

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

The meeting of the General Government and Highways Subcommittee was called to order by Chairman Rehberg on February 13, 1987 at 8:00 a.m. in Room 132 of the State Capitol.

ROLL CALL: All committee members were present. Also present were Norm Rostocki, Budget Analyst from the Office of Budget & Program Planning (OBPP) and Clayton Schenck, Senior Fiscal Analyst and Jim Haubein, Principal Fiscal Analyst from the Office of the Legislative Fiscal Analyst. (LFA).

84A:0.00

EXECUTIVE ACTION ON BILLS HEARD:

HOUSE BILL 277

Introduced by Rep. Mary Ellen Connelly.

Sen. Gage said he would like to see this made effective 7-1-87, but no funding appropriated until 7-1-89. Then the appropriation would be made on the actual funds available.

EXECUTIVE ACTION

Sen. Stimatz moved HB 277 DO PASS.

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

EXECUTIVE ACTION (17.40)

Sen. Gage moved the fine of \$50.00 be instituted as of 7-1-87; the funds be deposited in the General Fund and a statement of intent be attached to the bill indicating it is the intent of this Legislature those funds generated during the next biennium be used for implementation of this program in the 90-91 biennium.

A voice vote was taken and the motion PASSED unanimously.

Sen. Gage moved HB 277 DO PASS AS AMENDED.

Flo Smith told the committee she believed the monies to fund the staff would be general fund. The funds that actually come in are going out to local governments. She said the way it was presented would be they would want additional \$34,000 for the administration and operation of the program. Mr. Al Goke, Administrator of Highway Traffic Safety Division, Department of Justice, had indicated his division would be able to handle this program and use some of the Highway Traffic Safety Funds.

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

#### HOUSE BILL 309

##### EXECUTIVE ACTION

Rep. Quilici moved HB 309 DO PASS.

Rep. Quilici pointed out when the program is transferred from Workers' Comp to Board of Crime Control, the Program Supervisor will also be transferred. Along with this, the Board of Crime Control will have to have a Grade 8 Secretary in order to make this program function. When this program was instituted in 1978, three FTE were provided to Workers' Comp for this program. The Department proposes to transfer one FTE and two FTE will remain in Workers' Comp.

Rep. Quilici amended his motion to include a Grade 8 Secretary.

Chairman Rehberg said the subcommittee will have to notify Chairman Winslow, Human Services Subcommittee, of the action taken. Not all of the FTE originally included with this program were transferred and to take a look at the 1.5 or 2 FTE remaining with Workers' Comp.

A voice vote was taken and the motion PASSED unanimously.

Mike Lavin, Administrator of Crime Control Division, Department of Justice, said this program would be administered for less total money than it is at present. The citizens of the state will now have one-stop shopping for Crime Victim's assistance.

(28.25)

#### DEPARTMENT OF HIGHWAYS

Sen. Gage asked for the committee's reaction to not taking vacancy savings in the Highway Program and moving the Driver's Services Bureau under the Highway Program. The cost of that bureau would be picked up through vacancy savings and the general fund monies used to fund Driver's Services Bureau would be freed up.

Gary Wicks, Administrator of the Department of Highways, said that would be contrary to everything the department had been trying to do in their program this session. The Fuel Tax bill went through third reading and the function of that bill is to fund the highway construction activities. The end result of the proposal would be to take money away from the Highway Construction Program and those supporting the Fuel Tax bill did so with the understanding it would fund highway construction. This would be going in a different direction than he would like to see the highway program go. This would involve a significant

amount of money that could not be used for the construction of highways. Mr. Wicks said he had made a commitment to legislators that a certain amount of projects would be built if the Fuel Tax bill passed, and he would like to be able to keep that commitment. He further stated the money not appropriated in the department's budget did remain in the earmarked account and, at least, would be available for construction work or highway activities in the future. Under Sen. Gage's proposal, that money would be gone.

Sen. Gage said he had just thrown this out for the committee's consideration.

Rep. Poulsen said if the people at home want the highways constructed with the 3 and 3, that is what should be done. Rep. Quilici said the funds from the last gas tax imposed were diverted and this upset the people. He agreed with Rep. Poulsen the 3 and 3 should be used for highways.

84B:0.00

Jim Haubein, Principal Fiscal Analyst, said the total vacancy savings in the LFA current level was approximately \$1,800,000 per fiscal year for the five programs funded with Highway State Special.

Mr. Wicks said if Sen. Gage's proposal passed, there would be approximately \$4,000,000 less in the biennium for highways in the period beyond 1989. He said the whole program was based through 1993 and the money in the forecasting is the money they will need to get there. If money is diverted to the general fund, they will not be able to get through 1993 with the Fuel Tax passed by the Legislature. He said the budget presented, absent the modified requests, is the budget needed to get through the program without any additional revenues. With the \$.03 Fuel Tax and the bonding, the RTF can be restored. Basically, all that money will go into the RTF program until 1993. All of the administrative costs, with the exception of the modifieds for preconstruction and construction, are already built into the budget and additional revenues go into the construction program to fund it. The department assumed they would have the four percent vacancy savings to deal with when the budget was put together and it is built into the budget. If the vacancy savings is eliminated and the FTE requested are restored, then that money will not be available in future years. They have already looked at that and cut the expenses in the department down to what the OBPP recommended, which included the four percent vacancy savings. This savings has, therefore, already been passed on to future years.

Sen. Gage said now that his proposal had been considered, he

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would like to present the other side of the story as he viewed it. He said he would rather force reduction in state government as opposed to taking the vacancy savings as an offset to general fund money. He stated the agencies should be forced to cut spending and, in turn, cut state government. His original proposal was offered as an alternative.

EXECUTIVE ACTION

Sen. Gage moved the committee not take any vacancy savings in the Highway Program.

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

(10.07)

General Operations

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. Gage moved the committee approve the addition of \$8,050 per year for contractor payments.

A voice vote was taken and the motion PASSED unanimously.

In answer to Sen. Gage's question, Mr. Wicks explained the department normally experienced two percent vacancy savings, but with the committee's action to not impose the four percent vacancy savings, there would be about two percent vacancy savings that would not have to be made up by keeping positions open and some of these positions could be filled that would otherwise have to remain vacant. Mr. Wicks said the department had the flexibility to fill critical positions.

Norm Rostocki said unless HB 357 was amended, he thought there could not be a change within a program and it would be contrary to legislative intent.

Mr. Wicks said the cost of printing the maps was entirely absorbed by the Department of Highways. Traditionally, about \$80,000 per year had been appropriated to print the map and in FY 89, the department needs the ability to continue this operation. They are requesting restoration of the funding to a level that would allow them to do this.

Mr. Wicks said the department had tried to put together a construction program based on the money available. There is some flexibility to move projects up within the schedule, but generally the department has tried to develop a schedule that allowed them to let a certain number of projects over a certain time period. Mr. Wicks said they did use federal money first, but there are certain things that must be done before the federal money can be spent. In the construction program, the match must be paid and in some other programs the money must be spent on planning. Mr. Wicks said they are protective of the highway earmarked account because they know it will be there for future years presumably to be used in the highway program. He also referred to the federal balance in the planning part of the program. The FTE and travel as requested by the agency would allow the level of the program necessary to spend that balance down.

There was discussion regarding vacancy savings being taken in the Department of Highways.

EXECUTIVE ACTION

Rep. Quilici moved the committee add \$59,017 in FY 88 and \$49,733 in FY 89 to contracted services, minus the \$8,050 per year already allowed.

A voice vote was taken and the motion PASSED unanimously.

EXECUTIVE ACTION

Sen. Keating moved the committee approve the modified request for \$14,160 per year to print the state map.

A voice vote was taken and the motion PASSED unanimously.

85A:0.00

EXECUTIVE ACTION

Sen. Keating moved the committee add \$4,639 per year for photographic supplies.

A voice vote was taken and the motion PASSED unanimously.

EXECUTIVE ACTION

Sen. Keating moved the committee add \$7,698 per year for field monitoring supplies.

A voice vote was taken and the motion PASSED unanimously.

EXECUTIVE ACTION

Rep. Poulsen moved the committee add \$13,013 for FY 88 and \$13,013 for FY 89 for office supplies.

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There was discussion concerning the two proposed budgets.

Chairman Rehberg made a substitute motion for all motions pending to adopt the LFA budget with the OBPP adjustments.

There was further discussion concerning the two proposed budgets and vacancy savings. Mr. Wicks said the department would prefer the committee take vacancy savings as they had prepared the budget with that assumption.

EXECUTIVE ACTION

Sen. Gage moved the committee reconsider all action previously taken.

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

EXECUTIVE ACTION

Chairman Rehberg moved the committee take four percent vacancy savings in the Department of Highways.

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

(12.20)

EXECUTIVE ACTION

Rep. Quilici moved the committee add \$59,017 in FY 88 and \$49,733 in FY 89 to contracted services, minus the \$8,050 per year.

Rep. Quilici amended his motion to include a Planning Tech II, Grade 10, Planning Tech I, and a Planner Tech II, as requested by the department.

As a substitute motion, Sen. Keating moved the committee adopt the OBPP budget for General Operations, with adjustments.

A voice vote was taken and the motion PASSED unanimously.

G.V.W. Program

EXECUTIVE ACTION

Sen. Keating moved the committee adopt the OBPP budget.

A voice vote was taken and the motion PASSED unanimously.

Construction Program

EXECUTIVE ACTION

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

A voice vote was taken and the motion PASSED unanimously.

EXECUTIVE ACTION

Sen. Gage moved the committee delete \$168,053 in FY 88 and \$252,326 in FY 89 in contracted services for storage fees.

A voice vote was taken and the motion PASSED unanimously.

EXECUTIVE ACTION

Sen. Gage moved the committee reduce contracted services for lab testing approximately \$15,000 in FY 88 and \$84,000 in FY 89.

A voice vote was taken and the motion PASSED unanimously.

(21.10)

Maintenance Program

EXECUTIVE ACTION

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

A voice vote was taken and the motion PASSED unanimously.

EXECUTIVE ACTION

Sen. Gage moved the committee reduce the rent by \$7,047 per year.

A voice vote was taken and the motion PASSED unanimously.

The committee recessed at 10:05 a.m.

The committee reconvened at 10:30 a.m.

Senator Stimatz was excused.

85B:0.00

PreConstruction Program

EXECUTIVE ACTION

Sen. Gage moved the committee adopt the OBPP budget.

A voice vote was taken and the motion PASSED unanimously.

Equipment Program

EXECUTIVE ACTION

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

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A voice vote was taken and the motion PASSED unanimously.

EXECUTIVE ACTION

Rep. Poulsen moved the committee add the funding for two positions, Machinist Mechanic and Service/Combination in the amounts of \$43,555 in FY 88 and \$43,902 in FY 89.

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

The Highway Department requested language regarding the amounts for gas inflation. Chairman Rehberg said this would be addressed after action on the budgets for the division had been completed.

(6.30)

State Motor Pool

EXECUTIVE ACTION

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

A voice vote was taken and the motion PASSED unanimously.

EXECUTIVE ACTION

Sen. Gage moved the committee approve the addition of \$25,000 in FY 88 for the purchase of equipment and reduce equipment by \$25,000 in FY 89.

A voice vote was taken and the motion PASSED unanimously.

Stores Inventory

EXECUTIVE ACTION

Sen. Gage moved the committee adopt the OBPP budget.

A voice vote was taken and the motion PASSED unanimously.

Service Revolving Program

EXECUTIVE ACTION

Sen. Gage moved the committee adopt the OBPP budget deleting a .5 Lab Aide II position.

A voice vote was taken and the motion PASSED unanimously.

EXECUTIVE ACTION

Sen. Gage moved the committee reduce contracted services for computer processing costs by \$21,225 in FY 88 and \$41,122 in FY 89.



A voice vote was taken and the motion PASSED unanimously.

(12.52)

Norm Rostocki requested the committee grant the department the ability to add spending authority through a budget amendment process for rebuilding the motor on the airplane. Mr. Wicks said the engine would need an overhaul and this will cost approximately \$210,000. The Legislature appropriated it for this biennium, but they will not need the funds during this biennium. However, there will definitely be a need at some time in the future.

EXECUTIVE ACTION

Rep. Quilici moved the language be included to allow the department to come in for a budget amendment for engine repair to the airplane.

A voice vote was taken and the motion PASSED unanimously.

(17.00)

Jim Haubein referred to general appropriation language: The budget amendment language for damages collected by Maintenance Division: The Legislature anticipates that the Maintenance Division will receive, by budget amendment, spending authority for any funds in excess of \$292,840 in fiscal 1988 and \$292,840 in fiscal 1989 that it collects from damage situations.

The budget amendment language for Motor Pool in the event gasoline prices increase: The Legislature anticipates the Motor Pool will receive by budget amendment, spending authority from the proprietary fund account if gasoline costs exceed \$ \_\_\_\_\_ in fiscal year 1988 and \$ \_\_\_\_\_ in fiscal year 1989 due to increases in gasoline prices greater than \_\_\_\_\_ percent gallon from fiscal 1986 to fiscal 1988 and \_\_\_\_\_ percent increase per gallon from fiscal 1986 to fiscal 1989.

Norm said he will furnish the figures and inflation factors to the committee. Action on Amendment No. 2 was delayed.

EXECUTIVE ACTION

Sen. Keating moved the committee adopt Amendment No. 1 as presented.

A voice vote was taken and the motion PASSED unanimously.

(24.15)

Pre-Construction - Modified

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EXECUTIVE ACTION

Rep. Quilici moved the committee allow the Pre-Construction modified in the amounts of \$2,460,900 in FY 88 and \$1,195,958 in FY 89.

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

Construction - Modified

EXECUTIVE ACTION

Rep. Quilici moved the committee allow the Construction modified in the amounts of \$21,152,215 in FY 88 and \$32,661,738 in FY 89.

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

Capital Outlay Program

Jim Haubein told the committee the current level reflects the debt service payment of \$16,565,098 in FY 88 and \$16,572,990 in FY 89. As Jim sees it, this is appropriated by statute and needs no action as far as current level is concerned. The modified would have to be addressed as it reflects the transfer related to the two modified budgets just passed. (Exhibit No. 1).

EXECUTIVE ACTION

Sen. Gage moved the committee approve the modified request for \$11,058,000 in FY 88 and \$21,920,000 in FY 89.

A voice vote was taken and the motion PASSED unanimously.

Norm Rostocki pointed out one issue not included in language provided by Jim, but included in HB 500, (Exhibit No. 2)  
"The Department will be allowed to adjust appropriations in the construction and preconstruction programs between fiscal years and funding sources to reflect actual expenditures related to the projected work plan."

EXECUTIVE ACTION


Sen. Gage moved the language be included in bill.

A voice vote was taken and the motion PASSED unanimously.

Chairman Rehberg requested Norm and Jim to work out various funding mixes and furnish these amounts to the committee on Monday, Feb. 16, 1987. Gary Wicks will furnish information requested on promotions and administrative costs on Tuesday, Feb. 17, 1987.

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ADJOURNMENT: The meeting was adjourned at 11:00 a.m.

  
Dennis R. Rehberg, Chairman

DAILY ROLL CALL

GENERAL GOVERNMENT & HIGHWAYS


SUBCOMMITTEE

DATE Feb. 13, 1987

NAME	PRESENT	ABSENT	EXCUSED
REPRESENTATIVE DENNIS REHBERG	✓		
SENATOR LARRY STIMATZ	✓		
SENATOR DEL GAGE	✓		
SENATOR THOMAS KEATING	✓		
REPRESENTATIVE HAROLD POULSEN	✓		
REPRESENTATIVE JOE OUILICI	✓		

CAPITAL OUTLA.  
Modified Level Services Only

2/11/87

Description	FY88			FY89		
	DOH	LFA	DIFFERENCE	DOH	LFA	DIFFERENCE
FTE	-0-	-0-	-0-	-0-	-0-	-0-
1000 Personal Services	-0-	-0-	-0-	-0-	-0-	-0-
2000 Operating Expenses	-0-	-0-	-0-	-0-	-0-	-0-
3000 Equipment	-0-	-0-	-0-	-0-	-0-	-0-
4000 Capital Outlay	-0-	-0-	-0-	-0-	-0-	-0-
5000 Local Assistance	-0-	-0-	-0-	-0-	-0-	-0-
6000 Grants	-0-	-0-	-0-	-0-	-0-	-0-
7000 Benefits & Claims	-0-	-0-	-0-	-0-	-0-	-0-
8000 Transfers	11,058,000	11,058,000	-0-	21,920,000	21,920,000	-0-
9000 Debt Service	-0-	-0-	-0-	-0-	-0-	-0-
TOTAL PROGRAM	11,058,000	11,058,000	-0-	21,920,000	21,920,000	-0-
Highway State Special						
	11,058,000	11,058,000	-0-	21,920,000	21,920,000	-0-

2-13-87

	Fiscal 1986				Fiscal 1987					
	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Total
4. Service Revolving	6,923,512	7,415,892			14,339,404	5,312,307	6,458,655			11,770,962
5. Maintenance				2,990,034	2,990,034				3,217,861	3,217,861
6. Equipment	40,497,899				40,497,899	40,360,882				40,360,882
7. Motor Pool	2,920,903		9,735,463		12,656,366	2,590,751		10,187,263		12,778,014
8. Stores Inventory				890,157	890,157				733,999	733,999
9. Gross Vehicle Weight Division	13,050,700				13,050,700	13,309,443				13,309,443
10. Capital Outlay	3,218,080				3,218,080	3,567,560				3,567,560
	14,773,336				14,773,336	16,563,599				16,563,599
<b>Total</b>	<b>178,984,760</b>	<b>127,200,043</b>	<b>13,615,654</b>	<b>319,800,457</b>	<b>438,599,914</b>	<b>154,921,108</b>	<b>114,992,701</b>	<b>14,139,123</b>	<b>284,052,932</b>	<b>388,985,147</b>

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

The Department shall manage the program with the intent to end the 1987 biennium with approximately a \$10 million cash balance in the highway special revenue account in the state special revenue fund.

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

The Department is appropriated \$32,050,000 in fiscal year 1986 and \$29,600,000 in fiscal year 1987 for a cash transfer for the highway special revenue account to the highway reconstruction trust account.

The Department of Highways is directed to submit to the 1987 Legislature a construction work plan for the 1989 biennium that is detailed by year, project phase, and fund. This work plan must specify, by road system or project area, proposed projects on which \$1 million or more would be spent during the 1989 biennium and an aggregate cost for projects with anticipated expenditures of less than \$1 million. Costs must be detailed by year, fund, and project phase.

The Legislature anticipates the Department will proceed during the 1987 biennium with the projects and right-of-way acquisitions listed in its revised work plan presented to the legislative subcommittee on general government and highways and spend funds substantially in accordance with the estimated expenditures shown on that work plan. The Department shall report to the 1987 Legislature any significant deviation in projects undertaken or funds expended from that work plan. (The Department will be allowed to adjust appropriations in the construction and preconstruction programs between fiscal years and funding sources to reflect actual expenditures related to the projected work plan.)

The internal service program contains \$210,000 in fiscal year 1987 for overhaul of the Department's airplane. In the event the repair is not required, the Department shall revert this spending authority.

(The Legislature anticipates that the Maintenance Division will receive, by budget amendment, spending authority for any funds in excess of \$394,098 in fiscal 1986 and \$400,073 in fiscal 1987 that it collects from damage situations.)

The Department is authorized to transfer \$3,700,000 from the highway special revenue account to the stores program account as contributed capital in fiscal 1986. The Department is instructed to develop a pricing structure in the stores inventory program to maintain a cash balance and prepare budgets for the 1989 biennium in accordance with this plan.

TOTAL SECTION A

49,777,446	196,953,138	133,717,077	46,085,133	426,532,734	48,771,869	171,433,754	121,511,463	47,268,061	388,985,147
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B. HUMAN SERVICES

DEPARTMENT OF HEALTH AND ENVIRONMENTAL SCIENCES

1. Director's Division									
a. Director's Office									
368,121		785,949		1,154,070	365,311		776,214		1,141,525
b. Legal Unit				104,482	105,589				105,589
104,482				18,638	18,638				18,638
c. Board of Health									
18,638									
2. Financial Services Division									
a. Administration									
	145,971			145,971			148,887		148,887
b. Fiscal Bureau				311,366	311,366		313,072		313,072
311,366									
c. Audit				42,000	42,000				
	42,000								
d. Records and Statistics Bureau									
234,518	72,269	63,423		370,210	228,158	72,203	63,423		363,784

VISITOR'S REGISTER

GENERAL GOVERNMENT & HIGHWAYS

SUBCOMMITTEE

AGENCY(S) \_\_\_\_\_

DATE Feb. 13, 1987

DEPARTMENT OF HIGHWAYS

NAME	REPRESENTING	SUP- PORT	OP- POSE
Gary T Wicks	MDOH		
Bill Salisbury	MDOH		
John PREBIL	MDOH		
Jack Ellery	MDOH		

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

