

MINUTES OF THE MEETING  
FINANCE AND CLAIMS COMMITTEE  
MONTANA STATE SENATE

April 9, 1987

The 28th meeting of the Senate Finance and Claims met on the above date in room 108 of the State Capitol. Senator Regan, Chairman, called the meeting to order at 8 a.m. following roll call, for the purpose of hearing House Bill 2.

ROLL CALL: All members present.

CONSIDERATION OF HOUSE BILL 2: THE GENERAL APPROPRIATIONS ACT OF 1987 FOR THE APPROPRIATION OF MONEY TO VARIOUS STATE AGENCIES FOR THE BIENNIUM ENDING JUNE 30, 1989.

Senator Regan said before we begin consideration of House Bill 2 she would make a few observations for those who wished to testify. She said, we will take the bill section by section and as we go through the bill particular emphasis be placed on floor action. I would ask that if you have problems with the floor action, you address that only and that your testimony be rather brief. She said, I don't mean to cut you off, but as you know this bill has come down very late and we are up against a very short deadline. If bills have gone through the House and Senate that impact your budget, I would ask that you present amendments of that nature and give them to the vice chairman of the committee that heard your bill. You are to give amendments to both the fiscal analyst and the secretary; you should have 20 copies of any amendment you want to introduce. If you will turn to the back of the first section, you will find the index to the bill and behind that, on the blue copy the fiscal analysts have prepared a summary of all the amendments that were made to the bill on the floor.

House Bill 2 narrative presented by the Legislative Fiscal Analyst's office will be the main document referred to during the hearing of the appropriations bill. Attached as exhibit # 1.

Representative Donaldson, chief sponsor of House Bill 2, explained the House Bill 2. He said he was sure everyone was well aware of this bill which took nearly 3 months to prepare and was sorry the bill did not get to the committee earlier, but under the circumstances this was the best they could do.

Representative Donaldson said he would go through the boiler plate briefly. There are 2 amendments on the boiler plate,

the first on page BP2, line 5, and said this deals with agencies that have basically 2 methods of funding. Currently the attempt is to use the general fund money last so that that money can be used. The other amendment is on BP3, line 24 and calls for the coordination between the departments where they get grants so you can maximize the benefits and minimize the administration costs.

Representative Donaldson said, the bill itself came out of the House Appropriations with \$721,849,116 appropriation and came out of the House with \$712 million. There were numerous amendments that were made, the subcommittee chairman will address each of those amendments for you. They are in the blue copies in the narrative. The major amendments were in regard to SRS and state medical that increased substantially, and there is additional language in the University System.

Representative Donaldson said that fairly well covered the general aspects of the bill, while the committee was working on it the budget office and the Legislative Fiscal Analysts will be trying to put together the loose ends I might present to you on close. For instance there is some concern about the Work Comp rates and how they are incorporated in the bill.

SECTION A, HOUSE BILL 2: Representative Rehberg, Chairman of the subcommittee on General Government and Highways, presented Section A of House Bill 2. He said there would be a change in staff since Pam Joehler had a baby boy the morning after our hearing in the House and Clayton Schenck will be filling in with Jim Haubein to do the best they can to do the Department of Revenue, Department of Administration and the Judiciary budgets. He said the members of his subcommittee were Senators Keating, Stimatz, Gage and in the House, Representatives Poulsen, Quilici and Rehberg.

A-1. Legislative Auditor. Representative Rehberg said, there will be a general fund increase of slightly over 1%. We did take the 4% vacancy savings' throughout our entire budget, and that took place in those agencies that had less than 20 employees. I understand the LFA announced at the very beginning of the Legislature that they did not take 4% vacancy savings on those agencies of less than 20 employees. Our subcommittee did. In cases where there was an inability on the part of the agency to transfer funds, an example is the Department of Revenue, they had a bureau of 10 employees, we said that the Governor's philosophy was a 4% vacancy savings would be taken agency wide, and you cannot then come in in that one bureau and say I'm sorry, but we can't eat that 4% vacancy savings. It was our intention that it be taken agency wide and it was up to the director to decide in which bureau or area it went. In areas such as

the Legislative agencies; the Legislative Auditor, Legislative Fiscal Analyst, you see where they don't have the ability to transfer funds within the various areas we took a 1% vacancy savings. He said, I will not keep mentioning this throughout but we did take 4% vacancy savings; we did not take that vacancy savings in areas such as the large number of elected officials, the Supreme Court or the District Court operations. We did take a vacancy savings in the Governor's office, and as a result of that there was a vacancy savings put on the Governor himself; but none of us ever expected he would vacate that office before the guy's below him, and we would certainly put back in to solve that problem before we got to that stage.

Representative Rehberg said, within the Legislative Auditor and a number of other areas, EQC, Judiciary -- the Supreme Court, they held to the 1986 pay matrix. We felt it was unfair because the rest of the state government did not hold to the 1986 pay matrix; as a result you will see an increase in a number of these early budgets we will be going through. We increased their pay to the 1987 pay matrix making all of state government equal.

A-3. Legislative Fiscal Analyst. This budget was increased approximately \$17,000 to bring them up to the pay matrix but on House floor action, they lowered the Legislative Finance Committee's travel by \$5,000.

A-4. Legislative Council. There were substantial changes made both in the Legislative Council Committee themselves in our subcommittee and again on the House floor to cut the Legislative Council's budget. The Legislative Council had increased their salaries up to the '87 pay matrix and given some raises, some step increases. We lowered those positions and brought them back down to the '87 pay matrix, so if you look at the budget, rather than an increase of 35% there is an actual decrease of 8.9% within the Legislative Council. We looked at ourselves very carefully because if we were going to cut all the other agencies and then added to our own turf we would be subject to some criticism, so we looked closely at this. There was a 40% reduction in the Interim Study area; in House floor action we lowered the Revenue Oversight travel, we lowered the travel for the NCSL, and the CSG and we did away with the funding for the Capitol Building and Planning Committee. Those decreases were for a total of \$17,500.

Mr. Rehberg said, on A-10 you will see the interim studies from the original agency request; we found that the original agency request was quite a bit higher than the current and we lowered it from \$80,000 to \$60,000 -- They study bills that we pass or should consider. A number of them were passed and we are already over the \$20,000 budgeted so there

will have to be adjustment sometime before interim studies unless we can hold tight on those.

The Forestry Task Force was one that was added in the subcommittee. There was an attempt to lower that on the House floor and it was unsuccessful and it was an addition to the budget over and above the original LFA budget.

A-11. Consumer Counsel. This is funded by the Utilities tax and they had a pay increase we lowered back down.

A-12. Environmental Quality Council. An attempt was made in the full committee to do away with EQC and it was unsuccessful. You will see an increase in their budget as a result of the pay plan and vacancy savings; there is also an increase shown as a result of the Water Quality committee. A change was made within the Water Quality committee funding in Appropriations Committee. We took \$100,000 out of the Water Court budget and put it in the Water Quality committee so we could study the adjudication process. This would assure the Legislature that they were not moving too quickly and that the job was adequately done.

A-15. Judiciary. Representative Rehberg said, this is the only other area within the entire subcommittee where we made the adjustment to the pay. This was an increase; the Supreme Court Justices had voluntarily kept their entire agency at the '86 pay matrix. The budget does have the permanent 7 Justice Court funding within it. The 7 court Justice is a result of legislation that made its way through. A sunset provision was put on that again for another 8 years. We made it identical to the one that was passed before raising it to 8, and the funding then shows the 7 justices, 4 clerks and one secretary. During floor action the amendment was accepted by the full House of Representatives to consolidate the State Law Library with the State Library and in House action yesterday in Appropriations the Cobb bill was brought before us and received a do not pass recommendation and that did pass, so at this stage I think it is consolidated.

On A-21 under District Court you will see a minor increase for operations and a slight increase in benefits.

A-23. Governor's Office. There was a decrease in the Governor's office on vacancy savings and some FTE positions were reduced, A-25; we decreased the increase in air transportation on A-28 which was a floor amendment. It was felt that the time in the airplane was one place the Governor could cut. On A-32, in the Lieutenant Governor's office, there was a campaign to reduce the staff, it was not successful. It was felt in this time of crisis there should be someone there to at least figure out what agency they

should be going to for help. Comment under Budget: A-32 was read.

A-34 Mental Disabilities, Bd. of Visitors was one of the few areas the subcommittee did increase. The on-site facility review.

A-35. Statehood Centennial Office, saw a substantial increase; that of course is state special revenue. It is all fund raising derived, and the 3 positional FTE's in the area are for the purpose of fund raising.

A-36. Secretary of State. There were a number of FTE's taken out of the Secretary of State's office. Several of them were from start up costs on a program, and one they offered up to the full Appropriation Committee as well. H. B. 901, vacancy transfer and the Administrative Rule area, would save some general fund money. You will see a general fund decrease in the Secretary of State's funding for about 18%.

A-38. Record Management. There is a decrease in general fund. The increases are as a result of the Agricultural Lien Program. There were some additional requirements put on the Secretary of State by the farm bill that passed Congress last year and those reflect in additional reporting requirements.

A-41. There is a decrease in general fund of \$30,600 since the administrative Codes since it is now fee generated. This is contingent upon passing House Bill 901.

A-42. Commissioner of Political Practices. Representative Rehberg said there had been a number of bills at the beginning of the session to do away with the Commissioner of Political Practices. The new Commissioner, Delores Colberg, came in with an estimated budget that pared down the budget quite a bit. You'll see a decrease of about 26%. He said this reflects contracting services for the lawyer instead of hiring a full time attorney and the books showing what everybody contributed will no longer be free; they will charge for that service since the information is available in the Commissioner's office if you want to go look it up.

A44. State Auditor's Office. There was an elimination of 2 FTE's on the House floor. This was a result of an identification by Andy Bennett of areas she could save a total of 5% cut. When the Governor asked for those he asked for an area where they could take a cut. A lot of the agencies provided those, some did not; we found as we went through the budget, Senator Keating asked, were the 5% cuts you made, made permanent and more often than not they were not made permanent, they were sort of a postponement. She had not made a permanent cut. The body felt fair is fair

and she should make those positions permanent and did take the 2 FTE's out.

A-47. If you look at the bottom line you will see a slight increase in appropriations; that is as a result of the warrant writing system. The machine that writes out the pay checks is about to go down, and the Legislature has been putting off this decision. There is a substantial penalty if those checks are not put out on time and it is just not worth chancing again. Our subcommittee did appropriate \$200,000 for replacement of this system.

A-49. Insurance Division. An increase here of 3 FTE. That is in addition to current level as a result of House Bill 372. Industry has been coming in and asking us to increase the FTE's in this office for the purpose of examination, and they need an actuary to evaluate the information they are required to give to the auditor. The industry apparently wants it and is willing to pay for it. The bill increases their fees on their licenses. There is no way they can pass this increase on to their consumers; it is going to be a cost to the insurance agents themselves.

A-52. Department of Justice. A number of things transpired over the course of proceeding, one being House Bill 492 by Representative Miles raising certain fees regarding motor vehicle titles and it has been through the process and is signed by the Governor. A large proportion of the Department of Justice's budget is financed by motor vehicle fees; the law enforcement academy, forensic lab, drivers' services bureau, etc. At one time there was a short-fall in that motor vehicle but now general fund has to pick up the difference, so we prioritized the areas of importance to us so that vehicle registration, prison and drivers' services were at the top of the list and at the bottom was the forensic science division. The motor vehicle account also had enough money to do some matching with the criminal investigation bureau for under cover drug work.

A-57. Indian Legal Jurisdiction. This an area they had appropriated money but the cuts, the fact that the trial did not materialize, etc., left money in the account. They think one may come to trial in the next biennium, the money is there but it is again line itemed.

A-59. Montclair. An area that was taken out of the Education subcommittee and moved into our subcommittee.

A-60. Agency Legal Services. There was a proprietary fund increase of 8%. This is where they hire attorney's within the system to do work in various agencies. As a result of our budget you will see the hourly fee for the State's attorneys has gone up from \$45 to \$47.80 per hour.

A-61. Driver Services Bureau. There is a slight increase of less than 2%. These are the examination, issuance, cancellation, suspension, revocation, and reinstatement of drivers' licenses and driving privileges. This budget is roughly equivalent to the fees generated by the program.

A-63. Highway Patrol Division. House action eliminated the "Bear in the Air" for savings of approximately \$60,000 over the biennium and we reduced the vehicle purchase by 5. That brings it down into line where the LFA had recommended to us. We took a 4% vacancy savings here.

A.65. You will see an increase in the 55 mile per hour enforcement squad of \$158,500.

A-67. Highway Patrol Cadets. There is an additional number of retirees based on the age of the current population of the Highway Patrol and as a result there is additional funding for additional cadets.

A-68. The Motor Carrier Safety Assistance (MCSAP) the safety inspection program for the truck drivers. There is a modified in this area page A-68,69. Expands the program from 6 FTE's to 12, totally federally funded. The change on the House floor was a technical change in the language.

A-70. Highway Patrol Division, Communications Bureau. There was a change made on the House floor. When the special session met and moved the funding from general fund to Highway Gas Tax funding for the Highway Patrol, at that time the Highway Patrol felt it was no longer necessary for them to put the cost allocation plan together as required by the last legislature. Our subcommittee discussed that with them and told them that we felt that requirement should have been met and will be done by the next legislature so we can allocate the cost of the communication service to the various agencies. On the House floor they had an amendment that the cost allocation plan be done by June 30, 1987.

A-72. Registrar of Motor Vehicles. There were numerous areas we considered in the subcommittees, one being the suspended ceilings in Deer Lodge to cover the asbestos. It should be considered in this Legislature. Someone has to address it.

A-75. Law Enforcement Academy. Language was inserted in the House proceedings that the general appropriation act would state that appropriation for the Law Enforcement Academy include sufficient for the purchase of the most cost effective facility available to house the Academy. There was quite a controversy in the House on the lease signed by the Attorney General -- it seems that it has one of those escalating clauses that never end and we have adequately paid for that facility, we are still paying quite high lease

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on it, and now it looks like the best course of action would be to buy the facility to get out from under the continuing rental charge.

A-76. Several Modifieds are added, listed on A-76.

A-77, 78, 79. Three smaller areas in the Department of Justice, the Fire Marshal Bureau, the Identification Bureau and the Criminal Investigation Bureau. The Criminal Investigation Bureau is the one where we had funded within our subcommittee and approved 1 customs investigator, a modified FTE contingent upon availability of federal funds. Representative Rehberg said he thought the agency would want to talk to the committee about the possibility of an amendment in this area.

A-81. Criminal Investigation - Coal Board. There are two modifieds the subcommittee accepted for this area. A criminal investigator contingent upon the availability of federal funds; the new agent would work narcotics and stolen property. The undercover unit needs a match and before the federal match was available our match would be available from the motor vehicle account.

A-88. Forensic Science Division. Within this is the increase for the rent that was necessitated by the move from the prior forensic science lab to the new one in the hospital in Missoula. This was added in the Senate Finance and Claims and that supplemental bill did pass the House yesterday with the addition of the approximately \$55,000 for the rent. We had language placed in the bill asking them to begin looking for alternative housing space.

A-89. Alcohol Rehab Treatment Funds, the subcommittee had taken that money out of the forensic science division feeling that money could be better spent at the local level for alcoholism rehabilitation programs. The full committee felt that since there is a DUI in the present forensic science lab, it was put back in, essentially replacing general fund.

A-90. Highway Traffic Safety. A small area with a small state match. It is a majority of federal money, the state matches an ongoing part that comes from the gas tax.

A-91. Board of Crime Control. General fund decrease of a little over 7%.

A-92. Non-Operating Costs are listed. There are a couple modifieds in this area, one being the federal drug enforcement block grant accepted by the subcommittee and has made it all the way through so far. The secondary change in the Crime Victims' Compensation Program Transfer, which is the result of Representative Quilici's House Bill 309



changing the crime victims from workman's comp over to the Board of Crime Control.

A-95. Department of Revenue. One change that took place on the House floor was to reduce the liquor net profit from 13% to 10% in an attempt to make it a little easier for the Liquor Stores to meet a minimum requirement.

Representative Rehberg continued by saying there are a number of areas addressed in the full committee I should mention to you. One being the transfer of the video poker program from the Department of Revenue over to the Department of Commerce. That is the result of legislation that did make it all the way through, and I believe it has been signed by the Governor. On the House floor we did the technical language to accomplish that transfer..

A-108. Investigations and Enforcement Division - Child Support Bureau. Within the subcommittee they reestablished the 8 sunset FTE's in child support enforcement. That is a cost of about 1/2 million dollars.

A-112. Income and Miscellaneous Tax Division. There is an increase of 13 FTE's here. The subcommittee reestablished the sunset FTE's in this area. We discussed this thoroughly asking them for proof that the 13 FTE did bring in the money they assured us they would in the last legislature when we gave them the additional FTE's. It is very difficult to get to the bottom line to establish whether it did or did not, we gave them 2 more years. That too, is at a cost of about 1/2 million dollars.

A-114. Natural Resources and Corp Tax Division. Two sunset FTE's were reestablished again and sunset again at the end of this biennium.

A-116. Property Assessment Division. A change on the House floor. We funded elected assessors at 49% of their salaries. That's a decrease from the current 70%.

A-117. A reduction in vehicle purchase of about \$56,000 which was made on the House floor. It was felt the appraisers needed to be driving smaller trucks with campers on them out in the "hither" land. Within the Appraisers and non-elected Assessors Program, the full House Appropriations eliminated 5 area manager positions. They could handle it by dividing Montana into larger sections.

A-119. Property Assessment Division. You'll see railroad appraisal - litigation funds of \$60,000 annually. This is for the purpose of continuing the litigation on the B.N. tax issue. This money was appropriated in the last legislature and spent as well as a part of the cuts. They spent part of the funds for the cuts, and need a supplemental bill to

handle it. We tried to tie this money down so that when the Governor calls for a cut it cannot be used for that purpose. It has to be used for the purpose of the litigation.

A-120. Administration Program. The property assessment you see FTE's were reduced within the full Appropriation committee. These were two supervisors. As we went through and reestablished those 13 FTE's and those bond enforcement FTE's, one of the things we were continually told is, these are the people that are returning dollars to the state of Montana. If you don't give us those 13 FTE's you are just losing millions of dollars that will decrease your revenue, so all your revenue estimates will have to be decreased. As a result of that we took a look at that budget and looked at the areas where instead of getting rid of the Indians we were getting rid of the Chiefs; which is probably what the people of Montana want us to be doing anyhow.

A-121. Motor Fuels Tax Division. This is a minor program and is funded by gas tax money. There is a slight increase due to computerization work.

A-122. Department of Administration. This is overall agency wide increase of a little over 2%.

A-126. The Governor Elect Program. On the House floor we reduced the Governor Elect Program by \$20,000.

A-127. Accounting Division. Deletion of 1 1/2 FTE's in the SBAS support function. That issue was brought up on the House floor, and we upheld the committee's action that we did not feel the SBAS support function was necessary over the biennium. It may become necessary in the next biennium, but it was an area we could let slide for a few years.

A-31. Publications and Graphics. This had become a hot issue in the Legislature. Although on A-131 you will see an increase of 36%, this is misleading because there was reorganization done within the Department of Administration and rather than 9 months of operation this reflects the whole 12 months operation.

A-134. Information Services Division. That is the large mainframe computer processing and all the related services. You will see a proprietary fund increase of 10%. In many of the increases in the D of A, a lot of them will have have a subsequent increase in the agency budgets of all the other subcommittee areas. This is strictly proprietary funds, it is money coming in from the other agencies, and we made a good attempt in our subcommittee to keep our costs down so that your costs would not rise accordingly.

A-135. Information Services Division - Central Computer Operations. You will see equipment expenditures of a little

over a million dollars a year, but they are ongoing costs. We did approve one modified, the system upgrade; \$100,000 each year. They had convinced us that on capacity and storage they needed to upgrade. We did go through the rest of the Department of Administration modifieds and we were very selective in what we accepted.

A-136. Information Center. A decrease of almost 6%. This provides user assistance in training users on the mainframe and microcomputer products.

A-137. Systems Development. There is proprietary funding of a little over 5%. This is the area that plans, develops, and supports the computer programs using the state database software.

A-138. Telecommunications. An increase of 4%. This is for the operation of the state telephone system. We did accept a modified in this area to continue to centralize telephone equipment and maintenance payments for state agencies that currently pay telephone vendors directly for their service; approximately \$800,000.

A-143. Purchasing Division. The subcommittee took an additional 3.75 extra FTE's within the purchasing area.

A-144. Property and Supply Bureau. You will see an increase of proprietary funds of about 5%. That includes the 9% increase to allow for growth and goods purchased for resale.

A-145. Mail and Management Program. They are attempting to get as much of the mail service in one location as they can, but they had to ask for an increase to try to get 2 more user agencies. But one of these was Worker's Comp and the House Appropriations did not give them funding for this, they were given funding to continue their own mail operation.

A-148. Board of Investments. During the House floor action language was included in House Bill 2 to transfer the administration of the Board of Investments from the Department of Administration to the Department of Commerce. We also approved 2 portfolio managers. That funding will come from the investment income.

A-152. Personnel Division. You will see a general fund decrease of almost 2%.

A-155. Training Program. The full House Appropriations took some additional money out of the personnel training. It took the 1 FTE from general fund and made the program entirely proprietary fund.

A-157. State Tax Appeal Board. You will see an addition there as a result of workload increases from the reappraisal cycle. The State Tax Appeal Board came in and asked for the ability to hire hearing officers to go out and help STAB. That was approved by the full House Appropriations Committee and I believe the full House. We did put the funding in for that hearing officer, and we did put a limit on it; there has to be over 1,000 appeals behind but we did sunset it.

A-160. Department of Highways: Once the Legislature decided to have the gas tax and because that money is entirely used by the Highway Department and the Highway Patrol there was not much for the subcommittee to do. No changes were made so the Highway budget you see before you is the budget presented by the Governor.

A-165. Construction. Additional FTE's were hired and the modifieds from the gas tax will increase the budget by a little over \$21 million in '88 and \$32 million in '89. It is an increase of about \$2.4 million in '88 and \$1.1 million in '89 for the reconstruction program.

A-178. Military Affairs. A number of modifieds in this program.

A-179. Army National Guard. There are 4 modifieds, all federally funded, and listed on page A-180.

A-181. Air National Guard. There is one modified, again federally funded. Page A-182.

A-183. Veterans' Affairs. Representative Rehberg said he felt the Veterans' Affairs was nothing more than an ombudsman between the Veterans and the federal government, and unfortunately it seems to be necessary. It is necessary so that there is a response to the desires and the needs of the veterans as they should be. This is a layer of bureaucracy that probably shouldn't be necessary, but is. There is a general fund decrease in this area of almost 9%, but very few changes were made within that budget. The one modified, the veterans' cemetery and that is about \$30,000 per year.

A-187. Local Civil Defense Reimbursement. Modified, federal pass through of funds totaling \$2 million each year.

Representative Rehberg said that finished his presentation of Section A and Senator Regan said, we will go back through and allow agencies to make comments about floor action. She said they would take the testimony first and then the Committee can go into questions.

Senator Keating asked if we would have a short recess to get some of the amendments into shape? Senator Regan answered,

certainly after we take the agencies and before executive action we will take a short break.

TESTIMONY FROM AGENCIES ON HOUSE BILL 2, SECTION A.

A-5. Law Library. A-19 in the narrative. Senator Gage said, this is the area Representative Rehberg told where it was proposed that the Law Library be put into the State Library and the bill that accomplished the statute work on that does have a do not pass recommendation.

Senator Regan asked, you will be offering an amendment to that then later on? Senator Gage answered, yes. Judy Meadows would like to address this.

Judy Meadows, Montana State Law Librarian and I am here to represent the Law Library and to defend my position, and what it accomplishes in the state. She said that the services the State Law Library provides are specifically geared to the needs of their particular patrons. These patrons include the Judiciary, the Legislature, the Legislative Council, the Attorneys who work for state government and the attorneys practicing for the general public of Montana. We must be able to predetermine the needs of our patrons which calls for unique qualifications for all staff whether they are working in public services or technical services. She said the suggested cut would cut their staff by nearly 50% and cut their books and supplies. She explained some of the duties, such as reference and circulation to the entire state, teaching classes to high school students, legal secretaries, etc.

Senator Regan said, as I understand it, your library consolidation was rejected so your law library is safe as an independent library. I would like you to address the funding. The funding is shown in the big bill. Do you have any trouble with it? Are there any issues there that you would like to address? Judy Meadows answered, yes, we would like to have the funding restored to what the full Appropriations Committee had recommended which would restore the staff to present levels and the collection to present levels.

Senator Regan asked, could you give us the figures as to what those would be? Senator Gage asked if the Chairman would like the amendments passed out now and Senator Regan answered, simply in testimony so that we understand when we take executive action later. I would like her to address the funding since the Law Library is going to remain an independent unit.

Judy Meadows answered, the money is in the amendment. It means restoring the general fund to \$511,307. I think that

his decrease was 186 for the biennium. It was around \$95,000 a year.

Senator Gage said, the reason Judy is concerned, she came on board just before the '85 session and she got snookered because she didn't realize what was happening, so she is very cautious.

Jim Oppendahl, Administrator of the Supreme Court said, the Chief Justice would have liked to be here but he is in court. He would like me to express to you the enormous importance of restoring the funding to this. It is important to the Judiciary, it is important to the legal community in the state of Montana, and it is extremely important to the rest of the people in the state who have state lawyers who have to defend the complex issues before the Supreme Court.

Pat Melby, representing the State Bar. We too support restoring the funding to the prior levels for the simple fact that the State Law Library is used extensively by County Attorneys, Public Defenders, and people across the state. It is very important to people in small communities in the state that don't have access to any kind of libraries let alone a local county library or one such as we have in our firm. We would urge the funding be restored.

Rick Bartos, State Superintendent's Office said, in defending the State of Montana in major multi-million dollar litigation it is imperative that we maintain the tools to defend the state and the State Law Library helps us in that matter. Also in terms of specific agencies, we drastically cut our budget to maintain our own libraries hoping that the Law Library would be maintained.

Testimony in the form of a letter from Mike Greely, Attorney General, was handed in, attached as exhibit 1.

A-9. State Auditor's Office.      A-46 narrative.

Kathy Irigoin, Staff Attorney, State Auditor's Office said, the floor action took 2 positions from the office automation and system studies. These positions were funded from the general fund and the total amount was \$77,000. \$37,552 in FY'88 and \$38,538 in FY'89. These are critical positions in the Auditor's office because these 2 positions perform duties required by law. The position of the subcommittee was that it was 2 positions that had already been cut in June. These two positions were never cut in June because our office chose instead to take a leave without pay program rather than cutting the budget. There were other agencies also that did not take the 5% cut. She told about the fees collected on premium tax, etc., and the amounts that reverted to the general fund.

Kathy Irigoin said House Bill 880, the purpose of the bill is to have their office collect premium tax on a quarterly basis. There is an appropriation in the bill for 1 FTE. The impact of that bill would be \$18,208 with this bill in '88, \$17,108 in FY '89 for a total of \$35,216. There would be additional money to the general fund because they would be collecting on a quarterly basis and accruing interest to the state and quarterly collections would not be collected if this FTE is not appropriated for. She said if possible I would like to prepare an amendment on that.

Senator Regan said, those amendments should be submitted to the Vice Chairman of the subcommittee that heard your budget.

Senator Regan asked if there were questions from the committee in regard to the 2 FTE's?

Senator Bengtson asked, Kathy if those 2 positions weren't line itemed since they are identified in the bill, specific people. If 2 that weren't identified were taken from the budget, could you pick those from other personnel within the budget rather than those 2 specific people? Kathy Irigoin answered, those were the 2 persons referred to on the floor in floor action when they were cut. Again the two persons have been identified. These two people do, in fact, come up to the \$77,000 that was cut. As far as shuffling within the office, we don't have any vacancy savings right now. Every position is filled and has duties. The Governor asked for 2 positions to be vacated in his budget.

Senator Regan asked, what is the total number of FTE's in your agency? Kathy Irigoin answered 60.

Senator Regan said, 60 people on board. When you said the Governor asked for certain people to be identified, were those slots that were vacant at that time, or what was it? Kathy Irigoin answered, they were not vacant at the time, but the Governor in October requested that our agency identify 4 people whose positions could be terminated. We took the 5% cut earlier and then took our leaves without pay. The Governor asked for a permanent cut of 4 persons that would add up to that 5%.

A-28 narrative. The elimination in the Governor's air transportation. There were no comments on this section.

A-63 narrative. This would reduce the Highway Patrol cars by 5. Susan Hanson, representing the Attorney General's Office said we don't have any comment on that.

A-63. narrative. This is the elimination of the "Bear in the Air". Officer Randy Yeager, Public Information Officer, Highway Patrol Division said, I am the target, so to say. Our program is cost effective, we believe. We are funded

generally from Highway Traffic Safety and our aircraft was purchased with \$35,000 from Highway Traffic Safety in 1983. Our major component repair problems have been handled by the federal government at \$24,000 since then. Our program generally spends \$14,000 a year in general maintenance and fuel, hangar and insurance costs. For that we produced \$75,000 in ticket revenues since 1983. We generally produce \$25,000 to \$30,000 in ticket revenues. In addition to that we also provide the citizens of the state a service of emergency medical transportation for blood, vaccines, anything along those areas that are necessary. We feel that these services along with the fact that we are relatively cost effective justifies our continued support.

Colonel Robert Landon, Highway Patrol said, I would like to point out that the Montana Motor Carriers and the Automobile Club of Montana are supporting this program and feel that it is an effective way to control truck speed. Officer Yeager has literally been responsible for saving many lives during the course of this operation. We would hate to lose him. Addressing the financial portion, the House floor action removed \$30,000 per year; the actual cost or somewhat less than that -- it was \$14,482 last year, so this is actually removing more than the cost of the aircraft. Other states have small fleets of aircraft they use as tools in reinforcement and also for humanitarian purposes to serve their states, and we would like to keep at least one to do that. This program has been audited by the State Auditor twice and we have come through with flying colors on both occasions. We feel it is a good program and we would like to ask that you continue the program. The other area I would like to discuss deals with floor action that was dealing with the Highway Patrol Dispatch Centers. I got in trouble with the committee because we didn't supply a cost study analysis and a user fee study as we requested the bill. There were a couple of reasons for that: 1. As you know this communications system is really in its infancy and we are trying to develop it and it really isn't completed yet and will not be completed until June 1 when western Montana goes on line. The present use of the system that we've been able to determine which is incomplete -- 98% of it is used exclusively by the Highway Patrol, about 1 1/2% by the Department of Highways and the other state agencies either haven't got their radios, their high band radios that they are trying to convert over to, or haven't been able to do the switch. So, it is too early for us to make this user need assessment, and my understanding of the floor action is that we were apt to bill the other agencies at the end of June for 1/4 or 25% of the budget in order to collect those monies to operate for the next 2 years. What I would like you to do is just continue the original language that was approved in Appropriations when it went to the floor and give us the charge of completing that user study at the end of the 2 year period. At that time the system will be



completed, other state agencies will have an opportunity to use the system, and we will be able to come up with some sort of a scheme for funding. Right now, the people that are using it are the Highway Patrol and the Highway Department and that is coming out of the gas tax funding, and even at this late date other agencies would have more spending authority and budget from you to pay for this communication service, and really the plan needs to have more findings on it so we can do it in a fair and equitable way. I would ask you to change the floor action and go back to the original action which would delay that. They took about \$121,000 the first year and about \$122,000 the second year, as I remember, out. If we have to bill other agencies for it we just won't get it, our system will absolutely collapse, that will be 8 1/2 positions and we won't be able to do the task that the Legislature gave us to do in 1981 and develop a state wide communications system.

Jim Manion, Montana Automobile Association, the AAA affiliate for the state of Montana. I did want to state our support of retaining the Highway Patrol's aircraft operation. In our opinion we think the aircraft provides many benefits to the citizens of Montana. Many benefits other than traffic such as emergency medical services and some search and rescue missions as well as some of the other areas. We think one of the keys to success of this program is its cost effectiveness. They actually generate more in revenue than it expends, which isn't such a bad deal. There are a number of humanitarian aspects of the emergency medical services; we think there are a number of lives probably saved by the enforcement value of the program, so being cost effective and being a viable system, we feel like it does deserve your support.

A10. Justice Department. A-52 narrative.

Susan Hansen, Attorney General's Office said there was an amendment put in on the House floor which changed the language referencing the Law Enforcement Academy purchase. The amendment which was put in on the floor of the House struck the language requiring the Department to negotiate the purchase of the modular buildings in Bozeman and inserted in lieu thereof, language which states there is appropriated from the amount appropriated in the Law Enforcement Academy Program funds to purchase the most cost effective facility available. The Attorney General is concerned that this language has potential of conflicting with whatever action you might take with respect to the three Law Academy bills that have been referred over from the House. Two of those three bills are basically lease proposals (the Great Falls and Billings proposals are lease proposals), the Lewistown proposal is a purchase. We would recommend this language be stricken, and depending on what

action you take in respect to those other 3 bills the issue can then be addressed.

Senator Bengtson asked, that is in the boiler plate language? Susan Hanson answered, it is on A-15 of the bill.

Susan Hansen asked if they should also address the fiscal notes. Senator Regan said just leave those and they would be handled as technical amendments.

Senator Keating said, I would like somebody from the Department of Justice to address the Drug Enforcement Task Force situation. That is normally funded out of the Coal Board, and I think something has happened to that. I would like to have somebody explain what's happening to the Drug Enforcement Bureau. Gary Carrell answered, I came just now from House Taxation and they just passed an amendment to Senate Bill 228, and I don't know how much money is in this, to allow the Coal Board to have enough money to keep this program going. I think it was like 7/10 of 15%. I will have to check with Chairman Ramirez and see how much money that raises, and see if that would accomplish that. If that passes the House floor there would be enough money in the Coal Board for us to ask the Coal Board for the money.

Senator Keating asked, how much money are we talking about? Mr. Carrell answered, about \$300,000 per year.

Senator Keating asked, if that doesn't pass, then where would the money come from? Mr. Carrell answered, there isn't any.

A-17. Department of Revenue. A-116 narrative. This deals with the Video Poker transfer to Department of Commerce.

Andy Poole, representing the Department of Commerce said they had no problem with it.

A-18. Property Assessment. A-116 narrative. Funding the elected Assessors at 49%. Senator Harding said she would like someone here to comment on this.

Senator Smith said, the question I would raise is cut back on the cost of assessors, does this mean then that the counties would be liable for health care and other benefits?

Senator Keating said, during our subcommittee hearing we were told that everything is a split, it is very confusing and very difficult. Those benefits are shared costs and very confusing.

Gregg Groepper, administrator of the Property Assessment Division said, I understand Representative Raney is going to be sending something down to you to explain what he

intended, but my understanding of his intent when I listened to the amendments was that the state would pay 49%, the county would pay 51%; the dollars that were taken out of that salary area for elected assessors contemplated the salary and zero benefits, so if the committee has a feeling one way or the other on how you would like the benefits to be handled, and perhaps you would like to address that.

Senator Smith said, the reason I would raise the question is because of I 105 the counties do not have this additional revenue over what they had before because it really put them in a bind having to take care of these things.

Senator Keating asked, Gregg, are we still being sued on the 30% charge. Gregg Groepper answered, yes that lawsuit -- we have 22 counties that are suing the state over the situation we have right now. That is, we pay 70% of the assessors salary and all of the benefits and the county picks up the remaining 30% of the salary and the hourly benefits associated with that salary, but that lawsuit has yet to be resolved.

A-117 narrative. Property assessment and reduced vehicle fees. Gregg Groepper, Administrator of the Property Assessment Division. John LaFaver would have been here this morning, but he is being interrogated concerning House Bill 377, so he asked me to represent this area. In the House Appropriations Subcommittee we were authorized 16 vehicles a year, the full committee cut that back to 8 vehicles, which we can agree with. On the floor of the House however, the amendment that was offered said that we can still have 8 vehicles, but we can spend no more than \$6500 a vehicle for those 8 vehicles. That is not consistent with what the LFA and the Budget office have agreed on a per vehicle cost. In the past we have transitioned from sedans to small 4 wheel drive pickups which apparently some people feel is excessive; but that has done more for the Property Assessment Division than just about anything else ensuring that all of our staff are working all the days of the year. With sedans that are not 4 wheel drive the problems in the winter we had with staff was that if it got cold they'd find reasons why they couldn't get them chained up or why they couldn't get them started, or why they couldn't go out and do some work out of town because the roads were slick, or something like that. Those 4 wheel drives took away all those arguments and ensured the staff would be working full time. To give you an idea of the cost, my understanding of a regular sedan - 4 door sedan under the state purchasing system, the dollars that have been agreed to by the LFA and the Budget office are \$8600 in '88 and about \$9,000 in '89. I checked before I came up here. The replacement vehicles that we are looking at are about \$9,000. Our experience has been that they hold up better on rough county roads and take away all the excuses by the staff about not working in the

winter, so we would like to get the funds reinstated so that we can purchase the 8 vehicles each year, but purchase 4 wheel drives. We have about 32 vehicles right now with over 90,000 miles on them.

Mr. Groepper said, we have one other concern that wasn't in but we hope to be able to address that in executive session.

A-95 narrative. This deals with the liquor profit at 10%.  
No comments made.

A-126. narrative. Reduce the Governor Elect. No comments made.

A-148 narrative. Transferring the Board of Investments to Commerce. No comments.

A-155 narrative. Technical amendment on personnel training. Ellen Feaver, Director, Department of Administration, said she would like to address the training amendment. Basically, the reason there had traditionally been money in this is that it is a free personnel training program we have in the D of A. It was established shortly after the personnel study commission finished its work in 1981 after it determined there was a significant need for personnel management training and other management training for state government managers. I think that as litigation has grown over sexual harassment, unfair dealing, wrongful discharge, etc., that with those kinds of issues among state managers, as well as in the private sector, the need for this type of management training has grown even stronger. The reason for the general fund in that training project has been so that the department could develop management training specific to state government laws, state government personnel practices, rules, recruitment, etc. This kind of management training cannot be bought anyplace else. Anything that is specific to Montana laws and state government must be developed by our staff. Without general fund involvement there is no way to develop a price competitive course that we can then market to other state agencies. The training program is a proprietary operation to the tune of about 2/3. The other 1/3 was funded with general fund money with the theory that would enable us to develop courses that met our needs. I submit to you that the amount of money we are talking about -- about \$34,500 -- each year of the biennium is a very cost effective investment. Since I am responsible for the insurance and tort claims division in the department also, I guarantee you that one case lost per year will more than compensate for this small expenditure of general fund money. The attorney fees alone in one of these personnel cases, if we have managers mess up, can exceed the \$34,000 per year. She said her best strategy in asking you to put the money in this biennium is to make a commitment to you that if you do

that and allow us to restructure our course, offering our fees etc., over a 2 year period the next time we come back we will not be requesting general fund. We simply cannot do that between now and June 30.

Senator Boylan asked, if you get qualified people and they meet the specs why do you have to train them? Ellen Feaver answered, my response to that question is that we are just like IBM, Mountain Bell, any other large employer. They have training programs many times over, we have three people training in the state of Montana and I would submit to you that other businesses the size of the state of Montana have 20 and 30 people involved in this same sort of thing. Our laws change as our court brings down decisions. During the past 2 years it is hard to imagine the number of times the rules have changed that we all have to manage by. As every court decision comes down you have to have new training to say -- now here is what the rules are.

Senator Manning asked, how many cases do you have pending right now in regard to bad decisions on the part of management because of improper training and lack of knowledge of what the law says pertaining to the employer-employee. Ellen Feaver said she would give a "guesstimate" of what the charges that have been brought, I don't have any idea if there were bad decisions made, but allegedly my "guesstimate" would be 30 or 40 cases like that.

Senator Manning asked, what would the average one of those be settled at? Mrs. Feaver answered, we are litigating many of them, but just the attorney's fees will average, I would guess, about \$30,000 apiece.

Senator Smith said, you mentioned that next time you would not need general funds since you would be getting fees. Who will pay those fees? Mrs. Feaver answered, right now we charge fees for our courses, but we are only recovering about 2/3 of the cost of the program. We would just maintain the same fee structure, the arrangement where we charge for our courses; we would have to raise the cost of our courses.

Senator Smith asked, who provides the fees now? Mrs. Feaver answered, all agencies, and also some local government people participate in our training.

Senator Smith said, the reason I ask the question, is if the fees are from other agencies, are the fees from general fund money and increase that in their budget? Mrs. Feaver answered, the general fund portion of our proprietary funding averages about 1/3.

Ellen Feaver said, there are 2 other issues that arise out of House action that I would like to address because they impact virtually every agency budget. One is as the subcommittee worked with our data processing budget, as you know, we operate a proprietary fund where we sell data processing services to all other state agencies. As our subcommittee worked with our budget the assumption was that other agencies' data processing needs would be pared down. Not until the House was done with its actions and we added up the amount of money in other agency's budgets that they have available to buy from us, did we find that the first of the biennium we are almost \$400,000 short and in the second year of the biennium we are almost \$1 million short in ability to sell. In other words, other agencies have that much more in their budgets to buy from us than we have authority to sell. We are talking about spending authority in the proprietary account. We have prepared amendments to help narrow that gap, but it would be a serious policy issue if you were not to choose to allow us to sell to other agencies because then other agencies who have the needs to buy and have the funds to buy would then go outside the state system and I would guess a less economical way to acquire data processing services.

Ellen Feaver said the other issue is in regard to the state's accounting system. The House took 1 1/2 positions and the funding for those positions to run the accounting system. I submit to you that we may not have an accounting system this next biennium if we don't have the people to run it. It is a very serious issue, I am sure that every agency as well as the legislature depends upon SBAS which is generally funded to create accounting records to keep appropriation and cash controls, etc. It is a very old system and a very large system, and without the staff to run it we cannot guarantee you it will run during the next biennium.

Senator Regan asked, have you submitted those 2 budgets to the LFA? Would you give copies to the LFA for review?

Bob Randall, former member of the State Tax Appeal Board, and I am in a different position than I have ever been in before -- offering to give some money back. The funding of the Hearings Officer for Senate Bill 122, we intended to get a biennial appropriation of \$61,480 and I'll take the blame for it, but it came out for \$61,480 for each year of the biennium, so you would reduce the amount by \$61,480.

Senator Regan asked if Mr. Randall had submitted the amendment to the Senate Vice Chairman and he told her yes.

Senator Smith said, there are a tremendous amount of appeals in Yellowstone county and other counties. Are you going to be able to handle that with the present tax appeal board or

do you need those hearing officers now. The additional appropriation you asked for earlier in our Senate Finance and Claims committee, that was to get you out of this year? Mr. Randall answered, yes. We have come in for supplementals before.

Senator Smith asked, but do you anticipate a drop in the number of appeals and you don't need additional revenue? Mr. Randall said, we see a drop the second year of the biennium. Hopefully it is enough. It may not be enough, but when I presented it to the committee it was supposed to be a biennial appropriation.

Linda King, representing the Public Employees Retirement Division, said not as a result of any committee action but as a result of a number of bills that were passed by the legislature this session, there were 13 bills amending the Aid to Retirement Systems that we administer. Of those bills, 8 of them we feel we can absorb within our current budget as approved by the House, we have identified 5 bills with relatively minor costs -- about \$5700 the first year of the biennium and another \$1700 the second, one time costs that the passage of these bills will require additional funding for. Because our budget is very tight for the next biennium we have asked and have amendments prepared that Senator Haffey will present to you, and a copy has gone to the LFA office. There is a second amendment that we will propose as well. Senator Harding will give that to you. It is a proposed amendment to provide if House Bill 904 or a similar bill passes, it provides for the state taxing of retirement benefits. It would require some major computer program changes for our agency and for Teachers Retirement as well. We are proposing an amendment that will allow us to submit such a budget amendment to the interim committee should that bill pass.

Senator Regan said it would appear this is the end of this part of the bill. We will break for 10 minutes and you can get your amendments in order. We will go into executive session and we will take whatever amendments you choose to offer. She said, before we start this process I would like to make one observation. It has been called to my attention that there are some problems within the bill because there is legislation pending that may impact this bill. I don't think we should take any amendment on something that is pending. We can submit those amendments either up on the floor or we can handle them in a conference committee, so that we don't have to take any contingency amendments.

Senator Gage asked if the Chairman would like discussion of those issues now? She answered that they can raise the issue. She said, During executive session you are not limited to any issue. Any issue in this bill is up for discussion, but we have finished the public testimony and I

would ask that you not involve others because it will slow down the process.

Senator Regan said she had asked Representative Rehberg to remain and at least be able to indicate reasons for what has happened.

Senator Regan said she would go through the bill page by page, and if there is anything to address you may do so.

AMENDMENTS TO HOUSE BILL 2, SECTION A. All amendments attached as numbered.

Amendment #1. Senator Jacobson, Page A-1, line 8, and line 10 following line 10. Senator Jacobson moved the amendments and she read the items on the attached sheet such as State Agency telephones, Montana Medical Legal Panel, etc. Bills that have gone through the system and are either signed or ready to be signed by the Governor

Senator Bengtson asked, the number of audits that are required, if they are not requested or specifically pointed out in the law or the statement of intent, what determines how many audits you do of these? Senator Jacobson answered, it depends on the kind of audit you are doing. Most of these came about because of legislation. We also are required to do a financial audit on each department every 2 years. Those are required by law. The rest of the audits would come under performance audits which are either requested by legislators or by the departments because of some problems.

Senator Bengtson asked, how do you determine the number of hours an audit will take? Senator Jacobson said, the number of hours is determined by the size of the agency and the scope of the audit.

Senator Regan said, I have no problem with the \$8,000 or the \$39,000 because they've been signed by the Governor and I think we could very well handle that now, but the other 3 have not been signed, the Senate is amending the Family Services and that issue is apparently not settled, so it would appear that we should take the \$8,000 and the \$39,000 by adhering to what we said we would do, and then on the floor have the others that have been signed or in conference committee. I don't know how the committee feels about that, but if we are going to adhere to that principle, that's the way we should handle it.

Senator Jacobson said, I think the first 3 have all been signed by the Governor. Senator Regan said, if you would offer only # 2 which covers these and hold the others for floor action. Senator Jacobson said she would offer amendment 2 on the sheet as is, and only the figures on the



first since it covers the other bill on the Montana Medical Legal Panel which is also signed by the Governor, and would so move.

Question was called, Amendment #1 was voted unanimous.

Amendment #2. Senator Gage moved amendment #2, page A-5 following line 14 and Page A-8 following line 17. He said this deals with the Law Library going to the regular State Library and as indicated this morning the statute repeal received a do not pass recommendation out of committee in the House. This amendment restores the funding that was taken from this program when it was anticipated that it would be made a part of the State Library. It deals with page A-5, line 14 and restores that language in the bill and the other is where the State Library is located.

Judy Rippingale said it is just as easy for staff, and we will keep track of it if you have a policy question in front of you that affects more than one area, if you want to just deal with the policy question we can do the clean up. Senator Regan agreed.

Question was called, voted, passed, unanimous.

Senator Jergeson said he had an amendment prepared on the Secretary of State's office but it hasn't gone all the way through so I guess with the rule laid down this morning I should wait with it? Senator Regan answered, correct.

Amendment #3. A-11. Senator Gage moved to amend Page A-11, Line 21, it deals with the motor vehicle funds and a funding switch. House Bill 492 which provided additional fees on motor vehicles, and this is substituting part of those additional fees for general funds that had been placed there for funding, because at that time they did not know if 492 would pass and this just plugs that money into the bill. He said, what we were trying to do with the motor vehicle fee fund was to keep a balance of about \$125,000 at the end of the biennium, and with the additional funds generated by the passage of House Bill 492, the funds we had intended to have are there. House Bill 492 generated about \$153,000 more than was anticipated, so this amendment uses that \$153,000 to replace general fund money that was going to be used and leaves the balance in the motor vehicle fee account at about \$125,000.

Question was called, voted, passed, unanimous.

Amendment #4. A-11, line 25, Senator Keating moved the amendment This is the "Bear in the Air" that was taken out in the House. They just took \$30,000 out of the budget indiscriminately. The cost of the "Bear in the Air" aircraft is \$14,482 and \$9500 for the pilot, so there is

only a total of \$24,000 cost on that and they just took \$30,000. This is to restore the \$30,000 to replace the "Bear" and the rest would have had to be taken out of automobiles or something like that. This amendment will restore the \$30,000. None of it is general fund money, some of it is federal and some of it is gasoline tax.

Representative Rehberg said this was a highly controversial area in the House. The number that Senator Keating referred to was not a number that was chosen out of the air. We had quite a bit of discussion with the various pilots and others as to what the cost of flying a plane was. We were given a \$60 an hour fee, so that number for the cost was based on the flying time.

Senator Regan said, you are restoring \$30,000 for the Bear.

Senator Gage said, as I recall we discussed the Bear in the Air in our subcommittee and somewhere the conversation came about, but as I recall, this is a work-horse kind of deal that is able to do a lot of things that maybe some of the planes that are available can't do, and it does a lot of work around the state on emergency type things in addition to what it does for the state Highway Department.

Question was called, voted, passed, Senator Boylan voting no.

Amendment #5. Senator Stimatz moved to amend A-11, lines 20 and 21.

Senator Stimatz said Susan Hansen would explain the amendments. She said this is a fiscal note. Senate Bill 212 which is Senator Farrell's Commercial Vehicle Licensing bill. This is a new federal program which requires all operators of commercial vehicles, basically truckers, to have special commercial operator's licenses. The money to fund this program comes from state special revenue fund, basically a license fee paid by truckers and federal monies. The amounts are in FY '88 \$55,000 in state special revenue fund and \$250,000 in federal money. In '89 the state special revenue is \$129,800 and the federal dollars \$130,000. This bill has passed both Houses and is on the Governor's desk and has been reviewed by the Department.

Senator Himsl said, in following the blue bill are you striking \$15,000 and inserting \$275,000? Susan Hansen answered, yes, under federal funds.

Senator Himsl asked, this money comes from what source? Susan Hansen answered they are federal funds, they are Highway funds, basically under the new Highway bill.

Senator Hims1 asked, for a licensing program? Susan Hansen answered, yes, for licensing commercial vehicle truck drivers. Federal law is requiring that all states issue special commercial vehicle operator licenses.

Senator Keating said, if I remember correctly the Motor Carriers were assessing their members and were raising money partly and part of it was coming from the feds to try to have a safety program for Motor Carriers. The Motor Carriers Association was in favor of this program.

Senator Boylan asked, when these funds dry up then we will still have to continue the program? These are federal funds and they can go dry. Senator Regan said we will probably have to repeal the law when this happens. Senator Boylan said he felt there should be a sunset so that when the funds run out we don't have to keep funding it.

Senator Keating said Senate Bill 212 just passed. Now the obligation is statutory and we would have to repeal the law in order to erase the obligation.

Question was called on the amendment. Voted, passed, Senator Boylan voting no, the motion passed.

Amendment # 6. A-11, line 21. Motion by Senator Stimatz. He asked that Susan Hansen present the information since she knew more about it than he did.

Susan Hansen said this is another fiscal note. This addresses Senate Bill 181, Senator Van Valkenburg's bill which requires that the Department suspend the license of anyone who fails to appear in court, fails to pay a fine, cost or restitution after conviction of certain offenses and it requires subpoena and other reinstatement fee. The revenue, not so much relating to this bill, is between the increased fine reflections and the reinstatement fee in the fiscal year '88 there would be an additional \$118,000 going to the general fund and \$157,000 in the second fiscal year of the biennium. The fiscal impact is \$45,100 in the first year and \$49,250. Those amounts are general fund money that would be added to the Drivers Licensing budget to process the over 6,000 additional suspensions that will be required by this bill.

Senator Regan asked, why do you need the money? Look at the size of your budget. You are putting in only about \$38,000 in general fund money, you are putting in about \$145,000 in other revenue. Susan Hansen said that is the total cost. Senator Regan said, this is all general fund money we are talking about. Susan Hansen said, the Division estimates that it takes approximately 1 hour to process 1 suspension. There are 6300 suspensions and they estimate that with only 3 FTE's to basically process all the paper work relating to

those suspensions, and essentially that is the bulk of the expense.

Senator Keating said, the money is being raised for this particular purpose but the money is going into the general fund rather than have a statutory appropriation and is being spent out of the general fund. The Drivers Licensing Bureau over at Deer Lodge has been in real financial straits trying to provide the services to the people that the people want. The Motor Vehicle account has been taking a beating because it is being attacked from various areas that don't deal with motor vehicles and so this money is being raised for a purpose, is going through the general fund and into the account it is being raised for.

Question was called, voted. Senators Regan, Hammond, Boylan, Story voting no. The motion passed.

Amendment #7. Motion by Senator Stimatz, Page A-12, line 16. Susan Hansen explained this to the committee as the last fiscal note, which is for House Bill 730 which requires that the Registrar's Bureau register motor boats and other vessels. The fiscal note calls for \$26,000 in federal funds in FY '88 to implement this program and \$82,900 in FY '89 and state special revenue funds. This bill will also raise approximately \$160,000 a year in titlement fees.

Senator Hims1 asked, is this correct that it is under federal special revenue? Susan Hansen said, in the first year there are federal funds available for implementation of this from the Coast Guard, so the \$26,000 in FY '88 is federal money. The \$82,900 in FY '89 is state special revenue fund out of the Motor Vehicle account.

Judy Rippingale, LFA said, there appear to be some problems with this amendment and not all of the numbers within the amendment check out. For example, they are inserting \$26,000 on #1 and on #2 they are trying to change the total but they only change the total \$25,307.

Senator Regan said, if the amendment passes we will ask you to make the necessary corrections to correct the totals.

Question was called, motion passed, unanimous.

Amendment #8. A-13, 14 and 15 and deals with House Bill 492 passing which raised the Motor Vehicle fee amounts. This is substituting those Motor Vehicle accounts for general fund money that was anticipated to be substituted for if H.B. 492 passed. This is the funding for the Data Processing Division in the Forensic Division in the Department of Justice and the Law Enforcement Academy beginning in 1989. It takes the money out general fund and puts in Motor

Vehicle fee funds that resulted in House Bill 492 having passed. Senator Gage moved the amendments.

Question was called, voted, passed.

Senator Gage said, to address a policy issue with regard to the Drug Program, as Gary Carrell indicated earlier, Senator Van Valkenburg's bill, Senate Bill 228 has been amended in the House to put 7/10 of a percent of Coal Money back into the Coal Board so they could fund that southern counties Coal Task Force, and we're not sure if that will hold up in the House. Should it not, we will offer an amendment on the Senate floor to take general fund money that was taken from the Coal Board to fund that task force.

Senator Smith said, we have just passed several bills here in special revenue money. How many FTE's are going to be added to administer all these additional programs. I think we should know whether this is for additional FTE's or for additional service. Susan Hansen answered, on Senate Bill 212 the commercial vehicle licensing, there are no additional FTE's in the first year; in the second year there will be 3 commercial vehicle examiners and a clerical position and another person who will develop a program and do the training that is training the examiners. Senate Bill 181 which is Senator Van Valkenburg's Drivers' License Reinstatement fee has 3 FTE's. Those are all grade 7 clerks; they are basically there for processing papers. House Bill 730 which is the Boat and Vessel Title and Licensing Bill will have 3 additional FTE's in the second year. These FTE's will be located in Deer Lodge and will be processing the 50,000 plus titles and registrations.

Senator Gage said, one other on A-13, there is also an anticipation of funding an agent of the Criminal Investigation Division at Sweet Grass with \$56,000. The Port of Entry federal people have indicated that they confiscate a lot of property up there and they will share that confiscated funding with the state of Montana if we will put an agent up there. Just in the last few days they have confiscated over \$275,000 in cash, and anticipate from what they have told the Criminal Investigations Division that they could expect from \$100,000 to \$500,000 a year in confiscated goods in value if the state would put a person up there. I would offer that, pending what happens with SB 228.

Amendment #9. This amendment was numbered, then withdrawn as one of the above amendments offered by Senator Gage.

Amendment #10. Senator Keating moved the amendment page A-14, line 7. He said, this is a sort of detailed situation because it is robbing one area to fund another, and the reason I handed out a copy of the statutes dealing with

alcohol and tobacco (attached as exhibit 2, amendment #10), under the licensing for alcohol, beer, wine, etc., the specific statutory purpose for those taxes is to be used by the Department of Institutions for the treatment, rehabilitation and prevention of alcoholism. On the very first page in the body of the statutes you can see that is the intent of the use of the tax. The Attorney General's Department and the Motor Vehicle account have been running low on funds to fund the Forensic Science lab over at Missoula so they decided to rob the alcohol funds of \$143,000 a year to stick into that lab so it would be funded out of state special revenue rather than general fund, and since it is improper to use those alcohol funds for anything other than the treatment of alcoholism, I am offering the amendment to take the money from the Forensic Lab Department under state special revenue and return it to its proper place in the state special revenue fund and then to fund the Forensic Lab. It would require that \$143,000 a year be taken from general fund. The Forensic Lab has about 15 FTE's and 2 1/2 or 2.3 of these FTE's deal with the DUI cases. They will do the lab work on the DUI evidence for return for prosecution on DUI. They say that is our excuse for taking this money from the alcohol treatment fund to use in Forensic Science in reviewing those DUI cases, but, I submit to you that the money they are taking out of the treatment fund is much greater than what they spend for the DUI cases. I think it is a fairness issue. The Forensic Lab is a necessary function of law enforcement and it should be paid for out of general fund money if we can't find a state special revenue fund to hide it under. It doesn't matter, the tax payers are still paying for it.

Senator Hims1 said, this line 7 on A-14 we've already taken all the general fund allocation out of that and transferred it to special revenue by the previous amendment. Your amendment here would insert \$375,000 of the general fund? Senator Keating answered, it would increase that. It only adds \$143,835 of general fund in 1988 and \$143,232 in FY '89.

Senator Hims1 said, then the amendment is misdrawn, is that not correct Judy? Judy Rippingale answered, the amendments are drawn to the numbers in the bill. We then take them and mesh them all so that the intent of the amendment is what happens.

Senator Hims1 said, it is clearly understood then that what he is doing is putting \$143,835 for the one year of general fund and \$143,232 general fund in the following year. Judy Rippingale answered yes, and when the bill comes it will do that.

Senator Keating said, and then the beer, wine and alcohol tax money will just be left in the alcohol special revenue fund in the Department of Institutions.

Senator Bengtson said she wondered what was the intent of putting Forensic Lab under those expenses to be used? When did that originate? Representative Rehberg answered, that has been in there for some years now. We did try to coordinate with the Institutions subcommittee and this money could not be used by the Institutions subcommittee in any institution. This is pass through for local governments.

At the request of Senator Smith Representative Rehberg expanded on this to find how the switch was made and how it will affect other budgets. Representative Rehberg answered, originally the reason the switch was made was because approximately 18% of the work is being done within the Forensic Science Lab. 18% of that work is alcohol related, and so the \$143,000 is related to that 18% and that is the reason the House put that money back into the Forensic Lab, feeling it should help subsidize the Lab to that 18% extent.

Senator Keating said, this money was left in there by the subcommittee. It was taken out either in the House Appropriations committee or on the floor. He was told, in the full Appropriations committee. Senator Keating continued, using the money for DUI investigation is certainly a far cry from rehabilitation and that money goes to the counties for distribution to the treatment centers.

Question was called. Voted, passed, Senators Hammond, Boylan, Jergeson, Smith and Story voting no.

Amendment # 11. Motion by Senator Gage to amend A-14 lines 17, 18 and 20. This is a language change and deals with the Highway Patrol, the statewide Communications System. The House amended that to require that an equitable basis for apportioning the cost of that be supplied to the Legislative Finance Committee by June 30, 1987. That system is just now getting off the ground and operative and at this point, and even by June 30 they are not going to have enough information on the users of that system to get any meaningful kind of breakdown of how to and who to apportion those costs to. This amendment would just indicate that they would make that plan available to the 51st Legislature as opposed to the Finance Committee by June 30, 1987. I think it makes sense to give that system a chance to operate to see who is going to be using it and how much it will be used. At the present time it is being funded by Highway money, and should it be apportioned out, even in the '88-'89 biennium, those agencies have not budgeted for what they would be charged. I am assuming the plan would not be made operative anyway even if we did it by June 30 of '87. It serves no purpose, it puts a crunch on those people to get

the plan put into effect on the very limited amount of information that may have no bearing on how the Communication System will be used. It will give them a chance to promote the system among the Fish and Game people and other agencies as well as local governments to be able to see who is going to be using it and how much it will be used and have at least nearly a couple of years data to base their proposals on.

Senator Boylan asked, remember Senator Dover used to jump up and down all the time over this and still the problem keeps coming back. This communication thing has been going on for a long time.

Question was called, voted, passed.

Amendment #12. A-9 line 17. Requested by Senator Stimatz that we go back to A-9, Motion by Senator Stimatz to adopt this amendment. Senator Stimatz said this would return 2 central management positions that were cut on the House floor. These positions are vitally necessary in the state office. They tamper with SBAS, the state wide accounting system, and I am willing to give them the benefit of the doubt that they need them. If they are short these two positions we may disrupt a multi-million dollar system or make it inoperative so far as they are concerned, and they are adding about \$39,000. Both the General Government subcommittee and the full Appropriations Committee did recommend these two central management positions be replaced. The Auditor says the first position is an administrative assistant and serves as assuring the accounting and bookkeeping and the bills etc. I am sure everyone is familiar with SBAS and knows how everybody goes into it to get information. The other is the Data Processing technician and is very vital to word processing etc., in the Auditor's office. The Auditor's office collects literally millions of dollars in fees which they return to the general fund, and I would highly recommend you pass this amendment restoring these two positions.

Senator Keating said, for the Committee's information there are two things you may want to consider. When the Governor imposed the 5% cuts there were certain layoffs, or positions weren't filled etc., and the Auditor's staff rather than vacate positions worked out a system whereby each person in the Department took a certain time off without pay in order to make sure that all positions were staffed so that the Department could do their work. So, the fellow workers took a cut in pay in order that all positions be maintained. There is another bit of history in this Department. Up until 1985 this Department was run by a very frugal state auditor and there was practically no growth whatsoever in that department during the preceding 10 years and this department of all of them, for the work they do, has always



had real tight budgets and has been under staffed historically because of the policy of the previous state auditor. I don't think we should be looking at it if as they don't do anything over there and these positions can go unfilled and still get the job done. They've been under staffed for years, and to try to cut that staff while we are cutting other areas of government that have grown proportionately greater than this department is not treating them fairly. I think some consideration should be given to that historic staffing.

Senator Gage said, to add to what Senator Keating has told you, as I recall the testimony with the state auditor, most of those people continued to fill those job slots even though they were not paid for it. They continued to show up for work rather than taking the time off. They, in effect, gave that time to the state of Montana to keep those positions going and the work done so that it wouldn't add to the burden of the rest of the people working. There is no indication, I don't think, that that work was being done by someone else. Those people continued to be there to do the work and were needed to do it.

Senator Regan said, I'll probably wind up voting for this because they are running a pretty good shop over there; but the thing that disturbs me is that when the 5% cuts were asked for there were a certain number of agencies that sort of dodged the bullet and instead of doing some reorganization did a more creative thing like what was done here. So, what happens is, when we come back and build the new budget we are coming off the base which is 5% higher perhaps than it really should be. While I will support this, I would ask the auditor that the office be carefully examined to see if some restructuring could be done for next session where we accomplish what we really should be doing today.

Senator Smith asked, I have heard people tell me for years that if we allow them to buy the computers and all this new technology that we are going to be able to cut the size and cost of state government, but they keep coming in every year and continue asking for more and more. I don't know where they think we are going to get the money.

Question was called, voted, Senators Hammond, Tveit, Boylan, Smith voting no. The motion carried.

Amendment #13. Motion by Senator Bengtson to amend A-15, lines 6 and 7. She said you would strike this language, two of those proposals are leases and one to purchase. Those 3 bills are before the Long Range Building Committee, and this language appears to be not accurate, and sort of a directive to the LRB committee.

Senator Hims1 said, if you strike this language, then are we back to the original language? Senator Bengtson said we would just leave the original language, we would not reinsert any language, just leave it out.

Senator Hims1 said, the motion is to strike lines 6 and 7 and lines 5 and 6 have already been struck so we wipe that whole thing out of there, because those issues are still alive and she wants to leave them there. Senator Bengtson added, the money in line 11 will be used for whatever the outcome of those two bills are.

Senator Manning said, what you intend to do is strike "there is appropriated from the amount" appearing in line 11 etc.

Senator Hims1 said yes, but the House also struck the language before that so there is nothing there. It is wide open.

Senator Manning asked, but aren't we going to try to get the most cost effective one? Senator Bengtson said one is the purchase and the others are to be leased, and depending on what comes out of the LRB and out of the Senate -- of course it will probably be the most cost effective.

Senator Haffey said, let's make sure we know what we are doing here. It is possible that the LRB or the Senate will recommend one, so they left them in. What sort of funds will they be using for whatever has to be made available to make the Law Enforcement Academy do whatever is recommended? The reason I ask this question is that I suspect the House put this language in anticipating that one of the 3 would be approved and that the money in item 11 in this section of the bill would be the source of funds. Taking this language out appears to say that that is not the source of funds, then what is the source of funds assuming one of those are chosen? Senator Bengtson said, my opinion is that line 11 does not apply to any of the 3 bills, all it does is allow the Department of Justice to purchase those modular buildings and I would ask those of you that did the budget if you go back to item 11 on A-12, line 25 that, \$622,000 and \$628,000 -- Representative Rehberg, does that accommodate the purchase of the modulars?

Representative Rehberg answered, I guess I feel this amendment was put in the House as an attempt to take the direction away from Bozeman and perhaps leave it a little more open in looking at Dillon, and give Lewistown a little more advantage also; so by removing that language you are probably cutting Lewistown out of the running. Senator Bengtson asked, this was put in by Representative Grinde and actually the word "purchase" is not accurate because the other 2 are leases? Senator Haffey asked if, to straighten the matter out Susan Hansen might address this briefly.

Susan Hansen said, in the budget as it is currently approved there is \$192,000 to exercise the purchase of the modulars on the facility at Bozeman. Depending on the outcome of tomorrow's hearing that \$192,000 could possibly be used either as a portion of the purchase or lease cost for any of the other 3 proposals. Taking this language out does not preclude the use of that money. Basically there is just a problem with this language in requiring it to be used for the purchase of the most cost effective facility.

Senator Regan suggested a change which might work and Senator Haffey said no, it might be better to pass this amendment since whatever that subcommittee does we will propose that. Senator Bengtson said there is no difference but the language in this bill makes it more difficulty for the committee.

Question was called, voted, passed,

Amendment # 14. Motion by Senator Stimatz to amend A-15, line 9 by striking lines 9 and 10 in their entirety. The language in the bill now is very cumbersome and very restrictive on the use of the lab. The lab is down in Missoula now, it just moved from its old facility, which, I guess was abominable; the state architect moved down, inspected it and ordered everybody for the safety of their lives to get out of there. We spent \$50,000 to move that lab and as I understand it they are now located in a portion of St. Patrick's Hospital in Missoula. Striking the language on line 9 and 10 gets rid of the requirement that they seek all possible alternatives in the state to lower the cost of building space for the Forensic Science Division by the end of the 1989 biennium. That would make them now start to look for a new space. The current space, I believe is about \$11.25 per square foot. That may seem a little high for a warehouse, but we are not renting a warehouse. The space for the laboratory has to meet certain requirements after the horrible thing they were in for a good number of years. In keeping in the space required for the lab and the safety of the equipment which is very expensive, the \$11.25 is very competitive with the kind of space that is necessary. If we have to move again, if we got some thing that was a little less, it would cost us another \$40,000 to 60,000 to move. So the Department just asks that lines 9 and 10 be left where it is and if we want to move it at the end of 1989 we can, but don't require them now to move again.

Senator Keating said, I would like to point out some information from the subcommittee. I was pretty frustrated in there in as much as in 1985 we tried to work a situation for that lab to be someplace else but in a falling down old building. But nothing was done until after the session, and then under necessity the Attorney General had to make this

decision, but what has happened is that the space they rented had to be renovated so they entered into a long term contract with the \$11 plus per square foot includes a part of the renovation that is in there. Now if we jerk them out and say you have to find space someplace else, you are going to get stuck with trying to buy out of a long term contract and I agree that it is a bummer. It was the most irritating thing for me this whole session, but at any rate I don't think it is going to do any good to require that they spend the next 2 years looking for someplace else for that Forensic Lab because you are still going to get stuck with the buy out of that long-term contract. I think it was at least 5 years at \$60,000 a year.

Representative Rehberg said, there is really no buy out. The contract was written so they would have to come in for an appropriation every 2 years. That is a protection the Legislature has. They cannot sign a contract, I believe, for more than a biennium.

Senator Regan said, it seems to me we are asking the Department to look at ways in which to lower the cost of the building space. They might move some other agency in and thereby reduce the cost to this agency. They might renegotiate their lease in view of the real estate market and local conditions. I think the language is proper and I would resist the amendment.

Senator Manning said, I have 2 questions on this. First, in the \$11 plus, what was the actual cost per square foot eliminating the fact that they had to do some remodeling? Mr. Carrell said, that was \$5.00; it added approximately \$6 per square foot.

Question was called, voted, Senator Stimatz voting yes and the remaining members voting no, the motion failed.

Amendment #15. Motion by Senator Haffey to amend A-17, line 19. Senator Haffey said this is in regard to House Bill 66 which has been signed by the Governor. The explanation for the amendment is a part of the #15 amendment sheet. Senator Haffey said this would put in the money to pay for this.

Senator Hims1 asked, do I understand that this lottery is going through 3 departments: the Departments of Commerce, Revenue and Justice. Are they all in here. Senator Haffey said he did not know about the Department of Justice, but the real responsibility for it is in the Department of Commerce.

Question was called, voted, passed, unanimous.

Amendment #16. Motion by Senator Stimatz, A-18, line 10. This would restore 70% funding to the county assessors'

salaries. As you heard this morning, there would be some difficulty in the counties and the constitutional amendment; besides, I think this is a fairness issue. We got the counties into this, the state runs the program, and in special session we restored 100% so I think we should at least restore it to 70%.

Senator Keating asked, when was this added to the bill? On the floor? Senator Gage said it was floor action. Senator Regan agreed it was floor action. She said she was passing around a letter that she received from Representative Raney. The question rose about the state share of benefits and this letter is an attempt to clarify the situation. Whether it has any bearing on this amendment or not, she said she felt she could call it to the attention of the committee and have it appear as part of the minutes so that it would be in the minutes. (attached as exhibit 3, amendment 16)

Senator Regan said, I think it was the intent of the Legislature to gradually disassociate itself from paying the assessors' salaries. They are elected officials on a local level. I suppose it is a philosophic question, but the first cut in their salary was to 70% and it was a long-term intent to gradually ease them down so that either the assessors' office would be merged with something else, or in the larger counties the counties would take over this entirely since they are county officials, not state employees.

Senator Smith said, first I don't know what will happen if the counties win the case that was mentioned earlier. The comment was made that we should disassociate assessors from the state cost. I guess my Senate Bill 36 would have addressed that particular issue. It will be heard on the House floor today or tomorrow. Maybe we will get some relief there, but I maintain, and I understand also, that the state is going to go in and dictate the activities of the assessors office, and I guess they were granted that under the constitution, but I just feel with the financial problems all of the counties are going to have, and as mentioned earlier today I 105 does not allow them to increase their taxes on particular pieces of property. I think it is only right that if the state wants to carry on these functions then they had better pay 100% of the cost.

Senator Harding said, I would like to speak in behalf of the counties on this. In 1972 the Constitution made the assessors employees of the state and allowed them to be elected under the supervision and control of the state. Then in 1985 when they had the counties pay a certain percent of that salary, I felt that was wrong because that was not the original intent. If the assessor is to be a county entity then the counties should have the entire cost

and bear the burden, but as long as they are state I don't think the counties should have to pay 49% or 51% and I think you are going the wrong direction on this. As long as the state is calling the shots and telling the assessor what to do they should pay for it.

Senator Hims1 said, as I understand it, the state will pay 70% which is what they have been. It will restore it where it has been.

Question was called, voted, Senator Regan voting no.

Amendment #17. A-18, line 13. Motion by Senator Stimatz to amend page 18, line 13. He said this amendment would restore full funding to the deputy county assessors' salaries. I think the same rational applies here as to the former amendment. If the state is going to control the assessment of the property and the works of the assessor and the deputies then they ought to pay the bill for it.

Senator Hims1 said, Do I understand on the previous one the state will now assume 70% of the county assessor and in this one they will assume 100% of the funding for the deputies. Senator Stimatz said, I believe that is correct.

Representative Rehberg said, by accepting the amendment you will have stripped the amendment put on on the House floor lowering the deputy county assessors from 100 to 70% state share. So by accepting this amendment it will go back to 100%

Senator Hims1 asked, if we do not accept it it will be 70%. Representative Rehberg answered yes, the same as the county assessors.

Senator Regan said, the last amendment we passed cost over \$600,000; this one will take us over \$1 million by the time you finish. I hope you would resist the amendment.

Senator Smith said he would like to make one comment. If the state doesn't pay it who wants the responsibility then it will have to be the counties or the local taxpayers out there that pay it and I think some of those people out there that are paying taxes are in worse shape even than state government. I think it only fair if they want the responsibility, make them pay for it.

Senator Keating said, this doesn't deal with any of the appraisers that are in this budget does it? This is just the deputy assessors? Representative Rehberg said, if I might expand a little bit as to why you are even seeing this in the Appropriations bill, it is part of a 3 part package. One that we didn't accept in the House and was, I think a very good proposal that said, if you have a deputy county

assessor but don't have the workload to require one, then we'll pay half of that. There were 9 identified counties that didn't have the workload so the state is picking up 100%. We got into a turf battle and the House didn't accept that. The second part of that was let's get some of those counties that are keeping full-time assessors on when they really should be merging in with the county treasurer, let's lower that to 49% and make them pick up the share. By your previous action you have not accepted that. This is the third part of the package saying we have already made the decision that we will pay 70% of the elected assessors. It doesn't make good sense then to pay 100% of the deputy assessors especially in light of the fact that someone who is working there isn't required and he is being paid higher than our state matrix. They pay those guys higher and we have to pick up half.

Senator Smith said he would like to ask a question. If these counties win that suit we would have to pick up 100% anyway? Senator Keating said, I guess we should ask if the suit includes deputy assessors or if it is a challenge on just the assessors.

John LaFaver, Director, Department of Revenue said, the suit involves the assessors only.

Senator Hammond asked, at the present time what are they paying on the deputy assessors? He was told 100%.

Senator Harding asked, Representative Rehberg said something about the deputy assessors are being paid more than the state employees, and I would like that clarified because I know the deputy --. Representative Rehburg interrupted to say, I am sorry, I did leave you with the wrong impression. They are being paid as a state employee, but they are being paid higher than their local prevailing wage rate.

Senator Harding said, I would just like to comment on that. That was what was wrong with the whole plan to start with. The state took this over and the deputy assessors were being paid more than the county people, but the state took this; I don't think they should try to pass it back to the counties now.

Question was called, voted, Senators Story, Keating, Regan, Boylan, Tveit. The motion has carried.

Senator Regan said this raises it to 100%. We have just raised it from 70% to 100%. Senator Himsel said he slipped on his vote then, he thought they were setting both at 70%. Senator Himsel said he would like to ask for a re-vote on this.

Senator Story moved for reconsideration of Amendment #17. Roll call vote, 7 yes, 9 no, the motion to reconsider failed.

Senator Regan announced since it was 12 noon we would recess for lunch and reconvene at 1 p.m.

The meeting reconvened at 1 p.m. with Senator Regan in the chair.

Amendment #18. Senator Stimatz moved to amend Page A-20, line 7. Explanation given on amendment sheet. It would replace 1.5 FTE's in the accounting division.

Senator Story said, I think someone is going to have to take a hard look at this. This is over at the Department of Administration. Senator Stimatz said, the Department of Administration basically has most of these data processors. They run the system.

Senator Story said, every department has some just like them doing the same thing, and then every bureau has their data processors, and every division within the bureau etc. Senator Stimatz said, they are not quite the same. These are the people that make the system, design the system, etc., that the people in the other places basically use. You may have a data processor in some of the other agencies, but there wouldn't be a lot of them. One here and there and more of the clerical type in the other places.

Senator Story said, not in our budget. They're the same people. You say what are all these people doing and they say they design the process, etc. They are in personnel, in purchasing, etc. Maybe we need this, I don't know, but it looks to me like they are plugging people in all over to do the same thing. Senator Stimatz said that is a concern, I don't think that is happening here, I don't know for sure but I would say no.

Senator Smith said, the question I would have is has this increased over the 1987 budget? Ellen Feaver said, even with this amendment we will be below our actual 1986 level of spending. Our budget has been cut substantially. We need these people to make the state wide system work. They have the accounting expertise and the computer expertise and without them the University system will not have their accounting system and neither will many others.

Senator Smith said, I can remember when we implemented this and they told us all the Universities and all the state agencies would be in it, and we would centralize it there. Have they reduced the number of FTE's in that area where they did the work before? Senator Stimatz said, I think what we are finding out that none of the staff have been



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reduced, you do more work and you have a greater demand from management for more information and they are more efficient in getting out a lot of information than they were 5 or 10 years ago.

Question was called, Voted, passed, roll call vote with 8 yes, 6 no.

Amendment #19. Page 18, line 13. Motion made by Senator Gage. He said the appraisal, property assessment division asked for 16 automobiles at \$10,000. During the House Appropriations committee they were cut in half to 8 cars at \$10,000 and then on the floor they were allowed the 8 cars but they cut the funding to \$6500. This would put the money back to allow them to purchase the 8 cars at \$10,000.

Senator Hammond asked if they get bids on these. Senator Gage said they go through the Purchasing Department in State Administration. Judy Rippingale answered yes, they would have to go out for bid and DOA would probably be the one to put the bid out.

Senator Hammond asked if this would be a trade-in or would they sell the old ones or what? Judy Rippingale said she did not know what happened on the trade-in.

Senator Gage asked if Ellen Feaver would answer that and she said we don't provide for trade-ins. We auction off all of our used vehicles because we have found we get the most money out of them that way.

Senator Bengtson asked, this is the total amount they asked for? How many did they ask for. Senator Gage said originally they asked for 16. Senator Bengtson asked, you are going along with 8? Senator Gage answered yes.

Question was called, voted, roll call vote 6 yes, 8 no, the motion failed.

Amendment #20. A-18, line 13, Motion by Senator Gage to amend. This deals with the amendment that took 2 supervisors and 5 area personnel out of the appraisers property appraisal division. It puts \$258,006 back into the budget for fiscal '88, \$260,756 for '89 and restores that personnel. He said he would quickly like to read to the committee recommendations from the January 1987 audit report of the property assessment division. "Management control of appraisal activities between counties appears to be lacking causing inconsistencies in practices. Division officials noted plans to conduct audits of 1/4 of the appraisal and assessment annually and do more supervisory review during the reappraisal cycle starting January 1986. Senator Gage said these amendments are going just the opposite to what the auditors have recommended, that you get more people on

the state level to be able to coordinate and communicate with those county people and give them direction. As of October the state was divided into 10 areas with managers over those areas. You are taking 5 of those people away and those people in those areas double their areas, will do nothing but travel and will not have the time to put into supervisory capacity, training, or whatever has to happen out there. One of the responsibilities is to test the assessors even though you can't get rid of the assessors if they fail the exam; but I'll let you know that in October of '85 48% of the assessors failed the exam that was given to them. In November, 34% failed the exam. Of the assessors who took the appraiser test, and they all have to be certified, the department tries to get the assessors certified so they can also use them as appraisers, 37% of the assessors failed the exam.

Senator Smith said he would like to make a couple of comments since he knew the way the process works. It works very well for those who know how to appeal the process. Senator Gage, the problem is not with the assessor when it comes to the appeals. It is the problem of the appraiser and I think a lot of people get the two mixed up. Most of the time is used up correcting mistakes that have been made.

Senator Boylan said, if that many of them failed, I wonder who gave the examination to the ones that were giving the examination and could they pass it in the first place.

Senator Gage said, I would just point out to you, if those assessors are correcting appraisal mistakes and 37% of them couldn't pass the appraisers test, how in the world are they going to correct the appraisers?

Senator Smith asked, whose test was it, and did the appraisers pass any kind of a test? Senator Gage answered, the tests that were given: one was an assessors school test and one was an appraisal school test. All of the appraisers have to take that test and have to be qualified in order to be qualified as appraisers. If they did not pass the test, they are down the road. I can't tell you the name of the person, but I assume it is the property assessment division that conducts the school. He said Gregg could probably answer that. Senator Smith said he would like an answer.

Gregg Groepper said, there are two tests; the appraisal test is when we bring in the International Association of Assessing officials from the National Association. They have a standard test they give. We are not allowed to see the test. They take it bring back to Chicago or someplace and we get back the scores. On the assessment test, it is a test developed by our assessment auditors and checked out in the department before we give it.

Senator Boylan asked what a guy from Chicago knows about Montana?

Senator Gage answered, an appraisal is an appraisal and it doesn't make any difference where it is done.

Question was called, voted, roll call vote, motion failed 6-8.

Amendment #21. A-19, line 13 and 14, moved by Senator Keating to amend. He said this deals with the Income Tax Division where there are 13 FTE's of temporary nature. The language says they will not be included in the current level budget in the next biennium. What it amounts to is sunset language which is similar to the language in the previous biennium in that these FTE's would be temporary people because of the sunset. What the department is experiencing is extreme difficulty in finding qualified people to take these jobs because they realize they are potentially temporary. They are having a hard time managing that department because of that. If the language was not there, the department would still be looking at not current level addition. They would understand that those FTE's could be taken out by the legislature in the ensuing bienniums. But to have that language in there it is a real management problem in finding the personnel to work in those positions and to stay on the job.

Question was called, voted, passed, Senator Boylan voting no.

Amendment # 22. A-4, line 18, moved by Senator Story. In the narrative A-12. He said this takes \$100,000 out that was put in by the full Appropriations committee to the Environmental Quality Council to contract an agreement which was occurring between the Water Court and the Department of Natural Resources as to the methodology the court was using and whether it would lead to accurate results and whether we would under federal motion have our state adjudication system overturned. Since that amendment was stuck in, the Supreme Court has handed down an opinion which in effect said this system is working okay and we will make up the rules to be used by the court and the DNRC for the process. The money was to be spent by the Water Policy Committee to second guess what the Supreme Court has just said it is how it is going to be, so I think we can save the general fund \$100,000 which I will need later for some other things. They took it out of general fund and put it in RIT didn't they? This probably shorts some other projects and knocks somebody off the list on RIT projects. I don't know who gets knocked off. Clayton Schenck, LFA answered, this is water development fund money and if it comes out of water development funds, I believe that money would be used to substitute for general fund in section B of the bill.

Senator Story withdrew the motion to check on the money source and the results of the amendment.

Amendment #23. A-21, lines 11 and 18, Motion by Senator Keating to amend. He said this deals with spending authority and proprietary funds. He said on page 2 of the hand-out (attached as exhibit #4, amendment 23) you have a list of all the departments of government that use the computer services for information and the amount of money they spend with Mike Trevor over there for their various needs. When the Information Services Division came before our subcommittee to gain their spending authority that's all they are doing is saying we estimate that all these departments of government will be buying these kinds of services, but we need spending authority to do that. What happened is that under computer operations and systems development the information division budget was cut and what it did was to cut the spending authority out of proprietary funds; it does not cut the spending authority, it does not cut the spending of all these other agencies. What will happen is that when the information division reaches its capacity in spending they will say, we do not have any more spending authority, we cannot provide any more services, and these people to whom you have appropriated money will go off campus and pay a higher fee for the same service they could get on campus. The purpose of this amendment is to restore that spending authority so that whenever agencies in government spend the hard earned money you give them they can spend it for services right here at home rather than going downtown.

Senator Gage said he would like to point out that this is one of the more efficient operating departments that deals with state government and their inflation factor for their services for this biennium is a minus 3%.

Question was called, voted, passed, Senator Smith voting no, the motion is carried.

Amendment #24. Page A-24, line 13. Senator Gage moved the amendment. He said we had a presentation earlier today in regard to the state personnel division and their training program. I don't know that I can add a lot to what they said this morning; these people who are coming into managing positions and even those that have been in management positions over the years need to be continually updated on what's happening in courts and what's happening in changes in law that are going to require them to be able to make decisions that won't get the state back into court. I talked to Delores Colberg who took this, and has just come back into management with the Commissioner of Political Practices who just went through one of these and she said from her experiences this is perhaps one of the best training courses she has ever attended. They need time to

be able to revise this program so they get their funding from other agencies of government 100% rather than relying for about 1/3 of it from the general fund.

Question called, voted, Senator Boylan voting no, the motion carried.

Amendment #24. A-25, lines 7, 9 and 17, motion by Senator Manning to amend. Justification is written at the bottom of the amendment sheet.

Senator Smith said, I certainly don't oppose the amendment, however I would warn you that in the last session we appropriated \$320,000 and they needed \$800,000 plus to finish out this year. I think you are led to believe the money isn't needed, but I am sure you will see supplementals that will exceed this many times.

Senator Gage said, Senator Smith is probably right and last session we were told by the Tax Appeal Board you can pay me now or pay me later and we agreed to pay them later so we knew they were coming.

Question was called, voted, passed. Unanimous.

Amendment #26. A-25, line 12, moved by Senator Haffey to amend. This is under the Public Employees Retirement Division in line 12 the proprietary column on each of the 3 years. To summarize the narrative which is before you following the bill, there are several bills that have passed the legislature that weren't contemplated when the subcommittee was meeting. Some of those bills will cause some programming work. No need for additional services, just additional programming. Some of the requests, including the sheriffs' military service purchase and pick-up for firefighters etc., will require some one time programming and employee effort above what they are already doing full time. Funds come from the earnings on the retirement trust fund and it is not a matter of adversely affecting that interest.

Question was called, voted, motion carried.

Amendment #22. A-4, line 18. Motion by Senator Story to amend. (This motion was withdrawn earlier to wait for information) Senator Story said, when the subcommittee had finished its business in Environmental Quality Council there was \$436,000 from RIT money. The full committee added \$100,000 which was supposed to go on for someone from out of the state to come in and take an impartial look at our adjudication process and in effect, second guess the Supreme Court. Since then the Supreme Court has handed down its opinion, and I think it has settled matters between the Water Court and the DNRC. If my information is correct now,

by taking that \$100,000 we had taken money from a list of projects that were ranked in priority and apparently what they think they would hit is the Hill County Lower Beaver Creek Dam Rehabilitation study, and the next one is the Montana Bureau of Mines mobility of Agricultural Chemicals. Those are the studies that would not get funded; they are fairly high on the list and that is because the subcommittee on Natural Resources took a lot of money that would have gone into these projects and put it into the administration of the department to supplant general funds. My amendment takes that \$100,000 back out of the Water Oversight Committee and puts it into these projects so that the Hill County project will probably be funded and the Montana Bureau of Mines study will probably be funded and the next one down is the Treasure County Conservation District.

Senator Hammond asked, I am wondering, by taking that money out of there some of the things provided for between the DNRC and the Water Judge will be settled, but they still haven't provided for the temporary adjudication of the Milk River water. Is some of that money to be used for that? Senator Story said no. There is no Water Court money in here. There was a move over in the House in the Appropriations Committee to take \$100,000 of the Judge's adjudication money away from him and put it into looking over what he was doing. That failed, and the next step was to leave his funding alone but to take \$100,000 away from these programs to give to the EQC for the Oversight Committee to hire impartial experts from out of state to decide whether this procedure will stand up in federal court.

Senator Bengtson asked, could we ask Debra to respond to that? I would really like to know what this \$100,000 really deals with.

Debra Smith said, Senator Story is correct. The money was used to essentially bring in an impartial expert to try to resolve at least in some peoples' minds, the conflict between the Water Judge and the DNRC. The recent Supreme Court case however, was on a fairly narrow issue. It was on the question of whether the Department or the Water Court was able to adopt rules for their petition of the adjudication claim. The Court said to the DNRC, you haven't shown us any facts about whether the process is correct or not and since we have no facts and the issue isn't ripe for determination we aren't going to rule on that point. So, the court did look at the question of who has the ability to adopt rules, but it didn't really rule on the adequacy of the adjudication as a whole. That has been ruled on in previous cases but not since some of these procedural inequities have been alleged. Senator Story is right though on where the money would come from and what it would be used

to do. That would be under the control of the Water Policy committee.

Senator Bengtson said, the other question I have is whether that \$100,000 would then, if this amendment would pass would go to fund those additional water development projects? Debra Smith answered, I think if that were the intent of this committee and the intent of the Senate and the Legislature, that would in fact happen. It could be written in by your staff.

Senator Haffey asked, is there any possibility that this money could wind up going to the Museum of the Rockies? Senator Story answered no.

Question was called, voted, passed, one unidentified no vote.

Amendment #27. A-11, lines 16 through 17. Senator Regan said she had this amendment, and asked Senator Himsl to take the chair. She said, I would strike the funding in its entirety. The program being dealt with is the MONTCLIRC (Montana Criminal Law Information Research Center) program. It is a program that Montana got involved in by federal funds, and as often happens it was bought with federal funds, the funds dry up and we fund it and find we have bought a program. MONTCLIRC program is one that was attached to the law school. On page A-59 you will see the discussion of it. It is a program that was moved around from time to time and in the last biennium there was a motion to do away with it and they pled it was such a valuable program that if it were retained it would be partially self-supporting. We did a lot of research and called a lot of counties and asked if they used it and if they would be willing to pay -- I think it was \$5 an hour -- and my intent at that time was we fund it and ask for a funding self support of 25% and then let it down gradually. It didn't generate the 25% but it came close to it; and it did collect some funds. I guess when we look at the kind of deficit we have and our ability to cut or not cut, we should really be looking at many of these programs that came in this way. I confess the MONTCLIRC has what I perceive to be a second advantage. I have always regarded it more as a work study than as an informational research program; I know you heard from some of your county attorneys, I even heard from mine in Billings, and they don't use the program. It is one that is heavily lobbied; it is a program I want you to examine, and I am offering it to you today as one that the state could dispose of with no great harm done. I move the amendment.

Senator Jergeson said, I would resist this amendment. Our Education subcommittee looked at MONTCLIRC when we went through the budget because it was attached to the law school

at the U of M, and we went beyond being a subcommittee down to being a subcommittee of the subcommittee to review this among some other issues in that budget, and it was our conclusion that, while it was a good program, it did not belong to the Montana Law School, it belonged to somewhere else. I think we came to agreement that it is a good program and provides a valuable service particularly to the smaller counties that do not have full-time county attorneys who have to depend on the defense council being appointed from small firms and they do provide a valuable service. Our researcher did a lot of research on the amount of use that does, the value it has to the counties etc. In our particular county, the county attorneys face some legal research on our recent gangland slayings up there and some other problems and I suspect people will be using this particular quite extensively in this process.

Senator Keating asked, during the course of the hearings was it declared what the use of the money is, how the money is spent? If I remember correctly, these are grants to law students who do some of this research -- it's kind of a grant-in-aid, or whatever. Senator Jergeson answered, they resist the suggestion that it is the same as work study, but there is a similar area between the 2 programs, but what happens is a judge or a justice of peace, or county attorney, or public defender calls over to the Law School and says, I've got some of these legal problems, I don't have access to a full scale up-to-date law library and I don't have a dozen deputies around to use the legal research for me and would you assign someone to research these questions.

Senator Keating said, this poor child has been in --I don't know how many foster homes in the past bienniums, but as I recall, in the last biennium we made a deal with them that we would move it to the University System, we would fund a portion of it, they were to generate funds to see if this couldn't become a self supporting program. Everybody hates to let it go, but although there is all this demand out there nobody wants to pay for it. I always thought if there was a demand for the product somebody would be willing to pay for it, and that is not the case here. I think rather than shifting it around again we ought to just eliminate it.

Senator Jergeson said, the budget assumes that there will be a portion of it paid for. There are more people making use of this all the time.

Senator Jacobson said, I sat on the same subcommittee as Senator Jergeson, and I guess in the course of it we asked that, if we asked the counties to put up at least half of the money, would they use it, and they said no. I guess while I agree that it is a worthwhile program and is probably a good program yet if it was the kind of a program



the counties needed so badly they would probably be willing to pay for it. In view of all the programs we are cutting out this session, I can't justify in my mind hanging on to it.

Senator Haffey asked, when you were on your subcommittee looking at this program, were the counties saying that in the absence of being able to draw on MONTCLIRC they'd have to pay some private firm for some defense help, or do something that would eventually end up in some property tax to us? Senator Jergesen answered, they would take some additional costs. It is not just the prosecuting attorneys. Justices of Peace use it quite extensively and I don't know where they go or whether they can go to the Attorney General for information. If the counties had to build a full scale law library it would be considerable expense. Senator Haffey said, not a full scale law library; in the absence of being able to draw on these people, would they have to get the job done, and if so would they have to spend some additional tax money to do it? Senator Jergeson said, in some small counties? I think so.

Senator Story said, if they are calling on students from the University what was your rationale on taking them from the University and putting them somewhere else?

Senator Hammond said, these are special funds and we didn't have any place in the University System and they probably belong in the Justice Department and so you will have to find another place for them. This was put in in the full Appropriations Committee.

Senator Gage said, in response to Senator Haffey, there are a lot of alternatives to this thing. One of them is to prepare a lousy case so you lose all the cases and all these criminals are out there going scott free, and that is possibly what is happening with some of these small counties.

Senator Hammond said, in answer to Senator Story, there is one person in charge of these law students who do this research. It is kind of an organization set aside from the law school. It isn't really connected with the University.

Senator Jacobson said, in answer to Senator Haffey I guess, if they don't I guess they will have to put extra personnel on and charge that.

Senator Gage asked Senator Jacobson, what counties were you talking to? Did you talk to all of them that were not willing to share in this 50%, or who did you talk to? Senator Jacobson answered, we talked to the people that were running the program and we asked them in testimony. We talked about the fact that they had come in before and we

wanted the program to become self-sustaining to have the counties pay for the use of these students. We got them to \$18,000 and then said can we up that to half the cost of the program, would it still be used and they said no, they didn't think the counties would use it if they had to pay half.

Senator Regan said, there is no question about this that it is part of the work study program. If you look at the narrative on A-59 it is low cost student researchers. They take their 3rd year students and pay them at the same rate that they pay work study students and that is what this is. I would hope you would sustain my motion.

Senator Bengtson said, in other words, this program would be similar to student teaching or a work experience type of thing for law students.

Question was called, roll call vote, motion passed, 10 yes, 5 no.

Senator Regan resumed the chair and asked if there were any other amendments to be offered to Section A of the bill. She asked if there were any technical amendments, none were offered.

Motion by Senator Manning that Section A, House Bill 2 be closed. Voted, passed.

Some exhibits pertaining to testimony given were handed in to the secretary, they are attached as exhibits #5, 6, 7 and 8. Some of these were referred to later in the testimony, however they are listed here and are later referred to by the same number.

SECTION B, HOUSE BILL 2: Representative Winslow, Subcommittee Chairman for Human Services explained the changes in Section B that were made.

B-1. Environmental Sciences. B-1 narrative. Representative Winslow said there were a few amendments made in the Department of Health area, primarily in consolidating the film library. There was clarification language on the MCH block grant and that was all we had in Health.

The Department of Health is a fairly complicated budget because of the various federal grants that do come into it. Much of the time is spent in designating where the money is to go and in the preventative and the maternal and child health block grants, the two major block grants; but in addition to that a number of different federal sources come into play and I will try to go very briefly over those as we get to them.

General fund in the Department of Health has shrunk over the years and continues to be a small factor, actually, in the overall dollar. As you see in B-1 of the narrative, the actual general fund this year is down about 5%. Representative Winslow read the Program Description, B-1; the Language in Bill, B-1 and asked the committee to turn to Table 1 on B-3. He said, here you can see how the indirect costs play a role in the funding in this area in picking up the cost.

B-4, narrative. There is a break-down of the Preventative Health Block Grant. This block grant is one of the two major block grants and on B-5 you see the Maternal and Child Health Block Grant. You can see that they play a role in distribution of these funds and each one of them has separate requirements as to distribution; but in the breakdown as you see, the changes are very minor in most cases. Again, the emphasis being that if there are increased funds beyond what anyone believes is coming in, then they will be distributed back to the counties.

B-6, narrative table 4. Representative Winslow said, here you get a little bit of a picture of the complication of this budget at times because of the various federal funds that do come in. These include some that have been brought in from modified budgets. Each one of these federal funds have specific reforms and restrictions and some of them have maintenance of effort for general fund, it is sometimes difficult to make too many changes.

B-7. Director's Office. This office is responsible for management of the programs and you will see the Director's Office did have the 12.84 reduction in general funds. The only changes in federal funds that are used here, consist of the Preventative Health and Maternal and Child Health Care, but the director's office itself, the Board of Health and the Legal Unit are all in this unit.

B-9. Centralized Services Division. On B-10 the change that took place here was the film library. This amendment will be discussed a little more in detail, but was to take the film library out and place it in OPI. There is some movement and shifting of funds in this area, but the consolidation of the film library is in this.

The Centralized Services Division which is responsible and provides all the financial support for the department.

B-12. Records and Statistics. There is a reduction in general fund here. Representative Winslow read the Language in Bill on B-12. He said they attempted to estimate that if there is an excess they would be allowed reversion. The same thing with Vital Statistics Account balance; to the

extent exceeds \$10,000 in fy '88 and '89 it shall revert to the general fund.

B-14. Chemistry Lab Bureau. The Chemistry Lab provides them analytical and consulting service to various divisions within the Department of Health and other state agencies. They conduct tests for private air and water samples. Representative Winslow read the paragraph under Funding, B-14. He said on B-15 you have the Laboratory Fees Account, the Revenue and Disbursements.

B-16. Microbiology Lab Bureau. Provides testing, consultation and coordination for disease control and environmental programs and certifies laboratories in the state. Two FTE's previously in the support services are now included in the lab. They had provided support service to the lab prior to reorganization of the department. General fund declines 37.6% as general fund totalling \$120,949 was expended in '86 for the PKU testing; that is now supported by fees. This was previously contracted out. Last year we gave them additional funds to bring that testing within the department and it is now self-sufficient by the fees that are set, and on B-17 on table 7 you see the microbiology laboratory revenues and disbursements.

B-18. Environmental Science, Administration. This office is responsible for the overall administration, management, and coordination support for the division. The rise in operating expenses of 530% is due to the inclusion of a biennial appropriation of \$100,000 to respond to emergencies caused by the uncontrolled release of hazardous material in the environment. Representative Winslow read on B-18 the paragraph following "Budget".

B-19. Solid Waste Bureau. There is a slight decrease in the general fund. This bureau is responsible for licensing, inspection and enforcement duties for the waste disposal sites in the state etc. Read program description, B-19. General fund provides 100% of the funding for the Solid Waste Bureau. State Special Revenue consists of 2 funds: junk vehicle funds which provide 100% of the funding of the junk vehicle recycling program and RIT interest funds. The RIT funds provide a necessary 25% state match on federal EPA underground storage tanks. RIT will also be used to match superfund monies in the '89 biennium. Federal revenue consists of 3 funds (read paragraph on page B-20). On Table 8, B-21 you will see the Solid and Hazardous Waste Bureau, the funding as it is broken down. On B-22, table 9 is the RIT interest and on Table 10 on B-23 there is the break-down from the Junk Vehicle account. Both revenues and disbursements are listed there. Representative Winslow read on page B-24 the paragraphs on modified budgets which were the underground storage tanks and the superfund.

B-25. Air Quality Bureau. This bureau is responsible for maintaining outdoor quality levels considered safe for the public. The general fund provides for the maintenance of effort for Environmental Protection Agency air quality funds. The state must maintain the prior year's expenditure level so the amount appropriated maintains the '87 appropriation level.

B-27. Occupational Health. This bureau is responsible for administering the radiological and occupational health programs. Primary emphasis is on inspection of X-ray machines and the provision of measurement and technical expertise to ensure safety at work and at home. The inspector position added by the '85 Legislature was never filled and has been deleted in this budget.

B-28. Water Quality Bureau. This bureau is responsible for maintaining water quality standards and enforcing water quality standards in the state. See program description page B-28 and Funding on B-29. The table on B-30 breaks down the federal funds in the Water Quality Bureau and at the bottom of the page there are modifieds which include Permit Tracking, Water and Wastewater Operators and Wellhead Protection.

B-31. Food and Consumer Safety Bureau. Read program description, Budget and Funding at bottom of page.

B-32. Health Services Division. Read Program Description, Budget, Funding and Modifieds.

B-33. Family/Maternal Child Health. The only change here is there was a little bit of money taken out due to the film library and transferred. The breakdown for the budget is in the table. Read Program Description. On B-34 is a breakdown and on B-35 the table shows there is some general fund included under administration. The modified on B-25 is 1 FTE in the WIC program and paid for by the federal WIC program.

B-36. Nursing Bureau. This program was discussed at length, eventually was removed as we looked at areas within the budget that could be removed, and this was one that was highly contested by the department. The Nursing Bureau works out of the department with public health nurses across the state, provides some state support, and helps in those areas. The funding has been taken out.

B-37. Preventive Health Block Grant. They have administrative responsibilities. Read Program Description B-37 and listed on B-39 and 40. General fund is used for the following purposes in this area. Federal immunization and sexual transmitted disease fund; the state has an agreement with the federal government and that is all

personal services and instate travel costs in the Immunization and Sexually Transmitted Diseases Programs with 20 percent general fund; and complete support of the Communicable Disease Program; and complete support of the End Stage Renal Disease Program. On B-39 the table breaks down the Preventive Health Bureau Funding. On B-40 there is some general fund in the AIDS project and at the bottom of the page is listed the modifieds.

B-41. Emergency Medical Services. This again is an area where money was taken out for the film library. Read the Program Description and Funding paragraphs.

B-42. Health Planning and Resource. Read Program Description, Budget and Modifieds on B-40. Representative Winslow said there was concern among others as well as himself that there could be an increase in facilities which could significantly impact the SRS budget.

B-43. Licensing and Certification Bureau. The general fund is line itemed in this area, for operations of Licensing and Certification Bureau only. Read Language in Bill. The general fund completely supports the Licensing function of the Bureau and provides approximately 30% of the cost of Medicaid certification. Federal funds consist of Title XIX Medicaid and Title XVIII Medicare funds. There is a substantial increase in FTE's in this block modified. We have been told by the federal government that we had to increase and improve our FTE in this area and we are at risk if we don't with certification for medicare and medicaid.

Since this completed the Department of Health section of the presentation Senator Regan said we should probably stop here since the Senate had to go into session, and we would continue with the presentation as soon as possible, adjournment if the Senate adjourned before 5 p.m.

  
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Senator Regan, Chairman

ROLL CALL

50th LEGISLATIVE SESSION - - 1987

Date 4-9-87

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NAME	PRESENT	ABSENT	EXCUSED
<u>SENATOR REGAN</u>	✓		
<u>SENATOR HIMSL</u>	✓		
<u>SENATOR JACOBSON</u>	✓		
<u>SENATOR BENGTON</u>	✓		
<u>SENATOR STIMATZ</u>	✓		
<u>SENATOR HARDING</u>	✓		
<u>SENATOR HAFLEY</u>	✓		
<u>SENATOR SMITH</u>	✓		
<u>SENATOR KEATING</u>	✓		
<u>SENATOR STORY</u>	✓		
<u>SENATOR BOYLAN</u>	✓		
<u>SENATOR JERGESON</u>	✓		
<u>SENATOR TVEIT</u>	✓		
<u>SENATOR MANNING</u>	✓		
<u>SENATOR HAMMOND</u>	✓		
<u>SENATOR GAGE</u>	✓		

DATE \_\_\_\_\_

COMMITTEE ON \_\_\_\_\_

## VISITORS' REGISTER

NAME	REPRESENTING	BILL #	Check One	
			Support	Oppos
Wendy Curran	State Auditor	HB2	✓	
Kathy Inigoin	State Auditor	"	✓	
Terry Lazare	State Auditor	"	✓	
Susan Hansen	Attorney General	2	-	
GEORGE BOOSLIMAN	STATE BAR - LAW LIBRARY	2	✓	
Donna Hale	Mt Center	2		
Pat Melby	State Bar Law Library	2	Amend	
Col. R.W. Lander	Highway Patrol	2	"	
MIKE FERGUSON	AERONAUTICS Div/COMARCE	2	Smith Amend	
John Sample	MATA-MPA	2	SMITH AND	
MARVIN DYK	Board of Crime Control	2	✓	
Joy McGrath	Mental Health Assoc	2	Amend	
ARID BRIGGS	MENTAL HEALTH REG	✓	✓	
HAROLD K. CERKE	- - - Comm	2	✓	
Art Kleinjan	Mental Health	2	✓	
Bill Warfield	-	2	-	
Darryl Myers	Gross Range High School			
Troy Olmeyer	Gross Range High School			
Sue Fifield	M LIC	2	Amend	
JUDITH CARLSON	NASW	2	"	
B. Husted	LICHR	2	amend	
D. Archer	WLF	2	amend	
Alvin M. Taylor	DDD / SRS	2	amend	



STATE  
OF  
MONTANA  
**ATTORNEY GENERAL  
MIKE GREELY**

JUSTICE BUILDING, 215 N. SANDERS, HELENA, MONTANA 59620  
TELEPHONE (406) 444-2026

9 April 1987

Senator Pat Regan  
Chairman, Senate Finance and Claims  
Committee  
Montana Senate  
Capitol Station  
Helena MT 59620

SENATE FINANCE AND CLAIMS  
EXHIBIT NO. 1  
DATE 4-9-87  
BILL NO. 2

Dear Senator *Pat* Regan:

House Bill 2 includes the transfer of the budget of the State Law Library from the Judiciary to the State Library. The transfer would result in the merger of the State Law Library and the State Library. I urge you to oppose such a merger.

My concern is that the proposed merger would result in undermining the expertise and specialized legal service offered currently in the State Law Library. The attorneys who work in my office, as well as all attorneys who work for other state agencies use the State Law Library. They depend upon the legal information provided by the Law Library staff. An erosion of these services would affect all of state government in prosecuting and defending cases for the State of Montana.

Currently, my office maintains a mere skeletal collection of legal treatises and casebooks. I am sure that this is true of other state agencies. A cut in funding for State Law Library materials would require my office and others to purchase additional materials that we cannot afford, but would be necessary in order to adequately represent the State in lawsuits and to issue statutorily-required Attorney General's opinions.

I understand that Senator Gage will introduce an amendment to restore the State Law Library's budget to the Judiciary. I support that amendment and urge your support of it.

Very truly yours,

*Mike Greely*  
MIKE GREELY  
Attorney General

#1 Jacobson  
Amendment to House Bill 2

Third Reading Copy

Be amended as follows:

1. Page A-1, Line 8  
Strike: "924,794"  
Insert: "963,944"
  2. Following Line 10  
Insert: "3.Telephones Audit"  
Under Fiscal 1989, State Special Revenue "8,000"  
  
"4.Sunrise Audits"  
Under Fiscal 1989, State Special Revenue "39,000"
- amend to add*  
*S.P. W. Higgins*

Explanation Of Amendments to House Bill 2

Third Reading Copy

The 50th Legislative Session and the Lottery Referendum have added at least 8 and potentially 15 new audits and an estimated 9000 hours of audit work for the Office of the Legislative Auditor. Laws have been enacted requiring the agencies to pay the costs of each of the audits. This amendment grants the Legislative Auditor the additional authority in the Special Revenue Fund.

Amendment 1. Provides Special Revenue Fund authority for audits of Montana Medical Legal Panel (\$1750), Department of Family Services (\$22,400), and Science and Technology Bond Program (\$15,000).

Amendment 2. Provides Special Revenue Fund authority for the new State Telephones audit (\$8,000) and Sunrise audits (\$39,000). These items are "line itemed" because they are contingent on Audit Committee approval in the first case and applications for the creation of regulating boards in the second.

SENATE FINANCE AND CLAIMS

*Amendment*  
EXHIBIT NO. 1

DATE 4-9-87

BILL NO. HB 2

OFFICE OF THE LEGISLATIVE AUDITOR  
 "NEW AUDITS" FOR THE 89 BIENNIAL  
 RESULTING FROM 1987 SESSION ACTIONS  
 OR LOTTERY REFERENDUM  
 AS OF 4/6/87

AUDIT	STATUS	NUMBER OF AUDITS /PROJECTS	ESTIMATED COST	AUDIT HOURS	AGENCY TO PAY COSTS	FY 1989 SPECIAL REVENUE APPROPRIATION AUTHORITY NEEDED	COMMENTS
STATE AGENCY TELEPHONES	SIGNED BY GOVERNOR	1	\$8,000	269	YES	\$8,000	SUBJECT TO AUDIT COMMITTEE APPROVAL (LINE ITEM)
MONTANA MEDICAL LEGAL PANEL	SIGNED BY GOVERNOR	1	\$1,750	59	YES	\$1,750	
SUNRISE AUDITS	SIGNED BY GOVERNOR	6	\$39,000	1313	YES	\$39,000	ACTUAL # OF AUDITS UNKNOWN (LINE ITEM)
LOTTERY FINANCIAL COMPLIANCE	REFERENDUM REQUIREMENTS	2	\$78,000	3012	YES		MODIFIED REQUEST APPROVED (IN H.B. 2)
LOTTERY PERFORMANCE (SECURITY)	REFERENDUM REQUIREMENTS	1	\$13,520	455	YES		MODIFIED REQUEST APPROVED (IN H.B. 2)
MISC LOTTERY (WITNESS, EQUIP, LEG RECS)	REFERENDUM REQUIREMENTS	1	\$36,192	1218	YES		MODIFIED REQUEST APPROVED (IN H.B. 2)
DEPT. OF FAMILY SERVICES	PASSED HOUSE; SENATE AMENDS	1	\$45,600	1761	YES	\$22,400	REFLECTS SRS AND INSTITUTIONS SCORE REDUCTION
HEALTH FACILITIES CERT OF NEED	PASSED SENATE; PASSED HOUSE	1	\$12,478	420	NO		
SCIENCE AND TECH BOND PROGRAM	PASSED SENATE; PASSED HOUSE	1	\$15,000	505	YES	\$15,000	AUDIT REQUESTED IN SB246 STATE OF INTENT
TOTAL FOR MANUATED AUDITS		15	\$243,540	9011		\$86,150	

SENATE FINANCE AND CLAIMS  
 EXHIBIT NO. 4-9-87  
 DATE 4/13/87  
 BILL NO. 132

# 2 *Copy for [unclear]*

Proposed Amendments to Sections A & D  
of

HB 2 (Third Reading)

1. Page A-5  
Following: line 14  
Insert: "3. Law Library  
511,307 18,075 40,963 570,345 502,114 18,075 520,189"  
Renumber: subsequent subsections
2. Page D-8.  
Following: line 17  
Strike: lines 18 and 19 in their entirety

LFA to readjust totals for Sections A & D

SENATE FINANCE AND CLAIMS  
EXHIBIT NO. 2  
DATE 4-9-87  
BILL NO. HB 2

SECTION

A

Prepared By

Approved By

AMEND #	MOTION BY	PAGE	LN	PASS	FAIL	SUB MOTION BY	PAGE	LN	PASS	FAIL	OTHER ACTION
1	Jackson	A	1	8	✓						
2	Gage	A	5	14	✓						
3	Gage	A	11	21	✓						
4	Keating	A	11	25	✓						
5	Stimatz	A	11	20	✓						
6	Stimatz	A	11	21	✓						
7	Stimatz	A	12	16	✓						
8	Gage	A	13	16	—	NO. MOTION —					OUT
9	Gage	A	13	23	✓						
10	Keating	A	14	7	✓						
11	Gage	A	14	17	✓						
12	Stimatz	A	9	17	✓						
13	Bengston	A	15	6	✓						
14	Stimatz	A	15	9							
15	Haffey	A	17	19							
16	Stimatz	A	18	10	✓						
17	Stimatz	A	18	13	✓						
18	Stimatz	A	20	7	✓						
19	Gage	A	18	13							Roll Call
20	Gage	A	18	13							Roll Call
21	Keating	A	19	13	✓						Roll Call
22	Storv	A	4	18	✓						
23	Keating	A	21	11	✓						
24	Gage	A	24	13	✓						
25	Drayning	A	25	7	✓						
26	Haffey	A	26	12	✓						
27	Ridgman	A	11	16	✓						Roll Call

#3 *passed*

*2/1/87*

Funding Switch - Driver Services Bureau

Amendment to House Bill 2  
Section A - General Government

1. Page A-11, Line 21

Strike:	\$1,862,585	\$380,693	\$1,850,676	\$377,701 (GF, SS)
Insert:	\$1,852,871	\$390,407	\$1,707,224	\$521,153

LFA will adjust totals

This amendment reduces general fund \$9,714 in fiscal 1988, \$143,452 in fiscal 1989, or \$153,166 for the biennium. Motor Vehicle Fee State Special Revenue Funds are increased by the same amounts.

This amendment utilizes excess motor vehicle funds generated by House Bill 492 after funding the Department of Justice Undercover Drug Investigation Unit, the added basic course at the Law Enforcement Academy, and replacement of general fund in the Forensic Science Division and The Data Processing Divisions of the Department of Justice. The motor vehicle funds would be used to replace general fund in the Driver Services Bureau, leaving a working balance in the Motor Vehicle Account of approximately \$125,000. For further information regarding distribution of the motor vehicle funds generated by these bills, see page A-55 of the House Bill 2 narrative.

SENATE FINANCE AND CLAIMS  
EXHIBIT NO. # 3  
DATE 4-9-87  
H BILL NO. 2

HP DEPT. OF

#4  
Deating  
passed  
(Beylinton)

AMEND HOUSE BILL 2 -- 3rd READING COPY (Blue)

1. Page A-11, line 25.  
Strike: "8,679,992" "8,871,492" "8,772,922" "8,964,422"  
Insert: "8,709,992" "8,901,492" "8,802,922" "8,994,422"  
+30,000 +30,000

SENATE FINANCE AND CLAIMS  
EXHIBIT NO. 4  
DATE 4-9-87  
BILL NO. HB 2

*45*  
*Stimulus (Boulevard)*  
AMEND HOUSE BILL 2 -- THIRD READING COPY (Blue)

1. Page A-11.  
Following: line 20.  
Insert: "a. Operations"
2. Page A-11, line 21.  
Strike: " 15,000 2,258,278 15,000 2,243,577"  
Insert: "275,000 2,518,278 145,000 2,373,577"
3. Page A-11.  
Following: line 21.  
\*Insert: "b. Commercial Vehicle Operator Licensing"  
"55,900 55,900 129,800 129,800"

\*. These are state special revenue funds from the license fees collected from commercial vehicle operators as provided in SB 212.

SENATE FINANCE AND CLAIMS  
EXHIBIT NO. 5  
DATE 4-9-82  
BILL NO. HB 2



#6  
Stimulus  
AMEND HOUSE BILL 2

1. Page A-11, line 21.

```
Strike:  "1,862,585    2,258,278        1,850,876    2,243,577"
Insert:  "1,907,685    2,303,378        1,900,126    2,292,827"
```

SERVICE CHARGE AND CLAIMS  
 EXHIBIT NO. 6  
 DATE 4-9-87  
 BILL NO. 2

# 1  
Page 2 (initials)

Boat Registration  
HB - 730  
Fiscal Note

AMEND HOUSE BILL 2 -- THIRD READING COPY (Blue)

1. Page A-12, line 16.  
Following: "1,905,923"  
Insert: under Fiscal 1988 federal special revenue: "26,000"
  
2. Page A-12, line 16.  
Strike under Fiscal 1988 Total: "1,905,923"  
Insert: "1,931,230"
  
3. Page A-12, line 16.  
Strike: "1,893,572            1,893,572"  
Insert: "1,976,472            1,976,472"

LPA - W

SENATE FINANCE AND CLAIMS

*Amendment*  
EXHIBIT NO. 1

DATE 4-9-87

H BILL NO. 2

Page 1

# 8  
Garnier

## Eliminate Contingency Language for House Bill 492

Amend House Bill 2  
Third Reading (Blue) Copy  
Section A

1. Page A-13, Line 23.

Strike:	\$316,460	\$575,391	\$316,060	\$572,443
Insert:	\$0	\$891,851	\$0	\$888,503
  
2. Page A-14, Line 7.

Strike:	\$231,462	\$546,337	\$629,368	\$143,232
Insert:	\$0	\$777,799	\$0	\$772,600
  
3. Page A-14, After Line 21.

Strike: Lines 22 through 25 in their entirety.
  
4. Page A-15, Line 8.

Strike: Line 8 in its entirety.

This amendment reduces general fund \$547,922 in fiscal 1988 and \$945,428 in fiscal 1989, or \$1,493,350 for the biennium. Motor Vehicle Fee State Special Revenue Funds are increased by the same amounts.

This amendment eliminates all contingency language related to passage of House Bill 492, and makes permanent all appropriations dependent on passage of the bill. The bill has passed the legislature and has been signed by the Governor. The amendment substitutes motor vehicle funds for general fund in the Data Processing Divisions and the Forensic Science Divisions of the Department of Justice, and funds an additional basic course at the Law Enforcement Academy beginning in fiscal 1989. For further information regarding the distribution of the motor vehicle funds generated by House Bill 492, see page A-55 of the House Bill 2 narrative.

SENATE FINANCE AND CLAIMS  
EXHIBIT NO. 8  
DATE 4-9-87  
BILL NO. HB 2

*Leeting  
FD passed*

## FUNDING SWITCH - FORENSIC SCIENCE DIVISION

Amend House Bill 2 (third reading copy)

1. Page A-14, Line 7

Strike: "231,462	546,337	629,368	143,232"
Insert: "375,297	402,502	772,600	0"

LFA will adjust totals.

This amendment eliminates alcohol rehab state special revenue funding, \$143,835 in fiscal 1988 and \$143,232 in fiscal 1989, and replaces it with general fund.

AMEND2:hb2-a.

SENATE FINANCE AND CLAIMS  
*(Am)*  
EXHIBIT NO. 10  
DATE 4-9-87  
H BILL NO. 2

liquor purchased in each county, and this money may be used for county purposes. The remaining revenues shall be deposited in the state special revenue fund to the credit of the department of institutions for the treatment, rehabilitation, and prevention of alcoholism. Provided, however, in the case of purchases of liquor by a retail liquor licensee for use in his business, the department shall make such regulations as are necessary to apportion that proportion of license tax so generated to the county where the licensed establishment is located, for use as provided in 16-1-405. That proportion of the license tax is statutorily appropriated, as provided in 17-7-502, to the department, which shall pay quarterly to each county treasurer the proportion of the license tax due each county to be allocated to the incorporated cities and towns of the county.

(3) The license tax proceeds allocated to the county under subsection (2) for use by cities and towns shall be distributed by the county treasurer to the incorporated cities and towns within 30 days of receipt from the department. The distribution of funds to the cities and towns shall be based on the proportion that the gross sale of liquor in each city or town is to the gross sale of liquor in all of the cities and towns of the county.

(4) The license tax proceeds that are allocated to the department of institutions for the treatment, rehabilitation, and prevention of alcoholism shall be credited quarterly to the department of institutions. The legislature may appropriate a portion of the license tax proceeds to support alcohol programs. The remainder shall be distributed as provided in 53-24-206.

History: En. Sec. 1, Ch. 217, L. 1957; amd. Sec. 1, Ch. 153, L. 1969; amd. Sec. 17, Ch. 302, L. 1974; Sec. 4-240, R.C.M. 1947; amd. and redes. 4-1-401 by Sec. 44, Ch. 387, L. 1975; amd. Sec. 8, Ch. 414, L. 1977; R.C.M. 1947, 4-1-401; amd. Sec. 6, Ch. 711, L. 1979; amd. Sec. 1, Ch. 277, L. 1983; amd. Sec. 2, Ch. 690, L. 1985; amd. Sec. 13, Ch. 703, L. 1985.

#### Compiler's Comments

1985 Amendments: Chapter 690 redesignated former (1) as (1) (lead-in), (1)(a), and (2); in (1)(a) following "delivered", inserted remainder of subsection; inserted (1)(b); and in (2), at beginning substituted "The license" for "Said", at beginning of third sentence substituted "The" for "Said 10%", and near end of fourth sentence substituted "the" for "such 10%".

Chapter 703 in (2), near beginning of fifth sentence, after "revenues", inserted "are statutorily appropriated, as provided in 17-7-502, to the department and", near beginning of sixth

sentence, after "revenues", inserted "are statutorily appropriated, as provided in 17-7-502, and", and at beginning of last sentence substituted "That proportion of the license tax is statutorily appropriated, as provided in 17-7-502, to the department, which shall" for "The department shall".

1983 Amendment: Substituted reference to state special revenue fund for reference to earmarked revenue fund.

#### Cross-References

Utilization of tax proceeds used for alcoholism programs, 53-24-108.

**16-1-405. Use of license tax proceeds.** The license tax moneys when so apportioned shall be deposited to the credit of the general funds of said incorporated cities, towns, and counties and shall be expended by said incorporated cities, towns, and counties for law enforcement and the regulation and control of the sale of liquor and the use thereof.

History: En. Sec. 2, Ch. 217, L. 1957; Sec. 4-241, R.C.M. 1947; redes. 4-1-402 by Sec. 120, Ch. 387, L. 1975; R.C.M. 1947, 4-1-402.

**16-1-406. Tax on imported beer.** A tax of \$3 per barrel of 31 gallons is hereby levied and imposed on each and every barrel of beer manufactured out of this state and sold herein by any wholesaler, which said tax shall be due at the end of each month from said wholesaler upon any such beer so

EXHIBIT NO. 2 - Amend # 10  
DATE: 4-9-87  
BILL NO. 2

- (c) the ratio of Montana revenue passenger miles to system revenue passenger miles; and
- (d) the applicable excise tax and state markup rates.
- (3) From said product, the carrier shall subtract the amount of excise taxes and state markup on purchases of liquor made within this state.

History: En. 4-4-110 by Sec. 115, Ch. 387, L. 1975; R.C.M. 1947, 4-4-110.

**16-1-403. Excise tax accounting methods — report forms.** (1) The method provided in 16-1-402 shall be presumed to determine fairly and correctly the liquor purchased outside this state and sold for consumption within this state. Any carrier aggrieved by the application of the method may petition the department for use of some other method. Thereupon, if the department finds that the application of the method will be unjust to the carrier, it may allow the use of the method petitioned for by the carrier or may use such other method as will fairly reflect the liquor purchased outside this state and served for consumption within this state.

(2) The department shall prescribe report forms which shall be used by the carriers in reporting their sales and computing their liability for excise taxes and markup. Report forms shall be filed and payment of excise taxes and state markup shall be made on a quarterly basis. The filing of report forms and payment of excise taxes and state markup shall be made not later than the last day of the month immediately following the close of each quarterly period.

History: En. 4-4-111 by Sec. 116, Ch. 387, L. 1975; R.C.M. 1947, 4-4-111; amd. Sec. 3, Ch. 5, L. 1979.

**16-1-404. License tax on liquor — amount — distribution of proceeds.** (1) The department is hereby authorized and directed to charge, receive, and collect at the time of sale and delivery of any liquor under any provisions of the laws of the state of Montana a license tax of:

(a) 10% of the retail selling price on all liquor sold and delivered in the state by a company that manufactured, distilled, rectified, bottled, or processed, and sold more than 200,000 proof gallons of liquor nationwide in the calendar year preceding imposition of the tax pursuant to this section;

(b) 8.6% of the retail selling price on all liquor sold and delivered in the state by a company that manufactured, distilled, rectified, bottled, or processed, and sold not more than 200,000 proof gallons of liquor nationwide in the calendar year preceding imposition of the tax pursuant to this section.

(2) The license tax shall be charged and collected on all liquor brought into the state and taxed by the department. The retail selling price shall be computed by adding to the cost of said liquor the state markup as designated by the department. The license tax shall be figured in the same manner as the state excise tax and shall be in addition to said state excise tax. The department shall retain in a separate account the amount of the license tax so received. Thirty percent of these revenues are statutorily appropriated, as provided in 17-7-502, to the department and shall be allocated to the counties according to the amount of liquor purchased in each county to be distributed to the incorporated cities and towns, as provided in subsection (3). Four and one-half percent of these revenues are statutorily appropriated, as provided in 17-7-502, and shall be allocated to the counties according to the amount

TO FINANCE AND CLAIMS  
NO 2-2-2010  
4-9

**53-24-205. Repealed. Sec. 15. Ch. 140. L. 1985.**

History: En. 80-2703 by Sec. 4. Ch. 280. L. 1975; R.C.M. 1947, 80-2703.

**53-24-206. Administration of financial assistance.** (1) The department may apply for and receive grants, allotments, or allocations of funds or other assistance for purposes pertaining to the problems of chemical dependency or related social problems under laws and rules of the United States, any other state, or any private organization.

(2) The department may cooperate with any other government agency or private organization in programs on chemical dependency or related social problems. In carrying out cooperative programs, the department may make grants of financial assistance to government agencies and private organizations under terms and conditions agreed upon.

(3) (a) In administering proceeds derived from the liquor license tax or the beer license tax, the department shall distribute those funds appropriated by the legislature. Money that is appropriated for distribution to approved private nonprofit or public programs on a discretionary basis shall be distributed to those programs that can demonstrate that:

(i) the program is achieving the goals and objectives mutually agreed upon by the program and the department; and

(ii) the receipt of additional funds would be justified.

(b) The remainder of the proceeds shall be distributed to the counties for use by approved private nonprofit or public programs. The distribution of these proceeds is statutorily appropriated as provided in 17-7-502 and must be distributed in the following manner:

(i) Eighty-five percent shall be allocated according to the proportion of each county's population to the state's population according to the most recent United States census.

(ii) Fifteen percent shall be allocated according to the proportion of the county's land area to the state's land area.

(c) Money distributed under subsection (3) may only be used for purposes pertaining to the problems of alcoholism.

History: En. Sec. 4. Ch. 303. L. 1969; Sec. 69-6204. R.C.M. 1947; redes. 80-2704 by Sec. 6. Ch. 280. L. 1975; R.C.M. 1947, 80-2704; amd. Sec. 17. Ch. 38. L. 1979; amd. Sec. 4. Ch. 711. L. 1979; amd. Sec. 5. Ch. 406. L. 1983; amd. Sec. 3. Ch. 513. L. 1983; amd. Sec. 32. Ch. 703. L. 1985.

**Compiler's Comments**

1985 Amendment: In (3)(b) at beginning of second sentence inserted "The distribution of these proceeds is statutorily appropriated as provided in 17-7-502 and must be distributed".

1983 Amendments: Chapter 406, in (1) and (2), changed "alcoholism and drug dependence" to "chemical dependency".

Chapter 513, in (3)(a) and (3)(b), inserted "private nonprofit or public" after "approved"; and at end of (3)(c), deleted "or related social problems" after "alcoholism".

**53-24-207. Comprehensive program for treatment.** (1) The department shall establish a comprehensive and coordinated program for the treatment of chemically dependent persons, intoxicated persons, and family members.

(2) The program shall include:

(a) emergency treatment provided by a facility affiliated with or part of the medical service of a general hospital;

(b) inpatient treatment;

SENATE AND CLAIMS  
EXHIBIT NO. 2 Am #10  
DATE 4-9-87  
FILE NO. 2

4) TABLE WINE TAX A tax of 27 cents per liter is imposed on table wine imported by any distributor or the Department. Sixteen cents of the tax is deposited to the general fund, 8.34 cents is deposited to the state special revenue account to the credit of the Department of Institutions for the treatment, rehabilitation, and prevention of alcoholism, and one and one-third cents each is statutorily appropriated to the counties and cities and towns based on population.

## DEPARTMENT OF INSTITUTIONS ALLOCATION

The allocation of the alcohol funds available to the Department of Institutions for treatment, rehabilitation, and prevention of alcoholism occurs as shown in table 1 below.

Table 1 Alcohol Earmarked Revenue and Expenditures and County Distribution			
	<u>Fiscal 1986</u>	<u>Fiscal 1988</u>	<u>Fiscal 1989</u>
<u>Revenues</u>			
65.5 % Liquor License Tax	\$2,387,928	\$2,486,380	\$2,546,640
Beer Tax	727,022	683,000	683,000
Wine Tax	454,744	558,000	558,000
Galen Reimbursement	180,138	200,448	202,056
Change-Fund Balance	<u>(33,552)</u>	<u>-0-</u>	<u>-0-</u>
Total Revenues	\$3,716,280	\$3,927,828	\$3,989,696
<u>Expenses</u>			
ADAD Admin	\$ 310,528	\$ 368,701	\$ 353,761
Galen	1,595,609	1,687,657	1,694,394
Forensic Lab	129,556	143,835	143,232
Counselors	<u>104,879</u>	<u>137,940</u>	<u>139,102</u>
Total State Expense	<u>\$2,141,572</u>	<u>\$2,338,133</u>	<u>\$2,330,489</u>
County Distribution	<u>\$1,574,708</u>	<u>\$1,589,695</u>	<u>\$1,659,207</u>
<u>Total County Distribution</u>			
Alcohol Earmarked	\$1,574,708	\$1,589,695	\$1,659,207
Federal Block Grant	<u>226,504</u>	<u>156,854</u>	<u>156,854</u>
Total	<u>\$1,801,212</u>	<u>\$1,746,549</u>	<u>\$1,816,061</u>

CLAIMS  
 EXHIBIT NO. 2a.m #10 page 3  
 DATE 4-9-87  
 BILL NO. H.B. 2



AMEND HOUSE BILL 2 \_\_ THIRD READING COPY (Blue)

1. Page A-14, line 17.  
Following: "plan to the"  
Insert: "51st legislature within the department's 1991  
biennium budget request"
2. Page A-14, line 18.  
Following: line 17  
Strike: "LEGISLATIVE FINANCE COMMITTEE BY JUNE 30, 1987"
3. Page A-14, line 18.  
Following: "1989"  
Strike: "1987"  
Insert: "1989"
4. Page A-14, line 20.  
Following: "account."  
Strike: The remainder of line 20 and all of line 21.

SENATE FINANCE AND CLAIMS

*Amendment*  
EXHIBIT NO. 11

DATE 4-9-87

H BILL NO. 2

*Amended #12*  
PROPOSED AMENDMENT TO H.B. 2 ON BEHALF OF THE STATE AUDITOR

1. Page A-9, line 17.  
Strike: "217,719" (FY'88 General Fund)  
Insert: "256,271"
2. Page A-9, line 17.  
Strike: "217,719" (FY'88 Total)  
Insert: "256,271"
3. Page A-9, line 17.  
Strike: "217,501" (FY'89 General Fund)  
Insert: "256,039"
4. Page A-9, line 17.  
Strike: "217,501" (FY'89 Total)  
Insert: "256,039"

PURPOSE: Return the two Central Management Positions Cut on the House Floor, but recommended by both the General Gov't Subcommittee and the Appropriations Committee.

SEN. TO FINANCE AND CLAIMS

*Amendment*  
EXHIBIT NO. 12

DATE 4-9-87

*H* BILL NO. 2

Bangston  
7/13 passed

## AMEND HOUSE BILL 2 -- THIRD READING COPY (Blue)

1. Page A-15, line 6.  
Following "11-"  
Strike: All of line 6 and line 7.

SENATE FINANCE AND CLAIMS

EXHIBIT-NO. 13DATE 4-9-5714 BILL NO. 2

*Steady*

*H 14*

AMEND HOUSE BILL 2 -- THIRD READING COPY (Blue)

1. Page A-15, line 9.  
Following: "passes." on line 8  
Strike: Lines 9 and 10 in their entirety.

*Filed*

SENATE FINANCE AND CLAIMS

*Amendment*  
EXHIBIT NO. 14

DATE 4-9-82

*H* BILL NO. 2

AMENDMENT TO HOUSE BILL 2  
SECTION A

House Bill 66 - Signed by Governor

Investigations & Enforcement Division  
Department of Revenue

House Bill 66 requires the licensing of Manufacturers and Distributors of video draw poker machines and associated equipment. The Video Poker Control Program will contract with the Investigations & Enforcement Division in the Department of Revenue for enforcement activities related to HB66.

This amendment adds \$13,260 in FY88 and \$51,300 in FY89 to the Investigations & Enforcement Division to cover the costs of providing that service.

There is a coordinating amendment which will be offered in Section C of House Bill 2 to provide spending authority for the Video Poker Control Program in order to administer the provisions of HB66.

AMEND PAGE A-17

LINE 19

Strike	\$250,637	\$249,651
Insert	263,897	300,951

SENATE FINANCE AND CLAIMS  
EXHIBIT #15  
DATE 4-9-89  
BILL NO 2

# 16  
Amend

Amend House Bill 2, third reading copy, as follows:  
Senator Stimatz

1. Page A-18, Line 10.

Strike:	\$428,443	428,443	428,443	428,443
Insert:	\$769,479	769,479	770,886	770,886

Comment

This amendment restores 70% state funding to county assessors salaries. General fund increases by \$341,036 in fiscal 1988 and \$342,443 in fiscal 1989.

SENATE FINANCE AND CLAIMS  
Amend  
EXHIBIT NO. 16  
DATE 4-9-88  
H BILL NO. 2



*efh  
after  
Am #16*

*The Big Sky Country*

## MONTANA HOUSE OF REPRESENTATIVES

REPRESENTATIVE BOB RANEY

HELENA ADDRESS:  
CAPITOL STATION  
HELENA, MONTANA 59620-0144

HOME ADDRESS:  
212 SOUTH 6TH ST.  
LIVINGSTON, MONTANA 59047  
PHONE: (406) 222-0558

COMMITTEES:  
TAXATION  
NATURAL RESOURCES

April 9, 1987

Senator Pat Regan, Chair  
Senate Finance and Claims  
Capitol Station  
Helena, MT 59620

Dear Chairman Regan:

There seems to be some confusion over the amendment I offered on the floor of the House concerning the assessor's salary.

I want to make it clear my amendment, offered on the floor of the House to reduce the state's share of the assessor's salary to 49%, also contemplated the state would not pay the assessor's benefits.

It was my intention, with the county paying 51% of the assessor's salary, that the county would be entirely responsible for the assessor's benefits. I did not intend to allow the Department of Revenue any money to pay any benefits for elected assessors.

I would appreciate it if my letter could be read into the record of the committee and House Bill 2 could be modified to reflect the intent of my motion.

Sincerely,

*Bob Raney*  
Bob Raney  
Representative

SENATE FINANCE AND CLAIMS  
BILL NO. 3 AM # 16  
E 4-9-87  
L NO. 2

BR/jl  
cc: Judy Rippingale, Fiscal Analyst

# 17 Stimatz  
Passed  
\* Rejected  
J.M.

Amend House Bill 2, third reading copy, as follows:  
Senator Stimatz

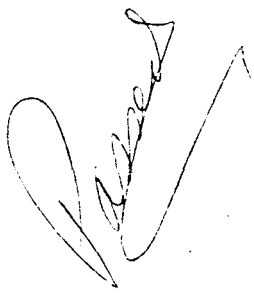
1. Page A-18, line 13.

Strike:	\$7,847,721	7,847,721	7,916,693	7,916,693
Insert:	\$8,114,206	8,114,206	8,182,783	8,182,783

LFA will amend totals

Comment

This amendment restores full funding to the deputy county assessors salaries. General fund increases by \$266,485 in fiscal 1988 and \$266,090 in fiscal 1989.



SENATE FINANCE AND CLAIMS  
Amendment  
EXHIBIT NO. 17  
DATE 4-9-87  
BILL NO. 2



ROLL CALL VOTE

SENATE COMMITTEE

FINANCE AND CLAIMS

DATE 4-9 N Bill No. 2 Time \_\_\_\_\_

NAME	YES	NO
SENATOR HIMSL	✓	
SENATOR JACOBSON		✓
SENATOR BENGTON	✓	
SENATOR STIMATZ		✓
SENATOR HARDING		✓
SENATOR HAFPEY		✓
SENATOR SMITH		✓
SENATOR KEATING	✓	
SENATOR STORY	✓	
SENATOR BOYLAN	✓	
SENATOR JERGSON		✓
SENATOR TVEIT	✓	
SENATOR MANNING		✓
SENATOR HAMMOND		✓
SENATOR GAGE		✓
SENATOR REGAN	✓	

7 9

Sylvia Kinsey  
Secretary

Senator Regan  
Chairman

MOTION: Re Consider Am 17 St

Failed

*Amendment #18*  
*Parade*

ACCOUNTING DIVISION  
DEPARTMENT OF ADMINISTRATION

PROPOSED AMENDMENT TO HB 2

1. Page A-20, Line 7.

Strike: "800,138" and "786,709"

Insert: "841,557" and "828,075"

LFA will adjust totals.

Justification- The amendment restores funding removed by the House Appropriations Committee for 1.5 FTE in the Accounting Division.

The Accounting Division's budget pays the costs of operating the Statewide Budget and Accounting System, including staff support for the system. The division is currently authorized 12 FTE. In addition to the division administrator and secretary, there are three clerical staff and a supervisor responsible for the day-to-day flow of information into and out of the system, three professional accountants responsible for state accounting policies and financial reporting, and three data processing specialists responsible for system operations. The House Appropriations Committee reduced the data processing staff to 1.5 FTE to save \$41,419 in FY88 and \$41,366 in FY89.

The division's data processing staff are responsible for maintaining the accounting system's operations in areas, such as-

- appropriation and cash balance controls
- accuracy and retrieval of data
- data security and disaster recovery
- closing out and opening of SBAS files each new year

SENATE FINANCE AND CLAIMS  
*Amendment #18*  
HIT NO. 18  
DATE 1-9-87  
H. BILL NO. 4

ROLL CALL VOTE

SENATE COMMITTEE

FINANCE AND CLAIMS

DATE 4-9-87

H Bill No. 2

Time 1:27

NAME	YES	NO
SENATOR HIMSL	✓	
SENATOR JACOBSON	✓	
SENATOR BENGTSON		✓
SENATOR STIMATZ	✓	
SENATOR HARDING	✓	
SENATOR HAFFEY		
SENATOR SMITH		✓
SENATOR KEATING		
SENATOR STORY		✓
SENATOR BOYLAN		✓
SENATOR JERGESON	✓	
SENATOR TVEIT		✓
SENATOR MANNING	✓	
SENATOR HAMMOND		✓
SENATOR GAGE	✓	
SENATOR REGAN	✓	

8 6

Sylvia Kinsey  
Secretary

Senator Regan  
Chairman

MOTION: H 18 Stens

cars were 10,000  
Abundant 6,500

page

Sub-15 2/10/87

Amendments to HB-2  
3rd Reading Version

Page A-18, line 13.

Strike: "7,847,721" "7,847,721" "7,916,693" "7,916,693"

Insert: "7,875,721" "7,875,721" "7,944,693" "7,944,693"

hb2-1

#19

Failed

SENATE FINANCE AND CLAIMS

Amendment  
EXHIBIT NO. 19

DATE 6-9-87

H BILL NO. 2

#19

ROLL CALL VOTE

SENATE COMMITTEE

FINANCE AND CLAIMS

DATE 4-9-87 H Bill NO. 2 Time       

NAME	YES	NO
SENATOR HIMSL	✓	
SENATOR JACOBSON		
SENATOR BENGTON		✓
SENATOR STIMATZ		
SENATOR HARDING		✓
SENATOR HAFLEY	✓	
SENATOR SMITH		✓
SENATOR KEATING		✓
SENATOR STORY		✓
SENATOR BOYLAN		✓
SENATOR JERGSON	✓	
SENATOR TVEIT		✓
SENATOR MANNING	✓	
SENATOR HAMMOND		✓
SENATOR GAGE	✓	
SENATOR REGAN	✓	

6 8

Sylvia Kinsey  
Secretary

Senator Regan  
Chairman

MOTION: Gage A-18 line 13

*MM*  
*Replus*  
*2 amendments*  
*+ 5 area wgs 9-8*  
*submit*

*Page*  
*#20*  
*June*

Amendments to HB-2  
3rd Reading Version

Page A-18, line 13.

Strike: "7,847,721" "7,847,721" "7,916,693" "7,916,693"

Insert: "8,105,727" "8,105,727" "8,177,449" "8,177,449"

AMENDMENTS AND CLAIMS  
AMENDMENT NO. 20  
DATE 1-9-82  
BILL NO. 12

ROLL CALL VOTE

SENATE COMMITTEE

FINANCE AND CLAIMS

DATE 11-9-87

H

Bill No. 2

Time 1:4

NAME	YES	NO
SENATOR HIMSL		✓
SENATOR JACOBSON		
SENATOR BENGTON	✓	
SENATOR STIMATZ		
SENATOR HARDING		✓
SENATOR HAFLEY	✓	
SENATOR SMITH		✓
SENATOR KEATING		✓
SENATOR STORY		✓
SENATOR BOYLAN		✓
SENATOR JERGSON	✓	
SENATOR TVEIT		✓
SENATOR MANNING	✓	
SENATOR HAMMOND		✓
SENATOR GAGE	✓	
SENATOR REGAN	✓	
	6	8

Sylvia Kinsey  
Secretary

Senator Regan  
Chairman

MOTION: Page #20

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

21  
Heating passed

AMENDMENT TO HB2

Third Reading

1. Page A-19, lines 13 - 14.

Strike: "The appropriation for the income tax division includes 13 additional FTE. The agency is prohibited from including these 13 FTE in its current level budget request presented to the 1989 legislature."

rr/93  
amendhb2

SENATE FINANCE AND CLAIMS

amend  
EXHIBIT NO. 21

DATE 4-9-87

H BILL NO. 2



*Story*  
*#22*  
*Passed*

## ELIMINATE WATER ADJUDICATION STUDY

Senator Story  
Amend House Bill 2 (third reading copy)  
Section A

1. Page A-4, Line 18  
Strike: "126,200"  
Insert: " 26,200"
2. Page A-4, Following Line 22  
Strike: Lines 23 through 25
3. Page A-5, Following Line 4  
Strike: Lines 5 and 6

LFA will adjust totals

SENATE FINANCE AND CLAIMS  
*amend*  
EXHIBIT NO. 22  
DATE 4-9-87  
H. BILL NO. 2

AMEND2:ss2-a

# 93  
Hestling  
passed

AMENDMENTS TO HB2

Department of Administration, Information Services Division

Central Computer Operations Program:

Add \$269,000 in FY'88 and \$262,000 in FY'89 for disk storage devices and network control equipment.

Page A-21

Line 11            strike: "5,532,217" and "5,426,025"

Line 11            insert: "5,801,217" and "5,688,025"

Systems Development Program:

Add \$100,000 to the biennial appropriation for contract programming.

Page A-21

Line 18            strike: "100,000"

Line 18            insert: "200,000"

Justification:

Additional spending authority is needed in Computer and Network Operations and Systems Development in order to be able to provide the services that the agencies are funded to pay the Information Services Division (ISD) to provide.

Agencies are funded approximately \$381,000 more than ISD in FY'88 and \$932,000 more than ISD in FY'89. If ISD can't meet the needs of the agencies they will acquire their needed services elsewhere.

Note: The dollar amounts are based on modification requests to stay abreast of growth which were included in the Executive Budget. Subcommittee action resulted in the denial of the equipment requests and partial approval of the contract programming.

SENATE FINANCE AND CLAIMS  
AMENDMENT  
BILL NO. 23

DATE 6-4-87

BILL NO. 2

# SUMMARY OF AGENCY BUDGETS FOR ISD PROVIDED COMPUTER SERVICES

Agency budgets for ISD services (not including universities) were extracted from the Executive Budgeting System as of 03/27/87. Legislative agencies were based on historical budgets and agency contacts.

Post House Action

Effect of House Action

AG #	AGENCY NAME	FY88 BUD	FY88 MOD	FY89 BUD	FY89 MOD	FY88 BUD	FY89 BUD
1101	Legislative Auditor	\$37,449		\$37,549		\$1,298	\$1,398
1102	Legislative Fiscal Analyst	\$11,246		\$41,904		\$0	\$0
1104	Legislative Council	\$146,348		\$256,579		(\$58,673)	(\$84,328)
1109	Legislature-Senate	\$0		\$0		\$0	\$0
1110	Legislature-House	\$0		\$0		\$0	\$0
1111	Environmental Quality Counsel	\$285		\$285		\$0	\$0
1112	Consumer Counsel	\$0		\$0		\$0	\$0
2110	Judiciary	\$7,864		\$7,852		(\$7,237)	(\$7,249)
3101	Governors Office	\$34,034		\$63,458		\$0	\$0
3201	Secretary of State	\$219,634		\$214,241		(\$12,931)	(\$18,324)
3401	State Auditors Office	\$391,200	\$118,000	\$384,809	\$0	(\$43,012)	(\$110,403)
3501	Office of Public Instruction	\$2,212		\$2,212		\$217	\$217
4107	Crime Control Division	\$33,336		\$33,094		(\$66)	(\$128)
4108	Highway Traffic Safety	\$6,122		\$6,090		(\$67)	(\$173)
4110	Department of Justice	\$738,176		\$731,571		(\$54)	(\$9,445)
4201	Public Service Regulation	\$20,533		\$19,404		\$0	\$0
5114	Montana Arts Council	\$181		\$175		\$181	\$175
5115	Library Commission	\$8,684	\$991	\$8,154	\$1,441	\$6,689	\$6,366
5117	Historical Society	\$15,462		\$15,703	\$0	\$7,326	\$7,567
5201	Dept of Fish, Wildlife & Parks	\$264,499		\$274,546		\$0	(\$9,125)
5301	Dept of Health & Environ Sciences	\$113,333		\$112,055	\$0	(\$49,083)	(\$127,806)
5401	Dept of Highways	\$616,765	\$2,074	\$598,592	\$3,118	(\$19,181)	(\$38,004)
5501	Dept of State Lands	\$222,690		\$181,821		\$0	\$0
5603	Department of Livestock	\$30,998		\$31,773		\$0	\$0
5706	Dept of Nat Resources & Conser	\$181,205	\$3,754	\$181,220	\$3,754	\$3,754	\$0
5801	Department of Revenue	\$1,083,265	\$64,870	\$1,231,563	\$95,417	(\$16,962)	(\$35,294)
6101	Department of Administration	\$651,035		\$647,101		(\$21,404)	(\$38,306)
6104	Public Employees Retirement Bd	\$91,447	\$0	\$87,344		(\$53,656)	(\$51,933)
6105	Teachers Retirement Board	\$64,811		\$68,400		(\$2,733)	(\$3,810)
6201	Department of Agriculture	\$535		\$535		\$0	\$0
6301	Department of Institutions	\$14,677		\$14,416		(\$1,363)	(\$1,654)
6402	Boulder Rivr School & Hospital	\$334		\$324		\$39	\$29
6404	Center for the Aged	\$266		\$266		(\$32)	(\$32)
6405	Eastmont Training Center	\$0		\$0		\$0	\$0
6407	Mountain View School	\$0		\$0		\$0	\$0
6408	Pine Hills School	\$0		\$0		\$0	\$0
6409	Montana State Prison	\$1,085		\$1,085		\$12	\$12
6410	Swan River Youth Forest Camp	\$0		\$0		\$0	\$0
6411	Veterans Home	\$5,512		\$5,512		\$5,462	\$5,462
6412	Montana State Hospital	\$246		\$243		(\$1,873)	(\$1,876)
6413	Board of Pardons	\$0		\$0		\$0	\$0
6501	Department of Commerce	\$121,550	\$48	\$123,245	\$48	\$48	\$0
6602	Labor & Ind Employment Services	\$846,353		\$840,109		\$0	\$0
6603	Labor & Ind Workers Comp	\$638,906	\$183,384	\$696,930	\$82,384	\$2,384	(\$176,000)
6701	Adjutant General	\$3,029		\$3,026		(\$251)	(\$254)
6901	Social and Rehabilitation Services	\$603,345		\$603,395	\$300,000	\$0	\$0
6911	Family Services	\$85,159		\$85,159		\$0	\$0
BASE BUDGETS FOR ISD COMPUTER SERVICES		\$7,313,811		\$7,611,740		(\$261,168)	(\$692,912)
MODIFIED BUDGETS FOR ISD COMPUTER SERV.		\$373,121		\$486,162			
TOTAL BUDGETS FOR ISD COMPUTER SERVICES		\$7,686,932		\$8,097,902			
ISD COMPUTER SERVICES BUDGET INC. MODS		\$7,305,674		\$7,165,188		(\$658,085)	(\$698,731)
DIFFERENCE		\$381,258		\$932,714			

SENATE FINANCE AND CLAIMS  
EXHIBIT NO 4 Am. #23  
DATE 4-9-87

#24  
Passed

*[Signature]*

PROPOSED AMENDMENT TO HB 2

Page A-24, Line 13.

Strike: "0 " and "0 "

Insert: "34,572" and "34,544"

SENATE FINANCE AND CLAIMS

*Amendment*  
EXHIBIT NO. 24

DATE 1-9-87

*H* BILL NO. 2

*Memo #25  
Passed*

PROPOSED AMENDMENT TO HB2  
DEPARTMENT OF ADMINISTRATION  
STATE TAX APPEAL BOARD

Page A-25, line 7

Strike: "540,272" "449,475"

Insert: "478,792" "387,995"

Page A-25, after line 5, add:

"14. c. Hearings Officers"

"\$1,480"

Page A-25, after line 17, add:

"Item 14c is a biennial appropriation to satisfy the provisions of Senate Bill 122, which authorizes the state tax appeal board to contract and use hearings officers."

Justification

SB122 recently passed the House. This bill allows the state tax appeal board to hire hearings officers to help handle the workload.

House Floor action added \$51,480 each year in general funds to cover costs associated with this bill. The additional funds are needed for the biennium. The Board requests that a biennial appropriation for the amount be established and the funding in FY89 be reduced by \$51,480.

The way HB2 is currently written includes excess funds that the State Tax Appeal Board will not need.

SENATE FINANCE AND CLAIMS

*amend*  
EXHIBIT NO. 25

DATE 4-9-87

H BILL NO. 2

stabame2.km

AMENDMENT TO HB 2

PUBLIC EMPLOYEES' RETIREMENT DIVISION (PERD)  
DEPARTMENT OF ADMINISTRATION

PAGE A-25

LINE 12

Strike: 732,132 and insert: 738,267

Strike: 713,064 and insert: 714,774

JUSTIFICATION

The PERD appreciated the consideration given by the Appropriations Committee in providing an adequate budget with which to fulfill the administrative responsibilities of the division. The budget was based on the retirement provisions in effect for the eight retirement systems and social security program on January 1, 1987.

Since that date, there have been 13 amendments to the 8 retirement systems administered by PERD, and two more are pending. Eight of these measures, proposed by the Retirement Board, were housekeeping measures and involved minimal resources to implement. The other five amendments each have costs related directly to them. There is not enough flexibility in the currently proposed budget to absorb these additional costs.

HB 132 Out-of-state service qualified in PERS, and  
HB 158 Sheriffs' military service purchase  
These two changes are expected to cost \$1,710 each year of the next biennium to implement. This funding will provide approximately 150 hours of overtime (including employee benefits) each year. \$1,710 FY88 \$1,710 FY89

SB 240 Employer "pick-up" for Firefighters', and  
SB 326 PERS ad hoc cost-of-living increase  
These amendments will require one-time computer program changes. \$1,925 FY88

SB 336 Full benefits for budgetary reductions in working hours  
Legislative intent requires extensive rule-making by Board. In order to implement, funds for public hearings, printing, mailing, and legal notices will be necessary in FY88. \$2,500 FY88

The retirement division is funded from the investment earnings on retirement trust funds. These earnings have increased from \$16.4 Million in FY 79 to \$58.6 Million in FY 86. Adequate funds are available from this source to fund this appropriation amendment. To attempt to implement this new legislation without proper resources will result in significant delays in administering all retirement systems and could open the Board and the retirement systems to unnecessary legal and hearings costs which could cost a great deal more than this current request.

These additional funds are needed in order for the PERD to continue to serve public employees in an efficient and effective manner when they are considering their retirement options.

#27  
Regard

# Eliminate MONTCLIRC

Amend House Bill 2  
3rd Reading (Blue) Copy

1. Page A-11, Lines 16 through 17  
Strike: Lines 16 through 17 in their entirety

LFA will adjust totals

This amendment reduces general fund \$72,925 in fiscal 1988 and \$72,925 in fiscal 1989, or \$145,850 for the biennium. State special revenue funds are reduced \$18,230 in fiscal 1988 and \$18,230 in fiscal 1989, or \$36,460 for the biennium.

This amendment would eliminate the MONTCLIRC (Montana Criminal Law Information Research Center) Program, which provides legal research services to judges, prosecutors, defense counsel, and other members of the state criminal justice system, using student researchers.

SENATE FINANCE AND CLAIMS  
EXHIBIT NO. 27  
DATE 6-9-87  
H. BILL NO. 2

ROLL CALL VOTE

SENATE COMMITTEE

FINANCE AND CLAIMS

DATE \_\_\_\_\_ # \_\_\_\_\_ Bill No. 2 Time \_\_\_\_\_

NAME	YES	NO
SENATOR HIMSL	✓	1
SENATOR JACOBSON	✓	
SENATOR BENGTON		✓
SENATOR STIMATZ		
SENATOR HARDING	✓	
SENATOR HAFLEY		✓
SENATOR SMITH	✓	
SENATOR KEATING	✓	
SENATOR STORY	✓	
SENATOR BOYLAN	✓	
SENATOR JERGSON		✓
SENATOR TVEIT	✓	
SENATOR MANNING		✓
SENATOR HAMMOND	✓	
SENATOR GAGE		✓
SENATOR REGAN	✓	

10 5

Sylvia Kinsey  
Secretary

Senator Regan  
Chairman

MOTION: Regan A-11 line 16 # 29

*Passed*



FACT SHEET HB 911  
Appropriation Committee 4/8/87

- I. Elimination of 2.5 F.T.E. out of public services equates to loss of 5,240 hours per year of staff time. State Library has insufficient staff and resources to absorb functions and benefits derived by state government in those hours. IMPACT:
1. Loss of continuing legal education video tape program;
  2. Elimination of 24 hours per week in time Law Library is open, including all evening and week-end hours;
  3. Inability to continue to provide legislative histories;
  4. Degradation of ability to shelve books, file loose-leaf services, respond to photocopy requests, and circulate books (See Appendix 1 & 2.);
- II. Legislative decision to have State Law Library charge fees to private attorneys, which are expected to generate \$90,106 in revenues for the biennium, will be foregone.
- III. Functional coordination and consolidation of state agency libraries was rejected by extensive feasibility study conducted in 1982 by management analysts from the Department of Administration.
- IV. Different functions and subjects, of the two libraries necessitate different data bases for cataloging and interlibrary loan.
- V. There are no purely administrative positions in a small library. Any cut to personnel budget equates to significant impact in ability to provide efficient and timely services.
- VI. Proposals in amendment were not considered in House Appropriations Committee; State Law Librarian and State Librarian were not provided opportunity for input prior to introduction of amendment during 2nd reading in House of Representatives.
- VII. Effect of further 10% reduction in book budget will eliminate all new book acquisitions and force further cancellation of \$34,938 in continuations (after already cancelling \$14,472 in FY 86 and FY 87). (See Appendix 3.)
- VIII. Specific legal information needs of State Law Library's component patron groups (judiciary, legislative, state government, and the practicing bar) were not addressed in amendment to HB2.
- IX. Amendment to HB2 includes elimination of \$4,185 (FY 88) in travel funds, when only \$2,318 was in the bill.
- X. Maximum cost savings to state government are already realized through active resource-sharing and elimination of duplicate collection and services.

SENATE FINANCE AND CLAIMS

EXHIBIT NO. 5

DATE 4-6-87

FILE NO. 2

466 6



STATE FINANCE AND CLAIMS

EXHIBIT NO. 6

DATE 4-9-87

BILL NO. 2

14

GASOLINE TAX EARMARKED ACCOUNT FUNDS  
MONTANA HIGHWAY PATROL AIRCRAFT OPERATIONS

The aircraft is a 1978 Cessna 182 RG. It was purchased used in 1983 with a Federal highway traffic safety grant for \$35,000. Additional Federal funds have been utilized to upgrade radio equipment (1984) and replace the engine (1985). These costs totaled \$24,000. Should the State terminate the Patrol aviation program, the aircraft would revert to the Federal government with no economic benefit to the State.

Since 1983 the aircraft has provided:

5,447	Energy conservation citations
714	Truck speed citations
447	Hazardous moving violations
255	Registration, driver license and insurance violations
6,863	Violations Total

Over \$75,000 in fines has been generated.

35 emergency medical flights for transportation of blood, vaccines, eyes, etc. at no charge to the citizens of Montana.

7 accident scenes have been photographed from the aircraft, providing valuable evidence for vehicular homicide cases and accident reconstruction. Accidents photographed include the Whitefish bus accident and the 5 fatality, 2 car accident north of Billings last summer.

LEGISLATIVE FINANCE AND CLAIMS  
EXHIBIT NO. 6  
DATE 4-9-87  
BILL NO. 2

FY 86 COSTS

Aircraft fuel	\$ 6,617
Aircraft maintenance	5,274
Aircraft insurance	1,607
Aircraft hangar rent	984
TOTAL	\$14,482

Pilot wage costs. The pilot is a sworn member of the Montana Highway Patrol. The pilot duties represent only one third of the duties assigned to this individual. Should the aircraft program be eliminated, the pilot would assume regular Patrol duties. Elimination of the aircraft would not result in an FTE savings.

Salary, benefits, and subsistence costs for the pilot are \$9,582.

Total aircraft costs	\$14,482
Pilot costs	9,582
TOTAL	\$24,064

The State of Montana expended \$24,064 in FY 86 for the Montana Highway Patrol aviation program. The program generated approximately \$25,500 for county treasuries. The program is, therefore, cost effective and actually operates at a profit (\$1,436). This is a purely economic benefit.

House floor action cut \$30,000 each year for aircraft operation. Did not cut pilot FTE! This is \$15,518 more than our 1986 operating cost. Please vote to add \$30,000 each year to restore the aircraft and budget.

GASOLINE TAX EARMARKED ACCOUNT FUNDS  
HIGHWAY PATROL DISPATCH CENTERS

The primary Highway Patrol 24-hour dispatch center located in Helena within the National Guard Armory complex became operational in July - 1985. This center consolidated Highway Patrol dispatch functions and Law Enforcement Teletype System functions (LETS), and serves as an emergency operations center for Disaster and Emergency Services (DES). In addition, 24-hour Highway Patrol dispatch centers in Billings and Glendive also became operational in July - 1985 and formed the structure for the first statewide 24-hour emergency services dispatch system in Montana. This system, which is currently not complete, will become fully operational when the western communication center in Missoula comes on line in the Spring of 1987.

A user fee for the Highway Patrol communications system has not been developed due to the incomplete status of the system. Data relative to the users of the centers currently in operation is listed below.

January 1, 1986 to December 31, 1986

Total Radio Transmissions - 364,305

January 1, 1987 to March 31, 1987

Total Radio Transmissions - 116,548 (all centers)

USERS	TOTAL	PERCENT
Highway Patrol	115,372	98.99
Dept. of Highways	166	.14
Fish, Wildlife, & Parks	107	.09
Livestock	2	--
City/County/Law Enforcement	901	.77

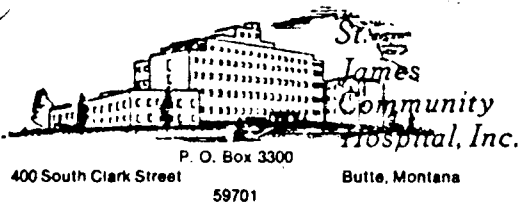
Phone Communications - 4,523 (Billings only)

USERS	TOTAL	PERCENT
Highway Patrol	3,413	75.5
Dept. of Highways	514	11.4
Fish, Wildlife, & Parks	23	.5
City/County/Law Enforcement	523	12.7

NOTE: Helena Center handled 3,902 calls for other agencies from January 1, 1987 to March 31, 1987. Telecommunications Bureau unable to provide total calls on this system. Manual system is currently in place.

Please vote to have the user study done during the next biennium and restore the 25% of funds that the Patrol was instructed to collect from the users since users are Highway Patrol and Highway Department and are funded from the gasoline tax earmarked account funds.

SENATE FINANCE AND CLAIMS  
EXHIBIT NO. 6 pg 3  
DATE 4-9-87  
FILE NO 2



RECEIVED HDQ  
DEC 31 1984  
MONT. HIGHWAY PATROL

December 27, 1984

Col. Robert W. Landon  
303 North Roberts  
Helena, MT 59620

Dear Colonel Landon:

I would like to commend and thank you for your quick response to our request for blood platelets on December 16.

Because of the immediate action taken by your men to deliver the platelets, a newborn's life was saved.

Your willingness and ability to respond immediately to such life-threatening emergencies is invaluable to the people of Montana, and is gratefully appreciated.

Sincerely yours,

ST. JAMES COMMUNITY HOSPITAL, INC.

*Sister Mary Serena Sheehy*  
Sister Mary Serena Sheehy, Ph.D.  
Administrator

SMSS/cb/11h

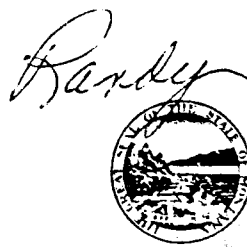
SENATE FINANCE AND CLAIMS  
EXHIBIT NO. 7  
DATE 4-9-87  
X BILL NO. 2



Department of Justice

**MONTANA HIGHWAY PATROL**

303 N. Roberts, Helena, Montana 59620 (406) 449-3000



December  
31  
1984

Sister Mary Serena Sheehy, Ph.D.  
Administrator  
St. James Community Hospital, Inc.  
400 South Clark Street  
P. O. Box 3300  
Butte, Montana 59702

Dear Sister:

Thank you for your kind letter of December 27th  
thanking us for our quick response to your re-  
quest for blood platelets on December 16th.

Officer Randy Yaeger deserves all the credit for  
his life saving flight from Helena to Billings  
to Butte during very adverse weather conditions.  
He experienced considerable difficulties during the  
flight that night and we are very happy to have his  
efforts resulting in saving the baby's life.

Thank you again for your kindness in writing to us.

Sincerely,

*R. W. Landon*  
COLONEL R. W. LANDON  
Chief Administrator

RWL:sam

cc: Officer Randy Yaeger ✓

SENATE FINANCE AND CLAIMS  
EXHIBIT NO. 7 Pg 2  
DATE 4-9-87  
BILL NO. HB 2



October 23, 1986

Captain J. E. Kahl  
Montana Highway Patrol  
Bloomfield Star Route, Box 6025  
Glendive, Montana 59330

Dear Captain Kahl:

I would like to take this opportunity to thank the Montana Highway Patrol for their assistance with a recent emergency at Glendive Community Hospital. On Monday, October 13, 1986, we had a patient admitted with a black widow spider bite and found that we needed to have some assistance in obtaining the anti-venin from another city. The Highway Patrol used their airplane to fly this anti-venin to us. The cooperation shown by the Montana Highway Patrol and their quick response in this emergency situation is greatly appreciated. Thank you.

Sincerely,

John A. Nordwick  
Chief Executive Officer

JAN/pap

EXHIBIT NO. 1 pg 3  
DATE 4-9-87  
BILL NO. 2



**Montana  
Deaconess**

Medical Center

1101 Twenty Sixth Street South  
Great Falls, Montana 59405-5193  
406 761-1200

RECEIVED HDQ

JAN 26 1987

MONT. HIGHWAY PATROL

January 23, 1987

Col. Landon  
Highway Patrol Administrator  
303 North Roberts  
Helena, Montana 59620

Dear Col. Landon:

The emergency and medical transports performed by the Highway Patrol Division are a great service to the people of Montana. These transports include emergency patient transports, emergency medicine transports, and emergency blood transports.

Due to the rapidly changing weather conditions and the vast distances in Montana, the utilization of both aircraft and ground transportation by the skilled Highway Patrol personnel, in many instances, has been a significant factor in lifesaving situations.

This service, by the Highway Patrol Division, is something the Highway Patrol personnel can be extremely proud of and is a significant service provided to the people of Montana. Both the air and ground transportation for lifesaving emergency situations are invaluable and need to be continued.

Sincerely,

David R. Cornell, FACHE, FAAMA, FACHCA  
President

/mm

EXEMPTION NO. 7 pg 4  
DATE 4-9-87  
BILL NO. HB 2



Office of the Sheriff  
Broadwater County

(406) 266-3441

Office in County Jail

TOWNSEND, MONTANA 59644

RICK BARTHULE  
SHERIFF

RON GOLLEHON  
UNDERSHERIFF

FEBRUARY 17, 1987

Colonel Landon  
Chief of Montana Highway Patrol  
Re: Use of Highway Patrol Airplane

Dear Sir,

In the last 4 years as Sheriff of Broadwater County, I have contacted your office approximately 10 times for the use of your airplane to assist us in locating one airplane accident, in which one person died. Two auto accidents in which the vehicles plunged into the Jefferson River and three died, seven other drowning or boating accidents, all of which the victims were recovered.

The use of the plane saved time a lot of leg work and saved Broadwater County money had we had to hire a pilot and a use of a plane. Unfortunately we never saved any lives, but we did save the families of the victims a lot of grief.

It is nice knowing that the patrol has this plane. when an emergency comes up. because it has paid for itself as fas as I am concerned.

Sincerely Yours,  
*R. Barthule*  
Rick Barthule

SENATE FINANCE AND CLAIMS  
EXHIBIT NO. 7 pg 5  
DATE 4-9-87  
FILE NO. 2

DEPARTMENT OF COMMERCE  
AERONAUTICS DIVISION



TED SCHWINDEN GOVERNOR

P.O. BOX 5  
2636 AIRPORT ROAD

STATE OF MONTANA

(406) 444-2506

HELENA, MONTANA 59604

October 15, 1986

Colonel R.W. Landon, Chief  
Montana Highway Patrol  
303 North Roberts  
Helena, MT 59620

Dear Col. Landon:

First, let me apologize for not writing this letter sooner; however, I hope it's still not too late. I feel it's important to let you know that we certainly recognize and appreciate the help that Randy Yaeger has provided the Montana Aeronautics Division in supporting us on several difficult missing aircraft searches.

The Highway Patrol pilot and aircraft have the full capability to embark on any type of air search we may be called upon to conduct. As you know, Mr. Yaeger has attended our Mountain Search Pilot Clinic and your Cessna 182 meets or exceeds the performance requirements which we feel are necessary to conduct air searches in the mountains with the highest degree of safety. In addition, the statewide communication capability of your aircraft is extremely important and a goal I have set for our aircraft.

As you know, the life expectancy of surviving occupants after an air crash is limited due to the extremes found in our state.

The continuing support you offer to our Division during times of emergency is very much appreciated; and I want you to know that if our Division can ever be of assistance to you in time of emergency, please do not hesitate to call upon us.

Sincerely,

A handwritten signature in cursive script, appearing to read "Michael D. Ferguson".

Michael D. Ferguson, Administrator  
Aeronautics Division

SENATE FINANCE AND CLAIMS  
EXHIBIT NO. 7  
DATE 4-9-87  
4 BILL NO. 2



American Red Cross

RECEIVED HDQ  
JAN 26 1987  
MONT. HIGHWAY PATROL

Blood Services  
Montana Region  
1300 - 28th Street South  
P. O. Box 2406  
Great Falls, Montana 59403  
(406) 727-2212

January 23, 1987

Col. Robert W. Landon  
Montana Highway Patrol  
303 North Roberts St.  
Helena, MT 59620

Dear Col. Landon:

On behalf of Montana Regional Blood Services, I want to thank the Montana Highway Patrol for their services and support in the vital life saving delivery of blood in Montana.

Sixty seven (67) runs were necessary in 1986 from the Red Cross Center in Great Falls. Thirteen (13) runs were required from the sub-center in Missoula. A total of eighty (80) emergency runs demonstrate the value of your participation in helping saving lives.

Without the Highway Patrols cooperation in making these emergency deliveries to hospitals in small cities in our State not served by commercial transportation, lives would be threatened.

Please extend our thanks and appreciation to your personnel. Montana Red Cross Regional Blood Services recognizes and values this relationship which is vitally needed to save lives.

Sincerely,

  
Jeanne L. Kelley  
Manager/Administrator

JLK/gw

SENATE FINANCE AND CLAIMS  
EXHIBIT NO. 7 pg 7  
DATE 4-9-87  
LT BUL. NO. 2



# Montana Eye Bank Foundation

Visual Research • Corneal Transplantation • Scholarship Fund

January 27, 1987

RECEIVED H

JAN 29 1987

MON. 1/29/87

Col. Robert W. London  
303 N. Roberts  
Helena, MT 59620

Dear Col. London:

This letter is written on behalf of the Board and staff of the Montana Eye Bank. The purpose of the Eye Bank is to collect eye tissue from eye donors throughout the State of Montana for the purpose of transplant, research and education. As in most organ procurement procedures there is a critical time element involved from the time the eyes are removed from the donor and the time they reach the Eye Bank. Unless the Eye Bank receives the eyes within 12 hours they are not good for transplant.

The Montana Eye Bank has been in operation for 4 years, in that time period we have received over 600 eyes from throughout the state. In 1986 alone 233 people, of which 70 were Montanans, received their sight because of our efforts. One of the most important steps in our operation is transportation. Throughout the state we use volunteers, airlines, buses, ambulances and the highway patrol.

The highway patrol is a very vital link in our transportation system, there are times when time is of the essence and no other transportation is available, without use of the highway patrol and its air service, tissue that could bring sight to the blind would not arrive at the Eye Bank in time.

As organ donation becomes the norm, rather than the unusual, air service will become more vital to saving human life. I encourage you to fight to keep the highway patrol air service.

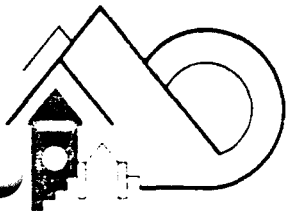
If I can answer any questions or be of further service, please call me at 1-800-445-3937.

Sincerely,

Virginia King  
Executive Director

VK/cc

SENATE FINANCE AND CLAIMS  
EXHIBIT NO. 7 pg 8  
DATE 4-9-87  
4-BILL NO. 2



# Bozeman Deaconess Hospital

915 Highland Boulevard

Bozeman, Montana 59715

(406) 585-5000

RECEIVED HDQ  
FEB 3 1987  
MONT. HIGHWAY PATROL

February 2, 1987

Colonel Robert Landon  
Montana Highway Patrol  
303 North Roberts  
Helena, MT 59620

Dear Colonel Landon:

I would like to take this opportunity to convey our sincere appreciation for the efforts of your staff in delivering blood to Bozeman Deaconess Hospital in emergency situations.

Although the frequency of these emergency trips vary, by the very nature of the situation they represent the difference between life and death.

Again, on behalf of the Hospital staff and the community we serve we send our sincere appreciation for all of your efforts.

Sincerely,

BOZEMAN DEACONESS HOSPITAL

Jim Williams  
Assistant Administrator

JW/gjb

SENATE FINANCE AND CLAIMS  
DEBIT NO. 7099  
DATE 4-9-87  
FILE NO. 2



January 28, 1987

Col. Robert W. Landon  
303 N. Roberts  
Helena, MT 59620

Dear Col. Landon:

We would like to alert you to the uses of the air transport system and how this system is a support to rural Montana. Because of our State's sparse population and large distances, emergency air transport is sometimes required for blood, drugs and other life-saving items.

In the past the Highway Patrol has fulfilled this gap in our health care and transportation system. As you are considering budget adjustments we wanted to alert you to this use of the airplane. Thank you for your careful consideration.

Sincerely,

A handwritten signature in cursive script, appearing to read "John A. Guy".

John A. Guy  
President

JAG/jf

SENATE FINANCE AND CLAIMS  
EXHIBIT NO. 7 Pg 10  
DATE 4-9-87  
H BILL NO. 2



Inter Office Communication  
**MONTANA HIGHWAY PATROL**  
(Servitum Cum Humilitate)

COPY TO CHIEF  
RECEIVED HDQ Yaege  
MAR 14 1985  
MONT. HIGHWAY PATROL R64

To: Sgt Kessner  
From: Ptln. R. Toombs  
Subject: Aircraft Emergency Run

Date Mar 7, 1985  
File No. \_\_\_\_\_

On March 7, 1985 the Patrol was contacted by St. James Hospital for an emergency medication run from St. Peters Hospital in Helena to St. James Hospital in Butte. I had Cindy check with Helena to see if Randy Yaeger was available. Randy made the run to Butte and got the medication to the hospital in the allotted time. The patients were still in Dillon, because the Doctors had discovered two more children that had overdosed with iron from a multi-vitamin compound, rather than transport all three patients to Butte, the Doctors decided it would be better to transport the medication to Dillon. I then transported the medication back to the airport where I met Randy and he flew it into Dillon, where he was met by the Beaver head County S.O.

The victims that overdosed were 2 yrs, 3 yrs, and 5 yrs old, they were suffering from severe iron poisoning, according to the Emergency room doctor, it was imperative that they receive (anecdote) as soon as possible.

*Robert E. Toombs*

PROPERTY OF MONTANA HIGHWAY PATROL

RECEIVED

PROPERTY OF MONTANA HIGHWAY PATROL

FINANCE AND CLAIMS

CHECK NO. 7 pg "

DATE 4-9-87

BILL NO. 2

3-14-85

	App'd	Disapp'd	Date	Remarks
Train: <u>R. Toombs</u>	<input checked="" type="checkbox"/>		<u>3-13-85</u>	
Lt.: _____				
Sgt.: <u>Randy Kessner</u>			<u>3/12/85</u>	
Supervisor: _____				



## State of Montana Eleventh Judicial District

POST OFFICE BOX 837 KALISPELL, MONTANA 59903-0839 752-5300 EXT. 221

MICHAEL H. KEEDY  
JUDGE OF THE DISTRICT COURT

April 8, 1987

ROBERT G. MEERKATZ  
COURT REPORTER

Senator Pat Regan  
Capitol Station  
Helena, MT 59620

Re: House Bill 911

Dear Senator Regan:

For what it may be worth, I'm writing to you as chairman of the Senate Finance and Claims Committee to express my wholehearted opposition to the House Bill identified above. It's my understanding that this bill would substantially reduce the staff and operating budget for the State Law Library, at least for the coming biennium.

While I certainly do understand and in many cases applaud your and your fellow legislators' efforts to streamline state government, thereby reducing the taxpayers' burden in supporting its institutions and personnel where feasible, I can't imagine that this bill could effect any change for the better. In fact, I believe that it will undercut substantially the many benefits derived by the public (not just lawyers and judges) from the Montana Law Library.

Since my election to the bench in 1982 I have had occasion many times to visit and use the resources at the law library, and on many other occasions its professional staff have put themselves at my or my law clerk's disposal, through the mail and over the telephone. I'm not exaggerating to say that the substantial reductions contemplated by this bill would result in a serious loss to this Court, and the lawyers and litigants who depend upon it, which could not be recovered in any way.

If I had received notice of your hearing on this bill in time to rearrange my own calendar, I would have been glad to drive to Helena to report in better detail the many services which the law library has provided to my Court over the years, and, of course, to answer any questions. However, since that wasn't possible, in the interests of time I would appreciate your placing my Court on record in opposition to

SENATE FINANCE AND CLAIMS

EXHIBIT NO. 8

DATE 4-9-87



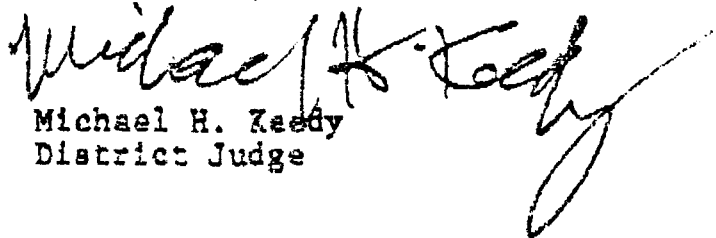
April 8, 1987

Senator Pat Regan  
Continued - Page Two

Re: House Bill 911

the bill, and your and your colleagues' willingness to accept my hasty representation to you in this way that we shall continue to feel and regret the losses inflicted by House Bill 911 long after the financial savings which it represents have been dissipated or used in other ways. Thank you very much.

Best wishes,



Michael H. Keedy  
District Judge

MHK/cs

SENATE FINANCE AND CLAIMS

EXHIBIT NO. 8 1292

DATE 4-9-87

BILL NO. 2