

## MINUTES

### MONTANA HOUSE OF REPRESENTATIVES 51st LEGISLATURE - REGULAR SESSION

#### SUBCOMMITTEE ON GENERAL GOVERNMENT AND HIGHWAYS

Call to Order: By Chairman Quilici, on January 16, 1989, at 8:33 a.m.

#### ROLL CALL

Members Present: Rep. Quilici, Rep. Nisbet, Rep. Swysgood, Sen. Regan, Sen. Tveit.

Members Excused: None.

Members Absent: Sen. Stimatz.

Staff Present: Clayton Schenck, analyst  
Pam Joehler, analyst  
Flo Smith, OBPP

Announcements/Discussion: Rep. Quilici announced the session would begin with the Montana Uniform Crime Reporting issue with the Board of Crime Control. Hearings on the Department of Administration would begin immediately following the Board of Crime Control issue.

Rep. Quilici announced the subcommittee would meet with the Attorney General at 11:45 Tuesday, January 17.

#### DISPOSITION OF BOARD OF CRIME CONTROL (MONTANA UNIFORM CRIME REPORTING SYSTEM)

Tape No. 15A

Motion: Rep. Swysgood moved that the general fund support \$60,000 of the Montana Uniform Crime Reporting system and leave the rest of the fee structures up to the Board of Crime Control.

Discussion: There was discussion regarding whether or not communities would participate if user fees were put into effect. Subcommittee member's questions were answered by Marc Racicot.

Amendments and Votes: Rep. Nisbet made a substitute motion to fund the Montana Uniform Crime Reporting system at the LFA current level of \$80,000.

Recommendation and Vote: The substitute motion PASSED with Rep. Swysgood and Sen. Regan voting nay.

DISPOSITION OF BOARD OF CRIME CONTROL (PASS THROUGH GRANT PROGRAMS)

Tape No. 15A

Motion: Sen. Tveit moved to approve the requested increase in spending authority for federal pass-through grant programs. (\$143,000 FY90/\$143,000 FY91)

Discussion: Subcommittee members asked questions in order to clarify the motion would increase federal spending authority and would require no additional general fund monies. Questions were answered by Marvin Dye.

Amendments and Votes: The motion PASSED unanimously.

Motion: Rep. Nisbet moved to accept the language presented in exhibit 1. "All remaining appropriation authority for the 1989 biennium federal pass-through grant authority is authorized to continue into fiscal 1990 and fiscal 1991".

HEARING ON DEPARTMENT OF ADMINISTRATION: DIRECTOR'S OFFICE  
Tape No. 15B

Presentation and Opening Statement: Pam Joehler, fiscal analyst, gave an overview of the entire department. (See exhibit 2) The primary goal of the Department of Administration is to provide services to other agencies. She discussed the major differences between the LFA and executive budgets.

Flo Smith, executive analyst, discussed the budget modifications. There are 18 modifications recommended by the executive budget. This includes 10 FTE and 9 million dollars. Each will be discussed by program. General fund involves 1 FTE and \$70,000.

List of Testifying Proponents and What Group They Represent:

Dave Ashley, Department of Administration

List of Testifying Opponents and What Group They Represent:

None.

Testimony: (15B 1.08) Dave Ashley, Acting Director of the Department of Administration presented an overview of the functions of the department. (See exhibit 3)

Mr. Ashley discussed House Bill 100 dealing with the Capitol Land Grant Account. (See exhibit 4)

(15B 19.38) Dave Ashley discussed three line item differences between the executive and LFA budgets. The first regarded a line item for contracted services. \$1400 for the bill tracking system was not included in the LFA budget. The second issue was in 1990 there's a \$748 difference in supplies and materials. Finally, under other expenses, there's a \$1040 difference between the budgets. This relates to the loss of two staff attorneys. (See exhibit 5)

HEARING ON DEPARTMENT OF ADMINISTRATION: ACCOUNTING  
DIVISION

Tape No. 15B

List of Testifying Proponents and What Group They Represent:

Karen Munro, Department of Administration

List of Testifying Opponents and What Group They Represent:

None.

Testimony: (15B 26.34) Karen Munro, Acting Administrator Accounting Division: Karen discussed the duties of the accounting program. This division operates and maintains the statewide budgeting and accounting system commonly referred to as SBAS. SBAS is used by all state agencies to record accounting transactions. The system controls appropriation authority and monitors cash balance. This division is totally general funded. The staff establishes the state's accounting policy and provides accounting assistance and instruction for all state agencies. Each year the accounting division prepares the state annual financial statements. These are published in the Montana Comprehensive Annual Financial Report. Montana was one of only 12 states to receive the certificate of excellence in financial reporting for the FY87 report.

The accounting division is opposing legislation SB110 to remove language requiring agencies to send documentation to support all claims processed in SBAS.

Under proposed legislation copies of the backup documentation would just be kept at the agency level and not at both the agency level and the accounting division.

There are budget differences between the executive and LFA budgets in the areas of personal services, contracted services and communications. (See exhibit 6)

HEARING ON DEPARTMENT OF ADMINISTRATION: CENTRALIZED  
SERVICES DIVISION

Tape No. 15B

Presentation and Opening Statement: Pam Joehler, analyst presented the differences between the LFA and executive budgets in this program.

Flo Smith, executive analyst, explained the funding for this program. Most of the division is funded by general funds with the exception of one accounting specialist position in operating costs. The duties are directly related to investment functions and are supported by investment income.

List of Testifying Proponents and What Group They Represent:

Karen Munro, Department of Administration

List of Testifying Opponents and What Group They Represent:

None.

Testimony: (15B 44.21) Karen Munro, Department of Administration: Karen explained that in the area of computers, the division is asking for an increase of \$2200 over the base. This was due to computer phase ins during the year. As a result of this automation, the division is reducing .5 FTE.

HEARING ON DEPARTMENT OF ADMINISTRATION: STATE TAX APPEAL  
BOARD

Tape No. 15B/16A

Presentation and Opening Statement: Pam Joehler, analyst, presented an overview of the agency. She discussed the differences between the LFA and executive budgets. Pam explained personal services and FTE increase

significantly during the 1991 biennium. The reason for this is the state has to pay for the services of county board secretaries. In the past that expenditure has been recorded as an operating expense under contracted services. The Department of Labor and Industry has ruled that the relationship between the county board secretaries and the county boards is an employer-employee relationship. The counties have the option of designating that secretarial position as either a state or a county position. 39 counties opted to make it a state position. That's the reason for the increase in FTE and related personal services budget.

Flo Smith, executive analyst, presented the executive budget. The executive recommended budget is lower than FY88 actual expenditures but, the OBPP believes it is reflective of the needs of the program for the fifth year of the appraisal cycle (FY90) and the first year (FY91).

Flo stated that of the 17 counties that elected to have secretaries of county employees, the executive budget includes approximately \$20,000 each year to cover those expenses. She would like them to be line-itemed.

List of Testifying Proponents and What Group They Represent:

Dale Dean, State Tax Appeal Board

List of Testifying Opponents and What Group They Represent:

None.

Testimony: (16A 7.09) Dale Dean, State Tax Appeal Board

Chairman, asked the committee to keep in mind the appropriations for this program provide funds for two separate operations, the state tax appeal board and the 56 county tax appeal boards.

The amount of control the State Tax Appeal Board can exercise over the expenses of the State Tax Appeal Board is entirely different than can be exercised over the expenses of the county tax appeal boards. The cost for the operation of the county tax appeal boards is dependent on four different circumstances; the number of appeals filed by taxpayers each year, the number of appeals that can be heard and decided during each hearing session, the number of county tax appeal board decisions that are appealed to the State Tax Appeal Board, and the number of miles the residence of each county tax appeal board member is from the county seat. (See exhibit 8)

Mr. Dean expressed his concerns regarding budget differences between the executive and LFA budgets.  
(See exhibit 9)

Questions From Subcommittee Members: (16A 16.43) Sen.

Regan: Why shouldn't we line item?

(16A 18.23) Sen. Regan: Pam, if they run short, can they not come in for a supplemental?

(16A 24.19) Rep. Swysgood: As you're aware, we've got a bill on the floor to extend the reappraisal cycle for two years and there's a fiscal note attached to that bill, how is that going to affect the Tax Appeal budget?

HEARING ON DEPARTMENT OF ADMINISTRATION: PERSONNEL DIVISION  
Tape No. 16A

Presentation and Opening Statement: Pam Joeehler, analyst, explained that the Personnel Division is broken into three programs for budget purposes; personnel program, employee benefits bureau, training program.

Pam gave an overview of each of the three program budgets.

Flo Smith, executive analyst, gave an overview of the employee benefits program budget.

List of Testifying Proponents and What Group They Represent:

Laurie Ekanger, Department of Administration

List of Testifying Opponents and What Group They Represent:

None.

Testimony: (16A 32.38) Laurie Ekanger presented an overview of the Personnel Division. The personnel division is responsible for making sure state employment practices are legal and consistent among agencies. She explained that personnel costs are down, the workload is up and turnover is high.

The personnel program within this division has five duties; classification, EEO, P/P/P, collective bargaining and policy setting. This is a program

funded primarily with general fund money. (See exhibit 11)

There are two program responsibilities within the employee benefits program of the Personnel Division. Those duties deal with pay administration and employee benefits. (See exhibit 11)

Laurie presented a request for a budget modification to continue spending authority for 1 FTE at grade 9 in the Group Benefits Section of the Personnel Division. (See exhibit 10)

The training program within the Personnel Division has responsibility for two main duties; management training and skill training. (See exhibit 11)

The budget differences for each of the programs within the Personnel Division were discussed. (See exhibit 12)

Questions From Subcommittee Members: (16A 44.26) Sen.

Regan: Are you going to go ahead and use the Schwinden guideline or are you going to get another one?

(16A 45.14) Sen. Regan: Do you have any idea what the timetable is?

(16A 46.31) Rep. Quilici: What kind of reception did you get from the guidelines on the old executive budget?

(16B 2.03) Rep. Swysgood: I recall when the State Auditor's budget was in and we gave them the on-line P/P/P there was an indication there would be an FTE removed from the Department of Administration, what was that?

HEARING ON DEPARTMENT OF ADMINISTRATION: WORKERS  
COMPENSATION COURT

Tape No. 16B

Presentation and Opening Statement: Pam Joehler, analyst, presented an overview of the Workers' Compensation Court. The difference between the executive recommendation and the LfA current level budget, in the operating area, is primarily a difference in contracted services or the printing budget included. The executive budget increases funds for printing in FY90.

The LFA does not include the additional printing funds because there was insufficient evidence submitted with the request.

Flo Smith, executive analyst, stated she believes this is a sufficient budget to keep the agency at current level.

List of Testifying Proponents and What Group They Represent:

Dean Reardon

List of Testifying Opponents and What Group They Represent:

None.

Testimony: (16B 29.04) Mr. Reardon presented his concerns over the differences in the executive and LFA budgets. (See exhibit 13)

HEARING ON DEPARTMENT OF ADMINISTRATION: TEACHERS'  
RETIREMENT SYSTEM

Tape No. 16B

Presentation and Opening Statement: Pam Joehler, analyst, gave an overview of the agency. Personal services increase about 3% due to four positions which were upgraded and approved by the State Personnel Division in FY88. Operating expenses are as the agency requested except for out of state travel. They requested about \$3500 additional for out of state travel that was not included. Pam explained the differences between the LFA and executive budgets.

Flo Smith gave an explanation of the requested modifications. The first request is for an actuarial experience study that's being requested by the board. It would amount to about \$3000 in FY90. An electronic deposit is being requested. Implementation would cost about \$7500 in FY90. The final request is for a .6 FTE. This would bring an existing .4 FTE to a full FTE. It has been approved by budget amendment for FY88 and FY89. It would cost approximately \$11,000 each year to fund this position.

List of Testifying Proponents and What Group They Represent:

David Senn, Teachers' Retirement Division



List of Testifying Opponents and What Group They Represent:

None.

Testimony: (16B 36.33) David Senn, Administrator Teachers' Retirement Division, explained the division is administered by a six member board appointed by the governor. The board sets the pace for the administration and the services provided members.

The budget submitted for the coming biennium includes no new service, only the maintenance of existing services.

Mr. Senn addressed the budgets and the requested modifications. (See exhibit 14)

Questions From Subcommittee Members: (16B 41.40) Sen.

Regan: Why would there be court costs, what do people sue you for?

ADJOURNMENT

Adjournment At: 11:56 a.m.

  
REP. JOE QUILICI, Chairman

JQ/ml

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# DAILY ROLL CALL

GENERAL GOVERNMENT AND HIGHWAYS SUBCOMMITTEE

DATE 1/16/89

NAME	PRESENT	ABSENT	EXCUSED
Representative Joe Quilici, Chair	✓		
Representative Jerry Nisbet	✓		
Representative Chuck Swysgood	✓		
Senator Larry Tveit, Vice Chair	✓		
Senator Pat Regan	✓		
Senator Lawrence Stimatz			

ISSUES FOR DISCUSSION

Increase the Drug Education authority for pass through grant programs as follows: AE 03200

FY90  
\$143,000

FY91  
\$143,000

Increase the Juvenile Justice authority for pass through grant programs as follows: AE 03008

FY90  
\$100,000

FY91  
0

We will need to specify that audit and federal pass-through grant authority are biennial appropriations.

We will need language such as "All remaining appropriation authority for the 1989 biennium federal pass-through grant authority is authorized to continue into fiscal 1990 and fiscal 1991".

COMPARISON OF EXECUTIVE AND LFA CURRENT LEVEL  
1991 BIENNIAL SUMMARY

EXHIBIT 2  
DATE 1-18-89  
HB \_\_\_\_\_

DIVISION/PROGRAM	FUND (note 1)	-----EXECUTIVE-----		-----LFA CL-----		-EXEC OVER(UNDER) LFA-		ISSUES
		FTE	91 BIENNIUM	FTE	91 BIENNIUM	FTE	91 BIENNIUM	
Director's Office	General Fund	8.00	\$632,948	8.00	\$615,718	0.00	\$17,230	
Accounting Division	General Fund	11.00	\$1,306,575	11.00	\$1,280,037	0.00	\$26,538	Proposed funding change
Centralized Services	General Fund	14.00	\$871,017	14.00	\$851,441	0.00	\$19,576	
STAB	General Fund	11.50	\$758,786	11.00	\$843,292	0.50	(\$84,506)	Executive reduces op. expenses
Personnel Division	General Fund	38.00	\$2,701,620	37.00	\$2,595,417	1.00	\$106,203	Modified budget recommendation
Workers' Comp. Court	State Special	8.00	\$599,897	8.00	\$589,347	0.00	\$10,550	
Teachers' Retirement	Other	11.00	\$888,179	10.40	\$842,573	0.60	\$45,606	Modified budget recommendation
A and E Division	State Special	15.25	\$2,244,482	15.25	\$2,193,049	0.00	\$51,433	
Pub. Emp. Retirement	Other	19.00	\$1,556,568	18.60	\$1,410,960	0.40	\$145,608	Modified budget recommendation;
Procurement & Printing	Proprietary	60.50	\$16,854,756	58.50	\$16,938,391	2.00	\$1,916,365	Inflation and Growth
General Services Division	Proprietary	48.00	\$7,590,428	48.00	\$7,335,983	0.00	\$254,445	Inflation, Major maintenance
Central Mail	Proprietary	10.25	\$2,997,457	9.25	\$2,729,917	1.00	\$267,540	Postage inflation; Volume growth
Tort Claims Division	Proprietary	10.50	\$6,026,758	8.50	\$4,582,458	2.00	\$1,444,300	Modified budget recommendation
Information Services	Proprietary	132.59	\$36,673,624	132.59	\$30,600,564	0.00	\$6,073,060	Modified budget recommendation;
								Equipment funding
TOTAL AGENCY		397.59	\$81,703,095	390.09	\$71,409,147	7.50	\$10,293,948	

Note 1: The fund type identified in the table is the primary funding source. Some divisions or programs have multiple funding sources.

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## AGENCY: DEPARTMENT OF ADMINISTRATION

## LEGISLATIVE ACTION

## PROGRAM: DIRECTOR'S OFFICE

BUDGET ITEM	FY 1988 Actual	Executive	Fiscal 1990 LFA Curr Lvl	Difference	Executive	Fiscal 1991 LFA Curr Lvl	Difference	FY 88-90 % Change
FTE	8.00	8.00	8.00	0.00	8.00	8.00	0.00	0.00%
Personal Services	\$276,691	\$283,840	\$279,005	\$4,835	\$284,444	\$279,599	\$4,845	0.84%
Operating Expenses	29,362	31,656	26,700	4,956	32,408	26,814	5,594	-9.07%
Equipment	582	600	3,600	(3,000)	0	0	0	518.56%
TOTAL EXPENSES	\$306,635	\$316,096	\$309,305	\$6,791	\$316,852	\$306,413	\$10,439	0.87%
FUNDING								
General Fund	\$255,661	\$255,348	\$252,265	\$3,083	\$255,904	\$249,530	\$6,374	-1.33%
Other Revenue	50,974	60,748	57,040	3,708	60,948	56,883	4,065	11.90%
TOTAL FUNDING	\$306,635	\$316,096	\$309,305	\$6,791	\$316,852	\$306,413	\$10,439	0.87%

## ISSUES:

---EXEC OVER (UNDER) LFA---

FY 90	FY 91
\$4,835	\$4,845

1. VACANCY SAVINGS- Executive includes 2%; LFA includes 4%.

2. OPERATING EXPENSES-The agency spent \$3,152 more in operating (primarily computer services) than requested by the agency and authorized by the 1987 legislature. Funds came from a program transfer from General Services Division. The LFA current level includes operating expenses at the FY 88 appropriated level, plus adjustments for rent, grounds maintenance, and insurance. The executive budget used the inflated operating base and added additional funds, approximately \$1600 in 90 and \$2350 in 91, for operating expense adjustments not included in LFA current level.

3. EQUIPMENT-LFA current level includes agency's request for laser printer (FY 90 only)

## TOTAL ISSUES

\$6,791	\$10,439
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## HOUSE APPROPRIATIONS COMMITTEE POLICY ISSUES

1. VACANCY SAVINGS-The committee established a policy of 0% vacancy savings. The following amount of vacancy savings will be added to the subcommittee budget.

EXECUTIVE	LFA CL
\$5,791	\$10,626
\$5,803	\$10,648

## AGENCY: DEPARTMENT OF ADMINISTRATION

## LEGISLATIVE ACTION

## PROGRAM: ACCOUNTING PROGRAM

BUDGET ITEM	FY 1988 Actual	Executive	Fiscal 1990 LFA Curr Lvl	Difference	Executive	Fiscal 1991 LFA Curr Lvl	Difference	FY 88-90 % Change
FTE	12.00	11.00	11.00	0.00	11.00	11.00	0.00	-8.33%
Personal Services	\$314,235	\$317,990	\$311,501	\$6,489	\$318,298	\$311,803	\$6,495	-0.87%
Operating Expenses	486,803	351,811	344,947	6,864	318,476	311,786	6,690	-29.14%
Equipment	7,159	0	0	0	0	0	0	-100.00%
TOTAL EXPENSES	\$808,197	\$669,801	\$656,448	\$13,353	\$636,774	\$623,589	\$13,185	-18.78%
FUNDING								
General Fund	\$808,197	\$656,014	\$656,448	(\$434)	\$622,992	\$623,589	(\$597)	-18.78%
Other Revenue	0	13,787	0	13,787	13,782	0	13,782	0.00%
TOTAL FUNDING	\$808,197	\$669,801	\$656,448	\$13,353	\$636,774	\$623,589	\$13,185	-18.78%

## ISSUES:

---EXEC OVER (UNDER) LFA---  
FY 90 FY 91

1. VACANCY SAVINGS- Executive includes 2%; LFA includes 4%

\$6,489 \$6,495

2. CONTRACTED SERVICES-The agency requested a base adjustment for systems development costs and computer processing. This request was not funded in LFA current level but was included in the executive budget.

\$8,554 \$8,425

## TOTAL EXPENDITURE ISSUES

\$15,043 \$14,920

3. FUNDING ISSUE-The executive changed the funding of 1.0 FTE from 100% general fund to 50% general fund and 50% proprietary funds. The position, formerly responsible for supervision of daily SBAS processing, was reclassified to a department data processing coordinator. The executive budget recommends the new funding due to the department-wide service.

\$13,787 \$13,782

## HOUSE APPROPRIATIONS COMMITTEE POLICY ISSUES

1. VACANCY SAVINGS-The committee established a 0% vacancy savings policy. Depending upon which budget the subcommittee adopts, the following amounts will be added to the personal services budget:

\$6,490 \$6,496  
\$12,979 \$12,991

EXECUTIVE  
LFA CL

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13-Dec-88

## AGENCY: DEPARTMENT OF ADMINISTRATION

## LEGISLATIVE ACTION

## PROGRAM: TREASURY CENTRAL SERVICES

BUDGET ITEM	FY 1988 Actual	Executive	Fiscal 1990 LFA Curr Lvl	Difference	Executive	Fiscal 1991 LFA Curr Lvl	Difference	FY 88-90 % Change
FTE	14.50	14.00	14.00	0.00	14.00	14.00	0.00	-3.45%
Personal Services	\$377,010	\$374,497	\$366,854	\$7,643	\$375,183	\$367,526	\$7,657	-2.69%
Operating Expenses	59,452	64,264	62,126	2,138	57,073	54,935	2,138	4.50%
Equipment	5,951	0	0	0	0	0	0	-100.00%
TOTAL EXPENSES	\$442,413	\$438,761	\$428,980	\$9,781	\$432,256	\$422,461	\$9,795	-3.04%
FUNDING								
General Fund	\$411,581	\$408,594	\$399,394	\$9,200	\$401,954	\$392,743	\$9,211	-2.96%
Other Revenue	30,832	30,167	29,586	581	30,302	29,718	584	-4.04%
TOTAL FUNDING	\$442,413	\$438,761	\$428,980	\$9,781	\$432,256	\$422,461	\$9,795	-3.04%

## ISSUES:

---EXEC OVER (UNDER) LFA---

FY 90	FY 91
\$7,643	\$7,657
\$2,224	\$2,224
\$9,867	\$9,881

1. VACANCY SAVINGS- Executive includes 2%; LFA includes 4%

2. COMPUTER CHARGES-The executive budget increases funding for ISD subscription fees and mainframe hookups. LFA current level includes the amount expended for this purpose in FY 88.

## TOTAL ISSUES

## HOUSE APPROPRIATIONS COMMITTEE POLICY ISSUES

1. VACANCY SAVINGS-The committee established a 0% vacancy savings policy. Depending upon which budget the subcommittee adopts, the following amounts will be added to the personal services budget:

EXECUTIVE LFA CL	FY 90	FY 91
\$7,643	\$7,643	\$7,657
\$15,286	\$15,286	\$15,314

## AGENCY: DEPARTMENT OF ADMINISTRATION

## LEGISLATIVE ACTION

## PROGRAM: STATE TAX APPEAL BOARD

BUDGET ITEM	FY 1988 Actual	Executive	Fiscal 1990 LFA Curr Lvl	Difference	Executive	Fiscal 1991 LFA Curr Lvl	Difference	FY 88-90 % Change
FTE	5.50	10.50	11.00	-0.50	11.50	11.00	0.50	100.00%
Personal Services	\$248,239	\$270,646	\$327,194	(\$56,548)	\$298,516	\$327,172	(\$28,656)	31.81%
Operating Expenses	189,199	93,221	94,618	(1,397)	96,247	94,152	2,095	-49.99%
Equipment	3,923	156	156	0	0	0	0	-96.02%
TOTAL EXPENSES	\$441,361	\$364,023	\$421,968	(\$57,945)	\$394,763	\$421,324	(\$26,561)	-4.39%
	=====	=====	=====	=====	=====	=====	=====	=====
FUNDING								
General Fund	\$441,361	\$364,023	\$421,968	(\$57,945)	\$394,763	\$421,324	(\$26,561)	-4.39%
TOTAL FUNDING	\$441,361	\$364,023	\$421,968	(\$57,945)	\$394,763	\$421,324	(\$26,561)	-4.39%
	=====	=====	=====	=====	=====	=====	=====	=====

## ISSUES:

---EXEC OVER (UNDER) LFA---  
FY 90 FY 91

1. COUNTY TAX APPEAL BOARD SECRETARIAL SERVICES-The LFA current level budget includes 5.5 FTE annually for part-time secretarial services for those counties that opted to make the secretaries state employees. For those counties that chose to retain the secretaries as county employees, the LFA current level budget includes \$9,500 annually in contracted services. The executive budget includes 5 FTE in FY 90 and 6 FTE in 91 and approximately \$16,500 annually for contracted county secretarial services.

2. The LFA current level estimated benefits at too high a level

3. BOARD HONORARIUM-The LFA included the board honorarium at the FY 88 actual expenditure level. The executive budget reduced the honorarium amount.

4. BOARD OPERATING EXPENSES-The executive budget reduces operating expenditures for the 1991 biennium. This was achieved by reducing base operating expenses, primarily supplies, communications, and travel, and increasing expenditures for computer hookups, ISD subscription fees, and training. The LFA current level budget maintains base operating expenses for ongoing functions but does not allow base increases that were included in executive budget. Overall, the executive operating expense budget is lower than LFA current level.

## TOTAL ISSUES

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(\$58,436) (\$26,967)  
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HOUSE APPROPRIATIONS COMMITTEE POLICY ISSUES

1. VACANCY SAVINGS-The committee established a 0% vacancy savings policy. Depending upon which budget the subcommittee adopts, the following amounts will be added to the personal services budget:

\$369  
\$492

\$345  
\$492

EXECUTIVE  
LFA CL

## AGENCY: DEPARTMENT OF ADMINISTRATION

## LEGISLATIVE ACTION

## PROGRAM: PERSONNEL

BUDGET ITEM	FY 1988 Actual	Fiscal 1990 Executive	Fiscal 1990 LFA Curr Lvl	Difference	Fiscal 1991 Executive	Fiscal 1991 LFA Curr Lvl	Difference	FY 88-90 % Change
FTE	0.00	27.00	27.00	0.00	27.00	27.00	0.00	0.00%
Personal Services	\$740,509	\$739,272	\$724,191	\$15,081	\$740,305	\$725,203	\$15,102	-2.20%
Operating Expenses	130,630	112,723	112,750	(27)	113,704	113,732	(28)	-13.69%
Equipment	616	572	572	0	625	625	0	-7.14%
TOTAL EXPENSES	\$871,755	\$852,567	\$837,513	\$15,054	\$854,634	\$839,560	\$15,074	-3.93%
FUNDING								
General Fund	\$871,755	\$852,567	\$837,513	\$15,054	\$854,634	\$839,560	\$15,074	-3.93%
TOTAL FUNDING	\$871,755	\$852,567	\$837,513	\$15,054	\$854,634	\$839,560	\$15,074	-3.93%

## ISSUES:

1. VACANCY SAVINGS- Executive includes 2%; LFA includes 4%.

## TOTAL ISSUES

---EXEC OVER (UNDER) LFA---	
FY 90	FY 91
\$15,081	\$15,102
\$15,081	\$15,102

## HOUSE APPROPRIATIONS COMMITTEE POLICY ISSUES

1. VACANCY SAVINGS-The committee established a 0% vacancy savings policy. Depending upon which budget the subcommittee adopts, the following amounts will be added to the personal services budget:

EXECUTIVE LFA CL	
\$15,080	\$15,101
\$30,161	\$30,203

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## AGENCY: DEPARTMENT OF ADMINISTRATION

## LEGISLATIVE ACTION

## PROGRAM: EMPLOYEE BENEFITS

BUDGET ITEM	FY 1988 Actual	Executive	Fiscal 1990 LFA Curr Lvl	Difference	Executive	Fiscal 1991 LFA Curr Lvl	Difference	FY 88-90 % Change
FTE	6.50	8.00	7.00	1.00	8.00	7.00	1.00	7.69%
Personal Services	\$176,498	\$199,747	\$178,288	\$21,459	\$199,700	\$178,242	\$21,458	1.01%
Operating Expenses	121,974	131,403	131,610	(207)	103,681	103,894	(213)	7.90%
Equipment	204	0	0	0	0	0	0	-100.00%
TOTAL EXPENSES	\$298,676	\$331,150	\$309,898	\$21,252	\$303,381	\$282,136	\$21,245	3.76%
FUNDING								
General Fund	\$31,257	\$26,273	\$26,273	\$0	\$30,332	\$30,332	\$0	-15.95%
Other Revenue	267,419	304,877	283,625	21,252	273,049	251,804	21,245	6.06%
TOTAL FUNDING	\$298,676	\$331,150	\$309,898	\$21,252	\$303,381	\$282,136	\$21,245	3.76%

## ISSUES:

---EXEC OVER (UNDER) LFA---

FY 90 FY 91

1. VACANCY SAVINGS- Executive includes 2%; LFA includes 4%

\$3,715

\$3,713

2. EXECUTIVE MODIFIED BUDGET RECOMMENDATION-Cobra Workload (1.0 FTE)

\$17,744

\$17,745

## TOTAL ISSUES

\$21,459

\$21,458

## HOUSE APPROPRIATIONS COMMITTEE POLICY ISSUES

1. VACANCY SAVINGS-The committee established a 0% vacancy savings policy. Depending upon which budget the subcommittee adopts, the following amounts will be added to the personal services budget:

EXECUTIVE  
LFA CL

\$3,714

\$3,713

\$7,429

\$7,426

## AGENCY: DEPARTMENT OF ADMINISTRATION

## PROGRAM: TRAINING

BUDGET ITEM	FY 1988 Actual	Executive LFA Curr Lvl	Fiscal 1990 LFA Curr Lvl	Difference	Executive LFA Curr Lvl	Fiscal 1991 LFA Curr Lvl	Difference	FY 88-90 % Change
FTE	3.00	3.00	3.00	0.00	3.00	3.00	0.00	0.00%
Personal Services	\$93,002	\$89,833	\$87,999	\$1,834	\$89,934	\$88,098	\$1,836	-5.38%
Operating Expenses	71,518	87,744	72,844	14,900	87,977	72,969	15,008	1.85%
Equipment	555	2,200	2,200	0	2,200	0	0	296.40%
Non-Operating	34,572	0	0	0	0	0	0	-100.00%
TOTAL EXPENSES	\$199,647	\$179,777	\$163,043	\$16,734	\$180,111	\$163,267	\$16,844	-18.33%
	=====	=====	=====	=====	=====	=====	=====	=====
FUNDING								
General Fund	\$34,572	\$0	\$0	\$0	\$0	\$0	\$0	-100.00%
Other Revenue	165,075	179,777	163,043	16,734	180,111	163,267	16,844	-1.23%
TOTAL FUNDING	\$199,647	\$179,777	\$163,043	\$16,734	\$180,111	\$163,267	\$16,844	-18.33%
	=====	=====	=====	=====	=====	=====	=====	=====

## ISSUES:

---EXEC OVER (UNDER) LFA---  
FY 90 FY 91

1. VACANCY SAVINGS- Executive includes 2%; LFA includes 4%

2. OPERATING EXPENSES-The LFA operating expenses reflects the agency's budget request and provides services at the 1988 level. The executive budget includes \$15,000 annually for growth in services.

## TOTAL ISSUES

-----  
\$16,834 \$16,836  
=====

## HOUSE APPROPRIATIONS COMMITTEE POLICY ISSUES

1. VACANCY SAVINGS-The committee established a 0% vacancy savings policy. Depending upon which budget the subcommittee adopts, the following amounts will be added to the personal services budget:

EXECUTIVE  
LFA CL  
\$1,833 \$1,835  
\$3,667 \$3,671

AGENCY: DEPARTMENT OF ADMINISTRATION LEGISLATIVE ACTION PROGRAM: WORKERS' COMPENSATION JUDGE

BUDGET ITEM	FY 1988 Actual	Executive	Fiscal 1990 LFA Curr Lvl	Difference	Executive	Fiscal 1991 LFA Curr Lvl	Difference	FY 88-90 % Change
FTE	8.00	8.00	8.00	0.00	8.00	8.00	0.00	0.00%
Personal Services	\$225,091	\$226,665	\$222,473	\$4,192	\$227,131	\$222,929	\$4,202	-1.16%
Operating Expenses	70,357	71,887	70,113	1,774	71,214	70,832	382	-0.35%
Equipment	409	3,000	3,000	0	0	0	0	633.50%
TOTAL EXPENSES	\$295,857	\$301,552	\$295,586	\$5,966	\$298,345	\$293,761	\$4,584	-0.09%
FUNDING								
State Special Rev	\$295,857	\$301,552	\$295,586	\$5,966	\$298,345	\$293,761	\$4,584	-0.09%
TOTAL FUNDING	\$295,857	\$301,552	\$295,586	\$5,966	\$298,345	\$293,761	\$4,584	-0.09%

ISSUES:

1. VACANCY SAVINGS- Executive includes 2%; LFA includes 3.83%

2. PRINTING-The executive budget increases funds for printing in FY 90; the LFA current level budget does not include additional printing funds as insufficient justification was included with the budget request.

TOTAL ISSUES

---	EXEC OVER (UNDER)	LFA---
FY 90	FY 91	
\$4,192	\$4,202	
\$1,111	\$0	
\$5,303	\$4,202	

HOUSE APPROPRIATIONS COMMITTEE POLICY ISSUES

1. VACANCY SAVINGS-The committee established a 0% vacancy savings policy. Depending upon which budget the subcommittee adopts, the following amounts will be added to the personal services budget:

EXECUTIVE	\$4,591
LFA CL	\$8,793

## AGENCY: TEACHERS RETIREMENT SYSTEM

## LEGISLATIVE ACTION

PROGRAM: TRS

BUDGET ITEM	FY 1988 Actual	Fiscal 1990		Fiscal 1991		FY 88-90 % Change	
		Executive	LFA Curr Lvl	Executive	LFA Curr Lvl	Difference	
FTE	10.40	11.00	10.40	11.00	10.40	0.60	0.00%
Personal Services	\$226,475	\$251,319	\$235,105	\$251,684	\$235,455	\$16,229	3.81%
Operating Expenses	179,145	199,990	191,580	174,409	176,469	(2,060)	6.94%
Equipment	6,266	8,688	1,875	2,089	2,089	0	-70.08%
TOTAL EXPENSES	\$411,886	\$459,997	\$428,560	\$428,182	\$414,013	\$14,169	4.05%
FUNDING							
Other Revenue	\$411,886	\$459,997	\$428,560	\$428,182	\$414,013	\$14,169	4.05%
TOTAL FUNDING	\$411,886	\$459,997	\$428,560	\$428,182	\$414,013	\$14,169	4.05%

## ISSUES:

---EXEC OVER (UNDER) LFA---

FY 90

FY 91

1. VACANCY SAVINGS- Executive includes 2%; LFA includes 4%

\$4,853

\$4,860

2. The LFA included communications and contracted services (staff training and anticipated court costs) which was not included by the executive.

(\$2,040)

(\$2,060)

3. The executive budget funds the agency's request for a computer in fiscal 1990.

\$6,813

\$0

4. The executive budget includes three modified budget recommendations:

a. Actuarial Experience Study

\$2,950

\$0

b. Electronic Deposit Capabilities

\$7,500

\$0

c. Additional FTE (.6 FTE)

\$11,361

\$11,369

## TOTAL ISSUES

\$31,437

\$14,169

## HOUSE APPROPRIATIONS COMMITTEE POLICY ISSUES

1. VACANCY SAVINGS-The committee established a 0% vacancy savings policy. Depending upon which budget the subcommittee adopts, the following amounts will be added to the personal services budget:

EXECUTIVE

\$4,853

\$4,861

LFA CL

\$9,706

\$9,721

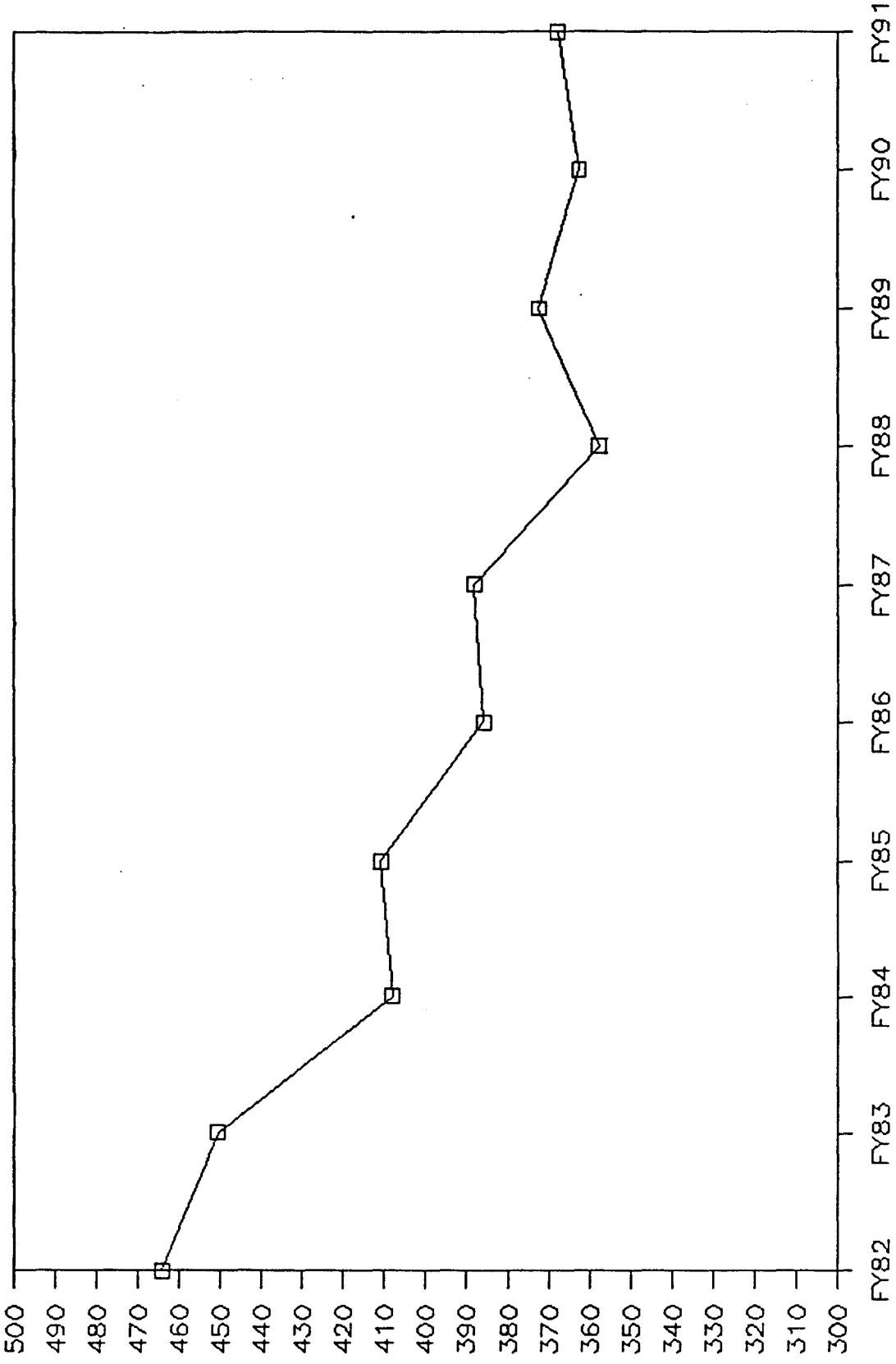
EXHIBIT 3

DATE 1-18-89

HB 5

# DEPARTMENT OF ADMINISTRATION

F.T.E. Levels



Fiscal Year

AMENDMENT TO HOUSE BILL 100

Funds remaining in the Capitol Land Grant account of the Capital Projects Fund, after the appropriation has been met for the General Services Division of the Department of Administration, are appropriated to the Long Range Building Debt Service Fund for the payment of principal and interest on bonds issued for public buildings at the Capitol for executive, legislative, and judicial purposes, as outlined in Section 12 of the Enabling Act. This appropriation is for the biennium ending June 30, 1989, and is not to exceed the annual debt service required on these bonds.



REPORT EBSR99  
DATE : 01/03/89  
TIME : 10/53/01

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

EXHIBIT 5  
DATE 1-16-89  
HB

AGENCY : 6101 DEPARTMENT OF ADMINISTRATION  
PROGRAM : 01 DIRECTOR'S OFFICE  
CONTROL : 00000

CURRENT LEVEL SERVICES ONLY

AE/OE	DESCRIPTION	ACTUAL FY 88	BUDGET FY 89	EXEC FY 90	LFA FY 90	DIFF FY 90	EXEC FY 91	LFA FY 91	DIFF FY 91
0000	FULL TIME EQUIVALENT (FTE)	8.00	8.00	8.00	8.00		8.00	8.00	
1100	SALARIES	230,185.18	239,273	240,652	240,652		240,652	240,652	
1113	LONGEVITY	1,100.72		1,347	1,347		1,815	1,815	
1300	OTHER COMPENSATION	50.00	100	100		100	100		100
1400	EMPLOYEE BENEFITS	45,356.40	36,273	36,492	36,492		36,640	36,640	
1500	HEALTH INSURANCE		11,040	11,040	11,040		11,040	11,040	
1600	VACANCY SAVINGS		-11,476	-5,791	-10,626	4,835	-5,803	-10,648	4,845
1800					100	-100		100	-100
	TOTAL LEVEL	276,692.30	275,210	283,840	279,005	4,835	284,444	279,599	4,845
2021	CONTRACTED SERVICES-INFLATI			59	55	4	203	199	4
2022	SUPPLIES & MATERIALS-INFLAT			-50	-50		-88	-88	
2023	COMMUNICATIONS-INFLATION			-275	-220	-55	-286	-226	-60
2024	TRAVEL-INFLATION			10	10		25	25	
2100	CONTRACTED SERVICES	8,518.47	5,399	9,401	6,379	3,022	10,822	6,400	4,422
2200	SUPPLIES & MATERIALS	2,736.68	1,776	3,485	2,737	748	2,728	2,737	-9
2300	COMMUNICATIONS	4,445.64	5,320	4,822	4,446	376	4,822	4,446	376
2400	TRAVEL	1,499.45	1,047	1,500	1,500		1,500	1,500	
2500	RENT	7,922.00	8,903	8,510	8,510		8,536	8,536	
2700	REPAIR & MAINTENANCE	1,862.48	2,978	1,818	1,997	-179	1,770	1,949	-179
2800	OTHER EXPENSES	2,375.12	794	2,376	1,336	1,040	2,376	1,336	1,040
	TOTAL LEVEL	29,359.84	27,117	31,656	26,700	4,956	32,408	26,814	5,594
3100	EQUIPMENT	581.90	1,515	600	3,600	-3,000			
	TOTAL LEVEL	581.90	1,515	600	3,600	-3,000			
	TOTAL PROGRAM	306,634.04	303,842	316,096	309,305	6,791	316,852	306,413	10,439
01100	GENERAL FUND	255,660.18	255,153	255,348	252,265	3,083	255,904	249,530	6,374
06504	LEGAL SERVICES	50,973.86	48,689	60,748	57,040	3,708	60,948	56,883	4,065
	TOTAL PROGRAM	306,634.04	303,842	316,096	309,305	6,791	316,852	306,413	10,439

DIRECTOR'S OFFICE  
BUDGET DIFFERENCES

PERSONAL SERVICES

LFA applied a 4 percent vacancy savings factor to the Personal Services budget. OBPP's recommendation was 2 percent.

CONTRACTED SERVICES

OBPP provided for an increase over base in FY 90 and FY 91 that included \$900/year for on-line hookup charges for 8 personal computers to utilize electronic mail/calendaring; as well as funding for those computers to cover the monthly subscription charge paid to the information center. They also provided \$1,400 in FY 91 to cover the cost of running the Department of Administration's Bill Status System during the legislative session.

LFA has reduced both FY 90 and FY 91 back to the amount provided by the 1987 Legislature disallowing the approved program transfer the division received in the base year.

SUPPLIES AND MATERIALS

OBPP allows for an increase over base to provide for price adjustments on Montana Code Annotated and Administrative Rules of Montana. LFA indicates base.

OTHER EXPENSES

OBPP allowed base. LFA cut \$1,040 in both FY 90 and FY 91 back to the amount provided by the 1987 Legislature disallowing the approved program transfer the division received in the base year.

EQUIPMENT

OBPP provided \$600 for a printer for the attorney. LFA also included \$3,000 for a main office laser printer as requested by the agency.

ACCOUNTING DIVISION

BUDGET DIFFERENCES

9 . PERSONAL SERVICES

LFA applied a 4 percent vacancy savings factor to the Personal Services Budget. OBPP's recommendation was 2 percent.

LFA funded the DP Coordinator position totally from general fund. OBPP's recommendation was to fund this position half general fund and half proprietary fund. However, in a later meeting OBPP agreed to recommend total general funding.

CONTRACTED SERVICES

LFA recommended current level in both fiscal years for Computer Processing and Systems Development. OBPP recommended the division's requested increase of \$8,972 each fiscal year.

Historically, the Information Services Division dedicates 1.5 programmers to the Accounting Division for the daily maintenance of SBAS. In the base year, some of the programmers' time was reallocated by ISD to other projects. Consequently, the base year does not reflect a full year's activity for the 1.5 programmers.

COMMUNICATIONS

LFA recommended current level for Advertising of \$116 and Telephone Add/Move/Change of \$917 per fiscal year. OBPP removed these items from their recommendation.

LANGUAGE

Elimination of the .50 file clerk is contingent upon passage of LC154 which eliminates filing of supporting documentation for SBAS claims.

REPORT ERSR99  
DATE : 01/03/89  
TIME : 10/53/01

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

PAGE 498

AGENCY : 6101 DEPARTMENT OF ADMINISTRATION  
PROGRAM : 03 ACCOUNTING PROGRAM  
CONTROL : 00000

AE/OE	DESCRIPTION	ACTUAL FY 88	BUDGET FY 89	EXEC FY 90	LFA FY 90	DIFF FY 90	EXEC FY 91	LFA FY 91	DIFF FY 91
0000	FULL TIME EQUIVALENT (FTE)	12.50	12.50	11.00	11.00		11.00	11.00	
1100	SALARIES	256,670.07							
1102	OVERTIME	605.45	277,030	265,512	265,512		265,512	265,512	
1113	LONGEVITY	1,524.09		2,042	2,042		2,345	2,345	
1400	EMPLOYEE BENEFITS	55,435.77	41,965	40,366	40,366		40,377	40,377	
1500	HEALTH INSURANCE		17,940	16,560	16,560		16,560	16,560	
1600	VACANCY SAVINGS		-13,382	-6,490	-12,979	6,489	-6,496	-12,991	6,495
	TOTAL LEVEL	314,235.38	323,553	317,990	311,501	6,489	318,298	311,803	6,495
2021	CONTRACTED SERVICES-INFLATI			-20,085	-19,667	-418	-27,497	-26,950	-547
2022	SUPPLIES & MATERIALS-INFLAT			-68	-68		-116	-116	
2023	COMMUNICATIONS-INFLATION			-341	-258	-83	-489	-361	-128
2024	TRAVEL-INFLATION			14	14		33	33	
2100	CONTRACTED SERVICES	454,043.14	476,876	339,956	330,984	8,972	314,231	305,259	8,972
2200	SUPPLIES & MATERIALS	3,827.37	2,603	3,827	3,827		3,827	3,827	
2300	COMMUNICATIONS	12,487.67	10,207	11,456	12,489	-1,033	11,456	12,489	-1,033
2400	TRAVEL	207.54		176	176		176	176	
2500	RENT	7,956.00	8,969	8,546	8,546		8,573	8,573	
2700	REPAIR & MAINTENANCE	2,376.90	4,304	3,002	3,002		2,954	2,954	
2800	OTHER EXPENSES	5,328.04	1,563	5,328	5,328		5,328	5,328	
2900	GOODS PURCHASED FOR RESALE	574.00			574	-574		574	-574
	TOTAL LEVEL	486,800.66	504,522	351,811	344,947	6,864	318,476	311,786	6,690
3100	EQUIPMENT	7,158.57							
	TOTAL LEVEL	7,158.57							
	TOTAL PROGRAM	808,194.61	828,075	669,801	656,448	13,353	636,774	623,589	13,185
01100	GENERAL FUND	808,194.61	828,075	656,014	656,448	-434	622,992	623,589	-597
06997				13,787		13,787	13,782		13,782
	TOTAL PROGRAM	808,194.61	828,075	669,801	656,448	13,353	636,774	623,589	13,185

EXHIBIT 7  
 DATE 1-16-89  
 HB

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

REPORT EBSR99  
 DATE : 01/03/89  
 TIME : 10/53/01

AGENCY : 6101 DEPARTMENT OF ADMINISTRATION  
 PROGRAM : 17 CENTRALIZED SERVICES DIVISION  
 CONTROL : 00000

AE/OE	DESCRIPTION	ACTUAL FY 88	BUDGET FY 89	EXEC FY 90	LFA FY 90	DIFF FY 90	EXEC FY 91	LFA FY 91	DIFF FY 91
0000	FULL TIME EQUIVALENT (FTE)	14.00	14.00	14.00	14.00		14.00	14.00	
1100	SALARIES	306,514.00	326,384	309,194	309,194		309,194	309,194	
1102	OVERTIME	86.91							
1113	LONGEVITY	3,737.23		4,743	4,743		5,419	5,419	
1400	EMPLOYEE BENEFITS	66,670.74	49,341	47,503	47,503		47,527	47,527	
1500	HEALTH INSURANCE		22,080	20,700	20,700		20,700	20,700	
1600	VACANCY SAVINGS		-15,909	-7,643	-15,286	7,643	-7,657	-15,314	7,657
	TOTAL LEVEL	377,008.88	381,896	374,497	366,854	7,643	375,183	367,526	7,657
2021	CONTRACTED SERVICES-INFLATI			8	-6	14	219	205	14
2022	SUPPLIES & MATERIALS-INFLAT			-818	-818		-934	-934	
2023	COMMUNICATIONS-INFLATION			-380	-380		-447	-447	
2100	CONTRACTED SERVICES	28,312.77	20,793	32,479	30,269	2,210	25,293	23,083	2,210
2200	SUPPLIES & MATERIALS	4,619.01	3,235	4,620	4,620		4,620	4,620	
2300	COMMUNICATIONS	8,828.48	9,560	9,165	9,165		9,165	9,165	
2400	TRAVEL	70.96	259	40	40		40	40	
2500	RENT	11,650.00	13,124	12,528	12,528		12,566	12,566	
2700	REPAIR & MAINTENANCE	3,297.50	4,142	4,038	4,038		3,967	3,967	
2800	OTHER EXPENSES	2,669.33	1,166	2,584	2,670	-86	2,584	2,670	-86
	TOTAL LEVEL	59,448.05	52,279	64,264	62,126	2,138	57,073	54,935	2,138
3100	EQUIPMENT	5,770.70	5,000						
3400	INTANGIBLE ASSETS	180.22							
	TOTAL LEVEL	5,950.92	5,000						
	TOTAL PROGRAM	442,407.85	439,175	438,761	428,980	9,781	432,256	422,461	9,795
01100	GENERAL FUND	411,576.86	408,266	408,594	399,394	9,200	401,954	392,743	9,211
06527	INVESTMENT DIVISION	30,830.99	30,909	30,167	29,586	581	30,302	29,718	584
	TOTAL PROGRAM	442,407.85	439,175	438,761	428,980	9,781	432,256	422,461	9,795

CENTRAL SERVICES DIVISION  
BUDGET DIFFERENCES

Personal Services

Difference is vacancy savings. LFA used 4% and OBPP used 2%.

Contracted Services

LFA left at current level. OBPP gave \$2,210 increase for actual cost of running personal computers within the division. Division was updating its office automation during year. Use of computers was phased in so base year does not reflect total costs for equipment currently in use. Costs relate to mainframe connections and subscription fees for use of electronic mail and calendaring used with Department.

BUDGET PRESENTATION - JANUARY 16, 1989

STATE TAX APPEAL BOARD

MR. CHAIRMAN, MEMBERS OF THE COMMITTEE:

I. THE APPROPRIATION FOR THE STATE TAX APPEAL BOARD PROVIDES FUNDS FOR TWO SEPARATE OPERATIONS: THE STATE TAX APPEAL BOARD AND THE COUNTY TAX APPEAL BOARDS.

II. THE AMOUNT OF CONTROL THAT THE STATE TAX APPEAL BOARD CAN EXERCISE OVER THE EXPENSES OF THE STATE TAX APPEAL BOARD IS ENTIRELY DIFFERENT THAN CAN BE EXERCISED OVER THE EXPENSES OF THE COUNTY TAX APPEAL BOARDS.

THE COST FOR THE OPERATION FOR THE COUNTY TAX APPEAL BOARD'S IS DEPENDENT ENTIRELY UPON FOUR DIFFERENT CIRCUMSTANCES:

1. THE NUMBER OF APPEALS FILED BY TAXPAYERS EACH YEAR.
2. THE NUMBER OF APPEALS THAT CAN BE HEARD AND DECIDED DURING EACH HEARING SESSION.
3. THE NUMBER OF COUNTY TAX APPEAL BOARD DECISIONS THAT ARE APPEALED TO THE STATE TAX APPEAL BOARD. AN APPEAL TO THE STATE TAX APPEAL BOARD BY LAW AUTOMATICALLY TRIGGERS THE PREPARATION OF A TRANSCRIPT OF THE HEARING BEFORE THE COUNTY TAX APPEAL BOARD, THUS INCURRING AN EXPENSE FOR WHICH THE STATE TAX APPEAL BOARD IS RESPONSIBLE BY STATUTE.
4. THE NUMBER OF MILES THE RESIDENCE OF EACH COUNTY

TAX APPEAL BOARD MEMBER IS FROM THE COUNTY SEAT, WHERE THE TAXPAYER HEARINGS ARE HELD.

AN ANALYSIS OF THE DIFFERENCES BETWEEN THE 2 BUDGET RECOMMENDATIONS THAT ARE BEFORE YOU REVEALS THAT, IN GENERAL, THE REAL DIFFERENCE BETWEEN THE 2 IS WHICH OPERATION, COUNTY OR STATE, IS AFFECTED. THE OBPP BUDGET RECOMMENDATION WILL HAVE A SUBSTANTIAL EFFECT ON THE OPERATION OF THE COUNTY TAX APPEAL BOARDS. THE LFA BUDGET RECOMMENDATION WILL HAVE AN EFFECT ON THE OPERATION OF THE STATE TAX APPEAL BOARD, THOUGH THE EFFECT WILL BE MINIMAL. YOUR ADOPTION OF EITHER OF THE BUDGET RECOMMENDATIONS WILL NOT AFFECT THE OPERATION OF THE STATE TAX APPEAL BOARD SIGNIFICANTLY. WE ARE HERE BECAUSE OF OUR CONCERN FOR THE OPERATION OF THE COUNTY TAX APPEAL BOARDS.

THE OBPP BUDGET RECOMMENDATION REDUCES FUNDING OF THE COUNTY TAX APPEAL BOARDS BY APPROXIMATELY \$55,000 IN FY90 AND \$25,000 IN FY91.

THE BASIS FOR THE REDUCTION LIES IN THE DIFFERENT PROJECTED COUNTY TAX APPEAL BOARD CASELOADS THAT WERE ADOPTED. THE OBPP BUDGET RECOMMENDATION ASSUMED THAT THE COUNTY TAX APPEAL BOARD CASELOAD WOULD GO BACK TO THE LEVEL OF CALENDAR YEAR 1985, WHICH SAW 875 APPEALS FILED STATEWIDE. THE LFA ADOPTED THE PROJECTIONS OF THE STATE TAX APPEAL BOARD WHEN MAKING THEIR BUDGET RECOMMENDATION, WHICH WAS THAT THE CALENDAR YEAR 1988 CASELOAD OF 1,678, THE 3RD YEAR OF THE CURRENT REAPPRAISAL CYCLE, WOULD BE MORE A MORE ACCURATE INDICATOR OF THE APPEAL LOAD FOR 1989 AND 1990.



THE BOARD ASKS THIS COMMITTEE TO CONSIDER THE DIFFERENCES IN THE CIRCUMSTANCES THAT EXISTED IN 1985 AND THOSE THAT EXIST TODAY.

(1) 1985 WAS THE LAST YEAR OF AN APPRAISAL CYCLE DURING WHICH THE DEPARTMENT OF REVENUE USED 1972 AND 1976 COSTS TO DETERMINE THEIR PROPERTY VALUES. BETWEEN 1972 OR 1976 AND THE EARLY 1980'S, MOST PROPERTY IN MONTANA EXPERIENCED A SUBSTANTIAL APPRECIATION IN ITS VALUE. THE STATEWIDE AVERAGE WAS OVER 100%. THIS SCENARIO WOULD OBVIOUSLY NOT TRIGGER A NORMAL AMOUNT OF APPEALS IN 1985. CONTRAST THAT TO THE CURRENT CYCLE IN WHICH THE DEPARTMENT OF REVENUE IS USING 1982 COSTS. 1982 WAS A YEAR IN WHICH WE HAVE GENERALLY FOUND THROUGHOUT THE STATE TO BE THE YEAR THAT THE REAL ESTATE MARKET WAS AT ITS ABSOLUTE PEAK.

(2) TODAY, TAXPAYERS ARE MORE AWARE OF THE TAX APPEAL SYSTEM THAN THEY WERE IN 1985.

(3) EVERY YEAR WE SEE MORE PROFESSIONALS REPRESENTING TAXPAYERS AND WE ARE CONVINCED THAT THIS IS GOING TO CONTINUE TO INCREASE (PAMPHLET).

THESE ARE THE REASONS WHY THE STATE TAX APPEAL BOARD, AND I ASSUME THE LFA, CONSIDER THE 1988 CASELOAD TO BE A MORE REALISTIC INDICATOR OF THE CASELOAD PROJECTED FOR CALENDAR YEARS 1989 AND 1990.

SHOULD THIS COMMITTEE ADOPT THE RECOMMENDATIONS OF THE OBPP, THE BOARD ASKS THAT YOU ADD \$44,855 FOR FY90 TO OBJECT OF EXPENDITURE 1301, WHICH IS PER DIEM FOR THE COUNTY TAX APPEAL BOARD MEMBERS, AND \$32,525 FOR FY91.

ADDITIONALLY, SHOULD YOU ADOPT THE OBPP RECOMMENDATION, WE WOULD ASK THAT YOU NOT LINE-ITEM THE \$20,518 WHICH WAS RECOMMENDED TO FUND OBJECT OF EXPENDITURE 2165, OR REIMBURSEMENT TO THE COUNTIES FOR SECRETARIAL EXPENSE.

IF YOU SHOULD ADOPT THE LFA RECOMMENDATION, WE ASK THAT LANGUAGE BE INSERTED INTO THE APPROPRIATION BILL ACKNOWLEDGING THAT SHOULD THE MANUAL DISPARITY CASES REQUIRE SIGNIFICANT WORK IN THE 1991 BIENNIUM, THE STATE TAX APPEAL BOARD CAN SEEK A SUPPLEMENTAL APPROPRIATION TO PAY THOSE COSTS. OUR ORIGINAL REQUEST WAS \$33,750 FOR THIS ITEM.

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

REPORT EBSF99  
 DATE : 01/03/89  
 TIME : 10/53/01

AGENCY : 6101 DEPARTMENT OF ADMINISTRATION  
 PROGRAM : 37 STATE TAX APPEAL BOARD  
 CONTROL : 00000

AE/OE	DESCRIPTION	ACTUAL FY 88	BUDGET FY 89	EXEC FY 90	LFA FY 90	DIFF FY 90	EXEC FY 91	LFA FY 91	DIFF FY 91
0000	FULL TIME EQUIVALENT (FTE)	5.75	15.75	10.50	11.00	-.50	11.50	11.00	.50
1000	PERSONAL SERVICES		76,412		199,777	-7,037	206,294	199,777	6,517
1100	SALARIES	133,749.33	133,753	192,740	445		445		
1113	LONGEVITY	589.20		40,725		40,725	53,055		53,055
1300	OTHER COMPENSATION	85,849.50	81,034	40,725		-4,803	30,811		-2,771
1400	EMPLOYEE BENEFITS	28,050.97	20,568	28,801	33,604	-4,803	8,280	33,582	
1500	HEALTH INSURANCE		8,280	8,280	8,280		-492	8,280	123
1600	VACANCY SAVINGS		-6,468	-345	85,580	-85,580	-369	85,580	-85,580
1800									
	TOTAL LEVEL	248,239.00	313,579	270,646	327,194	-56,548	298,516	327,172	-28,656
2000	OPERATING EXPENSES		-76,412		60	7	119	113	6
2021	CONTRACTED SERVICES-INFLATI			67	68	-165	142	384	-242
2022	SUPPLIES & MATERIALS-INFLAT			-97	22	-101	-255	-237	-18
2023	COMMUNICATIONS-INFLATION			-79	11	-5	23	28	-5
2024	TRAVEL-INFLATION			6			38,504	30,739	7,765
2100	CONTRACTED SERVICES	124,157.70	88,763	38,530	30,699	7,831	13,994	18,224	-4,230
2200	SUPPLIES & MATERIALS	18,171.61	16,814	13,012	18,838	-5,826	11,261	13,181	-1,920
2300	COMMUNICATIONS	13,256.55	14,438	10,601	13,181	-2,580	18,652	21,333	-2,681
2400	TRAVEL	23,643.28	19,066	16,875	21,333	-4,458	7,366	7,366	
2500	RENT	6,951.50	7,711	7,343	7,343		3,101	2,471	630
2700	REPAIR & MAINTENANCE	2,422.31	1,309	3,143	2,513	630	3,340	2,550	2,790
2800	OTHER EXPENSES	593.99	2,727	3,820	550	3,270			
	TOTAL LEVEL	189,196.94	74,416	93,221	94,618	-1,397	96,247	94,152	2,095
3100	EQUIPMENT				156				
	TOTAL LEVEL	3,923.00		156	156				
	TOTAL PROGRAM	441,358.94	387,995	364,023	421,968	-57,945	394,763	421,324	-26,561
01100	GENERAL FUND	441,358.94	387,995	364,023	421,968	-57,945	394,763	421,324	-26,561
	TOTAL PROGRAM	441,358.94	387,995	364,023	421,968	-57,945	394,763	421,324	-26,561

## STATE TAX APPEAL BOARD

### BUDGET DIFFERENCES

#### PERSONAL SERVICES

Both OBPP and LFA recommend a .15 vacancy savings rate.

OBPP recommendation is 10.50 FTE in FY90 and 11.50 FTE in FY91. LFA recommendation is 11.00 FTE both fiscal years for an increase over OBPP of \$11,693 in FY90 but a decrease of only \$3,623 in FY91.

LFA recommendation for Per Diem for County Board Members (Other Compensation) was the current level request of \$85,580 per year. OBPP recommendation reduced current level to the FY85 caseload appeal, or \$44,855 below current level in FY90 and \$32,525 below current level in FY91.

#### CONTRACTED SERVICES

OBPP recommendation for Local Assistance to Counties (funded as 2165 - Secretarial Service) was the budget request of \$20,518, but the additional \$4,000 requested for typing transcripts was deleted. LFA recommendation was \$9,500 per year for this category, but \$3,187 of the \$4,000 per year requested in Secretarial Service for transcript typing was funded.

#### SUPPLIES & MATERIALS, COMMUNICATIONS & TRAVEL

LFA recommendation for Photo & Reproduction, Office Supplies/Non-D of A, Postage & Mailing and in-state Travel is to fund these categories at current level. OBPP recommendation reduced current level based on the FY85 caseload appeal. However, OBPP recommended funding out-of-state travel both fiscal years for \$2,067 while LFA deleted this funding.

#### OTHER EXPENSES

OBPP recommendation for Registration Fees for Training was the budget request of \$3,270 in FY90 and \$2,790 in FY91. LFA deleted this request because it wasn't included in current level.

#### LANGUAGE

A line-item biennial appropriation of \$33,750 was also approved in the 1987 session, to settle the manual disparity/34% issue. The issue is still not resolved and none of the funds were expended in FY88, and it is not expected to be resolved in FY89. The Agency is requesting language in the appropriation bill acknowledging that should the manual disparity cases require significant work in the 1991 biennium, the State Tax Appeal Board would seek a supplemental appropriation to pay the costs.

1/89

DEPARTMENT OF ADMINISTRATION  
STATE PERSONNEL DIVISION

COBRA MODIFIED REQUEST

**Purpose of Budget Request:**

To continue spending authority for 1 FTE at grade 9 in the Group Benefits Section of the State Personnel Division. This position was modified into the Section late in FY88 and added through budget amendment to the Section for FY89.

**Funding Source:**

Interest earnings of the Group Benefits Proprietary Account that are earmarked for paying administrative costs of the Group Benefits Program in accordance with Section 2-18-812, MCA.

**Need for FTE:**

- A. To administer added requirements of the Federal COBRA Statute. These include:
1. Sending notices to all terminating state employees (200 per month) of their COBRA rights to continue state group coverage. Notices were not always sent resulting in the potential for retroactive claims against the state plan and added state plan liability.
  2. Tracking election periods established by COBRA to insure that former plan member's right to retroactive coverage is limited to the time period required by statute.
  3. Establishing COBRA coverage for employees and dependents who elect to continue group coverage (approximately 20 to 30 per month). This includes obtaining election forms; sending out premium notices; verifying eligibility; and logging information into the COBRA data files.
  4. Collecting and processing premium payments including mailing late payment notices.
  5. Processing changes in coverage for COBRA participants who wish to add or delete dependents coverage.
- B. To administer added requirements of the legislator's premium transfer program provided by SB 267 during the 1987 legislative session. These include:
1. Sending notices to every new legislator of their option to waive state coverage and have the state share applied to other insurance.
  2. Providing instructions on how to set up the premium transfer.
  3. Working with the private carrier to establish a procedure for receiving invoices for payment of state contributions to the private carrier. This can involve time consuming special arrangements with each carrier.
  4. Providing payment to carriers out of the state trust fund.

1/89

Department of Administration  
STATE PERSONNEL DIVISION  
OVERVIEW

**A. LEGAL MANDATES**

Montana Code Annotated Title 18, Chapter 2, Parts 1, 2, 3, 6, 7, 8, 10, and 11; Title 19, Chapter 2, Parts 1 and 2; Title 39, Chapter 31, Parts 1 thru 4; Title 39, Chapter 32, Part 1. Executive Order 12-81; and Executive Order 24-81.

**B. ADVISORY COUNCILS/TASK FORCES**

1. State Employee Group Benefits Advisory Council.
2. Management Development Council.
3. Incentive Awards Council.
4. Sick Leave Fund Council.
5. Personnel Network Task Force.
6. Reduction in Force Review Task Force.
7. Governor's Council on Employment of People With Disabilities.
8. Collective Bargaining Policy Task Force.

**C. RESPONSIBILITIES: PERSONNEL PROGRAM**

1. Classification of Jobs: All 13,500 positions in state government (except those specifically exempt by law) are defined, grouped into classes, and assigned grades for pay purposes. A small portion of this work is delegated to some agencies. Annually, approximately 2,200 individual positions are reviewed (51% increase from FY87 to FY88). Twenty-five classes of positions are reviewed. Fifty class specifications (definitions) are updated and rewritten. Fifty formal appeals of our decisions are filed (82% increase from FY87 to FY88). Classification methodology is researched and revised to stay modern.
2. Equal Employment Opportunity/Affirmative Action/Handicapped Programs: Court decisions have reaffirmed employers' responsibility and liability under these laws. State programs are designed to reduce the state's risk of employment discrimination charges and to insure defensibility practices. Annually, over 100 training workshops are conducted. Over 900 technical assistance inquiries are answered, with recent increased requests on sexual harassment prevention, immigration reform, and AIDS discrimination. Federally required statistics and analyses are collected and reported. Thirty-six agency affirmative action plans are reviewed and approved. Staff support is provided to the Governor's Committee on Employment of People with Disabilities, including a task force for hiring the severely disabled in state positions.
3. Personnel/Payroll/Position Control Automated System: We support the "personnel" portion of this state system. Statistics and reports on workforce characteristics are generated.
4. Collective Bargaining: We are designated as the State's representative in dealings with the state's 74 collective bargaining units. These units represent 5559 employees (52%) not including the University System. We negotiate contracts with each unit. We represent the State in approximately 50 administrative proceedings each year such as unit determinations, unit clarifications and grievance arbitrations.
5. Personnel Policy Setting: Rules and policies are written and interpreted to keep state employment practices legal under new or changing state and federal laws and court rulings. Statewide personnel policies are adopted and implemented as minimum standards for the state as an employer in such areas as

recruitment, selection, sick and annual leave use, performance appraisal, discipline handling, grievances, reduction in work force, sexual harassment prevention, and equal employment opportunity. Rules are developed to implement certain state programs such as Sick Leave Fund, veteran's/handicapped person's employment preference, and Wrongful Discharge From Employment Act. Six state policies are adopted or amended, up by 3 or 4 over previous years. More than 2,100 technical assistance inquiries are answered. Annual publications include approximately 70 research reports, policy drafts and rule notices, 12 issues of general personnel updates, five supervisory guides, quarterly reports on the Sick Leave Fund, and 16 formal interpretations of rules. Sixteen training sessions were presented. New agency policies were reviewed and approved. Research topics included AIDS, exit interviews, performance appraisal and video display terminal (VDT) use in the workplace.

#### **D. RESPONSIBILITIES: EMPLOYEE BENEFITS**

1. Pay Plan Administration: Rules are written and interpreted for administering the State's pay matrices (examples including calculating longevity, breaks in service, transfers, promotions, demotions, appeals, and exceptions). We also write rules and operate the Incentive Award Program. Biennially, a salary survey is conducted. Annually, up to 100 incentive award applications are received and reviewed. Fifty-seven requests for pay exceptions were reviewed (up 60% from FY87).
2. Employee Benefits Administration: Deferred Compensation Plan (IRS Section 457) contributions are invested for the state by Nationwide. Participants are enrolled by Montana Benefits. Five thousand three hundred total participants; \$47,758,498 account balance as of 6-20-88. We reconcile account balances monthly. Annually, approximately 90 hardship withdrawal requests are received and acted upon. Life Insurance Plan is underwritten by Northwest National for the state for 10,800 participants. For Health and Dental the state is self-insured since September 1981. Blue Cross/Blue Shield is under contract with the state to process claims for the state plan. The plan has 12,094 subscribers and 28,000 total participants (see attached for claims experience). Annually, we process approximately 8,000 changes in coverage. We act on 121 claims review appeals. Twenty health promotion activities are sponsored. Federally, Congress is transferring costs to local plans by receding from Medicare coverage and by mandating coverage for plans like ours (COBRA). Tax reform is also changing the way benefits plans are structured.

#### **E. RESPONSIBILITIES: TRAINING**

1. The State Training program (known as the Professional Development Center or PDC) focuses on creating a better trained state work force, that is current on rapidly changing laws and technology. Special emphasis is on training the state's managers in risk prevention areas such as Sexual Harassment Prevention, Avoiding Wrongful Discharge, Handling Discipline Problems, Appraising Performance, AIDS in the Workplace, and Substance Abuse in the Workplace. Centralized training allows the state to take advantage of volume to provide training at lower costs than if each agency purchased training individually. In FY88, 189 classes or seminars were conducted for 3,926 participants. This is a 51.2% increase in the number of classes and a 78.5% increase in participants over FY86.

DATE 1-16-89  
HB 1

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

REPORT EBSR99  
DATE : 01/03/89  
TIME : 10/53/01

AGENCY : 6101 DEPARTMENT OF ADMINISTRATION  
PROGRAM : 23 STATE PERSONNEL DIVISION  
CONTROL : 00230 PERSONNEL

AE/OE	DESCRIPTION	ACTUAL FY 88	BUDGET FY 89	EXEC FY 90	LFA FY 90	DIFF FY 90	EXEC FY 91	LFA FY 91	DIFF FY 91
0000	FULL TIME EQUIVALENT (FTE)			27.00	29.00	-2.00	27.00	29.00	-2.00
1100	SALARIES	605,599.57		613,879	613,879		613,879	613,879	
1102	OVERTIME	333.36		333	333		333	333	
1113	LONGEVITY	5,358.99		6,472	6,472		7,578	7,578	
1400	EMPLOYEE BENEFITS	129,215.85		93,648	93,648		93,596	93,596	
1500	HEALTH INSURANCE			40,020	40,020		40,020	40,020	
1600	VACANCY SAVINGS			-15,080	-30,161	15,081	-15,101	-30,203	15,102
	TOTAL LEVEL	740,507.77		739,272	724,191	15,081	740,305	725,203	15,102
2021	CONTRACTED SERVICES-INFLATI			-1,024	-1,024		-865	-865	
2022	SUPPLIES & MATERIALS-INFLAT			-213	-213		-324	-324	
2023	COMMUNICATIONS-INFLATION			-1,083	-1,081	-2	-1,187	-1,184	-3
2024	TRAVEL-INFLATION			515	515		1,251	1,251	
2100	CONTRACTED SERVICES	46,116.21		34,123	34,123		34,492	34,492	
2200	SUPPLIES & MATERIALS	7,099.48		7,099	7,099		7,099	7,099	
2300	COMMUNICATIONS	18,686.59		20,465	20,487	-22	20,465	20,487	-22
2400	TRAVEL	14,352.44		14,335	14,335		14,335	14,335	
2500	RENT	32,247.20		26,635	26,635		26,718	26,718	
2700	REPAIR & MAINTENANCE	3,264.43		3,012	3,012		2,861	2,861	
2800	OTHER EXPENSES	8,862.74		8,859	8,862	-3	8,859	8,862	-3
	TOTAL LEVEL	130,629.09		112,723	112,750	-27	113,704	113,732	-28
3100	EQUIPMENT	555.80		572	572		625	625	
3400	INTANGIBLE ASSETS	60.00							
	TOTAL LEVEL	615.80		572	572		625	625	
	TOTAL PROGRAM	871,752.66		852,567	837,513	15,054	854,634	839,560	15,074
01100	GENERAL FUND	871,752.66		852,567	837,513	15,054	854,634	839,560	15,074
	TOTAL PROGRAM	871,752.66		852,567	837,513	15,054	854,634	839,560	15,074



PERSONNEL DIVISION

BUDGET DIFFERENCES

PERSONNEL ADMINISTRATION

PERSONAL SERVICES

LFA applied a 4 percent vacancy savings factor to the Personal Services budget. OBPP's recommendation was 2 percent.

The Budget Detail Comparison sheets show LFA recommending 29.0 FTE as compared to OBPP of 27.0. This is a typographical error as both recommendations are 27.0.

AGENCY : 6101 DEPARTMENT OF ADMINISTRATION  
PROGRAM : 23 STATE PERSONNEL DIVISION  
CONTROL : 00270 EMPLOYEE BENEFITS

AE/OE	DESCRIPTION	ACTUAL FY 88	BUDGET FY 89	EXEC FY 90	LFA FY 90	DIFF FY 90	EXEC FY 91	LFA FY 91	DIFF FY 91
0000	FULL TIME EQUIVALENT (FTE)			7.00	7.00		7.00	7.00	
1100	SALARIES	143,784.10		151,611	151,611		151,611	151,611	
1102	OVERTIME	824.21							
1113	LONGEVITY	1,313.72		1,275	1,275		1,275	1,275	
1400	EMPLOYEE BENEFITS	30,576.43		23,171	23,171		23,122	23,122	
1500	HEALTH INSURANCE			9,660	9,660		9,660	9,660	
1600	VACANCY SAVINGS			-3,714	-7,429	3,715	-3,713	-7,426	3,713
	TOTAL LEVEL	176,498.46		182,003	178,288	3,715	181,955	178,242	3,713
2021	CONTRACTED SERVICES-INFLATI								
2022	SUPPLIES & MATERIALS-INFLAT			-1,895	-1,895		-2,295	-2,295	
2023	COMMUNICATIONS-INFLATION			-172	-163	-9	-313	-298	-15
2024	TRAVEL-INFLATION			16	16		39	39	
2100	CONTRACTED SERVICES	72,347.88		85,020	85,020		57,339	57,339	
2200	SUPPLIES & MATERIALS	2,259.95		2,260	2,260		2,260	2,260	
2300	COMMUNICATIONS	9,477.48		8,751	8,856		9,251	9,356	
2400	TRAVEL	1,904.14		1,905	1,998	-105	1,905	1,998	-105
2500	RENT	2,451.00		7,655	7,655	-93	7,679	7,679	-93
2700	REPAIR & MAINTENANCE	205.43		646	646		605	605	
2800	OTHER EXPENSES	33,326.59		27,217	27,217		27,217	27,217	
	TOTAL LEVEL	121,972.47		131,403	131,610	-207	103,681	103,894	-213
3100	EQUIPMENT	204.00							
	TOTAL LEVEL	204.00							
	TOTAL PROGRAM	298,674.93		313,406	309,898	3,508	285,636	282,136	3,500
01100	GENERAL FUND	31,257.97		26,273	26,273		30,332	30,332	
06012	GROUP BENEFIT ADMINISTRATIO	267,416.96		287,133	283,625	3,508	255,304	251,804	3,500
	TOTAL PROGRAM	298,674.93		313,406	309,898	3,508	285,636	282,136	3,500

PERSONNEL DIVISION

BUDGET DIFFERENCES

EMPLOYEE BENEFITS

PERSONAL SERVICES

LFA applied a 4 percent vacancy savings factor to the Personal Services budget. OBPP's recommendation was 2 percent.

AGENCY : 6101 DEPARTMENT OF ADMINISTRATION  
PROGRAM : 23 STATE PERSONNEL DIVISION  
CONTROL : 92008 COBRA WORKLOAD

AE/OE	DESCRIPTION	ACTUAL FY 88	BUDGET FY 89	EXEC FY 90	LFA FY 90	DIFF FY 90	EXEC FY 91	LFA FY 91	DIFF FY 91
0000	FULL TIME EQUIVALENT (FTE)			1.00		1.00	1.00		1.00
1100	SALARIES			14,542		14,542	14,542		14,542
1400	EMPLOYEE BENEFITS			2,184		2,184	2,185		2,185
1500	HEALTH INSURANCE			1,380		1,380	1,380		1,380
1600	VACANCY SAVINGS			-362		-362	-362		-362
	TOTAL LEVEL			17,744		17,744	17,745		17,745
	TOTAL PROGRAM			17,744		17,744	17,745		17,745
06012	GROUP BENEFIT ADMINISTRATIO			17,744		17,744	17,745		17,745
	TOTAL PROGRAM			17,744		17,744	17,745		17,745

PERSONNEL DIVISION

MODIFIED LEVEL

A full time FTE was added in the Employee Benefits Bureau through budget amendment in FY88 and FY89 due to an increase in workload caused by the federal Consolidated Omnibus Budget Reconciliation Act (COBRA). The need for this position will continue through the next biennium. Other responsibilities of this position are producing the insurance certification tape for eligibility purposes and legislator insurance premium payments.

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

REPORT EBSR99  
DATE : 01/03/89  
TIME : 10/53/01

AGENCY : 6101 DEPARTMENT OF ADMINISTRATION  
PROGRAM : 23 STATE PERSONNEL DIVISION  
CONTROL : 00280 TRAINING

AE/OE	DESCRIPTION	ACTUAL FY 88	BUDGET FY 89	EXEC FY 90	LFA FY 90	DIFF FY 90	EXEC FY 91	LFA FY 91	DIFF FY 91
0000	FULL TIME EQUIVALENT (FTE)			3.00	3.00		3.00	3.00	
1100	SALARIES	76,638.87		75,249	75,249		75,249	75,249	
1113	LONGEVITY	833.68		736	736		853	853	
1400	EMPLOYEE BENEFITS	15,528.94		11,541	11,541		11,527	11,527	
1500	HEALTH INSURANCE			4,140	4,140		4,140	4,140	
1600	VACANCY SAVINGS			-1,833	-3,667	1,834	-1,835	-3,671	1,836
	TOTAL LEVEL	93,001.49		89,833	87,999	1,834	89,934	88,098	1,836
2021	CONTRACTED SERVICES-INFLATI			576	446	130	1,206	947	259
2022	SUPPLIES & MATERIALS-INFLAT			162	162		265	265	
2023	COMMUNICATIONS-INFLATION			292	205	87	-80	-80	
2024	TRAVEL-INFLATION			162	117	45	394	283	111
2100	CONTRACTED SERVICES	41,297.16		52,276	40,951	11,325	51,924	40,599	11,325
2200	SUPPLIES & MATERIALS	6,756.35		6,756	6,756		6,756	6,756	
2300	COMMUNICATIONS	10,811.43		11,671	9,633	2,038	11,671	9,633	2,038
2400	TRAVEL	4,225.90		5,502	4,227	1,275	5,502	4,227	1,275
2500	RENT	7,614.85		9,301	9,301		9,310	9,310	
2700	REPAIR & MAINTENANCE	438.00		674	674		657	657	
2800	OTHER EXPENSES	371.95		372	372		372	372	
	TOTAL LEVEL	71,515.64		87,744	72,844	14,900	87,977	72,969	15,008
3100	EQUIPMENT			2,200	2,200		2,200	2,200	
	TOTAL LEVEL	555.00		2,200	2,200		2,200	2,200	
8000	TRANSFERS	34,572.00							
	TOTAL LEVEL	34,572.00							
	TOTAL PROGRAM	199,644.13		179,777	163,043	16,734	180,111	163,267	16,844
01100	GENERAL FUND	34,572.00							
06525	INTERGOVERNMENTAL TRAINING	165,072.13		179,777	163,043	16,734	180,111	163,267	16,844
	TOTAL PROGRAM	199,644.13		179,777	163,043	16,734	180,111	163,267	16,844

PERSONNEL DIVISION

BUDGET DIFFERENCES

TRAINING

PERSONAL SERVICES

LFA applied a 4 percent vacancy savings factor to the Personal Services budget. OBPP's recommendation was 2 percent.

CONTRACTED SERVICES, COMMUNICATIONS & TRAVEL

OBPP combined the current and modified level requests to include additional Consultation and Professional Services, Postage & Mailing and Motor Pool, Meals and Lodging totaling \$15,000 each fiscal year. This increased spending authority is requested to meet the growth in the program's revenues and to sustain the training program without general fund support during the biennium. LFA recommendation did not include this additional funding.

EXHIBIT 13  
DATE 4-16-89  
HB

PAGE 541

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

REPORT EBSR99  
DATE : 01/03/89  
TIME : 10/53/01

AGENCY : 6101 DEPARTMENT OF ADMINISTRATION  
PROGRAM : 33 WORKERS COMPENSATION JUDGE  
CONTROL : 00000

CURRENT LEVEL SERVICES ONLY

AE/OE	DESCRIPTION	FTE	ACTUAL FY 88	BUDGET FY 89	EXEC FY 90	LFA FY 90	DIFF FY 90	EXEC FY 91	LFA FY 91	DIFF FY 91
0000	FULL TIME EQUIVALENT (FTE)		8.00	8.00	8.00	8.00		8.00	8.00	
1100	SALARIES		187,456.13	195,271	190,580	190,580		190,580	190,580	
1102	OVERTIME		794.57		795	795		795	795	
1113	LONGEVITY		1,341.46		1,563	1,563		1,946	1,946	
1133	TERMINATION PAY - SICK LEAV				225		225			225
1134	TERMINATION PAY - VACATION				1,129		1,129			1,129
1400	EMPLOYEE BENEFITS		35,498.13	26,196	25,915	25,915		26,007	26,007	
1500	HEALTH INSURANCE			11,040	11,040	11,040		11,040	11,040	
1600	VACANCY SAVINGS			-8,558	-4,582	-8,774	4,192	-4,591	-8,793	4,202
1800						1,354	-1,354		1,354	-1,354
	TOTAL LEVEL		225,090.29	223,949	226,665	222,473	4,192	227,131	222,929	4,202
2021	CONTRACTED SERVICES-INFLATI				65	23	42	319	258	61
2022	SUPPLIES & MATERIALS-INFLAT				-14	-14		-67	-67	
2023	COMMUNICATIONS-INFLATION				-218	-218		-309	-309	
2024	TRAVEL-INFLATION				271	271		658	658	
2100	CONTRACTED SERVICES		15,052.72	21,611	21,348	19,157	2,191	19,322	18,542	780
2200	SUPPLIES & MATERIALS		4,950.16	4,478	5,355	5,355		5,355	5,355	
2300	COMMUNICATIONS		6,902.58	10,741	8,296	8,962	-666	8,296	8,962	-666
2400	TRAVEL		13,404.31	11,478	13,404	13,404		13,404	13,404	
2500	RENT		18,959.00	20,527	18,257	18,050	207	19,113	18,906	207
2700	REPAIR & MAINTENANCE		2,366.70	3,137	2,558	2,558		2,558	2,558	
2800	OTHER EXPENSES		8,719.90	1,258	2,565	2,565		2,565	2,565	
	TOTAL LEVEL		70,355.37	73,230	71,887	70,113	1,774	71,214	70,832	382
3100	EQUIPMENT		409.10		3,000	3,000				
	TOTAL LEVEL		409.10		3,000	3,000				
	TOTAL PROGRAM		295,854.76	297,179	301,552	295,586	5,966	298,345	293,761	4,584
02447	WORKERS COMP COURT SR		295,854.76	297,179	301,552	295,586	5,966	298,345	293,761	4,584
	TOTAL PROGRAM		295,854.76	297,179	301,552	295,586	5,966	298,345	293,761	4,584



WORKERS' COMPENSATION COURT  
BUDGET DIFFERENCES

PERSONAL SERVICES

13 LFA applied a 3.83 percent vacancy savings factor to the Personal Services budget. OBPP's recommendation was 2 percent.

CONTRACTED SERVICES

LFA allowed \$2,191 less in FY 90 and \$780 less in FY 91 than OBPP. LFA did not provide for base adjustment increases for: additional charges for rule amendments as a result of legislative changes - FY 90 \$360, FY 91 \$60; subscription charges to the Information Center for additional personal computers - \$140 in FY 90 and FY 91; printing costs for a total revision of court rules - FY 90 \$1,111; and increased photocopy services - \$580 in FY 90 and FY 91.

REPORT EBSR99  
DATE : 01/03/89  
TIME : 10/53/01

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

PAGE 550

AGENCY : 6105 TEACHERS RETIREMENT BOARD  
PROGRAM : 01 TEACHERS RETIREMENT PROGRAM  
CONTROL : 00000

AE/OE	DESCRIPTION	ACTUAL FY 88	BUDGET FY 89	EXEC FY 90	LFA FY 90	DIFF FY 90	EXEC FY 91	LFA FY 91	DIFF FY 91
0000	FULL TIME EQUIVALENT (FTE)	10.40	10.40	10.40	10.40		10.40	10.40	
1100	SALARIES	181,054.68	194,388	196,184	196,184		196,184	196,184	
1102	OVERTIME	53.58							
1113	LONGEVITY	1,480.82		2,543	2,543		2,725	2,725	
1300	OTHER COMPENSATION	1,950.00	2,550	2,150		2,150	2,150		2,150
1400	EMPLOYEE BENEFITS	40,331.79	28,634	29,582	29,582		29,765	29,765	
1500	HEALTH INSURANCE		13,800	14,352	14,352		14,352	14,352	
1600	VACANCY SAVINGS		-9,473	-4,853	-9,706	4,853	-4,861	-9,721	4,860
1800					2,150	-2,150	2,150	2,150	-2,150
	TOTAL LEVEL	224,870.87	229,899	239,958	235,105	4,853	240,315	235,455	4,860
2021	CONTRACTED SERVICES-INFLATI			-7,827	-7,827		-10,799	-10,799	
2022	SUPPLIES & MATERIALS-INFLAT			54	54		517	517	
2023	COMMUNICATIONS-INFLATION			496	533	-37	-341	-284	-57
2024	TRAVEL-INFLATION			62	62		150	150	
2100	CONTRACTED SERVICES	90,394.40	78,766	112,184	113,779	-1,595	94,239	95,834	-1,595
2200	SUPPLIES & MATERIALS	10,826.48	7,784	12,072	12,072		18,171	18,171	
2300	COMMUNICATIONS	27,346.48	26,180	28,309	28,717	-408	28,309	28,717	-408
2400	TRAVEL	7,221.71	6,236	6,860	6,860		6,860	6,860	
2500	RENT	31,664.79	44,859	32,370	32,370		32,401	32,401	
2700	REPAIR & MAINTENANCE	2,745.22	2,457	2,993	2,993		2,935	2,935	
2800	OTHER EXPENSES	1,700.06	912	1,967	1,967		1,967	1,967	
	TOTAL LEVEL	171,899.14	167,194	189,540	191,580	-2,040	174,409	176,469	-2,060
3100	EQUIPMENT	3,945.71		8,688	1,875	6,813	2,089	2,089	
3400	INTANGIBLE ASSETS	1,342.00							
	TOTAL LEVEL	5,287.71		8,688	1,875	6,813	2,089	2,089	
	TOTAL PROGRAM	402,057.72	397,093	438,186	428,560	9,626	416,813	414,013	2,800
09506	TEACHERS RETIREMENT	402,057.72	397,093	438,186	428,560	9,626	416,813	414,013	2,800
	TOTAL PROGRAM	402,057.72	397,093	438,186	428,560	9,626	416,813	414,013	2,800

## TEACHERS RETIREMENT PROGRAM

### BUDGET DIFFERENCES

#### PERSONAL SERVICES

LFA applied a 4 percent vacancy savings factor to the Personal Services budget. OBPP's recommendation was 2 percent.

#### CONTRACTED SERVICES

LFA recommendation includes the cost of \$1,000 in the event Teachers' Retirement System would go to court. OBPP recommendation does not include this cost.

LFA recommendation includes an additional \$595 above current level, or \$1,000, for training employees regarding State and Federal laws governing Public Pension Plans and office automation. OBPP recommendation only includes current level of \$405.

#### EQUIPMENT

OBPP included in current level and recommended purchase of an IBM PC and Proprinter for \$6,813 to supplement the personal computers already in use. LFA recommendation did not include this cost.

REPORT EBSR99  
DATE : 01/03/89  
TIME : 10/55/50

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

PAGE 156

AGENCY : 6105 TEACHERS RETIREMENT BOARD  
PROGRAM : 01 TEACHERS RETIREMENT PROGRAM  
CONTROL : 92001 ACTUARIAL EXPERIENCE STUDY

AE/OE	DESCRIPTION	ACTUAL FY 88	BUDGET FY 89	EXEC FY 90	LFA FY 90	DIFF FY 90	EXEC FY 91	LFA FY 91	DIFF FY 91
2100	CONTRACTED SERVICES			2,950		2,950			
	TOTAL LEVEL			2,950		2,950			
	TOTAL PROGRAM			2,950		2,950			
09506	TEACHERS RETIREMENT			2,950		2,950			
	TOTAL PROGRAM			2,950		2,950			

## TEACHERS RETIREMENT PROGRAM

### MODIFIED LEVEL

Actuarial Experience Study - An actuarial study compares the actuarial assumptions with what actually happened over a period of time. Actuarial procedures require an Experience Study be performed at least every five years. An Experience Study has never been performed, and the TRS Board feels it is imperative to have the study completed.

REPORT EBSR99  
DATE : 01/03/89  
TIME : 10/55/50

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

AGENCY : 6105 TEACHERS RETIREMENT BOARD  
PROGRAM : 01 TEACHERS RETIREMENT PROGRAM  
CONTROL : 92003 ELECTRONIC DEPOSIT

AE/OE	DESCRIPTION	ACTUAL FY 88	BUDGET FY 89	EXEC FY 90	LFA FY 90	DIFF FY 90	EXEC FY 91	LFA FY 91	DIFF FY 91
2100	CONTRACTED SERVICES			7,500		7,500			
	TOTAL LEVEL			7,500		7,500			
	TOTAL PROGRAM			7,500		7,500			
09506	TEACHERS RETIREMENT			7,500		7,500			
	TOTAL PROGRAM			7,500		7,500			

## TEACHERS RETIREMENT PROGRAM

### MODIFIED LEVEL

Electronic Deposit - Approximately 50% of the new retirees request electronic deposit. The TRS Board feels this additional service would not only insure the safety and accuracy of the deposits but would also be a convenience to the retirees. Deposits would be timely and the amount of lost or uncashed warrants would decrease.

REPORT EBSR99  
DATE : 01/03/89  
TIME : 10/55/50

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

AGENCY : 6105 TEACHERS RETIREMENT BOARD  
PROGRAM : 01 TEACHERS RETIREMENT PROGRAM  
CONTROL : 92005 ADDITIONAL FTE

AE/OE	DESCRIPTION	ACTUAL FY 88	BUDGET FY 89	EXEC FY 90	LFA FY 90	DIFF FY 90	EXEC FY 91	LFA FY 91	DIFF FY 91
0000	FULL TIME EQUIVALENT (FTE)			.60		.60	.60		.60
1100	SALARIES		9,374	9,374		9,374	9,374		9,374
1400	EMPLOYEE BENEFITS		1,391	1,391		1,391	1,399		1,399
1500	HEALTH INSURANCE		828	828		828	828		828
1600	VACANCY SAVINGS		-232	-232		-232	-232		-232
	TOTAL LEVEL		11,361	11,361		11,361	11,369		11,369
	TOTAL PROGRAM		11,361	11,361		11,361	11,369		11,369
09506	TEACHERS RETIREMENT		11,361	11,361		11,361	11,369		11,369
	TOTAL PROGRAM		11,361	11,361		11,361	11,369		11,369



TEACHERS RETIREMENT PROGRAM

MODIFIED LEVEL

An additional .60 FTE is requested to perform advanced technical analysis of membership records; interpretation and application of technically complex statutes, administrative rules and board policies; and computation and verification of the cost to qualify additional service, final tax deferred annuities, retirement, survivor and disability benefits. This request was approved as a budget amendment for FY88 and FY89.

WITNESS STATEMENT

NAME Dave Ashley BILL NO. 100  
ADDRESS Helena DATE 1/16  
WHOM DO YOU REPRESENT? Administration  
SUPPORT \_\_\_\_\_ OPPOSE \_\_\_\_\_ AMEND \_\_\_\_\_

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Comments:

WITNESS STATEMENT

NAME Karen Munro BILL NO. HB 100  
ADDRESS Helena DATE 1/16  
WHOM DO YOU REPRESENT? Dept of Admin  
SUPPORT \_\_\_\_\_ OPPOSE \_\_\_\_\_ AMEND \_\_\_\_\_

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Comments:

WITNESS STATEMENT

NAME Dale Dean BILL NO. \_\_\_\_\_  
ADDRESS Admin / 1209 8<sup>th</sup> Avenue DATE 1-16-89  
WHOM DO YOU REPRESENT? State Tax Appeal Board  
SUPPORT \_\_\_\_\_ OPPOSE \_\_\_\_\_ AMEND \_\_\_\_\_

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Comments:

## VISITOR'S REGISTER

AGENCY(S) General Govt & Highways SUBCOMMITTEE  
DATE 1/16/89  
DEPARTMENT \_\_\_\_\_

NAME	REPRESENTING	SUP- PORT	OP- POSE
Dale Dean	State Tax Appeal Board		
Pat McKelvey	" "		
Jere Ann Nelson	" "		

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

# DAILY ROLL CALL

GENERAL GOVERNMENT AND HIGHWAYS SUBCOMMITTEE

DATE 11/17/89

NAME	PRESENT	ABSENT	EXCUSED
Representative Joe Quilici, Chair	✓		
Representative Jerry Nisbet	✓		
Representative Chuck Swysgood	✓		
Senator Larry Tveit, Vice Chair	✓		
Senator Pat Regan	✓		
Senator Lawrence Stimatz	✓		

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13-Dec-88

AGENCY: DEPARTMENT OF ADMINISTRATION LEGISLATIVE ACTION PROGRAM: ARCHITECTURE & ENGINEERING P

BUDGET ITEM	FY 1988 Actual	Executive	Fiscal 1990 LFA Curr Lvl	Difference	Executive	Fiscal 1991 LFA Curr Lvl	Difference	FY 88-90 % Change
FTE	15.25	15.25	15.25	0.00	15.25	15.25	0.00	0.00%
Personal Services	\$419,107	\$453,458	\$444,204	\$9,254	\$454,181	\$444,912	\$9,269	5.99%
Operating Expenses	100,062	105,405	99,474	5,931	109,197	102,935	6,262	-0.59%
Equipment	11,939	0	2,500	(2,500)	0	2,500	(2,500)	-79.06%
Non-Operating	550,000	558,863	546,178	12,685	563,378	550,346	13,032	-0.69%
TOTAL EXPENSES	\$1,081,108	\$1,117,726	\$1,092,356	\$25,370	\$1,126,756	\$1,100,693	\$26,063	1.04%
FUNDING								
State Special Rev	\$531,108	\$558,863	\$546,178	\$12,685	\$563,378	\$550,347	\$13,031	2.84%
Other Revenue	550,000	558,863	546,178	12,685	563,378	550,346	13,032	-0.69%
TOTAL FUNDING	\$1,081,108	\$1,117,726	\$1,092,356	\$25,370	\$1,126,756	\$1,100,693	\$26,063	1.04%

ISSUES:

1. VACANCY SAVINGS- Executive includes 2%; LFA includes 4%

2. The agency expended \$2,240 more in operating expenses than authorized by the 1987 legislature. This was possible due to an actual 12% vacancy savings rate. The agency requested full funding for all its FTE and a substantial increase in its operating budget. The LFA current level reduced FY 88 actual operating expenditures to the appropriated level and then included increases for contracted services (SBAS on-line entry & edit, legal fees). The executive budget is based on the inflated expenditure base and also includes an additional \$900 annually for hooking up personal computers to the mainframe and \$3,136 for equipment maintenance.

3. The LFA current level includes \$2,500/yr for office equipment purchases.

TOTAL ISSUES

	FY 90	FY 91
	\$9,254	\$9,269
	\$6,276	\$6,276
	(\$2,500)	(\$2,500)
	\$13,030	\$13,045

HOUSE APPROPRIATIONS COMMITTEE POLICY ISSUES

1. VACANCY SAVINGS-The committee established a 0% vacancy savings policy. Depending upon which budget the subcommittee adopts, the following amounts will be added to the personal services budget:

EXECUTIVE	\$9,254	\$9,269
LFA CL	\$18,508	\$18,538