riot in 1959. Non-operating costs in fiscal 1986 also included a budget amendment of \$155,000 and \$225 in capital outlay costs not maintained in the 1989 biennium.

Funding: This program is funded with a combination of general fund and federal funds. The state is reimbursed for certain expenses, including personal services, contract services, supplies and materials, utilities, and repair and maintenance, associated with the maintenance of federal buildings on a 75/25 federal/state basis. In addition, the

federal Government makes a grant for communications expenses to the program. The reduction in federal funds of 37 percent is primarily due to the deletion of three budget amendments totaling \$247,757.

Modified Budgets:

1. Designer: Federal funds totaling \$22,065 in fiscal 1988 and \$22,105 in fiscal 1989 are recommended to add a design engineer to coordinate and supervise minor construction and repair projects for the Townsend Montana Guard training site and for Fort Harrison.

2. Telephone/Maintenance Costs: Federal funds totaling \$96,100 each year are recommended to account for a reimbursement agreement with the federal Government for a portion of communications and maintenance costs of specific Army Guard facilities.

3. Training Site Support: Federal funds totaling \$300,000 each year are recommended to provide training site support.

4. Coordinator for Family Services: Federal funds totaling \$30,744 in fiscal 1988 and \$30,707 in fiscal 1989, including 1.0 FTE, are recommended to provide support services for Army Guard family members.

LEGISLATIVE ACTION

PROGRAM: AIR NATIONAL GUARD PROGRAM

BUDGET ITEM	FY 1986	Fiscal 1988			Fiscal 1989			FY 86-88 % Change
	Actual	Executive	Current Level	Subcommittee	Executive	Current Level	Subcommittee	
FTE	31.00	37.00	20.00	20.00	37.00	20.00	20.00	-11.00
Personal Services	\$478,301	\$840,441	\$479,577	\$471,446	\$946,355	\$482,325	\$474,912	-1.43
Operating Expenses	383,846	451,958	412,541	407,780	483,993	442,823	437,966	6.24
TOTAL EXPENSES	\$862,147	\$1,292,399	\$892,118	\$879,226	\$1,330,348	\$925,148	\$912,878	1.98
FUNDING								
General Fund	\$105,935	\$119,185	\$110,520	\$110,349	\$125,671	\$116,662	\$116,466	4.17
Federal Revenue	756,212	1,173,214	781,598	768,877	1,204,677	808,486	796,412	1.67
TOTAL FUNDING	\$862,147	\$1,292,399	\$892,118	\$879,226	\$1,330,348	\$925,148	\$912,878	1.98

Program Description: The Air National Guard provides administrative and clerical services for the Air Guard Program. This program is also responsible for facilities maintenance and fire protection support to the Air National Guard base at Gore Hill near Great Falls.

Budget: Funding for 11.0 FTE security guard positions was added in fiscal 1986. These positions were never funded from this program, as the positions were funded directly by the federal government. The positions have been deleted in the 1989 biennium.

Personal services decrease 1.43 percent due to the reduction in reimbursement for 14.0 FTE firefighters by the amount of federal pay plan each year. The firefighters are 100 percent federally funded. Operating expenses rise 6.24 percent, as utilities add \$29,951 in fiscal 1988 and \$60,167 in fiscal 1989. In addition, \$5,000 in repair and maintenance were deleted as a result of fiscal 1987 budget cuts.

Funding: The Air National Guard is funded with general fund and with federal funds. Federal funds entirely support the 14.0 FTE firefighters and provide 80 percent of the remaining funding of the program, with the exception of travel and other expenses, which are general funded.

Modified Budgets:

1. Crash/Fire Rescue: Funds are recommended to increase the firefighter staff at Gore Hill near Great Falls and for increased utilities and repair and maintenance costs of specialized facilities due to the conversion from F-106 to F-16 fighter planes. The increased staff, totaling \$368,995 in fiscal 1988 and \$371,443 in fiscal 1989, is 100 percent federally funded. The increased utilities and repair and maintenance, totaling \$44,178 in fiscal 1988 and \$46,027 in fiscal 1989, is 80 percent federal, 20 percent general fund. General fund totals \$8,836 in fiscal 1988 and \$9,205 in fiscal 1989.

AGENCY: ADJUTANT GENERAL

LEGISLATIVE ACTION

PROGRAM: DISASTER COORDINATION AND RESPONSE

BUDGET ITEM	FY 1986	Fiscal 1988			Fiscal 1989			FY 86-88 % Change
	Actual	Executive	Current Level	Subcommittee	Executive	Current Level	Subcommittee	
FTE	14.00	13.00	13.00	13.00	13.00	13.00	13.00	-1.00
Personal Services	\$370,032	\$371,186	\$371,353	\$371,353	\$371,059	\$371,243	\$371,243	0.36
Operating Expenses	89,253	116,852	93,020	93,220	82,347	87,141	87,141	4.66
Equipment	14,946	0	0	0	0	0	0	-100.00
TOTAL EXPENSES	\$474,233	\$488,038	\$464,373	\$464,573	\$453,406	\$458,384	\$458,384	-2.04
FUNDING								
General Fund	\$221,351	\$245,969	\$225,395	\$222,095	\$216,154	\$222,401	\$219,001	0.34
Federal Revenue	252,882	242,069	238,978	242,478	237,252	235,983	239,383	-4.11
TOTAL FUNDING	\$474,233	\$488,038	\$464,373	\$464,573	\$453,406	\$458,384	\$458,384	-2.04

Program Description: Disaster Coordination and Response is responsible for the preparation, update, coordination, and testing of all state emergency preparedness, response, and recover plans.

Budget: One FTE training officer was deleted due to the fiscal 1987 budget cuts. The increase of 4.44 percent in operating expenses is due to the cumulative effect of two factors: 1) audit fees total \$6,808 in fiscal 1988, or \$5,154 over the fiscal 1986 level, and 2) a one-time data processing expense of \$1,555 was eliminated.

Funding: This program is funded 50/50 with federal funds and General fund, with the exception of \$16,982 in travel, which is 100 federal funded.

AGENCY: ADJUTANT GENERAL

LEGISLATIVE ACTION

PROGRAM: EMERGENCY MANAGEMENT DEVELOPMENT

BUDGET ITEM	FY 1986	Fiscal 1988			Fiscal 1989			FY 86-88 % Change
	Actual	Executive	Current Level	Subcommittee	Executive	Current Level	Subcommittee	
FTE	8.50	8.50	8.00	8.50	8.50	8.00	8.50	-0.00
Personal Services	\$191,672	\$211,177	\$201,844	\$211,177	\$211,136	\$201,829	\$211,136	10.18
Operating Expenses	43,266	59,341	47,898	59,341	56,998	45,564	56,998	37.15
Equipment	3,421	0	0	0	0	0	0	-100.00
TOTAL EXPENSES	\$238,359	\$270,518	\$249,742	\$270,518	\$268,134	\$247,393	\$268,134	13.49
FEDERAL REVENUE	\$238,359	\$270,518	\$249,742	\$270,518	\$268,134	\$247,393	\$268,134	13.49

Program Description: Emergency Management Development supplements the Disaster Coordination and Response Program in the preparation and updating of local and state Emergency Preparedness Plans and is responsible for calibration and maintenance of radiological instruments.

Budget: The rise in operating expenses of 37.15 percent is due to the following factors: 1) travel was increased \$11,273 each year, 2) insurance and bonds were increased \$2,570, 3) audit fees total \$2,320 in fiscal 1988, which is \$1,857 over the fiscal 1986 level, and 4) data processing expenses were raised \$240.

Modified Budget:

1. Local Civil Defense Reimbursements: Federal pass through funds totaling \$2,000,000 each year are recommended for the Local Civil Defense Reimbursement Program to receive, record and disburse federal funds to other eligible political subdivisions.

AGENCY: ADJUTANT GENERAL

LEGISLATIVE ACTION

PROGRAM: VETERANS' AFFAIRS

BUDGET ITEM	FY 1986	Fiscal 1988			Fiscal 1989			FY 86-88 % Change
	Actual	Executive	Current Level	Subcommittee	Executive	Current Level	Subcommittee	
FTE	18.50	18.00	18.00	18.00	18.00	18.00	18.00	-0.50
Personal Services	\$398,715	\$392,096	\$392,212	\$392,212	\$392,106	\$392,246	\$392,246	-1.63
Operating Expenses	67,415	90,778	58,781	57,592	86,569	54,581	53,392	-14.57
Equipment	3,910	6,460	3,500	3,500	0	0	0	-10.49
Non-Operating	25,000	0	0	0	0	0	0	
TOTAL EXPENSES	\$495,040	\$489,334	\$454,493	\$453,304	\$478,675	\$446,827	\$445,638	-8.43
FUNDING								
General Fund	\$495,040	\$459,334	\$454,493	\$453,304	\$448,675	\$446,827	\$445,638	-8.43
Federal Revenue	0	30,000	0	0	30,000	0	0	N/A
TOTAL FUNDING	\$495,040	\$489,334	\$454,493	\$453,304	\$478,675	\$446,827	\$445,638	-8.43

Program Description: The Veterans' Affairs Division provides a statewide service for assisting discharged veterans and their families, files, claims, cooperates with state and federal agencies having to do with the affairs of veterans and their families, and promotes the general welfare of veterans with information on veterans' benefits, provision of Veterans' Administration (VA) forms, guidance in completing those forms, and representation before regional VA appeals boards.

Budget: A 1.0 FTE administrative assistant position was eliminated due to fiscal 1987 budget cuts. However, a word processing operator position was increased to 1.0 FTE, for a net decrease of 0.5 FTE.

Operating expenses decrease 14.57 percent as a cumulative result of the following action: 1) a contract for secretarial services with the DAV and VFW was eliminated in a continuation of fiscal 1987 budget cuts, 2) rent on the Butte office totaling \$1,998 each year was deleted, 3) one-time telephone charges of \$1,500 were eliminated, 4) one-time paint expenses of \$1,000 were eliminated, and 5) audit fees total \$4,200, which is \$3,428 higher than the fiscal 1986 level.

Equipment consists of one personal computer.

Modified Budget:

1. Veterans' Cemetery: Federal funds of \$30,000 each year are recommended to establish an account to receive Veterans' Administration plot allowances of \$150 per veteran burial, and will be used to expend funds through a contract for services to open and close graves.

VISITOR'S REGISTER

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