

MINUTES OF THE MEETING  
GENERAL GOVERNMENT AND HIGHWAY SUBCOMMITTEE  
50TH LEGISLATIVE SESSION  
HOUSE OF REPRESENTATIVES

The meeting of the General Government and Highway Subcommittee was called to order by Chairman Rehberg on February 3, 1987 at 8:00 a.m. in Room 132 of the State Capitol.

ROLL CALL: All committee members were present, except Sen. Stimatz. Also present were Flo Smith, Budget Analyst from the Office of Budget & Program Planning (OBPP) and Clayton Schenck, Senior Fiscal Analyst from the Office of the Legislative Fiscal Analyst. (LFA)

64A:0.00

MOTOR VEHICLE ACCOUNT

Clayton Schenck, LFA, spoke to the committee about the Motor Vehicle Account. (Exhibit No. 1). He said several programs within the Department of Justice are funded by the Motor Vehicle Account. Prior to the 85 biennium, this account did not fund any of the operating costs of the Law Enforcement Academy, the Law Enforcement Network or the Forensic Science Division. In the 87 biennium, all the general funds for these were replaced with Motor Vehicle Funds. The reason they were able to add other programs is they had used up a portion of an outstanding balance to fund these accounts. In the process of doing so and in order to continue with that reduction, there will not be a sufficient balance to issue new license plates. (See comment at bottom of page A-95, Exhibit No. 1. This has now been revised and a special plate issue will go back into the Motor Vehicle Fund). Due to lack of Motor Vehicle Account funds, the Forensic Science Division is shifted to general fund in the 89 biennium in the LFA budget, increasing general fund requirements approximately \$655,000 in FY 88 and \$652,000 in FY 89.

The OBPP budget also ran short of being able to fund the same agencies as in the last biennium. The OBPP used \$608,000 more motor vehicle fees than LFA.

See Table 1, page A-96, Exhibit No. 1. The issue relates to funds available in the Motor Vehicle Account to fund new license plates. Clayton provided the committee a comparison between the OBPP budget proposals and LFA current level. (Exhibit No. 2). As an option, Clayton suggested the committee could approve a revenue estimate as total revenues,

how much is to be left as an ending balance, and set funding priorities. Adjustments could be made according to any changes without looking at funding as going through each program. The committee would appropriate total revenue to be used down to this fund balance level in the order approved.

Sen. Keating said after the budgets for the departments are established, there is always an emergency for which the departments have to come in for a supplemental. The Legislature cannot bail the departments out without raising taxes and the Legislature does not want to do that. He said, ... "We've got to spend less, no matter what."

There was discussion regarding Clayton's proposed option. Clayton reminded the committee that in the last biennium, the ending balance was run down and the pay plan had been overlooked. When this was applied, there was actually a negative balance. This probably will not happen this time as there will not be a pay plan. If the prison inventory goes higher, this would also cause a deficit.

If there is a reissue of license plates, Larry Majerus, Administrator of Motor Vehicle Division, said it would require a large portion of that money be up front or they would have to borrow from the general fund.

Doug Booker from the OBPP told the committee the subcommittee on institutions set the budget for the license plate factory at \$484,399 in FY 88 and \$495,919 in FY 89. This brought them back to current level with what they spent last year. They were held at current expenditure due to the shortage of cash this time and, therefore, the inventory could not be built up. They do have enough to do a normal year's business.

(25.12)

#### EXECUTIVE ACTION

Sen. Gage moved the committee accept the OBPP Budget estimates for projected revenue. (Exhibit No. 2).

A voice vote was taken and the motion PASSED, with Rep. Poulsen voting no.

Rep. Quilici asked how critical it was to have an ending fund balance in this account. Doug Booker said the cash flow would be needed for the first few months until the cash starts coming back in.

Bob Kuchenbrod, Administrator of the Central Services Division,

Department of Justice, said \$100,000 to \$150,000 would be the figure they would like to see in there. If there is not enough money in the account, they would have to borrow from the general fund or some other account.

(32.00)

EXECUTIVE ACTION

Sen. Gage moved the committee approve an ending fund balance of \$125,000, plus the prison inventory allowance.

A voice vote was taken and the motion PASSED unanimously.

Clayton pointed out Central Services is listed in there to recover the cost of the audit. This should probably be considered when determining the priority of the funding.

Sen. Keating said the taxpayers pay the fee to the Motor Vehicle account for services dealing with vehicles and the priorities as listed in his motion deal with those types of services.

(38.57)

EXECUTIVE ACTION

Sen. Keating moved the committee approve priority for funding as follows: 1. Vehicle Registration; 2. Prison License Factory; 3. Driver Services Bureau; and 4. Law Enforcement network.

A voice vote was taken and the motion PASSED unanimously.

EXECUTIVE ACTION

Sen. Keating moved the committee approve priority for funding for those remaining as follows: 5. Central Services; 6. Law Enforcement Academy; and 7. Forensic Science Division.

A voice vote was taken and the motion PASSED, with Rep. Quilici voting no.

64B:0.00

DEPARTMENT OF JUSTICE

Driver's Services Bureau

EXECUTIVE ACTION

Sen. Gage moved the committee adopt the LFA with adjustments.

A voice vote was taken and the motion PASSED unanimously.

EXECUTIVE ACTION

Sen. Gage moved the committee approve the addition of \$2,223 in FY 88 and \$2,287 in FY 89 for rent.

A voice vote was taken and the motion PASSED unanimously.

EXECUTIVE ACTION

Rep. Quilici moved the committee authorize the expenditure of \$15,000 per year to the LFA budget in contracted services for the Highway Traffic Safety Grant with the proper transfer to various accounts.

A voice vote was taken and the motion PASSED unanimously.

There was discussion regarding the issue of the 4.5 FTE deleted by the OBPP budget and left in the LFA budget.

Sen. Gage said the fees paid by the taxpayers include this service and the service should remain. (Exhibit No. 3). Clayton furnished the committee a comparison on equipment by program. (Exhibit No. 4). The numbers under the agency column represents the amount the agency would accept, rather than their original request. Therefore, in some instances, the recommendations by the LFA and the OBPP could be higher.

EXECUTIVE ACTION

Rep. Poulsen moved the committee approve the purchase of one additional vehicle each year, making a total of three vehicles in the LFA budget rather than two. The amounts are \$8,652 in FY 88 and \$9,000 in FY 89.

A voice vote was taken and the motion PASSED, with Chairman Rehberg voting no.

EXECUTIVE ACTION

Sen. Keating moved the committee approve \$8,000 per year for the purchase of OCR typewriter ribbons.

A voice vote was taken and the motion PASSED unanimously.

Larry Majerus, Administrator of the Motor Vehicle Division, informed the committee in the last session of the Legislature a bill was passed requiring the division to provide a pamphlet explaining the organ donor program and a card that would be attached to the back of a driver's license. The appropriation for this did not pass and the division was unable to obtain funding for this activity. Because of his association with the eye bank, Mr. Majerus solicited private individuals

and organizations for monies to print those documents. This took a great deal of time and the funds were limited. The Senate considered a bill that would require the division to offer this information to anyone who wanted it. Mr. Majerus said they estimate they will need additional documents and are, therefore, requesting funding for additional printing costs in the second year.

EXECUTIVE ACTION

Sen. Gage moved the committee approve the increase of \$7,000 in FY 89 in contracted services for printing costs of the organ donor card.

A voice vote was taken and the motion PASSED, with Chairman Rehberg voting no.

(36.09)

Registrar's Bureau

EXECUTIVE ACTION

Sen. Gage moved the committee adopt the LFA budget with adjustments.

A voice vote was taken and the motion PASSED unanimously.

In answer to Sen. Gage's question regarding the asbestos problem, Larry Majerus said it was his understanding that the Department of Administration will be making a presentation to the Long Range Building Subcommittee suggesting ways to clean this up on a priority basis. Mr. Majerus told the committee the suspended ceiling was requested before they knew about the asbestos problem and was not intended to be a solution to that problem.

Rep. Quilici asked if the department had checked into the possibility of federal monies being available to address this problem. Larry said Architecture and Engineering had done the evaluation of the building and perhaps they had used federal monies for that purpose. Susan Hansen told the committee they were scheduled to go before Long Range Planning Subcommittee on February 5, and she will inform this committee of any decisions made or action taken.

EXECUTIVE ACTION

Sen. Gage moved the chairman of this subcommittee send a letter to the Long Range Planning Subcommittee specifically requesting they look into and address this problem.

A voice vote was taken and the motion PASSED unanimously.

Larry Majerus told the committee the division had originally planned to pay off the reader-printer and had not included it on their original request. However, they had not been able to do this and the balance on June 30, 1987 would be \$9,000.

65A:0.52

EXECUTIVE ACTION

Sen. Gage moved the committee approve the \$9,000 in FY 88 to pay off the reader-printer.

A voice vote was taken and the motion PASSED unanimously.

There was discussion regarding the purchase of larger decals. The new decal would include both the month and year; therefore, the increased cost. The LFA included the cost expended in previous years for decals. Mr. Majerus said the cost in previous years would not reflect the cost of the new type decal. Sen. Keating suggested Larry and Clayton get together and work out this difference and perhaps revise the request.

EXECUTIVE ACTION

Sen. Keating moved the committee approve \$2,380 per year for the purchase of sorg paper.

A voice vote was taken and the motion PASSED unanimously.

EXECUTIVE ACTION

Chairman Rehberg moved the committee eliminate the renewal notices at a cost savings of \$52,000 per year.

A voice vote was taken and the motion FAILED, with Rep. Poulsen, Sen. Keating and Rep. Quilici voting no.

(11.48)

Data Processing Division

EXECUTIVE ACTION

Rep. Quilici moved the committee adopt the LFA budget with adjustments.

A voice vote was taken and the motion PASSED unanimously.

There was discussion regarding the issue of an increase in network charges paid to the Department of Administration. Clayton Schenck said the request was not included in either the LFA or the OBPP budgets and there was a question regarding

the need for the increase. There is a flat fee charged to the Department of Justice for computer services, but that is under a difference account. Clayton said the Department of Administration is in agreement that the deflation factor should be charged on this particular account.

Susan Hansen said the Department of Justice does have a flat fee and also contracts with the Department of Administration to provide the entire communications network for the Criminal Justice Information Network. This basically means the Department of Administration pays the data line and phone bills for the Department of Justice. There was substantial savings by consolidating the network lines. She further stated their figures reflect exactly what the Department of Administration said will be their costs for providing the service. This was included in both budgets before applying the negative inflation factor.

Clayton agreed those were the factors the Department of Administration was presenting, but he said they were also aware there would be a negative inflation factor applied and they have allowed for that. The costs are in there and they will be deflated and the actual charges by the Department of Administration will consider the negative factor.

Flo Smith, from the OBPP, said they have taken the deflation factor on a particular expenditure ID and they have been consistent throughout all the budgets. Therefore, there was a deflation factor applied to that expenditure code. They did the adjustment of approximately \$35,000 and that figure was given to them by ISD to compensate for the deflation factor to ensure there would be sufficient funds in their budget line-itemed for this agency.

Susan Hansen told the committee there was not a need for the toll free line and, therefore, it is not included in either the LFA or the OBPP budgets. The data line they gave up as part of the cuts was the back-up line from the National Crime Information Center. This is not a good situation as the line serves as the link for the law enforcement officers to know what is going on and what they are getting into. It is included in the LFA budget.

Sen. Keating requested information regarding the amount of time the main line is down and the back-up line is used. Susan Hansen will furnish this information. She reminded the committee of the death of the officer in Missoula before the new system was installed. Had this been operational, the information regarding the stolen vehicle would have been available to the officer.

The committee recessed at 9:50 a.m.

The committee reconvened at 10:00 a.m.

(24.04)

Legal Services Division

EXECUTIVE ACTION

Sen. Keating moved the committee adopt the LFA budget with adjustments.

A voice vote was taken and the motion PASSED unanimously.

EXECUTIVE ACTION

Chairman Rehberg moved the committee accept the OBPP level of 18.75 FTE for personal services; \$668,500 in FY 88 and \$667,890 in FY 89.

Susan Hansen requested the committee not fund the .25 attorney position, but leave it in. This would allow the department a little more flexibility should the person holding the .75 FTE attorney position leave.

Chairman Rehberg adjusted his motion to 19.00 FTE, but to eliminate the funding for a .25 FTE.

A voice vote was taken and the motion PASSED unanimously.

EXECUTIVE ACTION

Sen. Gage moved the committee reduce contracted services by \$4,000 in fiscal 1989 as requested by the agency for the publication of Attorney General Opinions.

A voice vote was taken and the motion PASSED unanimously.

EXECUTIVE ACTION

Rep. Poulsen moved the committee approve \$9,500 total per year be line-itemed for case-related travel.

A voice vote was taken and the motion PASSED unanimously.

(31.00)



Indian Legal Jurisdiction

EXECUTIVE ACTION

Rep. Quillici moved the committee adopt the LFA budget with adjustments.

A voice vote was taken and the motion PASSED unanimously.

The difference between the two budgets in the amount of \$100,000 in contracted services for expert witnesses and outside legal fees was discussed.

Clayton Schenck said the original budget was \$400,000. The two percent cuts were taken out and there was the expenditure in FY 86. (Exhibit No.5 ). This reflects the carry forward into FY 87 of \$198,176 in contracted services.

Bob Kuchenbrod, Administrator of Central Services Division, Department of Justice, said there are other things reflected in the amounts reduced in contracted services. When the OBPP figured the five percent and two percent cuts, they used the County Attorney Payroll Program. The Department of Justice told the OBPP if that program was used, they would be forced into a larger supplemental situation than they are already. The OBPP said they would have to find the money somewhere and the Department of Justice used this contracted services.

Clayton Schenck said the \$100,000 in the LFA budget was on the premise they could use more state attorneys for the cases pending. Clayton pointed out the LFA retained the staff in the Legal Services Program so they could use them. The 1.25 reduction in the OBPP Budget in the Legal Services Program somewhat precludes the \$100,000 figure.

Sen. Keating said the Indian Legal Jurisdiction Division had been using two expert attorneys on a contracted services basis for the past eight years for the Blackfeet case. The idea of now putting in-house attorneys to work on something that has been handled by experts for this period of time seems unwise. He suggested a line-itemed appropriation for these services.

Sen. Gage reminded the committee of the testimony given on the Blackfeet case. They are now dealing only on royalties, which is the 12 1/2%. If that goes into the working interest involved as well, it will be significantly more than the 1/8.

65B:1.30

EXECUTIVE ACTION

Sen. Keating moved the committee approve a line-itemed contracted services of \$300,000 for the biennium.

There was discussion regarding the use of general fund monies versus a supplemental.

Rep. Quilici amended the motion to rescind the \$300,000 and add to the LFA current level of \$100,000, the \$150,000, or whatever the amount of the revision to be line-itemed for contracted services for the biennium.

Susan Hansen asked for a clarification as to the intent of the committee in the event the Blackfeet case goes to trial and the \$200,000 is not sufficient. The committee stated they should go to the Interim Finance Committee if the \$200,000 is not sufficient.

A voice vote was taken and the motion FAILED, with Sen. Gage, Chairman Rehberg and Rep. Poulsen voting no.

County Prosecutor Services Division

EXECUTIVE ACTION

Sen. Keating moved the committee adopt the LFA budget.

A voice vote was taken and the motion PASSED unanimously.

Agency Legal Services Division

EXECUTIVE ACTION

Rep. Quilici moved the committee adopt the LFA with adjustments.

A voice vote was taken and the motion PASSED, with Sen. Keating voting no.

Bob Kuchenbrod, Administrator of Central Services, Department of Justice, said they like to maintain a cash balance of \$60,000. This gives them about a month and a half of operations when beginning the new fiscal year in order to meet bills and payroll.

EXECUTIVE ACTION

Sen. Keating moved the committee reconsider their action in adopting the LFA with adjustments.

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A voice vote was taken and the motion PASSED unanimously.

EXECUTIVE ACTION

Rep. Quilici moved the committee not allow vacancy savings, resulting in a OBPP personal services total of \$367,455.

A voice vote was taken and the motion PASSED unanimously.

EXECUTIVE ACTION

Sen. Keating moved the committee adopt the OBPP budget for operating expenses.

A voice vote was taken and the motion FAILED, with Rep. Poulsen, Rep. Quilici and Sen. Gage voting no.

EXECUTIVE ACTION

Sen. Keating moved the committee adopt the LFA budget.

A voice vote was taken and the motion PASSED, with Chairman Rehberg voting no.

(28.00)

Law Enforcement Services Division

EXECUTIVE ACTION

Sen. Gage moved the committee adopt the LFA budget with adjustments.

A voice vote was taken and the motion PASSED unanimously.

EXECUTIVE ACTION

Sen. Keating moved the committee increase in-state travel by \$956 per year.

A voice vote was taken and the motion PASSED, with Sen. Gage voting no.

(29.45)

Fire Marshall Bureau

EXECUTIVE ACTION

Sen. Keating moved the committee adopt the LFA budget.

A voice vote was taken and the motion PASSED unanimously.

Susan Hansen told the committee the Deputy Fire Marshall position is filled full time now. The division took their five percent cuts in the Fire Marshall position as the new Fire Marshall was not hired until October 1. They did not feel they could have a .75 fire marshall and, therefore, applied that vacancy savings to the Deputy Fire Marshall position stationed in Helena.

There was discussion regarding the requests for equipment.

(34.45)

Identification Bureau

EXECUTIVE ACTION

Sen. Keating moved the committee adopt the LFA budget with adjustments.

A voice vote was taken and the motion PASSED unanimously.

EXECUTIVE ACTION

Sen. Keating moved the committee approve \$1,674 in FY 88 and \$579 in FY 89 for the purchase of file cabinets and chairs.

A voice vote was taken and the motion FAILED, with Sen. Gage, Chairman Rehberg, Rep. Quilici and Rep. Poulsen voting no.

EXECUTIVE ACTION

Rep. Poulsen moved the committee approve \$579 in FY 88 and \$579 in FY 89 for the purchase of file cabinets.

A voice vote was taken and the motion PASSED unanimously.

(36.30)

Criminal Investigation Bureau

EXECUTIVE ACTION

Rep. Quilici moved the committee adopt the LFA budget.

A voice vote was taken and the motion PASSED unanimously.

66A:9.10

EXECUTIVE ACTION

Chairman Rehberg moved the committee raise the level of other funds to \$59,623 in FY 88 and \$59,539 in FY 89 and reduce the general fund by the difference.

A voice vote was taken and the motion PASSED unanimously.

EXECUTIVE ACTION

Sen. Keating moved the committee allow \$9,000 in FY 88 for the purchase of new or used vehicles as determined by the bureau.

A voice vote was taken and the motion PASSED unanimously.

Criminal Investigation Bureau - Special Investigation Section

EXECUTIVE ACTION

Rep. Quilici moved the committee adopt the LFA budget.

A voice vote was taken and the motion PASSED unanimously.

(16.00)

Modified - Criminal Investigator

EXECUTIVE ACTION

Sen. Keating moved the committee approve the authorization of one additional FTE, including operating expenses, in the amount of \$68,140 in FY 88 and \$68,087 in FY 89, line-itemed to the availability of federal or other Board of Crime Control federal grant funds.

A voice vote was taken and the motion PASSED unanimously.

(19.40)

Gary Carrell explained the insurance to the committee. The Task Force Board paid for the liability insurance themselves. The rates have doubled and the coverage has been lowered. Mr. Carrell believes the Board decided not to get additional coverage. They are already covered by the state and bonded. He does not see the need for the liability, but they do need the insurance on the vehicles.

Mr. Carrell further explained the apartment is used by a

deputy from one of the nine counties to spend some time working with his unit. Rather than having the expense of a motel, the apartment was rented. Bob Kuchenbrod said the department did reduce Program 26 by \$7,521 in FY 88 and the same amount in FY 89, the contracted services portion being \$4,496 each year and \$3,025 for rent each year.

Gary Carrell will check on the source of funds to pay for the rent of the apartment and report to the committee.

#### EXECUTIVE ACTION

Sen. Gage moved the committee reduce contracted services by \$4,496 each year.

A voice vote was taken and the motion PASSED unanimously.

Clayton Schenck said the LFA budget was overstated by \$1,800 for audit fees in FY 89.

#### EXECUTIVE ACTION

Sen. Keating moved the reduction of \$1,800 in FY 89 for audit fees.

A voice vote was taken and the motion PASSED unanimously.

#### Criminal Investigation Bureau

##### Modified - Criminal Investigation/Undercover Unit

Rep. Quilici asked if the amounts of \$145,864 in FY 88 and \$129,136 in FY 89 out of the Motor Vehicle Account would have to be a match. These amounts are not built into the projections for this account.

Susan Hansen said the Department of Justice had proposed a bill to increase Motor Vehicle fees to raise the balance in that account. (HB 492). She said the department's intent behind this bill was to make the account solvent and also provide sufficient funds for a new issuance of plates, if so determined by the Legislature. This is contingent upon the passage of HB 492.

#### EXECUTIVE ACTION

Sen. Keating moved the committee approve the modified request, except that Motor Vehicle Account funding should be changed to general fund.

Susan Hansen said another source of funding could be the tax on smokeless tobacco.

A voice vote was taken and the motion FAILED, with Sen. Gage, Chairman Rehberg, Rep. Quilici and Rep. Poulsen voting no.

#### EXECUTIVE ACTION

Rep. Poulsen moved the committee approve the modified contingent upon the passage of HB 492 or the tax on smokeless tobacco.

A voice vote was taken and the motion PASSED unanimously.

#### Modified - Customs Investigator

Gary Carrell reminded the committee the bureau is supposed to receive a little over \$200,000 from the federal government on a case he mentioned during the last session. If that money does come in, there would be more than enough to pay for this modified.

#### EXECUTIVE ACTION

Sen. Keating moved the committee change the funding for the Customs Investigator to Federal Special Law Enforcement Assistance Account contingent upon the receipt of the \$200,000 as mentioned by Mr. Carrell. The amounts are \$56,993 in FY 88 and \$42,809 in FY 89.

Sen. Keating asked if the forfeiture law goes through, will the money go into this federal account or will there be another account set up at the state level? Mr. Carrell said it would set up a state special revenue account and any legal property acquired in a bust under the forfeiture law, could be converted into cash and placed in that account. This would help to fund the drug enforcement task force and other related programs. This just grants the bureau spending authority to hire the customs investigator in the event there is federal money available to pay for it.

A voice vote was taken and the motion PASSED unanimously.

The bureau would have to come in for additional spending authority to go over the amount appropriated.

There was discussion regarding the possibility of the state developing a program to help the counties solve some of their drug problems. Perhaps then the counties would allow part of the funds seized to go to the state to continue their assistance.

Sen. Gage said he hoped there would be some mechanism put into law to allow this to happen. Mr. Carrell said the counties just do not like to give up money. There may be a possibility along these same lines to contract with local agencies, as they receive fifty-five percent of the federal money.

The committee discussed a committee bill regarding the above. Susan Hansen volunteered the services of an attorney who has worked on Sen. Gage's bill and its amendments and who is also familiar with the forfeiture bill Sen. Keating has sponsored.

#### EXECUTIVE ACTION

Sen. Gage moved the committee draft a bill.

A voice vote was taken and the motion PASSED unanimously.

Mr. Carrell said there was a law that allowed the state to get money from the federal government, but not if it is seized under state laws.

#### County Attorney Payroll

#### EXECUTIVE ACTION

Rep. Quilici moved the committee adopt the LFA budget with adjustments.

A voice vote was taken and the motion PASSED unanimously.

There was discussion regarding the determination of a full-time or a half-time county attorney based upon population of the particular county involved. Susan Hansen said some small counties have a workload that justifies a full-time county attorney. One example would be a county having a reservation included in the population. Therefore, population would not be the best criteria to use in the determination of the status of the county attorney. Sen. Gage supported this theory.

Clayton Schenck, LFA, told the committee if they went with the LFA budget, the statute does allow the county commissioners to increase the salaries of the county attorneys up to a certain percentage. They are also authorized to freeze the salary. If the committee funded this at a freeze level and asked the county commissioners to cooperate, there might be a chance that some of them would not go along with it and this would create a supplemental situation. Clayton said the \$906,000 in FY 88 covers the county attorneys that are now full time in half-time



counties. He further explained the differences are the OBPP increased those currently frozen at the 86 level voluntarily by the county to the 87 level and adds 1.2% per year to all salaries. The LFA freezes at current level.

EXECUTIVE ACTION

Sen. Keating moved the committee adopt the LFA in FY 88 and FY 89 and add the cost-of-living-allowance (COLA). Susan Hansen referred to HB 561 that does change salaries for county officials, including county attorneys. It provides the annualized portion payable from the State Treasury shall not exceed one-half of the annual salary of the attorney general for full-time county attorneys and one-quarter the annual salary of the attorney general for part-time county attorneys. This would definitely have an impact.

Sen. Gage reminded the committee the appropriations were to be based on current law.

Chairman Rehberg said there was one additional adjustment for Roosevelt County. This county would need to be funded 100 percent and the LFA base would have to be increased accordingly.

Sen. Keating amended his motion to include a \$9,858 increase to base for Roosevelt County.

A voice vote was taken and the motion PASSED unanimously.

ADJOURNMENT: The meeting was adjourned at 12:10 p.m.

  
Dennis R. Rehberg, Chairman

DAILY ROLL CALL

GENERAL GOVERNMENT &amp; HIGHWAYS

SUBCOMMITTEE

DATE February 3, 1987

[illegible]

1  
2-3-87Motor Vehicle Account

The motor vehicle account funds are used for many programs within the Department of Justice. Over 98 percent of this account's revenue comes from vehicle licenses and permits.

Prior to the 1985 biennium, the motor vehicle account did not fund any of the operating costs of the Law Enforcement Academy, the Law Enforcement Network, or the Forensic Science Division. In the 1985 biennium, approximately 54 percent or \$2,076,272 of those divisions' budgets were general fund and approximately 46 percent was other funds. In the 1987 biennium, all of the general fund was replaced with motor vehicle funds.

Table 1 shows the programs being funded with motor vehicle funds in the 1987 and 1989 bienniums without new plates.

Table 1  
Motor Vehicle Account Cash Flow Analysis

	Actual Fiscal 1986	Budgeted Fiscal 1987	----- Projected ----- Fiscal 1988	Fiscal 1989
*Beginning Balance	\$1,795,516	\$1,093,405	\$ 669,573	\$ 426,500
Revenues	<u>3,401,138</u>	<u>3,433,569</u>	<u>3,466,000</u>	<u>3,566,000</u>
Total Funds Available	\$5,196,654	\$4,526,974	\$4,135,573	\$3,992,500
Expenditures				
Prison	\$ 330,652	\$ 335,000	\$ 513,709	\$ 488,858
Vehicle Registration	1,929,716	1,858,062	1,973,543	1,973,192
Law Enforcement Academy	517,837	500,862	515,803	521,720
Law Enforcement Network	419,129	444,861	396,472	393,523
Forensic Science Division	603,570	536,446	-0-	-0-
Motor Vehicle Administration	298,960	284,668	304,341	300,986
Central Services	4,462	-0-	5,205	-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>\$3,709,073</u>	<u>\$3,678,279</u>
Ending Balance	<u>\$1,093,405</u>	<u>\$ 669,573</u>	<u>\$ 426,500</u>	<u>\$ 314,221</u>

\*Does not include inventory at the prison which is assumed to remain constant through fiscal 1989.

As shown in Table 1, the projected revenue of \$3.4 million in each year of the 1987 biennium is less than the expenditures of \$4.1 million in fiscal 1986 and \$4.0 million in fiscal 1987. This imbalance was made possible by the beginning balance. However, if this reduction in fund balance were to continue in the 1989 biennium as proposed in Table 1, a sufficient balance would not exist to issue new license plates. The special centennial plates now being issued will decrease the motor vehicle fund balance, as the revenues from the special plate issue do not go back into the motor vehicle fund.

Due to a lack of sufficient motor vehicle account funds, the Forensic Science Division is shifted to general fund in the 1989 biennium, with an increase in general fund requirements of \$655,246 in fiscal 1988 and \$652,500 in fiscal 1989. Montana State Prison must purchase a supply of aluminum for routine license manufacture, increasing their fund requirements. The agency has not purchased aluminum for several years and has depleted current stocks.

#### ISSUE 1: MOTOR VEHICLE FUND BALANCE

As shown in Table 1 the motor vehicle fund balance would be reduced to less than \$320,000 at the end of the 1989 biennium. The motor vehicle funds support the license plate factory. Should new license plates be issued, expenditures would increase by an estimated \$1.6 million.

Does the legislature want to leave enough funds in the motor vehicle account to fund new license plates?

Option A: Replace \$1,300,000 of motor vehicle funds with general fund to allow a minimum balance in the motor vehicle fund of \$1.6 million to purchase license plates.

Option B: Allow the account balance to go below \$1.6 million as proposed in Table 1, and use alternative funding if new license plates are desired.

LEGAL SERVICES DIVISION					
<u>Budget Item</u>	<u>Actual Fiscal 1986</u>	<u>Appropriated Fiscal 1987</u>	<u>- - Current Level - - Fiscal 1988</u>	<u>Fiscal 1989</u>	<u>% Change 1987-89 Biennium</u>
F.T.E.	20.00	20.00	20.00	20.00	0.00
Personal Service	\$679,134	\$657,060	\$695,148	\$694,690	4.0
Operating Expense	131,594	135,698	129,165	130,162	(3.0)
Equipment	10,596	861	-0-	-0-	(100.0)
Total Expenditures	<u>\$821,324</u>	<u>\$793,619</u>	<u>\$824,313</u>	<u>\$824,852</u>	<u>2.1</u>
<u>Fund Sources</u>					
General Fund	\$785,710	\$779,437	\$802,278	\$802,962	2.6
State Special	20,118	14,182	22,035	21,890	28.1
Federal and Other	<u>15,496</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>(100.0)</u>
Total Funds	<u>\$821,324</u>	<u>\$793,619</u>	<u>\$824,313</u>	<u>\$824,852</u>	<u>2.1</u>

The Legal Services Division staff 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

MOTOR VEHICLE ACCOUNT CASH FLOW ANALYSIS/COMPARISON

	LFA CURRENT LEVEL			EXECUTIVE BUDGET		
	Actual Fiscal 1986	Fiscal 1987	-----Projected----- Fiscal 1988	Fiscal 1987	Fiscal 1988	-----Projected----- Fiscal 1989
*Beginning Balance	\$1,795,516	\$1,093,405	\$669,573	\$1,267,631	\$841,698	\$301,033
Revenues	\$3,401,138	\$3,433,569	\$3,466,000	\$3,464,000	\$3,566,000	\$3,666,000
Total Funds Available	\$5,196,654	\$4,526,974	\$4,135,573	\$4,731,631	\$4,407,698	\$3,967,033
Expenditures						
Prison	\$330,652	\$335,000	\$513,709	\$337,532	\$454,399	\$465,919
Vehicle Registration	\$1,929,716	\$1,858,062	\$1,973,543	\$1,820,901	\$1,990,373	\$1,949,146
Law Enforcement Academy	\$517,837	\$500,862	\$521,720	\$490,845	\$560,456	\$567,515
Law Enforcement Network	\$419,129	\$444,861	\$396,472	\$435,963	\$431,891	\$421,891
Forensic Science Division	\$603,570	\$536,446	\$0	\$525,717	\$360,000	\$270,000
Driver Services Bureau	\$298,960	\$284,668	\$304,341	\$278,975	\$304,341	\$132,314
Central Services	\$4,462	\$0	\$5,205	\$0	\$5,205	\$0
Adjustments	(\$1,077)	(\$102,498)	\$0	\$0	\$0	\$0
Total Expenditures	\$4,103,249	\$3,857,401	\$3,709,073	\$3,889,933	\$4,106,665	\$3,806,785
Ending Balance	\$1,093,405	\$669,573	\$426,500	\$841,698	\$301,033	\$160,248
*Does not include Inventory at the prison, assumed to remain constant				Less: Prison Inventory		(\$174,226)
				Adjusted Ending Balance		(\$13,978)

REVENUE PROJECTION COMPARISON

	PRIOR YEAR REVENUES		
	LFA	EXEC	EXEC OVER LFA
Fiscal 1987	\$3,433,569	\$3,464,000	\$30,431
Fiscal 1988	\$3,466,000	\$3,566,000	\$100,000
Fiscal 1989	\$3,566,000	\$3,666,000	\$100,000
Total Executive Estimate Over LFA		\$230,431	

SUBCOMMITTEE ACTION

APPROVED REVENUE ESTIMATE

Fiscal 1987	
Fiscal 1988	
Fiscal 1989	

APPROVED ENDING  
FUND BALANCE\*  
June 30, 1989

\*excluding prison  
inventory allowance,  
\$174,226

APPROVED PRIORITY FOR FUNDING

Prison License Factory	
Vehicle Registration	
Driver Services Bureau	
Central Services	
Law Enforcement Academy	
Law Enforcement Network	

2-3-87

STATE  
OF  
MONTANA

DEPARTMENT OF JUSTICE

**MOTOR VEHICLE DIVISION**

303 Roberts, Helena, Montana 59620 (406) 444-4536

3  
2-3-87

**MEMORANDUM**

**TO:** Representative Rehberg

**FROM:** Larry Majerus, Administrator  
Motor Vehicle Division

*Majerus*

**SUBJECT:** Savings shown on Exam Reduction Map

**DATE:** February 2, 1987

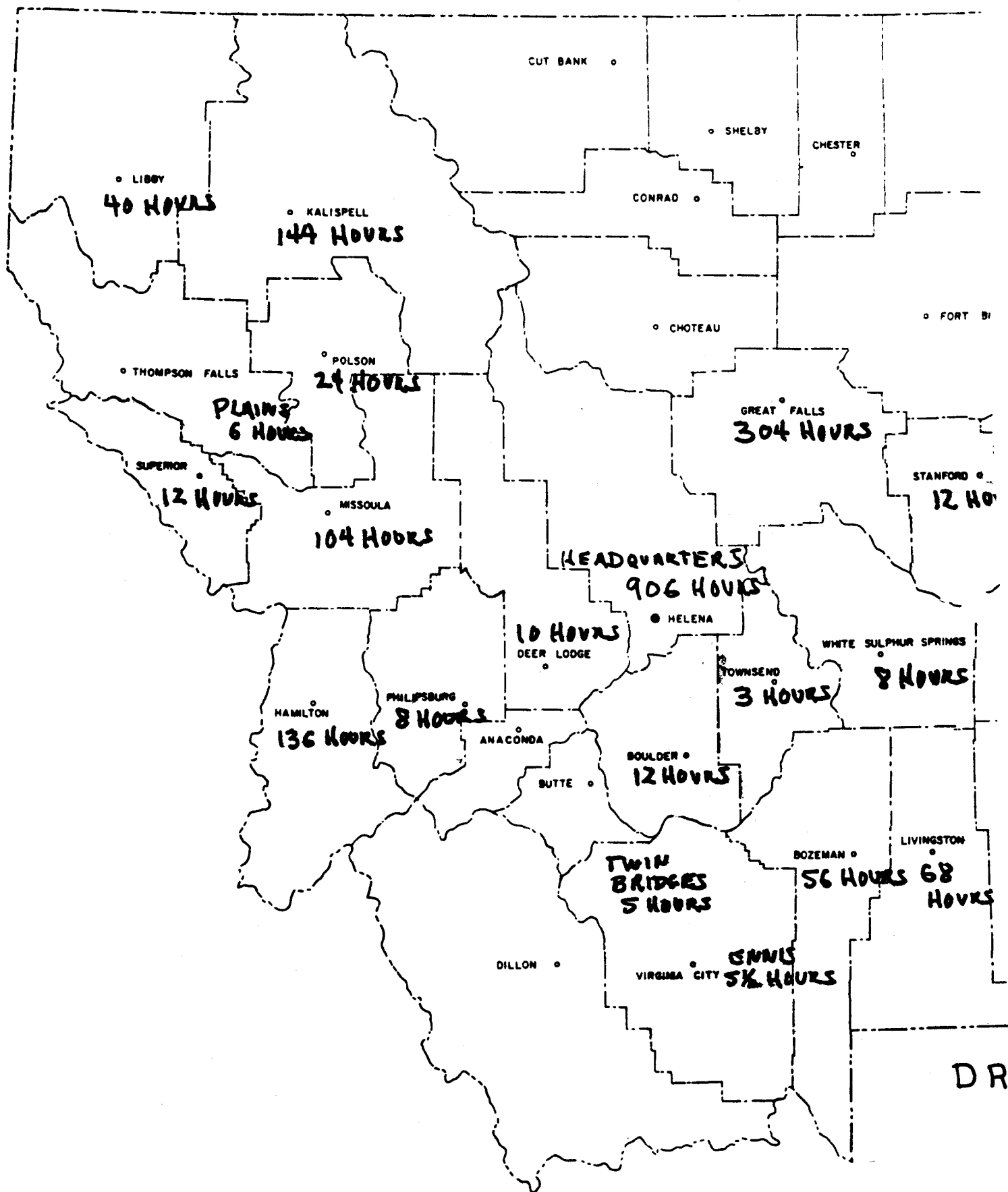
The personnel cost represented on the reduction map are a mixture of clerical and examiner hours representing hours of exam service available to the public. Out of total budget cuts of \$303,210 for Fiscal Year 1987, the savings are as follows:

4 examiners (3 layoffs, plus 1 on Worker's Compensation leave) --- a savings of \$1,838 per month

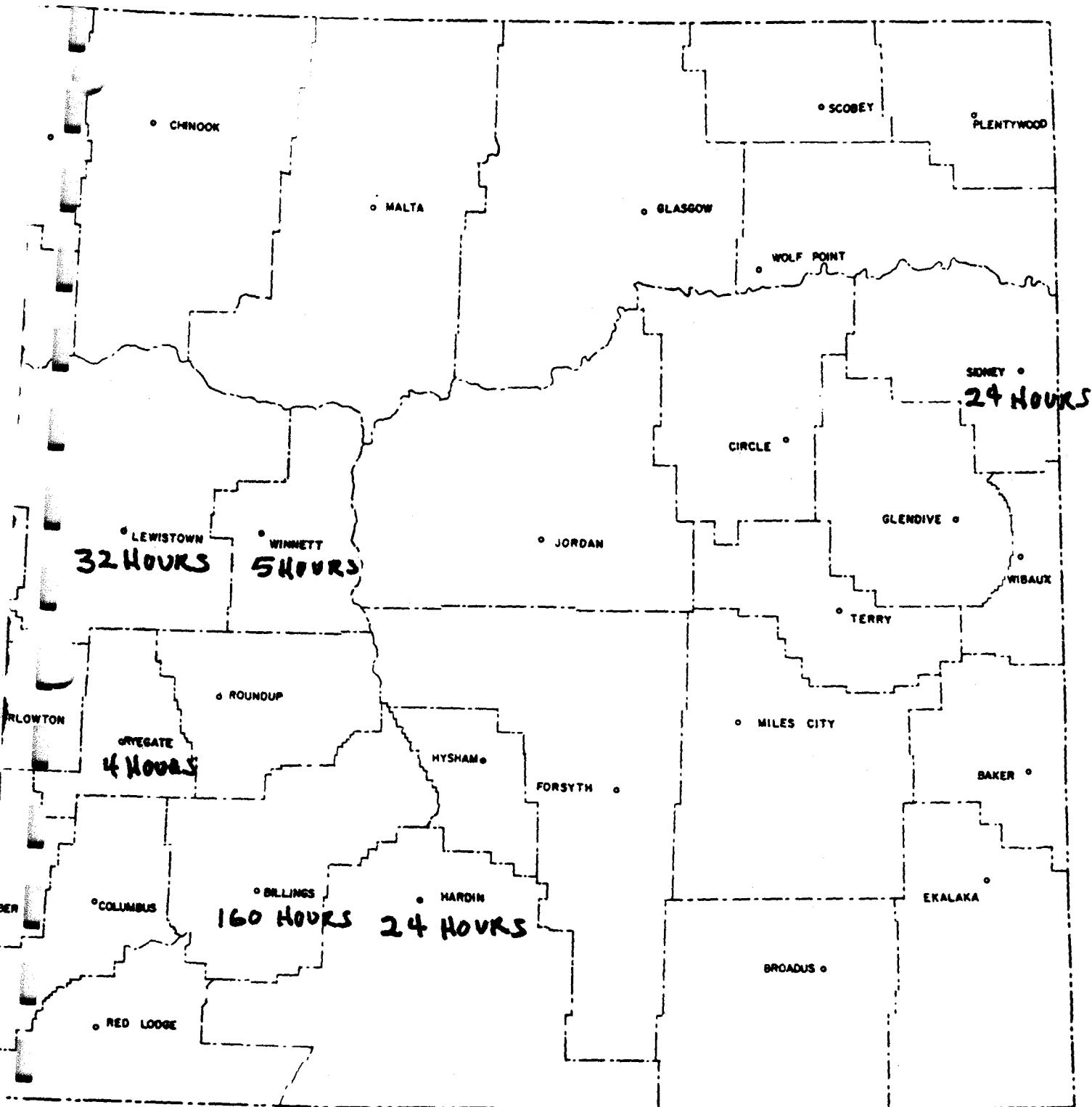
For an assumed 6-month period, this totals \$44,112.

The remainder of savings from the map represents clerical service both in headquarters and in field positions, for an aggregate monthly savings of \$11,829, or an annual total of \$141,948, \$67,000 of which represents headquarters reductions.

The remainder of the cuts were accomplished through savings in Operating Expenses and Equipment.



DR



ER SERVICES REDUCTIONS  
HOURS PER MONTH

MONTANA

ICES  
UCED

SERVICES  
DISCONTINUED



4  
2-3-87

	Fiscal 1988		Fiscal 1989	
	LFA	AGENCY	LFA	AGENCY
<b>HIGHWAY PATROL-UNIFORMED</b>				
Vehicles	\$778,570 65	\$838,460 70	\$809,900 65	\$959,700 70
High Band Radios	\$0 0	\$25,160 10	\$0 0	\$26,410 10
Base Station Repeaters	\$20,000 4	\$25,000 5	\$20,000 4	\$20,000 4
Siren Control Heads	\$3,500 7	\$7,500 15		
Typewriters	\$2,100 2	\$5,250 5	\$2,100 2	\$2,100 2
Copier	\$7,500 1	\$7,500 1		
<b>Total</b>	<b>\$811,670</b>	<b>\$883,710</b>	<b>\$832,000</b>	<b>\$1,008,210</b>
<b>HIGHWAY PATROL - NON-UNIFORMED</b>				
Microfilm reader threader	\$0	\$1,200	\$0	\$0
<b>HIGHWAY PATROL - CADETS</b>				
None*				
<b>HIGHWAY PATROL - MCSAP</b>				
None*				
<b>HIGHWAY PATROL - COMMUNICATIONS</b>				
None				
<b>LEGAL SERVICES DIVISION</b>				
None				
<b>INDIAN LEGAL JURISDICTION</b>				
None				

	Fiscal 1988	Fiscal 1989
LFA	EXECUTIVE	EXECUTIVE
AGENCY		

## COUNTY PROSECUTOR SERVICES

None

## AGENCY LEGAL SERVICES

None

## DRIVER SERVICES BUREAU

Vehicles	\$17,804 2	\$26,706 3	\$25,956 3	\$17,804 2	\$37,000 4	\$27,000 3
Computers	\$6,000 1	\$6,000 1	\$6,000 1	\$0	\$0	\$0
Office Equipment	\$0	\$3,244	\$0	\$0	\$3,244	\$0
	\$23,804	\$35,950	\$31,956	\$17,804	\$40,244	\$27,000

## MOTOR VEHICLE REGISTRAR

Computer Terminals	\$7,740 6	\$15,480 12	\$10,600 6	\$7,740 6	\$16,480 12	\$10,600 6
Computer Printers	\$5,300 1	\$10,600 2	\$5,300 1	\$5,300 1	\$10,600 2	\$5,300 1
Computer/printer/software	\$0	\$12,033	\$0	\$0	\$0	\$0
Office Equipment-General Vacuum, typewriters, scales, microfilm reader/ reader printers, file cab.	\$5,000	\$26,590	\$7,400	\$5,000	\$5,250	\$7,400
Payment on Reader/Printer	\$0	\$0	\$4,500	\$0	\$0	\$4,500
	\$18,040	\$64,703	\$27,800	\$18,040	\$32,330	\$27,800

## LAW ENFORCEMENT SERVICES

File cabinet

\$265	\$265	\$265	\$0	\$0	\$0
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Sound shield, word proc.

\$500	\$500	\$500	\$0	\$0	\$0
\$765	\$765	\$765	\$0	\$0	\$0

	Fiscal 1988 EXECUTIVE	AGENCY	Fiscal 1989 EXECUTIVE	AGENCY
LFA				

## COUNTY ATTORNEY PAYROLL

None

## LAW ENFORCEMENT ACADEMY

Training equipment	\$3,000	\$8,796	\$8,896	\$3,000	\$8,470	\$8,470
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10 films, 2 VCR's,  
10 handguns, 2 projectors,  
1 screen, 2 tape recorders,  
1 tripod

## FIRE MARSHALL BUREAU

High band radios	\$0	\$18,172	\$17,612	\$0	\$0	\$0
Vehicles	\$8,652	\$0	\$8,652	\$8,652	\$0	\$9,000
Flammable gas detector	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200
Computer	\$0	\$7,500	\$0	\$0	\$0	\$0

## IDENTIFICATION BUREAU

Fuming cabinet	\$5,000	\$5,000	\$5,000	\$0	\$0	\$0
Chairs	\$0	\$1,095	\$1,095	\$0	\$0	\$0
File cabinets	\$0	\$579	\$579	\$0	\$579	\$579

	Fiscal 1988		Fiscal 1989	
	LFA	AGENCY	LFA	AGENCY
<b>CRIMINAL INVESTIGATION</b>				
Vehicle	\$0 0	\$9,000 1	\$0 0	\$9,000 1
Tape recorders	\$1,935 5	\$1,935 5	\$0	\$0
Photographic image computer	\$5,000	\$5,000	\$0	\$0
High band radios	\$0 0	\$14,105 5	\$0 0	\$0 0
	\$6,935	\$30,040	\$0	\$9,000
		\$15,587		\$9,000

**SPECIAL INVESTIGATION**

None

**CENTRAL SERVICES DIVISION**

Vehicles	\$10,000	\$10,000	\$10,000	\$10,000
Radios	\$1,000	\$1,000	\$1,000	\$1,000
	\$11,000	\$11,000	\$11,000	\$11,000

**DATA PROCESSING DIVISION**

Office equipment 4 desks, 4 chairs, 2 file cabinets	\$0	\$1,821	\$0	\$1,821
Network user equipment	\$2,500 1	\$6,400 2	\$2,500 1	\$6,400 2
	\$2,500	\$8,221	\$2,500	\$8,221

**EXTRADITION OF PRISONERS**

None

## FORENSIC SCIENCE DIVISION

	Fiscal 1988		Fiscal 1989	
	LFA	AGENCY	LFA	AGENCY
Vehicle	\$0	\$8,652	\$0	\$0
Typewriters	\$1,150 1	\$2,100 2	\$0	\$0
File cabinets	\$132 1	\$264 2	\$132 1	\$264 2
Gas chromatograph		\$29,000	\$19,000	\$19,000
Fume hoods		\$10,000 2	\$0	\$5,000 1
Electrophoresis	\$30,000		\$23,000	\$900
Analytical balance		\$0	\$3,500	\$0
Lab stools		\$1,505	\$0	\$0
	\$31,282	\$42,869	\$23,132	\$23,664
		\$42,652		\$24,264

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.

Fiscal 1986: Comparison of Actual Expenses to the Appropriation

The following table compares fiscal 1986 actual expenditures and funding to appropriations as anticipated by the 1985 legislature.

Table 2  
Comparison of the Appropriation to Actual Expenses - Fiscal 1986

<u>Budget Item</u>	<u>Legislature</u>	<u>Actual</u>	<u>Difference</u>
F.T.E.	20.00	20.00	0.00
Personal Service	\$666,894	\$679,134	\$(12,240)
Operating Expense	157,033	125,833	31,200
Equipment	3,444	861	2,583
Total Expenditures	<u>\$827,371</u>	<u>\$805,828</u>	<u>\$ 21,543</u>
<u>Funding</u>			
General Fund	\$807,015	\$785,710	\$ 21,305
State Special	20,356	20,118	238
Total Funds	<u>\$827,371</u>	<u>\$805,828</u>	<u>\$ 21,543</u>
<u>Additions</u>			
Budget Amendments	\$ -0-	\$ 15,496	\$(15,496)

Personal services were overexpended as the agency had 2 percent vacancy savings rather than the 4 percent budgeted. Operating expenses were \$31,200 less than budgeted after taking out \$16,470 for the Governor's 2 percent cut. Therefore, the program spent \$47,672 less than anticipated by the 1985 legislature. The primary reductions were consultant and professional services of \$5,150 and legal fees and court costs of \$34,033. A balance of \$4,839 remained of the \$10,000 line-itemed for case-related travel.

The division received two federally funded budget amendments: 1) \$4,253 was expended for a victim and witness program to educate local prosecutors and law enforcement officials on the proper treatment of crime victims and witnesses and to inform victims of their rights, and 2) \$11,240 was expended for a training publication by the Montana Justice Quarterly for a broad range of criminal justice professionals.

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2-3-87

### Current Level Adjustments

This program was retained at fiscal 1986 current level except for two items requested by the agency. Office equipment rent and multi-user computer and terminal rent were altered to obtain four display stations and related printers for a net increase of \$1,030. Inflation adds \$2,302. No equipment was budgeted. Case related travel is not recommended to be line-itemed. The travel budget is down considerably from that anticipated by the 1985 legislature and from prior years' levels. There may be fewer problems if the agency can allocate their travel funds first to cases and then to meetings and training.

### Funding

The state special revenue fund pays part of the costs of an attorney and operating expenses to help the Department of Revenue enforce the laws relating to the enforcing and collecting of unclaimed property from financial institutions.

### INDIAN LEGAL JURISDICTION

Budget Item	Actual	Appropriated	- - Current Level - -		% Change
	Fiscal 1986	Fiscal 1987	Fiscal 1988	Fiscal 1989	1987-89 Biennium
F.T.E.	2.00	2.00	2.00	2.00	0.00
Personal Service	\$ 59,996	\$ 60,192	\$ 60,258	\$60,335	0.3
Operating Expense	48,848	207,460*	105,321	5,322	(56.8)
Equipment	422	-0-	-0-	-0-	(100.0)
Total Expenditures	<u>\$109,266</u>	<u>\$267,652</u>	<u>\$165,579</u>	<u>\$65,657</u>	<u>(38.7)</u>
<u>Fund Sources</u>					
General Fund	<u>\$109,266</u>	<u>\$267,652</u>	<u>\$165,579</u>	<u>\$65,657</u>	<u>(38.7)</u>

\*Includes \$198,176 carried forward from fiscal 1986 of biennial appropriation for legal fees.

The Indian Legal Jurisdiction Program staff 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.

### Fiscal 1986: Comparison of Actual Expenses to the Appropriation

The following table compares fiscal 1986 actual expenditures and funding to appropriations as anticipated by the 1985 legislature.

Table 3  
Comparison of the Appropriation to Actual Expenses - Fiscal 1986

<u>Budget Item</u>	<u>Legislature</u>	<u>Actual</u>	<u>Difference</u>
F.T.E.	2.00	2.00	0.00
Personal Service	\$ 59,995	\$ 59,996	\$ (1)
Operating Expense - Reg.	9,085	5,312	3,773
Operating Expense - Leg. Fees	241,712	43,536	198,176
Equipment	-0-	422	(422)
Total Exp. & General Fund	<u>\$310,792</u>	<u>\$109,266</u>	<u>\$201,526</u>

Both positions were filled the entire year, resulting in no vacancy savings in this program. Regular operating expenses were down due primarily to a \$4,000 travel cost decrease. A \$400,000 biennial appropriation for legal fees and court costs was reduced \$158,288 due to the 2 and 5 percent cuts. Of the \$241,712 remaining only \$43,536 was expended in fiscal 1986. The activity level was not as high as anticipated due to the Indian Jurisdiction Project's attempts to minimize the use of outside counsel on new cases which have arisen during the 1987 biennium, and, where possible, to perform as many services as reasonably feasible with state attorneys in pre-existing matters. This policy, together with relatively little activity in the Blackfeet case since the summer of 1985 has resulted in a substantial present balance in the project's contracted services budget for the 1987 biennium.

#### Current Level Adjustments

Current level is as requested by the agency, which is a \$10 increase in travel before inflation, except for the line-itemed biennial appropriation for outside legal fees, expert witnesses, and court costs. This biennium the agency made the decision to utilize more in-house expertise. Their rationale for needing some of the outside legal help is that these lawyers are now experts on the case. However, the agency also notes that much of their expertise was gained while doing work for the state. Also, the state lawyers do much of the work and hire the outside lawyers for court presentations. It costs \$70 to \$75 per hour for outside attorney assistance and about \$25 per hour for a state attorney at grade 19, assuming he is productive only 75 percent of the time due to vacations, sick leave, holidays, and training. Therefore, staff were retained in the Legal Services Program and the biennial appropriation for outside legal fees, expert witnesses, and court costs was increased from the \$43,536 spent in fiscal 1986 to \$50,000 a year or \$100,000 for the 1989 biennium.



GENERAL GOVERNMENT & HIGHWAYS SUB COMMITTEE

DATE Feb. 3, 1987

[illegible]

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.