MINUTES OF THE MEETING
INSTITUTIONS AND CULTURAL EDUCATION SUBCOMMITTEE
50TH LEGISLATIVE SESSION
HOUSE OF REPRESENTATIVES

January 12, 1987

The fourth meeting of the Institutions and Cultural Education Subcommittee was called to order in room 202-A of the State Capitol by Chairman Ron Miller on January 12, 1987 at 8:07 a.m.

ROLL CALL: All members were present as were Keith Wolcott, Senior Analyst for the Legislative Fiscal Analyst, (LFA), Alice Omang, secretary, Carroll South, Director of the Department of Institutions, George Harris of the Governor's Office of Budget and Program Planning, (OBPP), and various other representatives.

DEPARTMENT OF INSTITUTIONS: Tape 4-1-A

Executive Session:

Alcohol and Drug Abuse Division (005)

Keith Wolcott, Senior Analyst for the Legislative Fiscal Analyst, (LFA), distributed to the committee exhibit 1, which is a budget worksheet showing the dollar differences between the LFA and the OBPP. He explained to the committee exhibit 8 from the January 8, 1987 meeting, giving an overview of the differences of personal services, operating expenses, grants and funding.

(36) George Harris, representing the Governor's Office of Budget and Program Planning, recommended the lower levels in the alcohol funds so that the counties do not anticipate more money than they are actually going to get.

There was some discussion on this and Mr. Wolcott referred the committee to page D-13 of the LFA budget, Table 7, "Remaining for County Distribution".

Chairman Miller asked if they were guaranteeing them at least that much, to which Mr. South responded that these are appropriated amounts on the top - that is a guarantee - but what is not guaranteed is how much is going to be left of the pie after these appropriations are made.

There was some further discussion on this and Senator Bengtson acknowledged that she was also having some trouble with the back page of exhibit 1, 03080 - "Alcohol Drugs, Mental Health with a difference of $161,541.

Mr. Wolcott explained this referring to page D-11, Table 5, and the total is $41,294,365, which corresponds with the second page of your second-level handout, and this is the total block grant funds available and the $215,200 in Table 5, which is the general fund portion and this totals $1,294,565, which is the amount of grants.

There was considerable discussion and explanation of the block grant program.

(275) Chairman Miller asked how does he know that $20,000 is going to Cascade County for drugs, to which Mr. South responded that he could come over to their office and look at the contracts.

Robert Anderson, Administrator of the Alcohol and Drug Abuse Division, responded that there is language in the block grant law that says they have to spend so much on drugs and they cannot spend it on alcohol - at least 35% of their block grant has to be spent on drugs and for treatment of people who have drug problems.

(360) Mike Murray, representing the Chemical Dependency Program of Montana, informed the committee that the law requires a maintenance of effort on the part of the state and if an effort is not maintained, the entire grant fund could be in jeopardy.

There was some discussion on maintenance of effort.

Senator Haffey asked if the drug problem was increasing in Montana as it is nationwide.

Mr. Anderson replied that they have seen a tremendous amount of cocaine use increase, but marijuana stays relatively the same and they are starting to see crack, but very little yet, but he felt that it was coming.

There were questions and answers concerning the overall drug and alcohol problem in the state of Montana.

Tape 4-1-B (064) Senator Haffey stated that there are some programs that ought not be cut and they cannot afford to go below certain levels and they do not have the luxury of cutting these.

Representative Menahan indicated that it was a case of pay now or pay later because if these people are drug addicts and they do not have a job, they have to steal to get it so they are then sentenced to prison and they take care of them over there at a cost of $30,000 for two years and then send them to a program and send them out.

(148) Senator Bengtson moved that on personal services the committee ACCEPT the executive budget and eliminate the one FTE for a total of $256,906 in FY 88 and $257,235 in FY 89. The motion CARRIED with Senator Haffey and Representative Menahan voting no.

(160) Senator Bengtson moved that they ACCEPT the executive's budget on travel of $15,539 in both years and adjust the totals. The motion CARRIED unanimously.

(180) Senator Bengtson moved that they ACCEPT the executive's budget on equipment and grants so that they do not anticipate more than what actually may be coming in and then make sure the language in the appropriations bill states that they are allowed to spend any additional monies at their discretion.

Mr. Harris noted that they were confusing block grant funds with alcohol funds and Senator Bengtson WITHDREW her motion.

Chairman Miller said that they need to take $215,200 out of there from the general fund, which would leave $41,079,365.

Senator Bengtson MOVED that they take the general fund contribution of $215,200 out both years of the biennium and adjust the totals to $1,079,365.

Representative Menahan stated that he would like to have this not affect a counselor in a one-counselor area.

Mr. Anderson responded that he does not have any control over that.

Representative Menahan clarified that in Anaconda, they are going to lose their program completely whereas Great Falls and Billings with multiple counselors will keep theirs and they won't have a program.

Mr. Anderson responded that they usually reduce those programs that do not have a waiting list and if a program sits there with a large waiting list, he hates to reduce services.

A roll call vote was taken on the motion and it FAILED with a vote of 3 to 3. See Roll Call Vote form.

(287) Senator Bengtson moved that they ACCEPT the LFA figures of $1,294,565 for FY 88 and FY 89 for the grants. The motion CARRIED unanimously.

Senator Bengtson made a motion that they ACCEPT the LFA figure on equipment of $3,000. The motion CARRIED unanimously.

(345) Senator Bengtson made a motion that language be put in the appropriations bill that allows the department to come in with a budget amendment to spend any additional federal block grant money that they might receive and to spend it at their discretion. The motion CARRIED unanimously.

Mr. Wolcott informed the committee that he thought the department was asking that the committee vote on a revenue estimate for the amount of alcohol earmarked funds that are available in total - what gets published in the appropriation's report would be whatever the committee comes up with. He thought they should vote on the total dollar amount, which is on D-13, Table 7, which shows $3,927,828 in FY 88 and $3,989,696 in FY 89, and they could adjust that to what the executive has.

Chairman Miller clarified that this lets the counties, etc. know what is available without them thinking there will be other money available.

Mr. Harris indicated that this is just a projection for they are concerned that if the revenue estimates are very high, the committee will feel freer to appropriate out of it, but if the revenue estimates are more pessimistic, then they will not be so inclined to appropriate more.

Senator Bengtson moved that they ACCEPT the executive's figures of $3,586,448, in FY 88 and $3,478,056 in FY 89 as the total amount of revenues for alcohol. The motion CARRIED unanimously.

Mr. Anderson asked if those levels are going to be tied into the appropriation or are they just being used for estimates.

Chairman Miller advised that these are just estimates.

(470) VACANCY SAVINGS:

Chairman Miller informed the committee that Representative Donaldson had indicated that he preferred that the committee come out with a proposed bill on vacancy savings, if they can agree on a bill.

Mr. Wolcott referred the committee to page 16 of exhibit 2, starting with "In-State Survey" and he gave an overview of this information.

(Tape 4-2-A) Senator Bengtson commented that she could see a lot of abuse and she felt that mismanagement could be rewarded by using a pool.

(250) He advised that the biggest problem facing the state right now is that the agencies have been able to handle the cuts so far, but now if they take those cuts plus another 4% vacancy savings, that is when the disadvantages start to manifest.

Chairman Miller acknowledged that as an example at the School for the Deaf and Blind, most of their positions are posts and, when they put a 4% vacancy savings on them, it meant cuts in programs.

There was considerable discussion about the effects and ramifications of vacancy savings.

(Tape 4-2-B) Representative Menahan stated that when you apply these vacancy savings at Mountain View and Boulder, you do it on the backs of those kids and these people do not ask to wind up in those facilities and no one really cares about them - he has never seen a lobbyist up here representing the people at Boulder or Warm Springs.

(200) There were concerns expressed and discussion on the pooling concept.

(358) ADJOURNMENT: There being no further business, the meeting adjourned at 10:55 a.m.

Tom Miller

REPRESENTATIVE MILLER, Chairman

Alice Omang

Alice Omang, Secretary

DAILY ROLL CALL

INSTITUTIONS AND CULTURAL EDUCATION SUB COMMITTEE

50th LEGISLATIVE SESSION -- 1987

Date January 12, 1987

NAME	PRESENT	ABSENT	EXCUSED
Rep. Miller, Chairman	✓		
Sen. Bengtson, Vice Chairman	✓		
Sen. Haffey	✓		
Sen. Tveit	✓		
Rep. Menahan	✓		
Rep. Menke	✓		

#4

ROLL CALL VOTE

INSTITUTIONS AND CULTURAL EDUCATION SUBCOMMITTEE

DATE January 12, 1987

AGENCY Department of Institutions

NUMBER 1

NAME	AYE	NAY	
REP. RON MILLER, CHAIRMAN	X		
SEN. BENGTSON, V.CHAIRMAN	X		
SEN. HAFFEY		X	
SEN. TVEIT		X	
REP. MENAHAN		X	
REP. MENKE	X		

TALLY 3 - 3

Alice Omang
Secretary

Ron Miller
Chairman

Motion: Senator Bengtson's motion to take the general fund contribution of $215,200 out both years of the biennium and adjust the totals to $1,079,365.

Exhibit 1
1/12/87
Alcohol & Drug
K. Wolcott

REPORT EBSR106
DATE : 01/07/87
TIME : 15/24/40

OFFICE OF BUDGET & PROGRAM PLANNING
EXECUTIVE BUDGET SYSTEM
AGENCY/PROGRAM/CONTROL --- BUDGET WORKSHEET

AGENCY : 6401 DEPARTMENT OF INSTITUTIONS
PROGRAM : 15 ALCOHOL & DRUG ABUSE DIVISION
CONTROL : 00000

CURRENT LEVEL SERVICES ONLY

AE/OE	DESCRIPTION	OBPP FY 88	LFA FY 88	DIFF FY 88	SUB-CMT FY 88	OBPP FY 89	LFA FY 89	DIFF FY 89	SUB-CMT FY 89
0000	FULL TIME EQUIVALENT (FTE)	9.00	10.00	-1.00	___,___,___	9.00	10.00	-1.00	___,___,___
1100	SALARIES	221,662	243,177	-21,515	___,___,___	221,453	242,886	-21,433	___,___,___
1400	EMPLOYEE BENEFITS	33,528	36,799	-3,271	___,___,___	34,080	37,397	-3,317	___,___,___
1500	HEALTH INSURANCE	12,420	13,800	-1,380	___,___,___	12,420	13,800	-1,380	___,___,___
1600	VACANCY SAVINGS	-10,704	-11,665	961	___,___,___	-10,718	-11,652	934	___,___,___
	TOTAL SECOND LEVEL	256,906	282,111	-25,205	___,___,___	257,235	282,431	-25,196	___,___,___
2021	CONTRACTED SERVICES-INFLATION	-17	-17		___,___,___	-34	-33	-1	___,___,___
2022	SUPPLIES & MATERIALS-INFLATION		-2	2	___,___,___				___,___,___
2023	COMMUNICATIONS-INFLATION	23	23		___,___,___	35	35		___,___,___
2025	RENT-INFLATION		882	-882	___,___,___		1,224	-1,224	___,___,___
2100	CONTRACTED SERVICES	52,645	52,645		___,___,___	37,028	37,045	-17	___,___,___
2200	SUPPLIES & MATERIALS	3,634	3,699	-65	___,___,___	3,634	3,699	-65	___,___,___
2300	COMMUNICATIONS	10,623	10,646	-23	___,___,___	10,623	10,646	-23	___,___,___
2400	TRAVEL	15,539	16,903	-1,364	___,___,___	15,539	16,903	-1,364	___,___,___
2500	RENT	13,414	13,099	315	___,___,___	13,823	13,099	724	___,___,___
2700	REPAIR & MAINTENANCE	5,919	5,919		___,___,___	5,919	5,919		___,___,___
2800	OTHER EXPENSES	3,058	2,282	776	___,___,___	3,058	2,282	776	___,___,___
	TOTAL SECOND LEVEL	104,838	106,079	-1,241	___,___,___	89,625	90,819	-1,194	___,___,___
3100	EQUIPMENT	3,000	3,000		___,___,___	3,000	3,000		___,___,___
6000	GRANTS	1,133,024	1,294,565	-161,541	___,___,___	1,133,024	1,294,565	-161,541	___,___,___
	TOTAL PROGRAM	1,497,768	1,685,755	-187,987	___,___,___	1,482,884	1,670,815	-187,931	___,___,___
01100	GENERAL FUND	215,200	215,200		___,___,___	215,200	215,200		___,___,___
02034	ALCOHOLISM TREATMENT-REHAB	342,255	368,701	-26,446	___,___,___	327,371	353,761	-26,390	___,___,___

AGENCY : 6401 DEPARTMENT OF INSTITUTIONS
PROGRAM : 15 ALCOHOL & DRUG ABUSE DIVISION
CONTROL : 00000

CURRENT LEVEL SERVICES ONLY

AE/OE	DESCRIPTION	OBPP FY 88	LFA FY 88	DIFF FY 88	SUB-CMT FY 88	OBPP FY 89	LFA FY 89	DIFF FY 89	SUB-CMT FY 89
03073	DEPARTMENT OF INSTITUTIONS SSI	22,489	22,489		___,___,___	22,489	22,489		___,___,___
03080	ALCOHOL DRUGS, MENTAL HEALTH	917,824	1,079,365	-161,541	___,___,___	917,824	1,079,365	-161,541	___,___,___
	TOTAL PROGRAM	1,497,768	1,685,755	-187,987	___,___,___	1,482,884	1,670,815	-187,931	___,___,___

Exhibit 2
1/16/87
Vacancy Savings
K. Wolcott

2. With termination pay as an unfunded liability, when budget entities experience a large number of terminations or large single payouts, the entities must then force more vacancy savings to cover the cost.

3. An overestimation of vacancy savings may cause undue hardship on the agencies' appropriation.

4. Vacancy savings is subject to manipulation by the agencies, the budget analysts, and the committees to reach desired results.

5. An agency's ability to accomplish its goals may be impaired if their budget is reduced too much for vacancy savings.

6. Relies heavily on historical data which must be reliably accurate or requires more subjective adjustments.

7. The historical vacancy savings rate may not continue thereby either overappropriating or underappropriating for the personal service needs of the agencies.

Category 2: Incremental Vacancy Savings

Three of the responding states apply vacancy savings incrementally based on the size of the workforce, (FTE), and the agencies' actual vacancy savings experience. These three states are Alaska, New Mexico, and Oklahoma.

In Alaska, the Governor submits the budget based on standard rates:

FTE	Percent
Less than 10	0
11-20	1
21-30	2
31-50	3
51 and over	4

The Alaska legislature, in its review of the budgets, may adjust these rates up or down based on their review and judgement. New Mexico applies a similar method; however, using the following criteria: historic rates, subjective analysis, and the application of vacancy savings for any year should not exceed 50 percent of the historic trend for agencies with 10 to 50 employees or 75 percent for larger agencies.

For example, if an agency employing 40 people experienced a 4 percent vacancy savings in the base budget year, and the historic trend was also 4 percent, the maximum vacancy savings that could be applied would be 2 percent. For an agency with more than 50 employees and the same rate experience, the maximum vacancy savings that could be applied is 3 percent.

While Alaska uses five FTE levels to categorize vacancy savings rates and New Mexico uses two, Oklahoma only applies vacancy savings to large agency budgets such as their Department of Corrections with nearly 3,500 authorized positions.

The advantages listed by these states are;

1. Vacancy savings rates take into account the difficulty of small agencies to force savings when they do not have turnover and need all of their employees.
2. Basing vacancy savings on historical trends, does not limit the flexibility to consider unique circumstances in setting the rates.
3. It is easy to explain, compute, and get the agencies to accept.

The disadvantages listed are:

1. Standardized rates based on the number of employees does not necessarily reflect historical reality.
2. There is no guarantee that the historical trends are an accurate predictor of future experience.
3. Oklahoma felt their method was too limited in its application of applying vacancy savings only to large agencies and not applying vacancy savings to small agencies who also experience vacancy savings.

Category 3: Periodic Reversion or Distribution Using a Pool

Under this method authorized positions are fully funded with some variation on a central pool to either allocate personal services funding based on actual experience or collect vacancy savings as it occurs. Three of the responding states, Nevada, New Hampshire, and South Carolina use some form of pooling to deal with vacancy savings.

Nevada appropriates 100 percent of all position costs to each state agency before authorized salary increases. State general fund dollars are appropriated at a percentage of the total required for approved salary increases to a central pool to be distributed on an as needed basis. For the 1987 biennium, salary increases were appropriated at 80 percent of the need resulting in an overall vacancy savings rate of 2.2 percent.

South Carolina allocates employee compensation on a quarterly basis and only for actual requirements in addition to what other vacancy savings rates that may be applied.

New Hampshire uses a somewhat different approach. Personal services are divided into three categories; permanent employees, temporary employees, and additional federally funded positions. Permanent personnel are appropriated by FTE and salary for each agency at 100 percent. Any excesses or shortages in personal service appropriations are adjusted through a salary adjustment fund. Transfers, other than those from the salary adjustment fund, can be made into, (but not out-of), permanent personnel. Temporary personnel are line-itemed in the operating budgets. These positions are restricted only by the dollar amount appropriated or available within the agency budget for transfer to fund temporary personnel positions for periods not exceeding one year. Additional federally funded positions from new or expanded grants are authorized by the Legislative Fiscal Committee for periods not exceeding the grant period. The following are excerpts from New Hampshire statutes providing for quarterly reversions of the vacancy savings generated and making the funds available ~~for~~ transfer to agencies where it is deemed necessary.

> 99:4 SALARY ADJUSTMENT FUND Whereas the appropriations for personal services in state departments and institutions include an annual increment for each position, and whereas upon occasion due to vacancies and personnel turnover, salaries, increment increases and longevity as provided by the appropriations are not needed for said positions, each quarter the department of administration and control shall transfer said amount from the departmental or institutional appropriation to a special account to be known as the salary adjustment fund. This fund shall lapse at the end of each fiscal year and revert to the appropriate fund. Under no circumstances will this fund be used for temporary positions or new positions. Upon the certification of the director of personnel, subject to the approval of governor and council, the salary adjustment fund shall be available for transfer to departments and institutions in amounts that are deemed necessary to comply with RSA 98[1]. .

> 9:17-c EMPLOYEE BENEFIT ADJUSTMENT ACCOUNT Whereas the appropriations for employee benefits in state departments and institutions may upon occasion not be totally needed for each position due to vacancies and personnel turnover, the department of administration services shall transfer said amount quarterly from the departmental or institutional appropriations to a special account to be known as the employee benefit adjustment account. This fund shall lapse at the end of each fiscal year and revert to the appropriate fund. Upon the certification of the commissioner of administrative services, subject to the approval of governor and council, the employee benefit account shall be available for transfer to departments and institutions in amounts that are deemed necessary to pay the state's required proportionate share of any legally authorized employee benefit. Notwithstanding the provisions of RSA 9:16 and 9:17[2], no transfer shall be made from any appropriation for employee benefits to any other appropriation for any other use or purpose except as provided in this section.

These states list the advantages of pooling vacancy savings as:

1. It is unnecessary to compute a savings figure for each budget.
2. Distribution to agencies from the pool is done near the end of the fiscal year when actual data is known.

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[1]RSA 98 is New Hampshire's statue covering personnel compensation, (pay matrices). . .

[2]RSA 9:16 and 9:17 are statutes outlining New Hampshire's limits on transfers and appropriations.

3. The cost of legislatively approved pay raises is controlled to the level ~~of~~ actual cost only.

4. The salary dollar pool is controlled centrally, not in the agencies.

5. There have been substantial reversions to the general fund from the pooled appropriations.

6. When applied without exemptions, it is "nondiscriminatory" in that all agencies share the burden or responsibility for savings equally.

7. Quarterly reviews and adjustments to the salary adjustment fund facilitate flexibility and cash flow.

8. Procedures for new federally funded personnel allow the state to take advantage of new federal grants while maintaining control of personnel positions.

9. Provisions in the biennial budgets (see below) provide for the elimination of vacant permanent personnel positions which is an additional means of controlling expenditures.

406:12 Personal Services Limitation (Chapter 406:12 (II))

I. Other provisions of law notwithstanding, the total number of permanent classified positions for any department or agency for the biennium ending June 30, 1987, shall be limited to the number of full-time and permanent classified positions authorized as of June 30, 1985, reduced according to paragraph II, plus such new positions as are authorized by the general court.

II. The total number of positions authorized shall be reduced by the number of positions which have been vacant for the entire period of the 60 days immediately preceding:

(a) June 30, 1985, for all agencies and departments except as provided in subparagraph (b); or

(b) May 31, 1985, for instructional personnel at the technical institute and the vocational-technical colleges.

III. For the purposes of this section, the term "vacant" shall not include the position of any person on approved leave, paid or unpaid.

IV. The executive head of the department or agency shall determine which positions shall be filled within the limitations of the appropriations for the department or agency, and the personnel classifications as authorized in this act, and the numerical limitations imposed by this section.

V. With respect to agencies having an authorized complement of 5 permanent classified positions or less, the authorized number of positions shall not be reduced under this section. The provisions of this section shall not apply to the veterans' home, or to the New Hampshire hospital.

The disadvantages as listed in these three states are:

1. The potential danger of not appropriating sufficient funds to the pool.
2. It potentially penalizes those agencies that are "lean and mean," and their staffing requirements are minimally met.

Category 4: No Specific Policy

There are five respondent states who either do not have a specific statewide policy or whose response was unclear or not specifically described. They are, therefore, unuseable for the purposes of this report.

IN-STATE SURVEY

The second survey conducted was of 32 agencies within Montana's system. This survey was used primarily to corroborate the historical background presented earlier in this report and to seek ideas and comments on the current use of vacancy savings and alternative methods if the system were to change. Of the 32 surveys sent out, all but two were returned.

In order to obtain a cross section of agency opinion on the use of budgeting vacancy savings the following questions were made a part of the survey:

1. WHAT DO YOU PERCEIVE AS THE OVERALL EFFECT OF VACANCY SAVINGS AS APPLIED TO YOUR BUDGET? DOES IT HAVE ADVANTAGES? DOES IT HAVE DISADVANTAGES?

Of the 30 respondents, only four cited any advantages while one, who had no vacancy savings applied, cited no vacancy savings applied provided flexibility. The advantages listed are:

(a) Vacancy savings provides a budget balancing mechanism during legislative sessions. (It was not clear from this response if this is only for the legislature or if the agencies can also use this.)

(b) Properly applied vacancy savings allows expected services to be delivered without excess appropriations being made.

(c) Vacancy savings can serve as a source to fund the pay plan.

While there was limited response on advantages there was an abundance of responses citing the disadvantages of applying vacancy savings to the budgets. The following are consolidated disadvantages as cited by the agencies:

(a) The application of vacancy savings reduces flexibility and makes it difficult to accomplish agency goals.

(b) Positions left vacant to meet budgeted vacancy savings are subject to elimination.

(c) When vacancy savings cannot be produced from personal service budgets then operating or equipment budgets must be used which has the affect of reducing overall budgets.

(d) Applied to federally funded programs, vacancy savings reduces federal financial participation and/or may reduce federally funded jobs in Montana.

(e) Forcing vacancy savings does not allow overlap in filling positions so the incumbent can train their replacement.

(f) In small agencies, the application of vacancy savings in excess of actual experience persistently erodes the base budget.

(g) In programs delivering services directly to the public or where workloads are already backlogged, forced vacancy savings hurts services and the image of state government.

The above responses were not entirely unexpected so a companion question was included in the survey immediately after the above question.

2. HOW WOULD YOUR AGENCY LIKE TO HAVE VACANCY SAVINGS HANDLED BY THE LEGISLATURE?

The responses to this question can be consolidated into the nine categories listed below.

(a) Do not apply vacancy savings to the budgets.

(b) Apply vacancy savings based on actual experience. Suggestions for an appropriate historical base ranged from using the previous three years experience to the previous five years of actual experience.

(c) Appropriate personal services at 100 percent and line item personal services in the appropriations act. With no allowable transfers into or out-of personal services, any balances remaining at fiscal year-end would revert to the appropriate funds. There were suggestions to also line-item the FTE levels in the appropriations act.

(d) If the legislature is required to make cuts do not use vacancy savings, instead identify specific program cuts to be made.

(e) Do not apply vacancy savings to non-general fund programs and/or small programs.

(f) Apply vacancy savings rates based on the size of the personal services budget. Example provided:

Personal Services Budget	Vacancy Savings Rate
Less than $500,000	0.5%
$ 500,000 - $1,000,000	1.0%
$1,000,000 - $2,000,000	2.0%
$2,000,000 - $3,000,000	3.0%
$3,000,000 and up	4.0% and up

(g) Appropriate a statewide vacancy savings amount to a central pool managed by The Office of Budget and Program Planning. Agencies could then apply to the pool through some justification process for aid if they cannot meet the vacancy savings applied to their budget.

(h) Appropriate 100 percent of the personal services budget required to fund all authorized positions. Then establish a central pool to which unused personal service appropriations are refunded each pay period. The pool could then be used in the manner set out in option (g) above for agencies who encounter problems in their personal services budget. The pool balance would revert at year-end.

(i) When positions are left vacant to force vacancy savings, do not subsequently delete those positions.

SUMMARY OF SURVEYS

Many of the agency responses parallel those from other states. The data from these surveys will be used in the analysis section later in this report.

The out-of-state survey shows that the states who do not apply vacancy savings in the budgeting/appropriations process, line item personal services within the appropriation and the appropriation balance due to vacancy savings, revert. Therefore, each of these states must appropriate more for personal services and limit overall budget flexibility in the agencies by using a line item personal services appropriation.

The states that do apply vacancy savings in the budgeting/appropriations process basically use one of two methods; 1) after calculating vacancy savings using either a historical basis or an incremental basis, the personal services appropriation has been decreased for vacancy savings; or 2) personal services funds are distributed to agencies from a central pool based on actual need or vacancy savings is reverted to a central pool as it is incurred.

The common advantages listed for applying vacancy savings were:

1. The dollars saved by applying vacancy savings can be used to fund other priority programs or reduce the overall revenue required to fund government.
2. The application of vacancy savings reduces personal services appropriations to a level that reflects actual costs.
3. The application of vacancy savings limits the diversion of savings in salaries to other objects of expenditure.

The common disadvantages of applying vacancy savings were:

1. An overestimation of vacancy savings may cause undue hardship on an agency's appropriation.
2. Vacancy savings is subject to manipulation by the agencies, the budget analysts, and the committees to reach desired results.
3. Vacancy savings may impair an agency's ability or flexibility to accomplish its goals if their budget is reduced too much.

The results of the in-state survey generally echoes the responses of the out of state survey. It seems clear, however, from the in-state survey that the agencies would prefer that:

1. Vacancy savings not be applied to their budgets in the appropriations process, or
2. if the application of vacancy savings in the appropriations is not eliminated, then a different method should be used to apply vacancy savings.

ANALYSIS

The earlier sections of this report have: 1) defined vacancy savings, 2) reviewed historically how Montana has applied vacancy savings, 3) illustrated methods used by other states concerning the application of vacancy savings, and 4) summarized responses by state agencies to a questionnaire concerning the application, effect, and method of applying vacancy savings. This analysis will provide some perspective to the meaning of vacancy savings in the state budget and define some of the problems encountered when calculating, projecting, and applying vacancy savings.

BUDGET IMPACT OF VACANCY SAVINGS

The 1987 biennium application of vacancy savings reduced overall appropriation levels by approximately $21.7 million for the biennium, $11 million of general fund and $10.7 million of other funds. Article VIII, section 9 of the Montana Constitution requires that appropriation by the Legislature shall not exceed anticipated revenue. Therefore, had the legislature not applied vacancy savings, $11.0 million of additional general fund revenues or program reductions would have been needed to balance the budget.

Table 2 shows the dollar amounts of vacancy savings calculated using percentages ranging from 2 to 5 percent as well as the appropriated level of vacancy savings for the 1987 biennium. A comparison between the vacancy savings calculated at 4 percent of the total personal services and the appropriated fiscal 1987 vacancy savings, shows the appropriated is $9 million lower than the 4 percent that was recommended in the executive budget for the 1987 biennium. This difference results from not applying vacancy savings to university contract faculty, Vo-Tech centers, prison security guards, and agencies with fewer than 20 FTE. Had the legislature applied a 4 percent vacancy savings factor to the university faculty, an additional $6.6 million of general fund would have been saved in the 1987 biennium.

Table 2
Comparison of Vacancy Savings Rates

	Fiscal 1986	Fiscal 1987	Total
Total Personal Services	$376,194,188	$390,371,302	$766,565,490
Vacancy Savings			
2.0 Percent	7,523,884	7,807,426	15,331,310
2.8 Percent (Appropriated)	10,692,360	10,991,179	21,683,534
3.0 Percent	11,285,826	11,711,139	22,996,965
4.0 Percent	15,047,767	15,614,852	30,662,619
5.0 Percent	18,809,709	19,518,565	38,328,274

CALCULATION OF VACANCY SAVINGS

Although Montana's Statewide Budgeting and Accounting System, (SBAS) and Payroll, Personnel, and Position Control System, (PPP) provide a tremendous amount of detailed information, neither system currently provides a consistent, comprehensive accounting of vacancy savings.

The attributes required to calculate vacancy savings by program are:

1) the total amount required to pay for all legislatively authorized FTE including authorized pay increases,

2) the total dollar amount of vacancy savings applied to the total personal services budget,

3) the actual cost of personal services by object of expenditure,

4) the cost of grade changes in authorized positions, and

5) the cost of unauthorized positions filled.

The Statewide Budgeting and Accounting System, (SBAS) has the capabilities to provide a consistent comprehensive and accurate accounting of attributes 1, 2, and 3 above. However, current operational procedures do not mandate that agencies use the capabilities offered by SBAS particularly in allocating attributes 1 and 2 above by program. For an example of the problems of operational plan control and budget allocations on SBAS, see the attached Operational Plan Control report presented to the Legislative Finance Committee in January 1986.

The Payroll, Personnel, and Position Control System, (PPP) also has the capabilities to provide an accounting of attributes 1, 2, 4, and 5. Although the cost of position upgrades, attribute 4, may take more than a little effort to identify and calculate, especially in large programs. Again, as with SBAS, current operational procedures do not mandate that agencies use the capabilities offered by the PPP system. In addition, there is no systematic monitoring of the two systems to ensure that the detail in PPP ties to SBAS and is kept updated.

ACCURATE AND CONSISTENT INFORMATION

Inconsistent recording of actual expenditures can have considerable impact in projecting future vacancy savings rates. One such inconsistency was discovered when reviewing the results of the in-state survey. It was discovered that not all state agencies are recording terminating vacation pay the same way. The following example illustrates the inconsistent recording of terminating pay and points out an area in which the state's accounting records are inconsistent.

Example: Two employees give two week notification to their employer of their intent to terminate on the same day. Assume both employees have 90 hours of accrued vacation leave credits and 150 days of sick leave credits on that day.

Scenario 1: The employer agrees to allow one employee to take two weeks (80 hours) of vacation and extend the effective date of termination another two weeks. Therefore, when the employee leaves, he is kept on the payroll for the two additional weeks as vacation and then paid the balance of his vacation credits (ten hours) plus his additional vacation accrued (4.62 hours) for the two weeks and 25 percent of his sick leave credits in a lump sum. The agency, in turn, codes the extended two weeks of the terminating employee's salary to vacation pay on SBAS and the lump sum payments to terminating sick leave and terminating vacation.

Scenario 2: The other employee terminates with the 90 hours vacation credits and 150 hours of sick leave credits. The employer pays a lump sum payment to the terminating employee coding the entire amounts to terminating sick pay and terminating vacation.

There are two major differences in Scenario 1 and Scenario 2. (1) The employee in scenario 1 received an additional accrual of 4.62 hours of vacation pay and 3.69 hours of sick leave because of the extended termination date, and (2) although both employees terminated at the same time, SBAS reflects considerably different figures for terminating vacation pay. The employee in Scenario 1 would reflect terminating vacation for only ten hours plus the 4.62 hours accrued during his two week vacation period while the employee in Scenario 2 reflects terminating vacation for 90 hours. The following table compares the difference based on grade 12, step 6 employees.

Table 3
Comparison of Terminating Vacation Pay For Scenario 1 and 2

Scenario	Hourly Rate	Vacation Hours	Sick Leave Hours	Vacation Pay	Term. Vac. Pay	Term Sick (25%)	Total
1. 2 Week Vacation	$9.346	80	-0-	$747.68	$ -0-	$ -0-	$ 747.68
1. Lump Sum	9.346	14.62	153.69		136.64	359.10	495.74
Total 1		94.62	153.69	$747.68	$ 136.64	$359.10	$1243.42
2. Lump Sum	$9.346	90	150	$ -0-	$ 841.14	$350.48	$1191.62
Difference		4.62	3.69	$747.68	($704.50)	$ 8.62	$ 51.80

Although the total dollar effect of Scenario 1 over Scenario 2 is only $51.80, there is a significant difference, $704.50 or 42 percent, in the amount reflected in the state's accounting records for terminating vacation pay. Since termination pay is not appropriated, any termination pay decreases the available appropriation after vacancy savings is applied. The extent that individual agencies are inconsistent could have considerable impact on determining the amount of actual terminating vacation pay and thus the vacancy savings calculations. Since the state accounting records are inconsistent, the effect of termination pay on vacancy savings cannot be accurately calculated.

TERMINATION PAY

Table 4 shows the statewide actual amount paid for terminating sick pay and vacation pay for fiscal years 1981 through 1985 as recorded in SBAS. There was a considerable increase shown in SBAS between fiscal 1982 and 1983. Since fiscal 1983, termination pay recorded in SBAS has averaged about $2.4 million a year.

Table 4
Statewide Terminating Sick Pay and Vacation Pay

	1981	1982	1983	1984	1985
Term. Sick Leave	$ 701,196	$ 500,793	$ 668,827	$ 872,265	$1,009,17
Term. Vacation Pay	1,085,072	1,075,995	1,663,143	1,475,166	1,467,12
Total	$1,786,268	$1,576,788	$2,331,970	$2,347,431	$2,476,295

Note: These figures do not include benefits.

In both fiscal 1984 and 1985 termination pay, an unbudgeted expenditure, accounted for approximately 0.7 percent of the total personal services budgets. Therefore, when a vacancy savings rate of 4 percent is applied, the actual vacancy saving rate is 4.7 percent because of not budgeting termination pay.

POOLING

Some states, as reflected in our survey, have established a central pool that an agency may turn to for help when faced with a large termination pay out. A good example of how a pool would have saved an agency budget was when the new state auditor assumed office in January 1985. Six individuals terminated with a combined leave accrual of $73,154, or 5.6 percent of their fiscal 1985 personal services budget. The state auditors office ultimately received a $26,029 general fund supplemental with the balance of the accrual being paid out of the fiscal 1985 general fund appropriation which already included a vacancy savings factor of approximately 3.5 percent. The termination pay plus the vacancy savings amounts to 9.1 percent of the personal services budget with 7.1 percent being absorbed by the fiscal 1985 appropriation and the balance through the supplemental appropriation.

Small agencies are particularly vulnerable to termination pay, especially when the termination occurs within the last month of the fiscal year. In the first year of the biennium if the appropriation is insufficient to pay the termination costs the agency may seek a supplemental. However, should a termination occur in the last month of the second year of the biennium and the agency appropriation is insufficient, the agency simply cannot meet its obligation. Section 17-8-202, paragraph (2) of the Montana Codes Annotated, prohibits the Department of Administration from charging any appropriation unless the balance of the appropriation is available and adequate. If no appropriation is available for the payment of a claim, the department shall audit it and, if it is a valid claim, transmit it to the Governor for presentation to the legislature. The terminating employee has the right, according to Section 39-3-305, paragraphs (1) and (2), MCA, to receive all unpaid wages within three days unless he would otherwise receive the wages on the next regular payday for the pay period during which he terminated. These two laws obviously create a delima for a manager who is unfortunate enough to have an employee terminate in the last month of the second year of the biennium and insufficient appropriation available to pay the termination costs.

A statewide pool for such contingencies is an alternative to supplementals, special appropriations, and varying vacancy savings rates by agency.

SUMMARY

It is clear that vacancy savings exists within state government. Montana's legislature not only recognizes this fact, but has moved since the 1979 legislature, to use vacancy savings as an important budgeting tool. This is evidenced by the move from individual agency vacancy savings allocations by subcommittees in the 1979 legislative session to the application of "across the board" vacancy savings in the 1985 legislative session. Montana is among the majority states who recognize and deal with vacancy savings in the budgeting/appropriations process. Although the methods of applying vacancy savings vary from state to state, the underlying purpose for doing so is common to all. That is, to recognize the existence of vacancy savings and to account for and manage its effect on government resources.

The legislature is aware of some problems that result from the application of vacancy savings. This is evidenced by the passage of House Joint Resolution 43. The in-state survey responses indicated that agencies would prefer that no vacancy savings be applied or that a different method be developed for application in the budgeting process. However, as shown in the analysis, the problems surrounding vacancy savings are not limited to the legislature's application of vacancy savings to agency budgets. The state's accounting systems have capabilities beyond current operational mandates. If utilized fully, these systems could provide the information necessary to track and project vacancy savings. Also pointed out, are inconsistencies in recording information in SBAS which further compound the problems of accurately analyzing and projecting vacancy savings. The following issues and options may not end the debate surrounding the application of vacancy savings, however, action by the legislature on these issues will provide a clear direction for the future application of vacancy savings.

ISSUES

Issue 1: Should vacancy savings continue to be applied in the budgeting/appropriation process?

Option A: Continue to apply vacancy savings in the budgeting/appropriation process.

Option B: Do not apply vacancy savings in the budgeting/appropriations process.

Issue 2: If vacancy savings is to be applied, what method should be used to apply vacancy savings in the appropriation process?

Option A: Line item personal services and FTE levels in the appropriation and require a reversion of the unexpended balances. This reversion could be made at the end of each pay period, monthly, quarterly, or at the end of the fiscal year.

Option B: Apply vacancy savings to each agency budget based on historic experience with adjustments for unusual circumstances.

Option C: Apply vacancy savings to each agency budget based on an incremental method which scales the vacancy savings rate to the number of FTE in each agency. Under this method smaller agencies would have less vacancy savings applied than larger agencies.

Option D: Apply vacancy savings to each agency budget based on the global method as in the current biennium.

Option E: Adopt a method similar to the one used in New Hampshire, where personal services are fully funded within the appropriations act for all authorized FTE. Establish a central pool to which all vacancy savings realized would revert each pay period. Establish procedures to enable agencies with valid personal services problems to apply to the central pool for relief. The balance remaining in the pool at year end would revert to the appropriate fund.

Option F: Apply vacancy savings to each agency budget at a rate of 2.5 percent to 4 percent and establish a pool to receive reversion of any actual vacancy savings in excess of that budgeted. Allow agencies with valid personal service problems, (large termination payouts, less than anticipated vacancy savings, etc.,) to apply to for relief from funds in the pool. All or part of the balance remaining in the pool <u>could</u> revert to the appropriate fund at fiscal year-end.

<u>Issue 3:</u> Should a pool be established for termination pay?

<u>Option A</u>: Establish a central pool to pay terminating sick leave and vacation pay.

<u>Option B</u>: Take no action.

<u>Issue 4:</u> If vacancy savings is applied, should there be a way to accurately identify and track the vacancy savings that corresponds to the method of application?

<u>Option A</u>: Require the Office of Budget and Program Planning and the Department of Administration to develop specific vacancy savings recording procedures on the Statewide Budgeting and Accounting System, (SBAS) and the Payroll, Personnel, and Position Control System, (PPP) which correspond with approved operational plans. These specific procedures should include: the five information elements defined in the analysis section on page 22.

<u>Option B</u>: Take no action.

KW2:vss

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JUDY RIPPINGALE
LEGISLATIVE FISCAL ANALYST

January 8, 1986

TO: Legislative Finance Committee

FROM: Jim Haubein
Principal Analyst

SUBJECT: Operational Plan Control

INTRODUCTION

This report examines the state's budgeting controls and procedures which are to insure that expenditures are made in accordance with approved operational plans as required in House Bill 500.

BACKGROUND

Article VIII, Section 12 of the Montana Constitution requires the legislature to insure strict accountability in law of all funds spent by the state. Three sections of the law to control state spending and restrict it to the legislatively appropriated levels are relevant to fiscal control problems in this report.

Section 7 of House Bill 500 requires spending to be in accordance to approved operational plans. Section 7 reads as follows:

> Section 7. Operating budgets. Expenditures may be made only in accordance with operating budgets approved by the approving authority. The respective appropriations are contingent upon approval of the operating budget by July 1 of each fiscal year. Each operating budget shall include expenditures for each agency program detailed at least by personal services, operating expenses, equipment, benefits and claims, transfers, and local assistance. However, if any agency allocates its appropriations to the second expenditure level in the state accounting system, separate operation plans need not be submitted to the approving authority.

Section 8 of House Bill 500 allows program transfers within an agency, but these transfers must be for justifiable reasons and are limited to 5 percent of the total agency budget. Section 8 reads as follows:

> Section 8. Program transfers. The approving authority may approve agency requests for program transfers, within each fiscal year, not to exceed 5% of the total agency budget unless such a transfer is specifically prohibited by this act or by statute. A request for a transfer accompanied by a justification explaining the reason for the transfer must be submitted by the requesting agency to the approving authority and the Legislative Fiscal Analyst. Upon approval of the transfer, the approving authority shall inform the fiscal analyst of the approved transfer and the justification for the transfer.

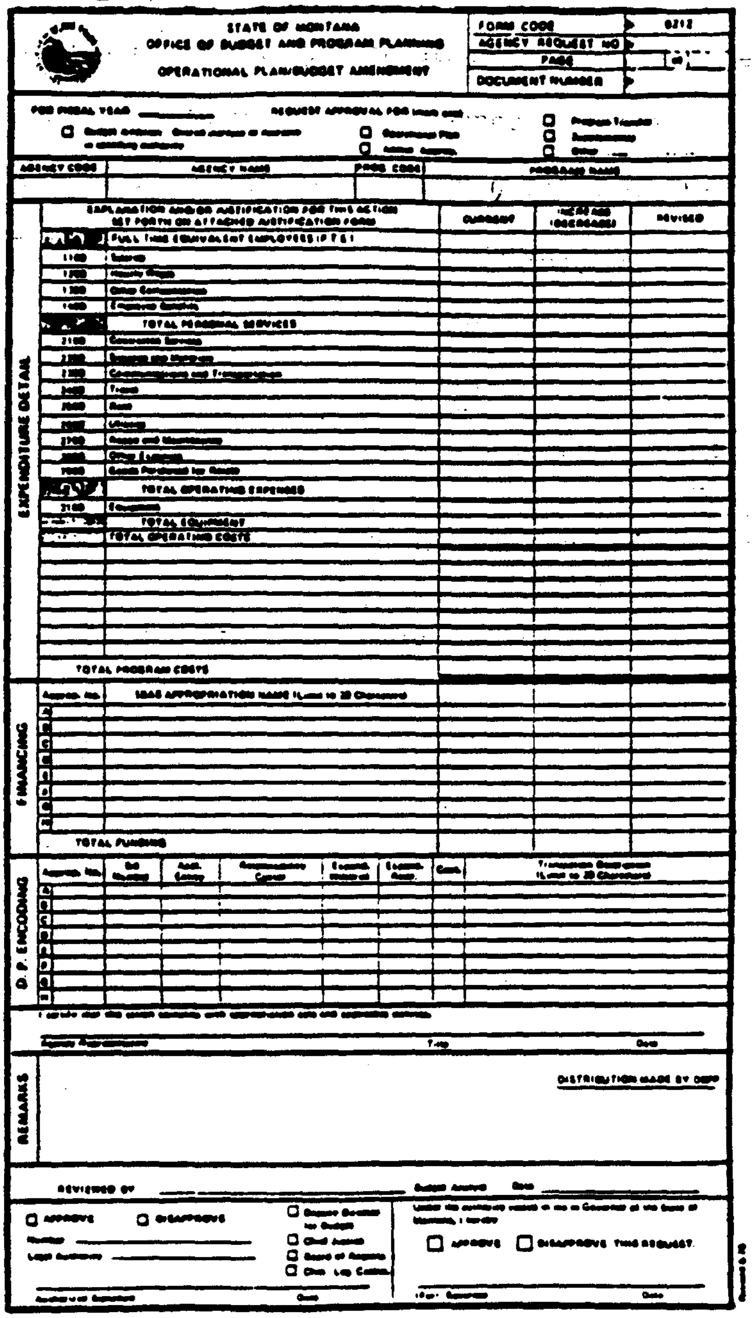
Sections 17-7-401 to 17-7-405, MCA, allow the executive to approve a budget amendment if certain criteria and procedures are met. Section 17-7-404(4), MCA, which requires the legislative fiscal analyst to review each budget amendment, reads as follows:

> (4) The legislative fiscal analyst shall review each proposed budget amendment that has been certified by the approving authority for compliance with statutory budget amendment requirements and standards and shall present a written report of this review to the legislative finance committee. Within 10 days after the meeting of the legislative finance committee that considered the budget amendment, the legislative fiscal analyst shall submit the committee's report to the approving authority.

PROBLEM

The problem which led to this report was our need to evaluate the programmatic impact of changes being made on the operational plan/budget amendment form (B212). An example of the B212 form is shown in Illustration 1.

Illustration 1
Copy of Operational Plan/Budget Amendment Form B212



The B212 form is reviewed to determine if the operational plans are in compliance with legislative action, to monitor the agency program transfers as allowed in House Bill 500, and to review budget amendments as required by Section 17-7-404(4), MCA. During these reviews, the analysts have noted that the current and revised columns of the B212 are frequently not completed. An example of this is shown in Illustration 2.

Illustration 2
Department of Fish, Wildlife and Parks B212 - Program Transfer #29

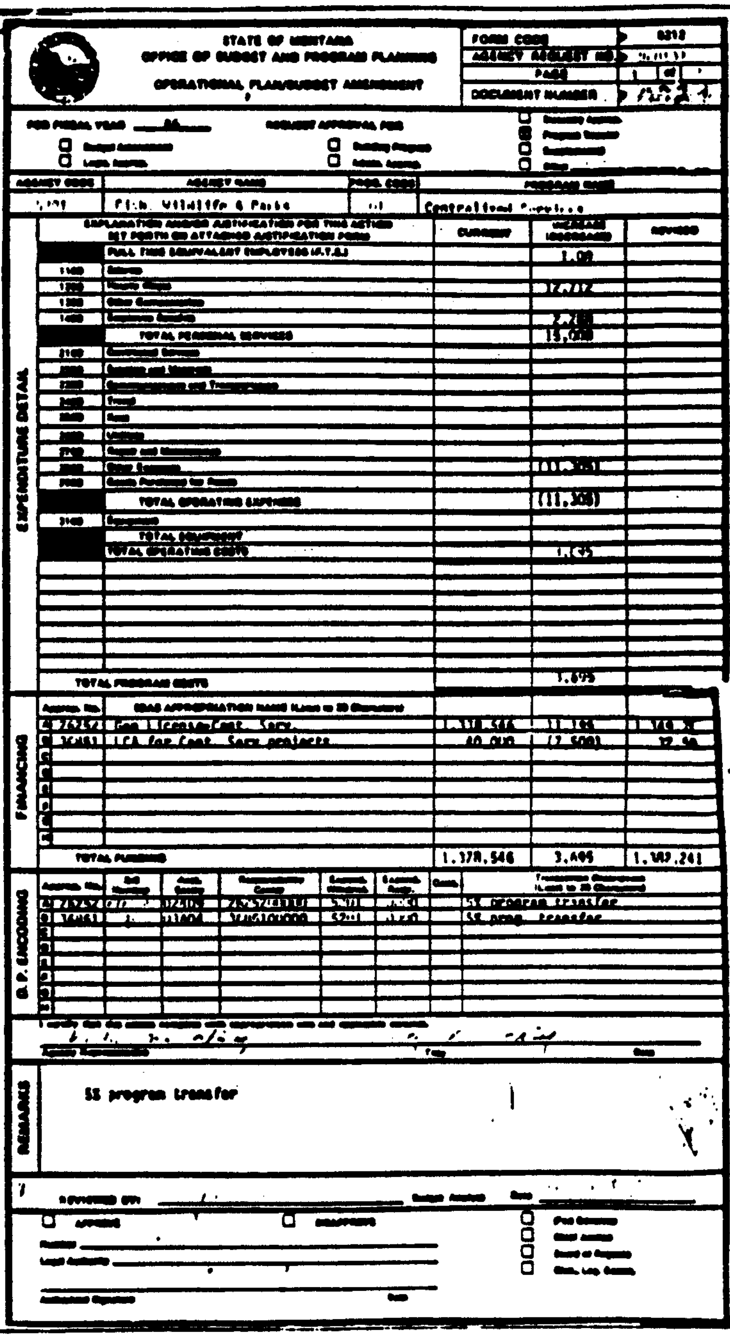

STATE OF MONTANA
OPERATIONAL PLAN/BUDGET AMENDMENT
FORM CODE B212
Fish, Wildlife & Parks
TOTAL OPERATING EXPENSES (11,308)
TOTAL FUNDING 1,378,546 3,695 1,382,241
SS program transfer
SS prog. transfer
SS program transfer

Illustration 2 shows the Department of Fish, Wildlife and Parks' program transfer request of $3,695. The analyst is not able to tell from this form the allocation of the current or revised spending authority.

To determine the current spending level, the analyst can: (1) find the original approved operational plan and adjust it for all B212's processed to date; or (2) look up the budget allocation in the Statewide Budgeting and Accounting System (SBAS). With the current level authorized spending level allocation determined, the analyst should theoretically be able to add the new change to the present current level and obtain the revised authorized allocation of the spending authority. However, when attempting to determine the current spending level for the B212 in Illustration 2, the two methods did not result in the same answer. As neither the agency or the budget office (the approving authority) has indicated its representation of the current level spending authority on the B212, the analyst is unable to determine the final result of the B212 change.

Table 1 illustrates how the answers varied between the approved operational plan method and the operational plan allocation in the Statewide Budgeting and Accounting System (SBAS). The approved operational plan, which is required by House Bill 500 and ties to the legislative appropriations, is brought up to date by adjusting it for all approved B212's. The example in Table 1 is for the Department of Fish, Wildlife and Parks centralized services program as was Illustration 2.

Table 1
Department of Fish, Wildlife and Parks - Centralized Services
Comparison of Approved Operational Plan to SBAS

Object of Expenditure	Initial Approved Op. Plan	Program Transfer Doc #29	Op. Plan Changes Doc #92	Revised Op. Plan	December SBAS	Differences SBAS versus Op. Plan
Personal Svs.	$1,034,477	$15,000	$16,524	$1,066,001	$1,092,934	$ (26,933)
Operating Exp.	2,078,460	(11,305)	(16,524)	2,050,631	2,213,134	(162,503)
Equipment	546,936	-0-	-0-	546,936	532,500	14,436
Fed. Grants	40,000	-0-	-0-	40,000	-0-	40,000
Transfers	235,000	-0-	-0-	235,000	100,000	135,000
Total	$3,034,873	$ 3,695	$ -0-	$3,938,568	$3,938,568	$ -0-

Note the revised approved operational plan budget allocations do not equal the operational budget allocations in SBAS even though the totals agree. There has been a shift in the budget from equipment, grants, and transfer categories to personal services and operating expense categories.

SBAS was designed to be a budgeting system as well as an accounting system. If the budget allocations do not tie to the approved operational plans, then the capabilities of SBAS are not being utilized. SBAS, the official state accounting system, is utilized by program managers to monitor their program expenditures as compared to their budgets. It is also the permanent state financial record used as a base for budgets analysis and financial reports.

It is important that SBAS reflect the approved operational plans, as: (1) there is not always a readily available record of the approved operational plan available, even to managers who deal directly with the fiscal operations of an agency; (2) program managers are relying on SBAS records to monitor program expenditures; and (3) SBAS is the only permanent record of budget allocations.

To further illustrate the problem in determining the "real" operational plan and to show that significant dollar amounts and policy questions are also involved, Table 2 was prepared. This table shows the operational plan differences for the Department of Highways' Construction Program as they appear in the difference source documents for the month of November.

Table 2
Department of Highways' Construction Program
Comparison of Operational Plans-November 1985

	November SBAS	Oper. Plan Change DOH Doc # 15	Dept. of Highways Budget Status Report November
FTE	N/A	650.40	650.40
Personal Services	$ 17,759,276	$ 16,558,740	$ 17,759,276
Operating Expenses	192,405,912	193,367,189	192,405,912
Equipment	217,976	217,976	217,976
Total	$210,383,164	$210,143,905	$210,383,164

Table 2 shows that there is $1.2 million more allocated to the personal services budgets in SBAS and the department's internal budget status report than was approved by the approving authority as shown on the department's operational plan change in November. These additional funds were allocated by the department from operating expense to personal services without going through the approving authority. This unapproved allocation to personal services was discovered by our office when answering a legislative request about vacant positions in the highway department. During this review, the highway department represented that the internal budget allocation, equivalent to SBAS, was the spending plan being pursued by the department, not the approved operational plan.

Moving the $1.2 million from operating expenses to personal services involved policy decisions of importance to the legislature. Some implications of these policy decisions are:

1. Although no more FTE are being added to the highway department, the department budgeted $1.2 million more in personal services than it requested and received from the legislature. This increase is due to hiring staff at higher salaries. Despite the higher personal services bud-

get, 8 percent of positions in the program are vacant in fiscal 1986 to date.

2. The budget on SBAS establishes a higher on-going personal services base, even if not all employees are retained. Those who are may be at a higher level than represented to and funded by the legislature, and

3. The increased personal services was budgeted by removing contractor payments for actual road construction costs. This change reduces the amount of public services (specifically roads) provided by the department. To maintain its construction program in the future, the department may request additional spending authority in contracted services from the 1987 legislature. Thus, both the personal services and contracted services components of the expenditure base may be increased from legislative intent.

CONCLUSION

The law clearly states that expenditures may only be made in accordance with approved operating budgets. Operational plan forms are not always complete and thus there is sometimes no current record of the approved operational plan. The program allocations recorded in SBAS do not always conform to the approved operating budgets. In some cases, there is agency representation that the approved operating budget does not meet its intended expenditure plan. This lack of control on the approved operational plan and the underutilization of SBAS capabilities makes it extremely difficult to ensure the law is being met. It also becomes time consuming to review these records when trying to sort out fiscal problems. And the only permanent state record of budget allocations does not necessarily represent the approved operational plan which makes research into prior years' records unreliable.

ISSUES

Issue 1. Should the official state SBAS records tie to the approved operational budgets which are required in House Bill 500?

Option A. Recommend that the budget office ensure that the operating budgets in SBAS are the same as the approved operating budgets.

Option B. Take no action.

Issue 2. Should the B212 forms be fully completed showing the current spending levels, increases and decreases, and revised spending levels which tie to the approved operational plan?

Option A. Recommend that the budget office direct state agencies to fully complete the B212 forms.

Option B. Take no action.

Issue 3. Does the committee wish to clarify the boiler plate language in House Bill 500, Section 7 and require that the budget allocations in SBAS tie to the approved operational plan?

Option A. Amend Section 7 to read as Follows:

> Section 7. Operating budgets. Expenditures may be made only in accordance with operating budgets approved by the approving authority. The respective appropriations are contingent upon approval of the operating budget by July 1 of each fiscal year. Each operating budget shall include expenditures for each agency program detailed at least by personal services, operating expenses, equipment, benefits and claims, transfers, and local assistance. ~~However, if any agency allocates its appropriations to the second expenditure level in the state accounting system, separate operation plans need not be submitted to the approving authority~~. These approved operating budgets will be recorded in SBAS and can only be amended by the approving authority.

Option 2. Do not amend the general appropriation act boiler plate language.

VISITOR'S REGISTER

INSTITUTIONS AND CULTURAL EDUCATION SUBCOMMITTEE

AGENCY(S) Dept. of Institutions DATE January 12, 1987

DEPARTMENT E.S. - Drug & Alcohol
Hearing-Vacancy Savings

NAME	REPRESENTING	SUP-PORT	OP-POSE
[illegible]	D/I		
Dave Depew	MPEA		
Mike Murray	~~Mt~~ Ass Chemical Dependency Programs of Mt.		

IF YOU CARE TO WRITE COMMENTS, ASK SECRETARY FOR WITNESS STATEMENT.
IF YOU HAVE WRITTEN COMMENTS, PLEASE GIVE A COPY TO THE SECRETARY.

FORM CS-33A
Rev. 1985