

MINUTES

MONTANA HOUSE OF REPRESENTATIVES
51st LEGISLATURE - REGULAR SESSION

SUBCOMMITTEE ON NATURAL RESOURCES

Call to Order: By Chairman Gary Spaeth, on January 25, 1989, at
8:00 a.m.

ROLL CALL

Members Present: All members were present.

Members Excused: None

Members Absent: None

Staff Present: Evan McKinney, LFA
Jane Hamman, OBPP
Donna Grace, Committee Secretary

HEARING ON DEPARTMENT OF COMMERCE

List of Proponents and Group they Represent

Jim Kembel, Department of Commerce
Andy Poole, Department of Commerce
Tom Clinch, Department of Commerce
Carolyn Doering, Department of Commerce
Fred Flanders, Department of Commerce

Financial Division 33:A (001)

Executive Action:

The LFA distributed copies of the analysis to committee members.
Exhibit 1.

Issue No. 1. The LFA budget includes a position of 1.00 FTE that
was reduced to a .50 position by the executive budget.

MOTION: Representative Kimberley moved the executive
recommendation be adopted.

VOTE: MOTION PASSED. All present voted yes.

Issue No. 2. Bank Examiner. The LFA budget includes 1 FTE Bank
Examiner III position that is not included in the executive
budget. This position was identified by the Appropriations
Committee as a long vacant position that should be
eliminated. Mr. Poole stated that the previous Director of
Commerce had intended for this position to be moved from the
Financial Division to Montana Promotion. The reason for

this was that a person hired by the Montana Promotion Department had a stroke and was not capable of doing the job he was hired for. The employee is now in a rehabilitation program and they would like to save this position so that they could guarantee a job when the person is able to come back to work. Chairman Spaeth asked the LFA, OBPP and the department to get together and discuss this matter and return to the committee with a recommendation.

Issue No. 3. The executive budget includes \$7,906 more for legal fees and court costs than what was included in the LFA budget. The LFA set it at the 1988 level. The need for these services is there but the legal staff of the Department of Commerce has not been able to help. They have projected that they will need about 20 hours a month of legal assistance.

MOTION: Representative Swift moved that the committee accept the executive recommendation.

VOTE: MOTION PASSED. All present voted in favor.

Issue No. 4. The executive budget includes \$22,432 more for travel expenses than is included in the LFA budget. Mr. Flanders stated that in 1988 there were some bank examiner positions that were vacant and because of that the current level reflected a lower amount for travel.

MOTION: Representative Swift made a motion to accept the executive recommendation.

VOTE: MOTION PASSED. All present voted in favor.

Issues 5 and 6. These issues relate to the new Billings office. The executive budget includes \$7,262 more for rent expense and \$3,496 more for communication expense than is included in the LFA budget. Mr. Flanders stated that when the budget was prepared they had no idea how much these items would cost and in reality they were more than they had anticipated.

MOTION: Representative Swift made a motion to accept the executive.

VOTE: MOTION PASSED. All present voted yes.

Mr. McKinney stated that there were two items from the Business Assistance Division which had been postponed when the division's budget had been considered on January 23. They are:

Community Development Block Grant (397)

LFA Analysis - Exhibit 2.

Issue No. 1. Mr. McKinney stated that this item of \$15,000 related to financial workshops planned by the Division to provide training for preparing grant packages. It had been included in prior budgets; however, the funds were not used in 1988 because they were unable to find a contractor to present the workshops at a reasonable price. They would like this amount put back into the budget for use during this biennium. The funding is 50% general fund and 50 % federal funds.

MOTION: Representative Kimberley made a motion to approve the executive recommendation which would restore the funds to the budget.

VOTE: MOTION PASSED. All present voted yes.

Local Government Assistance Systems (563)

Issue No. 3. Mr. McKinney stated that the Chairman had asked the committee to go back and look at this issue. The executive budget includes \$54,223 more for audit fees than was included in the LFA budget. Mr. McKinney stated that the reason for this was that there had been somewhat less audit activity in 1988 and in addition some was accomplished in 1988 but not billed until after the end of the fiscal year. The Chairman stated that this item was entirely informational as executive action was taken on the matter on January 23.

Business Regulation (633)

James Kembel, Administrator of the Business Regulation Division, presented a general overview of the operations and activities of the bureaus within this division. Bureaus included are Professional and Occupational Licensing, Milk Control Board, Building Codes, Weights and Measures and, in addition, the Division had just been assigned responsibility for the Tramway Safety Program. All programs are self-supporting with the exception of Weights and Measures which does receive some general fund assistance. Mr. Kembel's testimony is attached as Exhibit 3.

Executive Action:

Copies of the LFA analysis were provided to committee members.
Exhibit 4.

Issue No. 1. Travel. The LFA budget includes \$4,050 more for travel than is included in the executive budget.

MOTION: Senator Jenkins moved the LFA budget recommendation be adopted.

VOTE: MOTION PASSED. All present voted in favor.

Issue No. 2. The LFA budget includes \$3,000 more for consulting services in the tramway inspection program than is included in the executive budget. Mr. Kembel stated that these funds are required to hire private consultants to inspect the equipment at ski lifts. The services are currently provided by an engineer from Missoula. However, the work will have to be put out to bid in November and the division felt this amount of money would be necessary to meet the bid. This program is funded from a license fee account paid by the operators of ski lifts and Mr. Kembel stated that the operators are supportive of the inspection program.

MOTION: Representative Swift moved the adoption of the LFA recommendation.

VOTE: MOTION PASSED. All present voted in favor.

Professional and Occupational Licensing 33:B (254)

LFA Analysis - Exhibit 5.

Mr. McKinney stated that this division covers over thirty different boards and commissions.

Issue No. 1. Operating expenses in the executive budget are higher than the LFA because the LFA set all operating expenses at the fiscal 88 level. Ms. Hamman said that the budgets had been reviewed line by line in considerable detail and changes made in the last session had impacted on expenditures for travel, staff support and compensation for board members.

Discussion followed relative to the number of boards and commissions. Mr. Kembel stated that he understood approximately 13 boards would be cut this year. Of the \$301,524 difference between the executive and the LFA, \$297,000 related directly to the operation of the individual boards. No general fund dollars are included in this budget. Mrs. Doering stated that they would like to advise the Senate Finance and Claims Committee when they appear before them that they do not have the staff to handle any more boards and they would like this committee's concurrence at that time.

MOTION: Senator Jenkins made a motion to accept the executive recommendation.

VOTE: MOTION PASSED. Senator Jergeson voted no. All others voted yes.

Issue No. 2. This program includes one FTE that was identified by the Appropriations Committee as a long-term vacancy that should be reviewed by the subcommittee. Mr. Kembel stated that this was a position on the Board of Nursing and they have had a problem recruiting a person for this position

because of the low grade level and salary. They are currently trying to get the Department of Administration to reclassify the position. A letter addressing the justification of this position from Phyllis McDonald, R.N., Executive Secretary of the Board of Nursing, is attached as Exhibit 6. Chairman Spaeth stated that the committee had been asked to review the position and unless the committee wanted to delete the position, no action was necessary.

Issue No. 3. This modification would fund publication of a semi-annual "Nursing Newsletter" and also provide funds for planning nursing competency standards. Mr. Kembel stated that the newsletter is desirable as there are 12,000 nurses in Montana and this is the only way they have to keep them informed regarding regulations.

MOTION: Representative Kimberley made a motion to accept the executive recommendation.

VOTE: MOTION PASSED. All present voted in favor.

Issue No. 4. Mr. Kembel stated that there was a 4th issue that was not outlined on the LFA's analysis. There has been a recent change in real estate licensing fees which came about after the budget had been put together. The fee for testing has increased by \$10 per candidate and there would be an increase of costs of \$8,000 per year for the Montana Board of Realty Regulation. Exhibit 7.

MOTION: Senator Jenkins made a motion to increase the funding for the Montana Board of Realty Regulation \$8,000 per year to cover the additional costs of testing candidates.

VOTE: MOTION PASSED. All present voted in favor.

Milk Control Board 34:B (050)

LFA Analysis - Exhibit 8.

Issue No. 1. The executive budget includes one position that was deleted from the LFA budget because the position was vacant. Mr. Kembel stated that this was an auditor and they could continue to operate without this position.

MOTION: Senator Jenkins made a motion that the LFA recommendation be adopted.

VOTE: MOTION PASSED. All committee members voted yes.

Issue No. 2. The executive budget includes \$12,000 for an economic consultant that is not included in the LFA budget. Mr. Kembel stated that this consultant was needed in connection with a study being requested by the Milk Control Board. This person would assist in developing pricing formulas which are extremely complicated.

MOTION: Representative Swift made a motion to accept the executive recommendation.

VOTE: MOTION PASSED. All present voted in favor.

Issue No. 3. The executive budget recommends including language in the general appropriations act stating that if the Board of Milk Control receives a petition to establish a state pooling arrangement as a method of paying producer prices, the department may request a budget amendment for additional operating costs for holding hearings and establishing the pool.

MOTION: Representative Swift made a motion to accept the language recommended by the executive.

VOTE: MOTION PASSED. All present voted yes.

Building Codes (116)

LFA Analysis - Exhibit 9.

Issues No. 1 and 2. The executive budget includes \$10,908 more for gasoline than is included in the LFA budget. This is travel for building inspectors. There were vacancies in the last year and the executive would allow for funding at full staff. The executive budget also includes \$9,228 more for travel expense than is included in the LFA budget for the same reason.

MOTION: Senator Jergeson made a motion that the executive budget be adopted by Issues 1 and 2.

VOTE: MOTION PASSED. All present voted yes.

Issue No. 3. Ms. Hamman stated that in fiscal 91 the executive budget was \$3,687 low because long distance telephone calls for one year had been omitted.

MOTION: Senator Jenkins made a motion to approve the LFA budget recommendation which included the \$3,687 for long distance telephone calls.

VOTE: MOTION PASSED. All in favor.

Weights and Measures (219)

LFA Analysis - Exhibit 10.

Issue No. 1. The LFA budget includes \$12,263 more for operating expenses than is included in the executive budget. This included a variety of small items. This program is funded partially by general funds and partially by fees charged.

MOTION: Representative Swift made a motion to accept the executive recommendation.

VOTE: MOTION PASSED. All present voted yes.

Issue No. 2. The executive budget included \$10,600 more for equipment than the LFA budget which was set at the level appropriated for the last biennium. This would be for the replacement of trucks that are extremely old.

MOTION: Senator Jenkins made a motion to accept the executive recommendation.

VOTE: MOTION PASSED. All present voted yes.

Management Services (418)

Carolyn Doering, Administrator of the Management Services Division, presented an overview of the division. She stated that the division contains the Director's Office, Legal Services, Consumer Affairs Bureau and the Management Services Division which provides internal support to the 349 employees of the Department of Commerce.

LFA Analysis - Exhibit 11.

Issue No. 1. The executive includes a .34 FTE data processing position that is not included in the LFA. This position is split between three different areas.

MOTION: Representative Kimberley moved the acceptance of the executive budget.

VOTE: MOTION PASSED. All present voted yes.

Issue No. 2. The executive budget includes \$10,000 for subscription that is not included in the LFA budget. This would cover the cost of subscription to a legal data base for the division's legal unit to allow research that isn't available now. Chairman Spaeth questioned the cost of the subscription and any action will be postponed until the division furnishes more information relative to cost.

Issue No. 3 and 5. The executive budget includes \$4,000 for rental of computer equipment that is not included in the LFA budget. Mrs. Doering explained that this item was for an upgrade of software to the division's operation system. Issue 5 is for \$9,929 for computer terminals included in the executive budget which were not included in the LFA. The terminals would allow the system to run the LOTUS package which is the system used by the executive to run the budget and this package would allow the division to tie into that system.

MOTION: Representative Kimberley made a motion to accept the

executive on Issues 3 and 5.

VOTE: MOTION PASSED. All present voted in favor.

Issue No. 4. The executive budget includes \$3,000 for system development that is not included in the LFA budget. Mr. Poole states that this would allow the Consumer Affairs Department to automate their complaint file. Their employees could respond much more quickly to complaints coming in on specific companies. Exhibit 12.

MOTION: Senator Devlin moved the adoption of the LFA recommendation.

VOTE: MOTION PASSED. Jergeson and Spaeth voted no; all others voted yes.

Announcements/Discussion: The meeting will begin at 9:00 a.m. on Thursday, January 26, to discuss Video Gaming, the Lottery, and Horse Racing.

ADJOURNMENT

Adjournment At: 12:00 Noon.


REP. GARY SPAETH, Chairman

G/d

2126.mina

DAILY ROLL CALL

NATURAL RESOURCES

SUBCOMMITTEE

DATE January 25, 1989

NAME	PRESENT	ABSENT	EXCUSED
Representative Spaeth	✓		
Senator Devlin	✓		
Representative Kimberley	✓		
Representative Iverson	✓		
Representative Swift	✓		
Senator Jenkins	✓		
Senator Jergeson	✓		

AGENCY: DEPARTMENT OF COMMERCE

LEGISLATIVE ACTION

PROGRAM: FINANCIAL DIVISION

BUDGET ITEM	Executive	Fiscal 1990 LFA	Difference	Executive	Fiscal 1991 LFA	Difference
FTE	19.50	21.00	-1.50	19.50	21.00	-1.50
Personal Services	\$549,970	\$546,154	\$3,816	\$551,516	\$547,673	\$3,843
Operating Expenses	223,142	201,713	21,429	219,123	198,812	20,311
Equipment	0	0	0	0	0	0
TOTAL EXPENSES	\$773,112	\$747,867	\$25,245	\$770,639	\$746,485	\$24,154
FUNDING	\$773,112	\$747,867	\$25,245	\$770,639	\$746,485	\$24,154
State Special Rev	\$773,112	\$747,867	\$25,245	\$770,639	\$746,485	\$24,154
TOTAL FUNDING	\$773,112	\$747,867	\$25,245	\$770,639	\$746,485	\$24,154

Issue	FTE	Gen Fund	Total Funds
Issue 1. The LFA budget includes a position at 1.00 FTE that was reduced to a .50 FTE position by the executive budget.	0.5	0	24,901
Issue 2. The LFA budget includes a 1.00 FTE Bank Examiner III position that is not included in the executive budget. (This position was identified by the Appropriations Committee as a long vacant position that should be eliminated.)	1.00	0	52,930
Issue 3. The executive budget includes \$7,906 more for legal fees and court costs than is included in the LFA budget.	0.00	0	7,906
Issue 4. The executive budget includes \$22,432 more for travel expenses than is included in the LFA budget.	0.00	0	22,432
Issue 5. The executive budget includes \$7,262 more for rent expenses than is included in the LFA budget.	0.00	0	7,262
Issue 6. The executive budget includes \$3,496 more for communication expenses than is included in the LFA budget.	0.00	0	3,496

EXHIBIT 1
 DATE 1-25
 HB _____

AGENCY: DEPARTMENT OF COMMERCE

LEGISLATIVE ACTION

PROGRAM: COMMUNITY DEVELOPMENT BLK GR

BUDGET ITEM	Fiscal 1990		Fiscal 1991		Difference
	Executive	LFA	Executive	LFA	
FTE	5.50	5.50	5.50	5.50	0.00
Personal Services	\$161,255	\$161,255	\$161,573	\$161,573	\$0
Operating Expenses	102,587	95,242	102,829	95,484	7,345
Equipment	100	100	100	100	0
Non-Operating	4,891,121	4,898,882	4,890,681	4,898,882	(8,201)
TOTAL EXPENSES	\$5,155,063	\$5,155,479	\$5,155,183	\$5,156,039	(\$856)
FUNDING					
General Fund	\$64,635	\$64,635	\$69,635	\$69,635	\$0
Federal Revenue	5,090,428	5,090,844	5,085,548	5,086,404	(856)
TOTAL FUNDING	\$5,155,063	\$5,155,479	\$5,155,183	\$5,156,039	(\$856)

	FTE	Gen Fund	Total Funds
Issue 1. The executive budget includes \$15,000 in contracted services that is excluded from the LGA budget. These funds related to proposed workshops on financial packaging of block grant economic development projects.	0.00	0	15,000

EXHIBIT 2
DATE 1-25-89
HB 100

(legbudpres)

BUDGET PRESENTATION FY90-91

BUSINESS REGULATION DIVISION - DEPARTMENT OF COMMERCE

GENERAL

ORGANIZATION

The Division consists of the Building Codes Bureau, Milk Control Bureau, Professional and Occupational Licensing Bureau, Weights and Measures Bureau and the Tramway Safety Program. All bureaus are self supporting from fees charged for their services, with the exception of the Weights and Measures Bureau, which is general funded but generates approximately one half of its revenue needs from fees charged, which in turn is deposited in the general fund.

In addition there is the Business and Licensing Division Support program which houses the division administrator and the related budget.

NEW PROGRAMS FOR THE LAST BIENNIUM

During the last legislative session the division received the Tramway Safety Program, Private Employment Agency licensing and the newly created Board of Outfitters.

These programs are now in place and operating.

AUTOMATION

The division automation process has continued over the last biennium. The Weights and Measures Bureau has implemented automation. The professional licensing process has for the most part been automated with the most recent modification being the implementation of automated deposits.

In the future the division will be automating the Building Codes Bureau.

The benefits of the automation process are reduced time in processing work resulting in less cost, increased accuracy, and more efficient service to the public.

MILK CONTROL

During FY89 the department appointed an advisory council to review the current situation regarding milk pricing regulations in Montana and to determine a future direction for the program. The creation of the council was prompted by "chaos" in the milk industry which has resulted in a number of legal cases.

Problems which have been experienced by the agency in the regulation of milk prices is indicative of a need for some

action. The changes in the milk industry have not been matched, for various reasons, some of which relate to the lack of flexibility in existing statutes, by corresponding changes in the regulatory program. The most significant changes have occurred in the retailing and wholesaling portions of the industry.

After three meetings in as many months beginning in October and ending in December, the council agreed that even though the system of milk control was not effective, no changes should be made.

BUSINESS AND LICENSING DIVISION SUPPORT

PURPOSE

To administer and coordinate the activities of the Building Codes, Milk Control, Professional and Occupational Licensing, and Weights & Measures Bureaus as well as the Tramway Safety Program.

The Tramway Safety Program of safeguarding the life, health, property, and welfare of the citizens of Montana while using passenger tramways. It is the policy of the state to protect its citizens and visitors from unnecessary mechanical hazards in the design, construction and operation of passenger tramways but not from the hazards inherent in the associated sports themselves.

ORGANIZATION

The work unit consists of the division administrator position, with funding provided by charges made to each of the programs located within the division. The charges are based on the estimated amount of time the division administrator must spend with each of the programs.

ACTIVITIES

Number of Ski Areas	16
Number of Lift Devices	58
Number Contract Inspections	58
Number of Meetings	3

BUDGET PRESENTATION FY90-91

BUSINESS REGULATION DIVISION - DEPARTMENT OF COMMERCE

BUILDING CODES BUREAU

PURPOSE

To establish and enforce a statewide building code to safe guard the public from the hazards inherent in the construction of buildings, recreational vehicles and factory-built buildings. Also the bureau is charged with energy conservation measures in building construction.

The bureau also includes the Electrical and Plumbing Boards, which are charged with the licensing of electricians and plumbers in the state and the enforcement of the related licensing laws and rules, as well as the Public Contractors Licensing Section for competency and proper licensing of public contractors.

ORGANIZATION

The bureau consists of the Building Standards, Mechanical Safety, Electrical Safety and Public Contractors Licensing Sections as well as the Electrical and Plumbing Boards.

The staff consists of 30 employees and two licensing boards consisting of 14 members.

ACTIVITIES

Building Permits Issued	450
Building Inspections	1400
Plan Review Ave Time	3 wks
Plumbing Permits Issued	1,000
Plumbing Inspections	1,500
Mechanical Permits Issued	250
Electrical Permits Issued	12,000
Electrical Inspections	24,000
Inspect and License Elevators	1,000
Issue New Plumbers Licenses	100
Issue New Electrical Licenses	200
Issue New Public Contr. License	500
Miles Traveled	550,000

BUDGET PRESENTATION FY90-91

BUSINESS REGULATION DIVISION - DEPARTMENT OF COMMERCE

MILK CONTROL BUREAU

PURPOSE

To regulate the production, transportation, processing, storage, distribution and sale of milk to guarantee an adequate supply of healthful milk to the consuming public at the least possible cost.

ORGANIZATION

There are eight staff persons attached to the program.

ACTIVITIES

Milk Plant Audits	120 months of audit work
Investigations	Routine 30; Equipment 15 weeks work
Cost Studies	Farm to Plant Hauling 3 Processing Plants 3
Other	Licenses Issued 360 Admin. Assessments 720 hrs. Hearings 2 Board Meetings 6 Reports 15 Price Announcements 24 Statewide Mailings 21 Miles Traveled 42,000

BUDGET PRESENTATION FY90-91

BUSINESS REGULATION DIVISION - DEPARTMENT OF COMMERCE

PROFESSIONAL AND OCCUPATIONAL LICENSING BUREAU

PURPOSE

To provide the administrative and clerical services required by professional and occupational boards which regulate professions to protect the public health, welfare and safety from malpractice.

ORGANIZATION

The bureau consists of an Administrative Assistance Pool, an Investigative Unit, 29 licensing boards and one licensing program administered by the bureau.

There are 28.83 employees and 149 board members.

ACTIVITIES

New Licenses	3,146
Renewals	39,886
Complaints	427
Meetings	105

GENERAL

It is rumored that 13 new boards are being proposed this legislative session. If this is in fact true, it will be very difficult to realistically determine staffing and funding needs through the fiscal note process. The addition of this many boards to the existing 28 boards constitutes a very major operational change that should be considered in other than the fiscal note process. When preparing fiscal notes they must be based on the individual bills since there is no way of knowing which of these bills will pass or fail. The concern is that with such a substantial change in the program with out considering all bills as a package over or under funding could occur.

BUDGET PRESENTATION FY90-91

BUSINESS REGULATION DIVISION - DEPARTMENT OF COMMERCE

WEIGHTS AND MEASURES BUREAU

PURPOSE

To license, inspect, test, and calibrate all weighing and measuring devices used in commercial and often times noncommercial transactions. The bureau also calibrates all weights and measures for private service and testing facilities.

The bureau is responsible for enforcing laws and regulations relating to quantity of all prepackaged commodities. In addition all petroleum dealers are licensed by the bureau and the quality of all petroleum products are subjected to certain gas specifications.

ORGANIZATION

The staff consists of twelve employees.

In addition to the bureau's business office it also maintains the state weights and measures laboratory.

ACTIVITIES

Weighing Devices Tested	6,199
Weighing Devices Rejected	278
Measuring Devices Tested	8,002
Measuring Devices Rejected	211
Weights Calibrated	1,373
Packages Tested	1,764
Packages Rejected	230
Miles Traveled Bureau Veh.	133,984
Miles Traveled Personal Veh.	1,139
Miles Traveled Motor Pool Veh.	1,358

AGENCY: DEPARTMENT OF COMMERCE

LEGISLATIVE ACTION

PROGRAM: BUSINESS REGULATION - DIRECT

BUDGET ITEM	Fiscal 1990		Fiscal 1991		Difference
	Executive	LFA	Executive	LFA	
FTE	1.00	1.00	1.00	1.00	0.00
Personal Services	\$52,921	\$52,921	\$52,950	\$52,950	\$0
Operating Expenses	96,319	100,244	96,085	100,117	(4,032)
TOTAL EXPENSES	\$149,240	\$153,165	\$149,035	\$153,067	(\$4,032)
=====					
FUNDING					
State Special Rev	\$89,107	\$153,165	\$89,147	\$153,067	(\$63,920)
Other Revenue	60,133	0	59,888	0	59,888
TOTAL FUNDING	\$149,240	\$153,165	\$149,035	\$153,067	(\$4,032)
=====					

	FTE	Gen Fund	Total Funds
Issue 1. The LFA budget includes \$4,050 more for travel than is included in the executive budget.	0.00	0	4,050
Issue 2. The LFA budget includes \$3,000 more for consulting services in the tramway inspection program than is included in the executive budget.	0.00	0	3,000

EXHIBIT 4
 DATE 1-25
 HB _____

AGENCY: DEPARTMENT OF COMMERCE

PROGRAM: PROF & OCC LICENSING

LEGISLATIVE ACTION

BUDGET ITEM	FTE	Executive	Fiscal 1990 Legislature	Difference	Executive	Fiscal 1991 Legislature	Difference
Personal Services		\$852,964	\$821,968	\$30,996	\$857,128	\$826,653	\$30,475
Operating Expenses		1,555,785	1,399,891	155,894	1,543,948	1,398,318	145,630
Equipment		7,292	7,292	0	6,335	6,335	0
TOTAL EXPENSES		\$2,416,041	\$2,229,151	\$186,890	\$2,407,411	\$2,231,306	\$176,105
FUNDING							
State Special Rev		\$1,699,264	\$2,229,151	(\$529,887)	\$1,694,176	\$2,231,306	(\$537,130)
Other Revenue		716,777	0	716,777	713,235	0	713,235
TOTAL FUNDING		\$2,416,041	\$2,229,151	\$186,890	\$2,407,411	\$2,231,306	\$176,105

	FTE	Gen Fund	Total Funds
Issue 1. Operating expenses in the executive budget are higher than in the LFA budget because the LFA budget sets all operating expenses at the fiscal 1988 level.	0.00	0	301,524
Issue 2. The program includes 1.00 FTE (03393 Program Officer I) that was identified by the Appropriations Committee as a long-term vacancy that should be reviewed by the subcommittee.	1.00	0	54,648
Issue 3. Modification Request (92018) Nursing Newsletter This modification would fund publication of a semiannual newsletter.	0.00	0	15,000

Issue 4 Testing Fees.

16,000

EXHIBIT 5
DATE 1-25-89
HB 100

BOARD OF NURSING
DEPARTMENT OF COMMERCE

EXHIBIT 6
DATE 1-25
HB 100

1424 9TH AVENUE



STATE OF MONTANA

(406) 444-4279

HELENA, MONTANA 59620-0407

To: W. James Kembel
Administrator, Business Regulation Division

From: Phyllis McDonald, R.N. *PTM*
Executive Secretary

Date: January 18, 1989

Re: Board of Nursing Position - Program Officer I
(Nursing Practice Consultant)

The following information is provided as justification for the unfilled position of Nursing Practice Consultant for the Board of Nursing.

1. The position of nursing practice consultant was created in order to more effectively and consistently administer the nursing law as it relates to safe and effective nursing practice, regulation of the specialty areas of nursing, disciplinary matters and enforcement.
2. Work load increases in the areas of administration, nursing education, board activities and the licensure program limits the time the one professional staff (executive secretary) can give to issues and matters in the nursing practice and enforcement areas. Currently there are over 12,250 nurses licensed to practice nursing in Montana as compared to approximately 11,000 in FY87 when the position was authorized.
3. The current nursing shortage is projected to worsen in Montana in the next 3-5 years. This increases the need for more effective monitoring of the practice of nursing to assure the standards for safe nursing practice are not being compromised or that unlicensed persons are not inappropriately utilized to provide nursing care as a result of the shortage of nurses.

4. A need exists for increased consultation and technical assistance to licensees regarding the standards and regulatory aspects of nursing practice. Ultimately, this will result in greater protection of the public health, safety and welfare.
5. The number of complaints in regard to violations of the nursing law and the number of disciplinary proceedings continue to increase as greater emphasis is placed on unprofessional conduct of the nurse. An average of two complaints of unsafe practices are received per month by the Board of Nursing.

A need exists for more consistent and effective follow-up of disciplinary actions taken by the Board as they related to the complaints. The nursing practice consultant will be responsible for conducting a monitoring program for disciplined licensees.

6. An expected future need will be the implementation of mechanisms to ensure continued competency of persons licensed to practice nursing in Montana.

Recruitment Efforts - Nursing Practice Consultant Position

The position of Nursing Practice Consultant for the Board of Nursing was authorized effective FY87.

However, in FY1987, the Board of Nursing decided to defer filling the position as one of its approaches to meeting the required FY1987 budget reduction.

Recruitment for A Nursing Practice Consultant was initiated in the fall of 1987. The position was advertised through-out the state in November 1987 and again in April 1988.

A total of nine applications were received. Four of these applicants did not meet the educational qualifications. The remaining five were selected for interviews. Two applicants were interviewed with three applicants withdrawing their applications prior to the scheduled interviews.

Both of the interviewed applicants declined the position offer based on the Grade 14 salary of \$19,760 which each determined was inadequate for the qualifications and responsibilities required. The Board noted in its meeting of November 4, 1988 that beginning staff nurses earn more per hour than the rate approved for the consultant position.

The recruitment efforts for this position will continue in collaboration with the Department of Commerce Personnel Officer.

Please contact me if you have questions or wish further information.



REAL ESTATE LICENSING EXAMINATIONS

EXHIBIT 7
DATE 1-25
HB _____



December 16, 1988

Ms. Grace Berger
Administrative Assistant
Montana Board of Realty Regulation
1424 - Ninth Avenue
Helena, MT 59620-0407

Dear Grace:

This letter will confirm our recent discussions regarding the proposed service/price modifications for the administration of the Real Estate Licensing Examination program in Montana. Candidate volume in fiscal year 1988 was 760 total candidates. Volume to date for fiscal year 1989, July - December, is 227 total candidates.

Effective with the February 25, 1989, administration, the fee per candidate will increase by \$10 for a total of \$25.50 per candidate. In addition, we will maintain the currently scheduled administrations (February 25, April 22 and June 24) through June 1989. Effective July 1, 1989, the number of annual administrations will decrease to four. Please let me know the four months in which you would like the administrations to be held.

Grace, I am very pleased that we were able to come to agreement regarding these discussions. I wish you and the Board the happiest of holidays. Best regards.

Cordially,

A handwritten signature in cursive script that reads "Linda".

Linda E. Dellaria
Director
Real Estate Licensing
Examination Program

cc: D. Turovlin, ETS

LED/11 17:5

AGENCY: DEPARTMENT OF COMMERCE

LEGISLATIVE ACTION

PROGRAM: Milk Control Bd

BUDGET ITEM	FTE	Executive	Fiscal 1990 LFA	Difference	Executive	Fiscal 1991 LFA	Difference
Personal Services		\$194,710	\$177,873	\$16,837	\$194,817	\$177,971	\$16,846
Operating Expenses		97,803	91,803	6,000	93,039	90,871	2,168
Equipment		300	300	0	300	300	0
TOTAL EXPENSES		<u>\$292,813</u>	<u>\$269,976</u>	<u>\$22,837</u>	<u>\$288,156</u>	<u>\$269,142</u>	<u>\$19,014</u>
FUNDING							
State Special Rev		\$292,813	\$269,976	\$22,837	\$288,156	\$269,142	\$19,014
TOTAL FUNDING		<u>\$292,813</u>	<u>\$269,976</u>	<u>\$22,837</u>	<u>\$288,156</u>	<u>\$269,142</u>	<u>\$19,014</u>

FTE	Gen Fund	Total Funds
1.00	0	41,435
0.00	0	12,000

Issue 1. The executive budget includes one position that was deleted from the LFA budget because the position was vacant.

Issue 2. The executive includes \$12,000 for an economic consultant that is not included in the LFA budget.

Issue 3. The executive budget recommends including language in the general appropriations act stating that if the Board of Milk Control receives a petition to establish a state pooling arrangement as a method of paying producer prices, the department may request a budget amendment for additional operating costs for holding hearings and establishing the pool.

EXHIBIT 8
DATE 1-25-89
HB 100

AGENCY: DEPARTMENT OF COMMERCE

PROGRAM: BUILDING CODES

LEGISLATIVE ACTION

BUDGET ITEM	Fiscal 1990		Fiscal 1991		Difference
	Executive	LFA	Executive	LFA	
FTE	30.00	30.00	30.00	30.00	0.00
Personal Services	\$839,542	\$824,228	\$842,406	\$827,042	\$15,364
Operating Expenses	373,966	361,541	365,897	356,187	9,710
Equipment	4,150	4,150	930	2,100	(1,170)
TOTAL EXPENSES	\$1,217,658	\$1,189,919	\$1,209,233	\$1,185,329	\$23,904
FUNDING					
General Fund	\$33,728	\$34,508	\$32,336	\$32,740	(\$404)
State Special Rev	1,183,930	1,155,411	1,176,897	1,152,589	24,308
TOTAL FUNDING	\$1,217,658	\$1,189,919	\$1,209,233	\$1,185,329	\$23,904

	FTE	Gen Funds	Total Funds
Issue 1. The executive budget includes \$10,908 more for gasoline than is included in the LFA budget.	0.00	0	10,980
Issue 2. The executive budget includes \$9,228 more for travel expense than is included in the LFA budget.	0.00	0	9,228

EXHIBIT 9
DATE 1-25-89
HB 100

AGENCY: DEPARTMENT OF COMMERCE

PROGRAM: WEIGHTS AND MEASURES BUREAU

LEGISLATIVE ACTION

BUDGET ITEM	Fiscal 1990		Fiscal 1991		Difference
	Executive	LFA	Executive	LFA	
FTE	12.00	12.00	12.00	12.00	0.00
Personal Services	\$313,716	\$307,313	\$314,800	\$308,376	\$6,424
Operating Expenses	117,965	124,545	117,314	122,960	(5,646)
Equipment	18,000	12,700	18,000	12,700	5,300
TOTAL EXPENSES	\$449,681	\$444,558	\$450,114	\$444,036	\$6,078
FUNDING					
General Fund	\$449,681	\$444,558	\$450,114	\$444,036	\$6,078
TOTAL FUNDING	\$449,681	\$444,558	\$450,114	\$444,036	\$6,078

BUDGET ITEM	Fiscal 1990		Fiscal 1991		Difference
	Executive	LFA	Executive	LFA	
FTE	12.00	12.00	12.00	12.00	0.00
Personal Services	\$313,716	\$307,313	\$314,800	\$308,376	\$6,424
Operating Expenses	117,965	124,545	117,314	122,960	(5,646)
Equipment	18,000	12,700	18,000	12,700	5,300
TOTAL EXPENSES	\$449,681	\$444,558	\$450,114	\$444,036	\$6,078
FUNDING					
General Fund	\$449,681	\$444,558	\$450,114	\$444,036	\$6,078
TOTAL FUNDING	\$449,681	\$444,558	\$450,114	\$444,036	\$6,078

Issue 1. The LFA budget includes \$12,263 more for operating expenses than is included in the executive budget.

Issue 2. The executive budget includes \$10,600 more for equipment than the LFA budget, which is set at the level appropriated for the 1989 biennium.

EXHIBIT 10
DATE 1-25-89
HB 100

BUDGET ITEM	Fiscal 1990		Fiscal 1991		Difference
	Executive	LFA	Executive	LFA	
FTE	22.34	22.00	22.34	22.00	0.34
Personal Services	\$660,512	\$657,386	\$661,914	\$658,303	\$3,611
Operating Expenses	220,778	207,460	143,162	137,229	5,933
Equipment	12,250	2,321	1,000	1,000	0
TOTAL EXPENSES	\$893,540	\$867,167	\$806,076	\$796,532	\$9,544
FUNDING					
General Fund	\$94,853	\$93,181	\$91,418	\$92,241	(\$823)
State Special Rev	0	773,986	0	704,291	(704,291)
Other Revenue	798,687	0	714,658	0	714,658
TOTAL FUNDING	\$893,540	\$867,167	\$806,076	\$796,532	\$9,544

Issue	FTE	Gen Fund	Total Funds
Issue 1. The executive includes a .34 FTE data processing position that is not included in the LFA budget.	0.34	0	15,738
Issue 2. The executive budget includes \$10,000 for subscription that is not included in the LFA budget.	0.00	0	10,000
Issue 3. The executive budget includes \$4,000 for rental of computer equipment that is not included in the LFA budget.	0.00	0	4,000
Issue 4. The executive budget includes \$3,000 for system development that is not included in the LFA budget.	0.00	3,000	3,000
Issue 5. The executive budget includes \$9,929 for computer terminals that is not included in the LFA budget.	0.00	0	9,929

DEPARTMENT OF COMMERCE

CONSUMER AFFAIRS UNIT

STATISTICAL SUMMARY 1987-1988 ACTIVITY

Total Complaints Opened -----	1743
(984 Complaints submitted but forms never returned for processing.)	
Total Complaints Investigated-----	759
Total Complaints Closed-----	926
Total Complaints Pending-----	73

COMPLAINTS RECEIVED

Letters-----	161
Telephone-----	556
Person-----	42
Referrals-----	29
Citizen's Advocate Office-----	76

Miscellaneous Information

Correspondence answered not related (inquiries, etc.)-----	5,982
"Consumer Alerts" Issued-----	11

LEGAL ACTION

Investigative Demands Issued-----	4
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<u>CATEGORY</u>	<u>NUMBER OF COMPLAINTS</u>
1. Advertising-----	30
a. Bait and Switch-----	6
b. Deceptive-----	21
c. Merchandise not available-----	2
d. General-----	1
2. Appliance Purchase and Repair-----	14
3. Automobiles (Includes Trucks)-----	54
a. General (Tires, Taxes, Titles, Batteries, Etc.)-----	7
b. New Car Sales Practices-----	6
c. Repair and Service Problems-----	37
d. Used Car Sales Practices-----	3
e. Warranty Problems-----	1
4. Billing Practices-----	35
5. Boats, Motorcycles, Motor Homes, or Snowmobiles-----	3
6. Books, Magazines, Record or Tape Club-----	110
7. Cable T.V.-----	6
8. Cleaners-----	3
9. Clothing-----	14
10. Club and Organizations-----	2
11. Collection Agencies-----	8
12. Construction-----	27
13. Dance, Date, or Health Studios-----	3
14. Defective Merchandise-----	13
15. Door-to-Door-----	0
16. Failure to Furnish Merchandise (other than mail order)-----	105
17. Farm Equipment-----	2
18. Finance, Insurance, Investments or Mortgages-----	21
19. Floor Coverings-----	2
20. Funeral Homes and Cemeteries-----	2
21. Furniture-----	17

22. Hearing Aids-----		0
23. Household Repair and Service-----		12
a. General-----	2	
b. In-Door-----	9	
c. Insulation-----	0	
d. Painting-----	1	
e. Roofing-----	0	
24. Jewelers or Jewelry-----		3
25. Kitchenware-----		0
26. Landlord/Tenant-----		1
27. Mail Order-----		158
a. Defective Merchandise-----	2	
b. Failure to Deliver-----	133	
c. Refusal to Make Refunds-----	23	
28. Mobile Homes-----		18
29. Moving and Storage-----		0
30. Nursery-----		4
31. Office Equipment-----		1
32. Outfitters and Guides-----		9
33. Credit Card Services (vacations, etc.)-----		24
34. Photography-----		18
35. Purchase Plan or Franchise-----		16
36. Radio-Stereo-television-----		2
37. Real Estate-----		2
38. Services (General or Professional)-----		48
39. Warranty Service-----		2

PREVENTIVE CONSUMER PROTECTION

This office receives numerous other questions and inquiries regarding offers that Montana citizens received from firms offering prizes.

An example of this is the winning of a free boat and motor (Marine Surplus). All you have to pay is a processing fee of \$200.00. We get an average of 25 calls a week on these types of offers. $25 \times 52 = 1300$ calls a year.
 $1300 \text{ calls} \times \$200.00 = \$260,000.00$.

So a conservative estimate of money saved consumers through preventive consumer protection for this fraudulent offer would be \$260,000.00. That's only one offer.

Some other areas we cover are the Fair Debt Collection Practices Law, Landlord/Tenant, envelope stuffing and the free legal advice, just to name a few.

It's difficult to actually document how much this office really saves Montana consumers.

We save consumers several thousands of dollars by warning them not to deal with suspicious or fraudulent consumer offers or business opportunities.

DEPARTMENT OF COMMERCE



TED SCHWINDEN, GOVERNOR

1424 9TH AVENUE

STATE OF MONTANA

(406) 444-4312

STATISTICAL REPORT

HELENA, MONTANA 59620-0531

July 1, 1987 - June 30, 1988

UNFAIR PRACTICES ACT

Complaints received and investigated - 7
Complaints In Violation - 4

PROPRIETARY SCHOOL ACT

Revenue Generated: \$2060.00

Number of Initial School Licenses - In State - 4
Out of State - 0

Number of Renewed School Licenses - In State - 27
Out of State - 1

Number of Initial Permits - In State - 5
Number of Initial Permits - Out of State - 27

Number of Renewed Permits - In State - 20
Out of State - 16

Schools Terminated - In State - 1
Out of State - 0

Agents Terminated - In State - 1
Out of State - 24

VISITOR'S REGISTER

AGENCY(S) Commerce
 DEPARTMENT _____

SUBCOMMITTEE _____
 DATE Jan. 25, 1989

NAME	REPRESENTING	SUP- PORT	OP- POSE
Jim Kembel	Administrator Business Regulation Div DOC	✓	✓
ANDY POSE	COMMERCE	✓	
Sean [unclear]	_____		

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