

MINUTES

MONTANA SENATE
51st LEGISLATURE - REGULAR SESSION
COMMITTEE ON STATE ADMINISTRATION

Call to Order: By Chairman William E. Farrell, on January 30, 1989, at 10:00 a.m. in Room 331, Capitol.

ROLL CALL

Members Present: Senator Hubert Abrams, Senator John Anderson, Jr., Senator Esther Bengtson, Senator William E. Farrell, Senator Ethel Harding, Senator Sam Hofman, Senator Paul Rapp-Svrcek, Senator Tom Rasmussen

Members Excused: Senator Eleanor Vaughn

Members Absent: None.

Staff Present: Eddy McClure

HEARING ON SB 200

Presentation and Opening Statement by Sponsor:

Senator Richard Manning's opening statement is attached as Exhibit 1.

List of Testifying Proponents and What Group they Represent:

None.

List of Testifying Opponents and What Group They Represent:

None.

Questions From Committee Members:

- Q. Senator Rasmussen asked if all the other boards were changed, but this one was not.
- A. Senator Manning responded that the law did not get changed.
- Q. Senator Rasmussen further asked if other boards, such as the Board of Medical Examiners, got changed, so they get \$50 per day and \$50 per diem on top of that.

- A. Mr. Gary Kepplin, Executive Secretary, Board of Horseracing, responded that they get \$50 per day as pay for every day that is included in board work. That is what this pertains to. He indicated that what happened is, when the Department of Commerce statute was put into effect, the wording was not changed in the Board of Horseracing statute. The board has been paid the \$50 since 1983, but this bill is needed to clean up the wording.

DISPOSITION OF SB 200

Discussion:

Senator Bengtson offered a motion that SB200 do pass.

Recommendation and Vote:

Motion passed by the committee that SB200 do pass.

HEARING ON SB 227

Presentation and Opening Statement by Sponsor:

Senator Matt Himsel indicated SB227 deals with the expansion of the membership of the Flathead Basin Commission. He explained that the Flathead Basin Commission was established in 1983 by legislation, and provided for modest funds, along with federal money, for a study of pollution on Flathead Lake and the waters entering the lake. Dr. Stanford of the Flathead Lake Biological Station managed the research, and the Commission was composed of 10 voting members, 5 ex-officio members, and 2 liaison members. Senator Himsel reported that, while this study was going on, it developed that there was a large Cabin Creek open pit mine on the Canadian headwaters of the Flathead River, that this aroused considerable community interest, and somewhat of a change in the direction and focus of the attention of this Basin Commission. He noted it aroused citizens with special interests in the environment and, through the efforts of Senator Baucus, \$2.9 million was granted for the Flathead River Basin Environmental Impact Study. Senator Himsel indicated this study has been made, and the baseline data has been established. He noted that, for the last couple of years, it has been in a hold position and they are monitoring these stations, but there has been no increased activity in that area. He further noted that these monitoring points are used to measure any changes in the

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quality of the water, or the effects on aquatic life. Senator Himsl stated that the guardianship nature of the Commission has been to obtain scientific data, so the membership has largely been people of special technical knowledge, and bureaucratic people. He noted that the developing problem suggests there is need for more citizen participation, as public policies and practices are going to be involved in the preservation of the environment and the water quality therein. Senator Himsl stated that the area has already adopted a phosphorous ban, sewage plant modification, a central sewage system on the north end of Flathead Lake, and there are other proposals in mill now for further treatment of sewage along the lake shore. He indicated the proposed change of membership, in response to the public interest and suggested by the Commission members themselves, is that the Commission be changed as follows: That they add 3 citizen voting members, add the Department of Fish, Wildlife and Parks as an ex-officio member, and change the wording that describes the citizen membership criteria from "representing industrial, environmental and other groups" to "representing industrial, environmental and other interests". He noted the thrust of this is that the Commission feels that, since public policy is likely to be of great concern to the Commission, as well as the scientific data that they have, there should be more public representation on the board. Senator Himsl stated this is at the request of the Flathead Basin Commission, and they hope the committee will concur.

List of Testifying Proponents and What Group they Represent:

Dick Johnson, Department of Fish, Wildlife and Parks
Stan Bradshaw, Montana Council of Trout Unlimited
Jim Jenson, Executive Director, Montana Environmental
Information Center

Testimony:

Mr. Johnson's testimony is attached as Exhibit 2.

Testimony:

Mr. Bradshaw reported the Montana Council of Trout Unlimited would like to go on record in support of SB227. He indicated the Flathead Basin Commission has carried on a very important function in the Flathead Basin, and they think this will strengthen its ability to do that.

Testimony:

Mr. Jenson indicated the Environmental Information Center is in favor of including more citizens on this board. He indicated public policies issues are important, they think it is a good idea to eliminate the requirement that those people represent specific groups, and it gives the Governor more authority to appoint interested citizens who may be unaffiliated with any particular group.

Questions From Committee Members:

- Q. Senator Bengtson asked if there is a fiscal note attached to this bill, and if they get travel, lodging and meals, per diem.
- A. Senator Hims1 responded the people who have been members have been volunteers, as far as he knows, and have not been receiving any pay. He noted there is a grant request of \$25,000 in the water development program, and that the Flathead National Forest, the Park Service and the lumber companies contribute money to these studies.

Closing by Sponsor:

Senator Hims1 indicated he would appreciate the support of the committee on this bill.

DISPOSITION OF SB 227

Discussion:

Senator Harding offered a motion that SB227 do pass.

Recommendation and Vote:

Motion passed by the committee that SB227 do pass.

HEARING ON SB 239

Chairman Farrell asked Vice Chairman Hofman to take over the meeting.

Presentation and Opening Statement by Sponsor:

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Senator Bill Farrell reported the university system requested that he present this bill, and indicated the bill is to limit the university system to in-house printing. He added it states they can not go outside of the university system and compete in the private sector for printing.

List of Testifying Proponents and What Group they Represent:

Sheila Stearns, Vice President, University of Montana
Ken Stoltz, Director of Campus Services, University of Montana
Al Madison, Director of Printing Services, University of Montana
Mike Craig, Associated Students of the University of Montana
Tom Schneider, Executive Director, Montana Public Employees Association
Allan Smart, Director and Publisher, News Service, Montana State University

Testimony:

Ms. Stearns stated that, on behalf of President Koch and the administration of the University, she stands in support of this bill. She indicated the purpose of the bill is to insure that the University of Montana print shop attends only to the needs of the University of Montana system, and that it will not compete inappropriately with the private sector. She further stated that they believe the university print shop has rendered excellent service at low cost to the university system, for nearly 60 years, and that it does so without administrative or general fund subsidy. In conclusion, Ms. Stearns indicated that although the bill sounds restrictive, almost unfriendly toward their own print shop, they fully support it and, indeed, asked for it because they believe it will safe-guard the preservation of basic printing services for their own internal use on campus. She added that they ask for the committee's support.

Testimony:

Mr. Stoltz indicated he speaks in support of SB239. He stated they believe SB239 will reassure the Montana private printing industry that printing services at the University of Montana do not compete with them. Mr. Stoltz distributed a packet of materials to the committee members, a copy of which is attached as Exhibit 4. He noted there is a fact sheet included in the materials, and he will cover the other items during the presentation.

Mr. Stoltz stated the University of Montana has had a print shop since 1930, 58 years, that they do first-rate work for modest prices, and he referred the committee to a letter in the hand-out to Representative Kadas comparing their costs to those of private-sector printers. He noted they do not have very many good cost comparisons where they are printing exactly the same thing as an item printed in the private sector but that they printed, on campus, a Walking Tour Guide of the University of Montana campus, which is distributed to visitors to the campus. Mr. Stoltz reported the Missoula Area Chamber of Commerce indicated they would like to have more of the brochures to distribute to conventions and tours, and other organizations coming to town, and to display in their visitors center. Because the university did not have the money to print additional copies, they applied for bed tax money to do it and that, because the Department of Commerce requires 3 bids be solicited, they solicited 3 bids for additional copies of the brochure. He noted the low bid commercial bidder was 10% to 13% higher than the University of Montana print shop. Mr. Stoltz added that he will not represent to the committee that this was a random sample, or that on any one given print job the University of Montana will always be cheaper than the private sector, nor does he think the private sector could say they would always be cheaper than the University of Montana print shop, but he stated that when they have had competitive and comparative cost studies, they are usually at very similar prices, or less expensive than the same service offered downtown.

Mr. Stoltz indicated there were some questions raised at several meetings in Missoula this fall about whether the University of Montana printing services receives a subsidy from the general fund, or in some other way. Mr. Stoltz stated they pay the full cost of providing this service, and that they recover all their costs through charges for services. He added they pay rent at the rate of \$88,680 per year, which includes utilities, custodial costs, maintenance services, etc., they pay an administrative assessment, which is audited by State and Federal auditors, in the amount of \$71,371, representing a pro-ration of administrative costs at the University, such as accounting, mail delivery, etc. In addition, Mr. Stoltz reported they pay for all their equipment, their employee benefit costs such as health insurance, workers compensation, etc., and they are a fully self-supporting activity. He referred the committee to a list of costs through September, which is contained in the materials he previously distributed to the committee.

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Mr. Stoltz reported that they provide a full-range of printing services for the campus; they duplicate class hand-outs for the faculty, they print multi-part forms for the use of the Accounting Office, Purchasing, and Personnel, and they print flyers and posters announcing campus activities. He reported their brochure on the biological station was recently given an award by the Inplant Management Association as part of their annual national competition. He added they print newsletters, catalogs, magazines, and the results of research by their faculty. Mr. Stoltz indicated 2 of those publications are included in the hand-out, both of which are work by the Bureau of Business and Economic Research.

Mr. Stoltz then asked the committee to turn to a green document in the hand-out, and indicated an interesting combination of technologies was used to print the document. He then explained the process to the committee, and indicated this is the kind of combination of technologies they can offer a department on the campus, and that the department can choose the cost. Mr. Stoltz then asked the committee to turn to the next document in the hand-out, and asked them to compare the quality of the 2 documents, noting that the quality of the first document was not as high as that of the second document. He indicated this is an example of how a department can control the cost of printing, by controlling the quality.

Mr. Stoltz emphasized that the University of Montana does use private printers, particularly where, for reasons of technology or volume, they are most cost effective. He indicated their alumni magazine, a color magazine that they print 50,000 copies of, is printed in the private sector because there is no color press in Montana, in the private or public sector, capable of doing this type of work.

Mr. Stoltz then reported that, for the last 18 months, he has served on the State Printing Advisory Council. He indicated the report of that Council should be available to the committee soon. He reported they worked on the issue of keeping Montana print shops and Montana printing done in Montana. He noted the report has some recommendations in that regard, many of which do not require legislation. However, Mr. Stoltz stated, one of the recommendations of the Council is that no State agency, including the Montana University System, should solicit or accept printing business from the private sector, and that is the bill being presented to the committee today.

In summary, Mr. Stoltz indicated they provide cost-effective, high-quality printing for the University of Montana, and they ask for the committee's support of SB239.

Testimony:

Mr. Madison indicated the shop they have is commonly known as an in-plant shop, and the University of Montana is not the exception, as other universities have full print shops. He added the university printing industry has their own professional organization, the Association of College and University Printers, there are also in-plant shops in the private sector, and that there is an association of in-plant shop managers which has 3,000 members. Mr. Madison stated they offer quality and service, that most of the jobs are turned-around in a very short time, some over night, they operate 2 shifts, and therefore satisfy the needs of the University. He indicated that most jobs are completed before the bidding process could be completed. He added they know the University's needs, their deadlines, and can meet those. Mr. Madison noted they also store repeat jobs on plates, which represents a considerable savings, and that jobs which require changes are stored on computers, which also represents a savings because all they have to do is make the necessary changes.

Mr. Madison indicated printing is a complicated process, and they have spent considerable time in advising the departments on how to do the job most inexpensively. He added they are not interested in how many dollars a year they create, how much they do, but that they are interested in providing the most efficient and cost-effective service they possibly can. He indicated they design the jobs to fit their press equipment, and they also try to design them to use the paper they can buy most economically. By the same token, Mr. Madison indicated, they do provide what the customer wants and in their time frame.

Mr. Madison reported they actually won 2 awards, and some of the competition was nation-wide universities and colleges, as well as private enterprises. He indicated they also provide tours for various classes to the shop, and students stop by; they have an open door policy. He stated he feels the student is as important as President Koch and, if they have a question, they will get an answer. He added the development of desk-top publishing has created a lot of interest, and they are willing to take time to do this. Mr. Madison reported, last summer, they had a student who did some work for credit, and they are working toward having more of that.

Regarding consultation, Mr. Madison reported they have a union staff of 26 years average experience in the field, and they

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can always figure out the best way to do something. He reported 88% of their printing staff own their own homes in Missoula, are property taxpayers, and take part in community events and are a part of their community. Mr. Madison asked the committee to look in favor of the bill, and vote that it do pass.

Testimony:

Mr. Craig reported that ASUM is comprised of approximately 45 to 50 student groups, that many of those groups use the services of Mr. Madison and his crew, and they are very pleased with those services, especially the level of quality. Mr. Craig indicated they would like to go on record in support of this bill.

Testimony:

Mr. Schneider reported the Montana Public Employee Association represents the employees that work in the print shops in Missoula and Bozeman, and they would like to go on record supporting this bill. He indicated the important thing about this bill reflects back to the last session, when there was a bill to take the State and the university system out of the printing business completely. He stated that, at that time, there were charges made that the University of Montana was doing private printing. He indicated he thinks that, if this bill passes, and they do that, they would be involved in an illegal act and the private printing profession could then go after them through a court action, which they do not have access to now. Mr. Schneider stated they do not feel that was the case, but he thinks it would make the Legislature feel a lot more comfortable about what they are doing, and whether they are going beyond the bounds of what they were set up to do. He added he thinks the bill is good, it would relieve some of the tensions between the university system and the private printing people, and they would hope the committee will pass the bill.

Testimony:

Mr. Smart stated he is appearing as a spokesman for MSU to express their support of this bill. He indicated MSU is currently in compliance with the provisions of the bill, and their printing operation does not accept work from individuals or organizations outside the university. He stated their policy is to serve only the university community, and they feel they do this as a savings to the taxpayer, not only in terms of the actual dollar cost of producing printed material,

but also in terms of less obvious and less easily quantified time-saving efficiencies arising out of their automatic billing and record keeping systems, as well as the convenience of having services located on campus and easily accessible to university personnel.

List of Testifying Opponents and What Group They Represent:

Mr. Ken Dunham, Executive Secretary, Associated Printers & Publishers of Montana

Testimony:

Mr. Dunham's testimony is attached as Exhibit 5.

Questions From Committee Members:

- Q. Senator Rapp-Svrcek asked Mr. Stoltz, regarding the "Walking Tour" brochure, if it was printed in the private sector, or did the UM print shop print more copies for the Chamber.
- A. Mr. Stoltz responded they had to get the 3 bids to submit a grant request to the regional tourism bureau, the grant was considered last Friday, and he does not know if it was funded or not. If it was funded, it will be printed by commercial printer number 3. He added the costs listed were their actual costs for printing it, compared to the bid costs. He noted they try to separate out private dollars versus State dollars and, for bed tax dollars, there is a clear procedure whereby it is bid out, and they do not compete with the commercial printers when it is bid out.
- Q. Senator Rapp-Svrcek then asked, if there are additional runs made of this particular brochure, will it be done in the private sector, and not in his shop.
- A. Mr. Stoltz responded that he does not think the campus has any more money to print more copies of it but, if they did, then they would print it. He indicated the current grant request is the only foreseeable source of money, and it would be printed in the private sector.
- Q. Senator Bengtson asked where their plant is located on the campus.
- A. Mr. Stoltz responded the plant is located on the first floor of the Journalism Building.

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Q. Senator Bengtson then asked if it was a part of the Journalism curriculum, and why don't they use work for credit with the students more.

A. Mr. Stoltz responded that several of the classes taught in the Journalism School, particularly the design classes, do visit the print shop and work with the print shop as part of the curriculum. He added they do have one internship and 6 student employees, some of whom have a related field of interest, some of whom do not.

Mr. Stoltz then reported the technology they are currently using to print the Kaimin is becoming antiquated, and they need to upgrade that equipment. He noted that, since many weeklys are now being printed on a MacIntosh laser printer using a MacIntosh microcomputer, and they would like to get that experience for their students, they are pursuing a variety of grant options to upgrade the equipment in the Journalism School, both in the curriculum and for the Kaimin. He noted this has already been put out for bid to see who can do the Kaimin most cost-effectively and, while they hope that it would be done on the first floor of the Journalism School, since the paper is produced on third floor, they will let the bid process determine that. Mr. Stoltz indicated this is probably several years away, but they would like to more aggressively pursue integrating the print shop activities and the Journalism School. He added they have not done all that they could, but they are pursuing that, and talking with the Journalism School and the Kaimin Advisor about this.

Q. Senator Rasmussen indicated he presumes that taxes are not factored into the bid, since they don't pay them.

A. Mr. Stoltz responded that he thinks the major difference between the University of Montana print shop economics and those of the private printers downtown would be taxes and profit. He indicated they do not earn a profit. He noted there are some years when they have made a little money, so they reduce their rates to break even the next year, but that they budget to break even. He noted the bad news is they do not pay taxes, but the good news is they do not make a profit.

Q. Senator Rasmussen stated that their bid would generally always be lower, and they could always under-bid.

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- A. Mr. Stoltz stated, referring to Mr. Dunham's statement, they do not have printers standing around waiting for work. He indicated they have full work for all of their day-shift employees and, if additional work comes in, they bring on-call people in at night. He noted that is how they are able to do short turn-around time; they have on-call staff that they bring in.
- Q. Senator Rapp-Svrcek asked Mr. Madison to give him some idea of the magnitude of a project that they are able to turn-around over night.
- A. Mr. Madison responded that, on a project they did a week ago, they got the copy at 4:00 in the afternoon, it was approximately 20 pages and they needed 100 copies. He reported it was ready for distribution at 7:00 the next morning. He added that, during registration for example, when it is difficult to anticipate what needs they have, his advice is to order what they need, and then come back if they need more.
- Q. Senator Rapp-Svrcek indicated that Mr. Dunham's sarcastic comments have added nothing to this discussion and, in fact, have made him angry. He then asked Mr. Dunham what services would he have the university print shop provide, and what services are they presently providing that he would have them not provide.
- A. Mr. Dunham responded he would have them not produce anything that goes to the general public. He added they think the internal documents that they produce, such as class schedules, testing forms, and some of the internal forms, should be done at the University of Montana, but certainly not items like athletic posters that are 4-color operations and, in some instances, are paid for with private dollars. Mr. Dunham then discussed the process for 4-color production, indicating he assumed it was done in 2 passes, stating that there are people in the private sector in Montana that have a 4-color press that can handle that in one pass. He indicated their argument has been that it is a lot more economical to run something through the press once instead of twice.
- Q. Senator Rapp-Svrcek asked Mr. Dunham if he has any idea what the balance of costs would be, given the proposal that he is talking about, what the overall differences would be in terms of dollars, and how much business would they be taking out of the print shops and putting into

the private sector, for example, in the Missoula community.

- A. Mr. Dunham indicated he does not know if he can answer that directly, that he would have to look at each individual job, and would not hazard a guess as to how much is internal. He further indicated they would have to look at each individual job to see if it is one that went out to the public, or if it was an internal document that stays on campus.

Mr. Dunham then addressed Senator Rapp-Svrcek's comment about his perceived sarcasm, indicating he is not trying to be sarcastic about this, and what he is trying to be is representative of an industry in Montana that is facing a great deal of competition from state government, perhaps more so than any other industry in the state. He indicated he fully recognizes that printing is a very complex process and, in some instances, it is somewhat arbitrary what the prices are; every piece that comes through is an original document, and there is a great deal that goes into these things. He noted that jobs can be considered on a per-job basis, or the overall operation of the shop, and there are a lot of factors that go into it.

- Q. Senator Rapp-Svrcek advised Mr. Dunham that he is somewhat familiar with the printing business, having been involved in it for some period of time, and indicated that a lot of state printing is done by small private shops in the state. Senator Rapp-Svrcek then asked how much competition is being fostered upon the private sector by the university print shops, indicating he questions whether it is an appreciable amount.
- A. Mr. Dunham responded they think it is a considerable amount, and the Missoula shops are very concerned about it. He stated that an estimated \$2 million would go back into the private sector, if the bill they are proposing comes up for a vote and passes, and that has a tremendous impact in the community. He added it will allow some of the print shops to do some expansion, and will allow them to hire employees. Mr. Dunham noted they are not talking about displacing employees, that the work load still needs to be done, but they are talking about shifting where it goes.
- Q. Vice Chairman Hofman asked, regarding the end run, what are the referring to.

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- A. Mr. Dunham responded that Section 1, a limitation of printing by University units, is fine and, obviously, state government should not provide printing for private entities. He indicated that number 2 is the part that is being overlooked, which it states "from printing its own materials or documents or from printing materials and documents for: (a) students enrolled at and faculty and staff employed by the unit; (b) organizations affiliated with the unit; or (c) another unit of the Montana University system. Mr. Dunham stated that, if this goes into law, that would totally exempt the university system from anything else that might be passed this session. He indicated they do not think the university system should have any special dispensation from what affects the rest of state government.

Closing by Sponsor:

Senator Farrell indicated he thinks it has been a lively debate, and stated that, if this bill had been presented last session, the printers may have been in support of this bill. He added he thinks the printing industry is betting that their bill may be approved, and that the committee members understand this is a complex issue and a complex system. Senator Farrell then indicated that, perhaps, the minimum that should be done this session is restrict the university system from being out in the private sector. He then added that the printers have a long way to go with their bill, will have a lot of questions to answer and, should that bill fail, he thinks they will support this bill.

Vice Chairman Hofman announced the hearing on SB239 as closed.

Chairman Farrell asked the committee if they wished to take executive action on SB239. Senator Bengtson indicated she would like to see the other bill that is being proposed. Senator Rasmussen asked Mr. Dunham if the bill had been introduced yet, and Mr. Dunham responded it has not been introduced, that it has been drafted and is in the hands of the Legislative Council at this point.

OTHER BUSINESS

SB 427

Senator Rasmussen requested that the committee discuss the sunrise matter. He indicated he still thinks there is a problem, and one idea would be to have these groups present a report that meets the criteria of the Legislation, but

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present it to the Legislative Audit Committee, who would then make a decision as to whether, in their opinion, the group should be able to come before the Legislature. He noted they would be doing the same thing, except the audit would be eliminated.

Chairman Farrell indicated Senator Jacobson was talking about that, and they are not certain the audit can be eliminated. He noted the statute states "up to \$6,500". Senator Rasmussen asked what Chairman Farrell meant in stating they could not eliminate the audit. Chairman Farrell responded because it is in the law, and Senator Rasmussen stated he is talking about a new bill to change the law and take the audit out, which would be in place of repealing the whole thing. Chairman Farrell asked if Senator Rasmussen wishes to pursue a committee bill, and Senator Rasmussen responded that is correct, in order to try to deal with this problem, and he would open it up for discussion by the committee.

Senator Rapp-Svrcek indicated he would support that concept, that he was nervous about supporting the bill but, as he stated before, the whole idea of requiring a fee prior to the introduction of legislation flies in the face of what the Legislature does, particularly since they meet every other year. He further indicated he thinks the review requirements in the sunrise provision are important and valid and, if the committee could come up with a bill that would require these groups to meet the review provisions, without requiring them to submit to an audit at the cost of \$6,500, or less, he would support that concept.

Senator Bengtson stated she would support that too, and that she would support the bill. She further indicated that what goes into an audit, and the cost of the audit, seems a little much for applying for a license.

Chairman Farrell stated the reason the auditors determined the \$6,500 fee is because they are required to determine whether it is a viable business to the State of Montana and, rather than auditing their books and determining how many people they have, or don't have, they have to make a determination whether it is in good interest of the State of Montana, which is what creates the cost. Senator Rasmussen indicated that his suggestion is to take the Legislative Auditors out of the picture, and the Legislative Audit Committee would be doing it. He indicated everything would be the same; they would have to present that to the Committee, who would make the determination. The group would have to have the cost of

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putting the study together, but it would go through that process.

Senator Harding asked who would determine what those costs would be. Senator Rasmussen responded there are no costs, that the group would come before the committee with a report that goes through the total review, including all the questions laid out in the law, and the committee would have to make the decision.

Senator Bengtson indicated she has not seen a list of the questions that they go through, and Senator Rasmussen responded he has them, and there are about 10 questions. Senator Bengtson further indicated it would be interesting to look at, to see whether the auditors can make a determination better than the Legislative Audit Committee, which would in turn come before the Public Health Committee, and then the Legislature. Senator Rasmussen indicated he thinks it is subjective, no matter who does it, and that it is not a scientific process.

Senator Harding stated it would seem to her that, if there are certain questions that need to be asked, people who want to be certified by whatever board should present the data to those questions. Senator Rasmussen responded that is what they would do. They would make up the report, just like they do now, and present it to the Legislative Audit Committee, rather than the Legislative Auditors, responding to the questions that the law says they have to respond to. He added it would be taking the Legislative Auditors out, therefore taking the \$6,500 out. Senator Harding then stated that, in essence, what they would be doing is the same thing, but there would be no one saying whether this is a viable business. Senator Rasmussen responded the Legislative Audit Committee would have to make that decision.

Senator Bengtson indicated they would still have to come before the Legislature. Senator Rasmussen indicated that is correct. He noted that, if the Legislative Audit Committee indicates they approve the group's ability to come to the Legislature, the group would come to the Legislature and go through the same process they would in any case, and that it does not automatically guarantee them licensure.

Senator Anderson asked if this would eliminate the cost that is involved. Senator Rasmussen responded that what is being done now is the Legislative Auditor's time is being bought to go through the process, and, under his proposal, they would

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not be involved, would not do an audit, and there should not be any cost involved other than the committee's time.

Senator Rapp-Svrcek indicated that, regarding the cost, he envisions it is still possible this audit would cost these groups some money, but it would not be imposed by the Legislature, it would be a self-audit and, if they could get the services of an auditor donated from within their community, that would save them some money. He added it would cost them some to audit themselves, but he doubted it would cost the kind of money that the Legislative Auditor is talking about.

Senator Bengtson added that, if the Legislative Auditor comes up with a negative report, then it is over, after having paid the \$6,500. She indicated that, if the auditor was eliminated, the committee might ask for additional information, and there would be an element of fairness, or more review.

Chairman Farrell indicated the reason for the audit committee is to ask the auditors to do the work and present reports to the audit committee. He noted that the groups will present a positive picture, and asked what does the audit committee know about it. The committee will ask the auditors, or someone, to do something to approve the report that comes in. Senator Rasmussen stated that everybody has to make a judgment, adding that he still thinks the whole idea is lousy and he is trying to make the best out of a bad situation. He noted that he does not know if an auditor could go out into the state and make a determination, or reach any different conclusions, than a legislative committee. A subjective decision has to be made at some point. Senator Rasmussen reiterated that he is trying to make these groups jump through a few hoops, but take out the \$6,500 rule.

Senator Rasmussen then offered a motion that the committee adopt a draft of a committee bill to revise the sunrise law. Senator Abrams asked if Ms. McClure would draft the legislation, and she responded she would, in consultation with the committee. Senator Abrams then asked if this would be in conjunction with some of the opposition to this legislation, or are the directions already established. Ms. McClure responded she has a few questions, for example, regarding time lines, etc. She indicated she would consult with Senator Rasmussen, and Senator Rasmussen indicated these would have to be worked out, and that the committee still has to look at it, and it may be fine tuned. Senator Abrams further asked if this would be a compromise with the previous bill.

SENATE COMMITTEE ON STATE ADMINISTRATION

January 30, 1989

Page 18 of 18

Chairman Farrell asked for a roll call vote on the motion. Motion passed by the committee, by roll call vote, to adopt a committee bill to revise the sunrise law, with Senator Farrell and Senator Harding opposed.

ADJOURNMENT

Adjournment At: 11:20 a.m.


WILLIAM E. FARRELL, Chairman

WEF/mhu
SB227.130

ROLL CALL

STATE ADMINISTRATION COMMITTEE

51ST LEGISLATIVE SESSION

DATE:

January 30, 1989

NAME	PRESENT	ABSENT	EXCUSED
HUBERT ABRAMS	✓		
JOHN ANDERSON, JR.	✓		
ESTHER BENGTSO	✓		
WILLIAM E. FARRELL	✓		
ETHEL HARDING	✓		
SAM HOFMAN	✓		
PAUL RAPP-SVRCEK	✓		
TOM RASMUSSEN	✓		
ELEANOR VAUGHN			✓

SENATE STANDING COMMITTEE REPORT

January 30, 1989

MR. PRESIDENT:

We, your committee on State Administration, having had under consideration SB 200 (first reading copy -- white), respectfully report that SB 200 do pass.

DO PASS

Signed: William E. Farrell
William E. Farrell, Chairman

W. E. Farrell
1/30/89
1:23
P.M.

SENATE STANDING COMMITTEE REPORT

January 30, 1989

MR. PRESIDENT:

We, your committee on State Administration, having had under consideration SB 227 (first reading copy -- white), respectfully report that SB 227 do pass.

DO PASS

Signed: 
William E. Farrell, Chairman

*Y.C. 189
1/30
1:23 p.m.*

37-1-133

SENATE STATE ADMIN.

EXHIBIT NO. 1

DATE 1/30/89

BILL NO. SB 200

Manning

During the 1983 Legislature the, Department of Commerce had legislation to increase the Board's per diem from \$25 to \$50, which was passed and placed in to effect after the session. A couple of the Boards inadvertently did not get changed at this time. The Boards statue reads "Board members may be paid \$25.00" and the Department statue says "Board members shall be paid \$50.00"

The Legislative Auditors requested that we clean up this law to eliminate the confusion with conflicting statues within the Department.

This is a housekeeping piece of legislation. The Board of Horse Racing is currently paid the \$50.00 per diem. This bill is to make the Board of Horse Racing consistent with other Boards within the Department of Commerce.

SENATE STATE ADMIN.

EXHIBIT NO. 2

DATE 1/30/89

BILL NO. SB 227

SB 227
January 30, 1989

Testimony presented by Dick Johnson, Department of Fish, Wildlife & Parks

The department has been involved with the Flathead Basin Commission and its predecessor, the Flathead Basin Steering Committee. Our involvement has largely been to provide technical information and conduct investigations on issues of interest to the commission.

It has become apparent in recent years that many of the issues which come before the commission could benefit from a policy-level perspective by the department. These issues include the mitigation plan for and operation of Kerr Dam on Flathead Lake, development of operating criteria for Hungry Horse Dam, the fish management plan for Flathead Lake developed in cooperation with the Confederated Salish and Kootenai Tribes, and best management practices studies with the U.S. Forest Service.

Inclusion of the department director as a non-voting member should benefit the commission. We support this bill.

EXHIBIT NO. 3

DATE 1/30/89

BILL NO. SB239

WITNESS STATEMENT

To be filled out by a person testifying or a person who would not like to stand up and speak but wants their testimony entered into the record.

NAME:

Sheila Stearns

DATE:

1-30-89

Address:

University of Montana

300 Westmore

Missoula MT

Phone:

243-2311

Representing whom?

Univ of Montana, President Koch

Appearing on which proposal?

SB 239

Do you:

SUPPORT?

AMEND?

OPPOSE?

Comments:

PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY

UM Printing Services Fact Sheet

SENATE STATE ADMIN. 4
EXHIBIT NO. 4
DATE 1/30/89
BILL NO. 56239 PST

Who do we serve? UM Printing Services provides printing for the UM campus, affiliated campus-based organizations, UM faculty, staff, and students, and Western Montana College of the University of Montana. In addition, we provide occasional printing services to other units of the Montana University System.

Who don't we serve? UM Printing Services does not accept printing from other governmental agencies, private businesses, or individuals.

UM does use private printers - UM departments use the services of private printers. This is most frequently done for very large runs (e.g., the *Montanan*) and for jobs where specialized equipment is more cost-effective (e.g., the *Kaimin*).

Time and cost to bid - It takes about three weeks to bid a print job through the Helena Publications and Graphics Bureau and approximately three weeks to receive the final product from the printer. In addition, a fee of 3 to 15 percent is added to the job cost to cover Department of Administration administrative costs.

Timely service - UM departments get very rapid turnaround on their UM print jobs. Simple duplicating jobs are completed in a few hours while more complex color print jobs may take 3 to 10 working days. UM Printing Services regularly runs two shifts, thus making optimum use of facilities and equipment. Proofs and completed print jobs are delivered directly to campus offices.

Out-of-state printing - Last year 58 percent of the jobs (in dollars) bid out by Publications and Graphics were printed out-of-state.

In-plant printing - Many other corporations and governmental entities have their own in-plant printing operations. Across the nation, there are an estimated 67,000 in-plant printing operations. There are more than 150 in-plant printing operations within colleges and universities nationwide.

Integrated services - The services provided by UM Printing Services are closely integrated with the campus offices of News and Publications, University Graphics, Word Processing Services, Computer Center, and Central Mail Services.

Modern technology - UM Printing Services is computer-linked to the UM and Western campuses through a modern telecommunications network allowing virtually instantaneous transmission of text. This greatly reduces typesetting time, cost, and errors.

Experienced staff - UM Printing Services employs 17 full-time union staff, 2 on-call union staff, 6 students, a production manager and a director. The staff have an average of 26.3 years of experience in the printing industry. Eighty-eight percent of the staff own their own homes. Salaries for the staff at UM Printing Services closely parallel comparable private salaries as reported by the APPM.

Equipment - UM Printing Services upgrades its equipment when cost-effective. While we have two relatively new presses, we also have some very serviceable presses and other equipment purchased in the 1960s, thanks to knowledgeable maintenance by staff.

Self-supporting - UM Printing Services is funded solely from charges to UM departments for printing. UM Printing Services pays rent (including utilities) and pays for all support functions such as accounting and computing.



University of Montana

SENATE STATE ADMIN.

EXHIBIT NO. 4

DATE 1/30/89

BILL NO. SB239 p22

Missoula, Montana 59812

Campus Services
January 10, 1989

The Honorable Mike Kadas
The Montana House of Representatives
Capitol Station
Helena, MT 59620

Dear Representative Kadas:

I am responding to a question that you posed of Sheila Stearns regarding Printing Services at the University of Montana. You asked how our prices compare to those offered by commercial printers. Comparing prices is difficult because it is often argued that the prices being compared are not for strictly comparable jobs. This year, however, we had one instance where an identical piece was printed both on and off campus, and we have several examples of somewhat comparable jobs.

This Fall UM Printing Services printed a 12-page, black and white, campus walking-tour brochure for distribution to visitors to our campus. The guide was so well received that the Missoula Area Chamber of Commerce suggested that we apply for Regional Cooperative Marketing Funds (Glacier Country Tourism Commission bed tax funds) to print additional copies of the brochure for distribution at visitor centers, mailing to tour operators and convention representatives, etc. As you may know, the Governor's Tourism Advisory Council guidelines require at least three bids. Thus we can compare the actual costs to have the brochure printed at UM Printing Services versus the written bids submitted to have additional copies of the very same brochure printed by commercial Montana printers. The results are arrayed below:

Printer	10,000 <u>copies</u>	15,000 <u>copies</u>	20,000 <u>copies</u>
Commercial Printer #1	\$1,475	\$2,150	\$2,725
Commercial Printer #2	\$1,328	\$1,880	\$2,435
Commercial Printer #3	\$1,289	\$1,823	\$2,360
UM Printing Services	\$1,140	\$1,620	\$2,150

The low bid commercial printer was 10 to 13 percent higher than UM Printing Services for the same job.

Page 2
January 10, 1989
The Honorable Mike Kadas

SENATE STATE ADMIN.
EXHIBIT NO. 4
DATE 1/30/89
BILL NO. SB 239

The UM Department of Athletics often receives funds from private sponsors to print posters that display the schedules of our athletic teams. When a private sponsor is identified well in advance, bids are solicited from Montana commercial printers, and the private sponsor pays the successful bidder directly. However, if a private sponsor cannot be identified well in advance, the Athletic Department has the poster printed by UM Printing Services.

The table below displays the cost for printing all of this year's athletic season posters. You will note that posters with a smaller number of copies cost more per poster because typesetting, darkroom, color separations, press setup, and other fixed costs are defrayed over a smaller number of copies.

Printed by UM Printing Services

1. 1988 Grizzly Football Poster (18x24-3/4, four color process, plus copper ink, design by Guffey/Madison).
 $\$1,994.75 / 4300 \text{ copies} = \0.46 per poster
2. 1988 Lady Griz Volleyball Poster (18x24, black and red ink, 10 pt. cover stock, design and pasteup by University Graphics).
 $\$505.50 / 550 \text{ copies} = \0.92 per poster

Printed by Commercial Printers

1. 1988-89 Men's (3,000) and Women's (2,000) Basketball Posters (18X24, four color, 100 lbs. quintessence gloss).
 $\$3,292 / 5,000 \text{ copies} = \0.66 per poster
2. 1988 Forest Products Classic Basketball Poster (18X24, four color).
 $\$2,237 / 1,500 \text{ copies} = \1.49 per poster

I don't think that one can conclude absolutely, from the poster costs above, that UM Printing Services offers less expensive printing than Montana commercial printers, because the print jobs are not exactly alike. However, when you combine the apparent cost competitiveness of our prices above with the quality, timeliness, computer integration, and other advantages of having an "in-plant" printing facility, I believe that you find why the University of Montana has chosen to maintain a quality print shop for 58 years.

SENATE STATE ADMIN.

EXHIBIT NO. 4

DATE 1/30/89

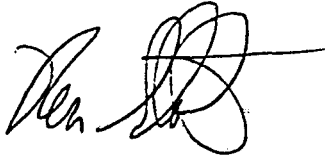
BILL NO. SB 239 p. 4

Page 3
January 10, 1989
The Honorable Mike Kadas

At our December 28 meeting, we were asked if UM Printing Services costs reflect all the costs of doing business. I indicated at that time that UM Printing Services is a fully self-supporting operation, that pays for space, utilities, custodial services, computing, accounting, etc. through well-documented and audited accounting procedures. I will be providing Senator Van Valkenburg, the Missoula delegation, and other interested parties with a copy of our December SBAS reports for both our printing and reprographics accounts. I hope that these official accounting records of the state will adequately document the self-supporting nature of our operations.

Mike, I would be pleased to answer any questions that this letter might raise or any other questions that you have about UM Printing Services. Thank you for your support.

Sincerely,



Kenneth Stolz
Director of Campus Services

KS/ks/CostComp.PrS



University of Montana

SENATE STATE ADMIN.

EXHIBIT NO. 4

DATE 1/30/89

FILE NO. SB239 p95

Missoula, Montana 59812

Campus Services
January 12, 1989

The Honorable Fred Van Valkenburg
The Montana Senate
Capitol Station
Helena, MT 59620

Dear Senator Van Valkenburg:

At our meeting of December 28th, we were asked if UM Printing Services charges reflect the full costs of doing business. I indicated at that time that Printing Services is a fully self-supporting operation, that pays for space, utilities, custodial services, computing, accounting, etc. through well-documented and audited accounting procedures.

Attached please find a copy of our December SBAS reports for both our printing and reprographics accounts. I have added explanatory comments in the margins where the standard descriptions may not fully describe the accounting activity taking place. You may note that both accounts have a negative ending balance at this time. This is a normal condition for mid-year, as our monthly SBAS accounting reports do not reflect work-in-progress (\$38,000 through December), receivables (\$8,500 through December), or inventory increase (\$34,000 through December). However, a positive fund balance is maintained in our accounting entity because of carryover balances from previous years.

I hope that these SBAS reports, the official accounting records of the state, will adequately document the self-supporting nature of our operations.

Fred, I would be pleased to answer any questions that this letter might raise or any other questions that you have about UM Printing Services. Thank you for your support.

Sincerely,

Kenneth Stolz
Director of Campus Services

REPORT PAGE NO. 1 OF 7
 EXECUTIVE PAGE NO. 8159
 AS FORM 661
 REPORT FOR AGENCY 5103
 STATE OF MONTANA
 RESPONSIBILITY CENTER FINANCIAL REPORT
 FOR THE MONTH OF: DECEMBER 1988
 CENTER 1826 - REPROGRAPHICS / OFFICE STORES
 FISCAL PERIOD: 07-01-88 TO 06-30-89 PERCENT ELAPSED TIME: YTD 50%

REPORT DATE: 12/30/88
 UNIVERSITY OF MONTANA
 STOLTZ, K / MITCHELL, G
 REPRO / AUXILIARIES

OBJECT SUMMARY	BUDGET	CURRENT MONTH	CURRENT YEAR	PRIOR YEAR	BALANCE	XCOL
165 JOB/PRODUCTION INCOME	NB	14,179.63	81,766.37			
** TOTALS - NON-BUDGETED INCOME	NB	14,179.63	81,766.37			
EXPENSES						
* PERSONAL SERVICES						
ALARIES						
109-NON-PROFESSIONAL	NB	6,703.52	14,143.63			
124-CONTRACT PROFESSIONAL & ADMIN	NB	1,411.21	7,056.05			
125 CLASSIFIED EMPLOYEES	NB	590.15	10,699.19			
1100-SALARIES	NB	6,704.88	31,898.87			
00URLY WAGES						
202 OVERTIME	NB	191.52	1,545.04			
224-NON-CLASSIFIED EMPLOYEES	NB	2,376.56				
225 STUDENTS	NB	190.75	537.25			
1200-HOURLY WAGES	NB	382.27	4,658.85			
EMPLOYEE BENEFITS						
403-GROUP INSURANCE	NB	575.00	3,243.00			
499 GENERAL	NB	575.00	4,253.95			
1000-EMPLOYEE BENEFITS	NB	7,662.15	7,896.95			
1000-PERSONAL SERVICES	NB		44,054.67			
* OPERATING EXPENSES						
CONTRACTED SERVICES						
107 LAUNDRY	NB	5.11	40.75			
175 COMPUTER PROCESSING/NON-D OF A	NB	972.00	972.00			
2100-CONTRACTED SERVICES	NB	977.11	1,012.75			
SUPPLIES & MATERIALS						
212 PHOTO & REPRODUCTION	NB	668.70	2,083.70			
214 PRINTING	NB		3,951.98			
222 INK	NB		111.20			
2200-DC SUPPLIES/INTERNAL	NB	27.84	141.43			
2200-SUPPLIES & MATERIALS	NB	696.54	6,288.31			
COMMUNICATIONS						
371 TELEPHONE EQUIP CRG/NON-D OF A	NB		316.00			
385 LONG DISTANCE CHR/D OF A	NB		11.91			
2300-COMMUNICATIONS	NB		327.91			
TRAVEL						
2415 OUT-OF-STATE OTHER	NB	138.30	138.30			
2400-TRAVEL	NB	138.30	138.30			
RENT						
2506 POSTAGE METER	NB		113.40			
2528 RENT/NON-D OF ADM BLDGS	NB	6,725.34	20,176.02			
2500-RENT	NB	6,725.34	20,289.42			

REPORT PAGE NO. 2 OF 7
 UNSECUITIVE PAGE NO. 8160
 BAS FORM 661
 REPORT 3564 P
 RECORD FOR AGENCY 5103

STATE OF MONTANA
 RESPONSIBILITY CENTER FINANCIAL REPORT
 FOR THE MONTH OF: DECEMBER 1988
 CENTER 1826 - REPROGRAPHICS / OFFICE STORES
 FISCAL PERIOD: 07-01-88 TO 06-30-89 PERCENT ELAPSED TIME: YTD 50%

REPORT DATE: 12/30/88
 UNIVERSITY OF MONTANA
 STOLTZ, K / MITCHELL, S
 REPRO / AUXILIARIES

ART A - OBJECT SUMMARY

EXPENSES	BUDGET	CURRENT MONTH	CURRENT YEAR	PRIOR YEAR	ENCUMBERED	BALANCE	COM
REPAIR & MAINTENANCE							
705 SHOP PLANT INDUSTRIAL EQUIP	NB		972.00				
750 MAINTENANCE CONTRACTS	NB	175.00	3,141.50				
2700-REPAIR & MAINTENANCE	NB	175.00	4,113.50				
OTHER EXPENSES							
827 INDIRECT/ADMINISTRATIVE COSTS	NB	692.00	2,076.00				
2800-OTHER EXPENSES	NB	692.00	2,076.00				
GOODS PURCHASED FOR RESALE							
901 RAW MATERIALS	NB	1,875.91	8,138.45				
902 MERCHANDISE	NB		95.87-				
919 POSTAGE & MAILING	NB		3,500.00				
2900-GOODS PURCHASED FOR RESALE	NB	1,875.91	11,542.58				
2000-OPERATING EXPENSES	NB	11,280.20	45,788.77				
** TOTALS - NON-BUDGETED EXPENSES	NB	18,942.35	89,843.44				

ART B - BALANCE FORWARD

BEGINNING BALANCE	.00
TOTAL INCOME TO DATE	81,766.37
TOTAL EXPENSE TO DATE	89,843.44
INCOME LESS EXPENSES	8,077.07-
ENDING BALANCE	8,077.07-

REPORT PAGE NO. 1 OF 11
 CONSECUTIVE PAGE NO. 8148
 SBAS FORM 661
 REPORT FOR 3364
 RECORD FOR AGENCY 5103

STATE OF MONTANA
 RESPONSIBILITY CENTER FINANCIAL REPORT
 FOR THE MONTH OF: DECEMBER, 1988
 CENTER 1825 - PRINT SHOP
 FISCAL PERIOD: 07-01-88 TO 06-30-89
 PERCENT ELAPSED TIME: YTD 50%

REPORT DATE: 12/31/88
 UNIVERSITY OF MONTANA
 STOLTZ, K. / MITCHELL, G.
 PRINT SHOP / AUXILIARIES

PART A - OBJECT SUMMARY

INCOME	BUDGET	CURRENT MONTH	CURRENT YEAR	PRIOR YEAR	BALANCE
0450 OTHER INCOME AUX ENT		2,343.42	0,498.16		
0451 ADVERTISING-CLASSIFIED			998.85		
0460 SALES		3,510.75	31,740.88		
0465 JOB/PRODUCTION INCOME		33,461.44	257,341.58		
0471 VENDING SALES		93.42	193.85		
0905 EARNINGS-S.T.I.P.		360.27	360.27		
0989 OTHER INCOME			834.35		
*** TOTALS - NON-BUDGETED INCOME		39,769.30	299,967.94		

"Partial" jobs such as a PMT of a graph for class handout. Sale of copy paper and forms to departments
 income from soft drink machine
 interest income on cash balances
 sale of surplus and recyclable materials

BUDGET CURRENT MONTH CURRENT YEAR PRIOR YEAR ENCURRED BALANCE EXPENSES

* * * PERSONAL SERVICES

SALARIES					
1109 NON-PROFESSIONAL	16,588.08		79,281.88		
1124 CONTRACT PROFESSIONAL & ADMIN	1,411.21		7,056.05		
1125 CLASSIFIED EMPLOYEES	5,871.54		21,122.16		
1133 TERMINATION PAY - SICK LEAVE			735.41		
1134 TERMINATION PAY - VACATION			94.95		
1100-SALARIES	23,870.83		108,290.45		
HOURLY WAGES					
1202 OVERTIME	2,587.22		9,303.08		
1223 CLASSIFIED EMPLOYEES	1,747.77		8,700.77		
1224 NON-CLASSIFIED EMPLOYEES			4,512.99		
1225 STUDENTS	763.75		1,833.75		
1226 FEDERAL WORK STUDY	30.96		135.26		
1229 STATE SUMMER WORK STUDY			303.98		
1200-HOURLY WAGES	5,129.70		24,619.83		
EMPLOYEE BENEFITS					
1403 GROUP INSURANCE	1,610.00		9,062.00		
1499 GENERAL			17,098.40		
1400-EMPLOYEE BENEFITS	1,610.00		36,160.40		
1000-PERSONAL SERVICES	30,610.53		159,070.68		

* * * OPERATING EXPENSES

CONTRACTED SERVICES					
2107 LAUNDRY					
2173 COMPUTER PROCESSING/NON-D OF A	74.90		458.68		
2100-CONTRACTED SERVICES	1,904.00		1,904.00		
SUPPLIES & MATERIALS	1,978.90		2,362.68		
2208 LABORATORY					
2210 MINOR TOOLS, INSTRUM., & EQUIP			87.97-		
2212 PHOTO & REPRODUCTION	1,282.19		5,231.98		
2214 PRINTING	1,311.12		4,194.39		
2215 VEHICULAR	190.40		1,522.35		

PART A - OBJECT SUMMARY

EXPENSES

BUDGET CURRENT MONTH CURRENT YEAR PRIOR YEAR ENCUMBERED BALANCE ZCOM

2231 PHOTOGRAPHIC	NB	867.87			
2241 OFC SUPPLIES/NON-STATE PROC	NB	41.75			
2245 DATA PROCESSING SUPPLIES	NB	69.20			
2267 PAPER PRODUCTS	NB	1,831.68			
2282 INK	NB	2,017.47			
2290 OFC SUPPLIES/INTERNAL	NB	368.55			
2200 SUPPLIES & MATERIALS	NB	3,152.26			
COMMUNICATIONS					
2304 POSTAGE & MAILING	NB	58.12			
2371 TELEPHONE EQUIP/NO-N-D OF A	NB	457.09			
2372 TELEPHONE ADD/MOVE/CHANGE	NB	53.00			
2385 LONG DISTANCE CHRG/D OF A	NB	156.46			
2387 CREDIT CARD CALLS	NB	12.99			
2500 COMMUNICATIONS	NB	71.11			
TRAVEL					
2401 IN-STATE PERSONAL CAR MILEAGE	NB	80.78			
2405 IN-STATE OTHER	NB	75.96			
2415 OUT-OF-STATE OTHER	NB	391.29			
2400 TRAVEL	NB	35.00			
REPAIR & MAINTENANCE					
2701 BUILDINGS & GROUNDS	NB	305.84			
2705 SHOP-PLANT INDUSTRIAL EQUIP	NB	1,140.78			
2711 HAND TOOLS & INSTRUMENTS	NB	429.60			
2714 PHOTOGRAPHIC EQUIPMENT	NB	570.49			
2750 MAINTENANCE CONTRACTS	NB	8,076.00			
2759 PRINTING EQUIPMENT	NB	25.66			
2700 REPAIR & MAINTENANCE	NB	664.52			
OTHER EXPENSES					
2801 DUES	NB	100.00			
2802 SUBSCRIPTIONS	NB	18.00			
2822 FREIGHT & EXPRESS	NB	4,137.32			
2824 ENTERTAINMENT	NB	90.35			
2826 JOB CANDIDATE EXPENSE	NB	1,074.27			
2827 IMP DIRECT/ADMINISTRATIVE COSTS	NB	4,938.00			
2800 OTHER EXPENSES	NB	10,357.94			
6000S PURCHASED FOR RESALE					
2901 RAW MATERIALS	NB	20,642.65			
2902 MERCHANDISE	NB	3,181.76			
2900 GOODS PURCHASED FOR RESALE	NB	23,824.41			
2000 OPERATIONS EXPENSES	NB	34,935.77			
* * TRANSFERS:					
MANDATORY TRANSFERS					
8701 PRINCIPAL AND INTEREST	NB	5,000.00			
8700-MANDATORY TRANSFERS	NB	5,000.00			
8000-TRANSFERS	NB	5,000.00			

Cost to bring Production manager candidate to Missoula for interview

Prevention of University administrative costs

Payments on equipment financed with bonds

REPORT PAGE NO. 3 OF 11
 CONSECUTIVE PAGE NO. 8150
 STATE FORM 661
 REPORT FOR AGENCY 5103
 RECORD FOR AGENCY 5103

STATE OF MONTANA
 RESPONSIBILITY CENTER FINANCIAL REPORT
 FOR THE MONTH OF: DECEMBER, 1988
 CENTER 1825 - PRINT SHOP
 FISCAL PERIOD: 07-01-88 TO 06-30-89
 PERCENT ELAPSED TIME: YTD 308

REPORT DATE: 12/30/88
 UNIVERSITY OF MONTANA
 STOLTZ, K. / MITCHELL, S.
 PRINT SHOP / AUXILIARIES

PART A - OBJECT SUMMARY

BUDGET	CURRENT MONTH	CURRENT YEAR	PRIOR YEAR	ENCUMBERED	BALANCE	SCOM
EXP. TOTALS - NON-BUDGETED EXPENSES MO	65,346.30	337,308.95				

PART B - BALANCE FORWARD

BEGINNING BALANCE	.00
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TOTAL INCOME TO DATE	299,967.94
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TOTAL EXPENSE TO DATE	337,308.95
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INCOME LESS EXPENSES	37,341.01-
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ENDING BALANCE	37,341.01-
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Exhibit 4

1/30/89

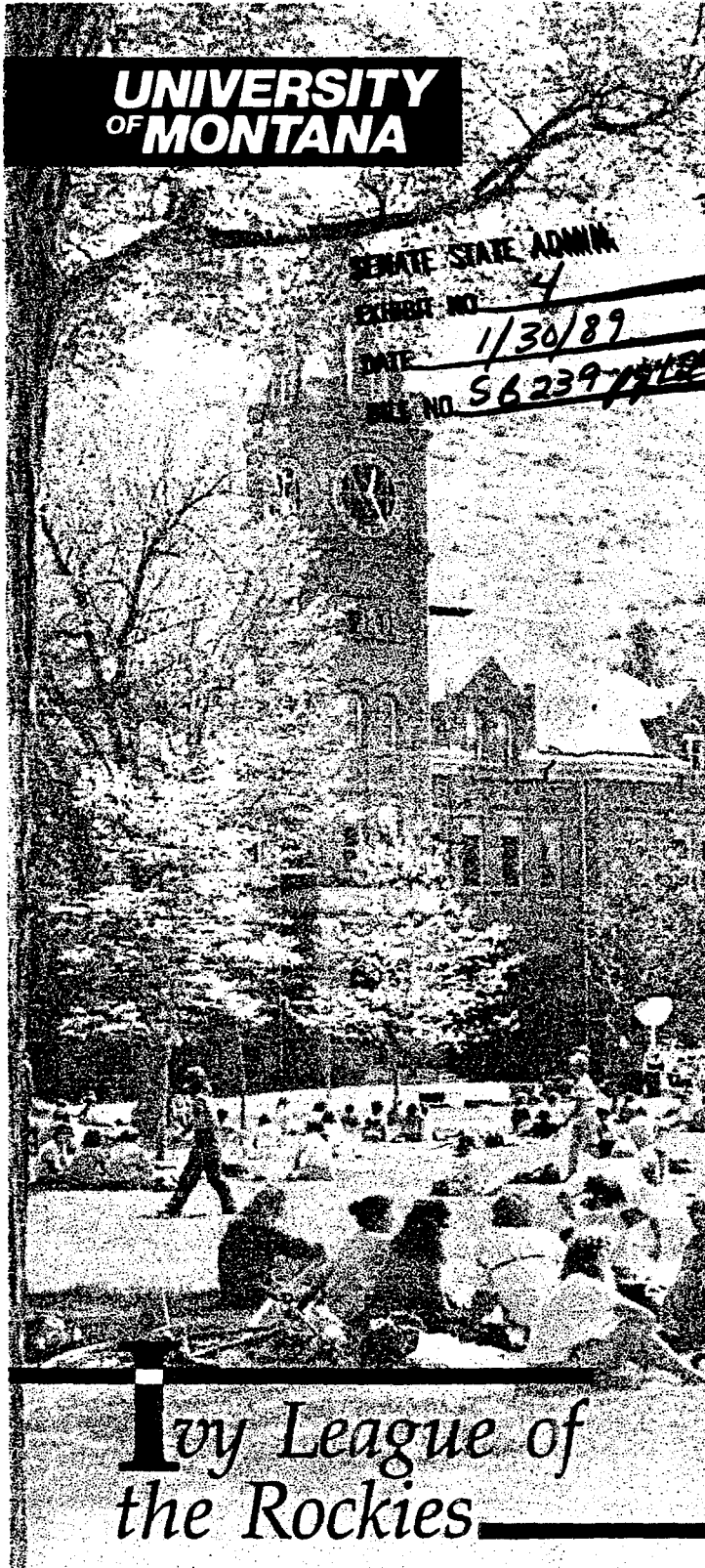
SB 239 pg 11



Exhibit 4

1/30/89

SB 239 pg 12



Calendar

Monday, January 23

Career Services workshop—"SIGI + Orientation," 3:10-4 p.m., Lodge 148.
ASUM Conference on U.S./Soviet Relations—film: "Ivan the Terrible," 7 p.m., Copper Commons

Tuesday, January 24

Wellness program—"Weight Control Programs; Which Way to Turn," by Sharon Dinkel Uhlig, an associate professor of health and physical education, 12:10-1 p.m., Chemistry/Pharmacy 109.

Career Services workshop—"How to Research Careers and Employers," 12:10-1 p.m., Lodge 148.

Food for Thought series—"Procrastination: 'This year I'll Do Better,'" 12:10-1 p.m., Montana Rooms.

Computers in Academia lecture—"Do Ribosomes and Computers Mix?" by chemistry Professor Walt Hill, 2-3 p.m., Liberal Arts 11.

Philosophical forum—"The Right of Privacy in the People's Republic of China and in the United States of America," by Liu Yen, a graduate student in philosophy, 3:10-5 p.m., Pope Room, Law School.

Science Fiction and Fantasy Fan Club—5:30 p.m., Forestry 201.

Faculty recital—organist John Ellis, 8 p.m., Music Recital Hall.

ASUM Conference on U.S./Soviet Relations—syndicated columnist Dale Van Atta, 8 p.m., Underground Lecture Hall.

Wednesday, January 25

Society for Creative Anachronism—7 p.m., Social Sciences 352.

Outdoor program lecture/slides—"American Women on Mount Logan," by Jesse Opal, 7 p.m., University Center Lounge.

Wilderness lecture—"Agency View of Wildlands and Recreation," 7 p.m., Chemistry/Pharmacy 109.

Fiction reading—by Tom McGuane, Montana novelist and screenwriter, 7 p.m., Music Recital Hall.

Alcoholics Anonymous—7:30 p.m., Montana Rooms.

Theatrical Showcase—"Going to See the Elephant," 8 p.m. nightly through Saturday, Jan. 28, Masquer Theatre, \$2.50.

Thursday, January 26

Recent Advances in Clinical Medicine series—"Recent Advances in Emergency Medicine," Dr. Warren Guffin, 11 a.m., Chemistry/Pharmacy 109.

Sigma Xi lecture—"Northeast China: A Visit to the Site of the Disastrous Fire of 1987," by Pat Andrews, a mathematician with the Intermountain Fire Sciences Laboratory, noon, Science Complex 304.

Career Services workshop—"Job Search

(Continued)

Announcements

Temporary appointment—In early February, Provost Donald Habbe will assume the duties of acting deputy commissioner for academic affairs for the University System. He'll remain in Helena for about three months, until a permanent deputy commissioner is named.

Grizzly Pool discount—For children of faculty, staff and students, \$5 discounts are available during winter quarter for after-school swim lessons at the Grizzly Pool. Call 243-2763 for registration deadlines, class times and costs.

Emergency number reminder—In non-life-threatening campus emergencies, call 4000, a one-way line to Campus Security. In life-threatening emergencies, call 9-911.

Staff scholarships—The application deadline for one of 10 staff scholarships for the 1989-90 academic year is March 1. The \$80 awards will cover tuition and books for most three-credit classes. For an application form, contact Jed Liston, Gerald Gordon or Janice Midyett. Submit completed applications to Janice Midyett, School of Education.

Lost I.D.s—If you find a student I.D., please send it to Turner Hall 117, the central collection location for lost I.D.s.

Continental breakfasts—The UC's Hellgate Dining Room now serves continental breakfast 7-11 a.m., Monday through Friday. The menu offers beverages, fresh fruits and variety breads.

Grants received—

•Fred Allendorf, biological sciences, will administer \$9,850 from the National Science Foundation for Stephen Forbes' dissertation research on "Selective Neutrality of Mitochondrial DNA Genotypes."

•Terry Berkhouse, Cooperative Education, will oversee work to improve or expand the cooperative education program with \$6,202 from the U.S. Department of Education.

•Jerry Bromenshenk and Vicki Watson, biological sciences, will continue researching "Novel Bioassessment Methods for Hazardous Evaluation at Superfund Sites" with \$110,212 from the U.S. Environmental Protection Agency.

•Brenda Desmond and Martin Burke, law, will train law students in drafting legislation with \$50,000 from the Montana Legislative Council.

Prep work



UM/Howard Skaggs

University Graphics' Neal Wiegert puts finishing touches on posters President Koch used for his presentation on campus Saturday, Jan. 21, to the Joint Education Subcommittee of the Appropriations Committee. Subcommittee members also toured the campus and heard testimony from representatives of the faculty, students and Missoula community.

Calendar—continued

Strategies," 3:10-4:30 p.m., Liberal Arts 334.

Basketball—Lady Griz vs. Idaho State University, 7:30 p.m., Field House.

Kayaking (first session)—8-10 p.m., Grizzly Pool, \$40. Call 243-5172 for information.

Dance Showcase—University Dance Ensemble, 8 p.m. nightly through Saturday, Jan. 28, Performing Arts and Radio/Television Center, \$2/students, \$3/general public.

ASUM Conference on U.S./Soviet Relations—Soviet expatriot Marvei Finkle, 8 p.m., Underground Lecture Hall.

Friday, January 27

Montana Economic Outlook Seminar—8:30 a.m.-1 p.m., Village Red Lion, \$50. Call 243-5113 for information.

Outdoor programs—"Ice and Snow Climbing," 3-5 p.m., \$35, Field House 117A; Stemple Pass alpine ski pre-trip meeting, 4 p.m., Field House Annex 116. Call 243-5172 for information.

Special Physical Education Teaching Academy—1-2:15 p.m. McGill Hall gym.

Basketball—Grizzlies vs. Idaho State University, 7:30 p.m., Field House.

Saturday, January 28

Master class—flutist Bonita Boyd, professor at New York's Eastland School of Music, 2 p.m., 218th Music Building. Call 243-6880 for information.

Outdoor programs—telemark clinic, 10 a.m., Marshall Ski Area, \$20/clinic, \$28/clinic and rental; nordic/cross-country clinic, \$13/clinic, \$16/clinic and rental; ice and snow-climbing field trip. Call 243-5172 for information.

Basketball—Grizzlies vs. Montana State University, 7:30 p.m., Field House.

Sunday, January 29

Outdoor programs—ice and snow-climbing field trip; open kayaking, 7-9 p.m., Grizzly Pool, \$3/boat rentals available; alpine ski, Stemple Pass, \$10. Call 243-5172 for information.

Basketball—Lady Griz vs. Montana State University, 2 p.m., Field House.

Missoula Symphony—flutist Bonita Boyd, 7:30 p.m., Wilma Theater.

Publications

- Banaugh, Robert P. 1988. "A Coordinate-Free Formulation of the Three Fundamental Boundary Value Problems of Dynamic Elasticity, Part II: The First and Third Problem." *Journal of Wave-Material Interaction* 3 (1, January):13-20.
- Campbell, Gregory R. 1988. Reviewed Clifford E. Trafzar, ed., *Indians, Superintendents, and Councils: Northwestern Indian Policy, 1850-1855*. Pp. 223-226 in *Chronicles of Oklahoma* 66 (summer).
- Douglas, Patricia. 1988. "Effective Written Communication." A chapter in Paul J. Wendel, ed., *Controllers' Handbook*. New York City, N.Y.: Warren, Gorham & Lamont Inc.
- Fiedler, Carl E., Charles E. Keegan, Michael J. Gonsior, Roland L. Barger and John M. Mandzak. 1988. "Small Timber Inventory Information: Is It Adequate for Utilization

Faculty and staff news

Academic Affairs

Donald Habbe has been elected to the Commission on Colleges of the Northwest Association. The commission is the accrediting body for about 150 post-secondary institutions in the Northwest.

English

Beverly Ann Chin presented a program, "Teaching Writing: Empowering Adult Learners," at the American Association of Adult and Continuing Education convention Nov. 5 in Tulsa, Okla. Nov. 17-21 she attended the National Council of Teachers of English convention in St. Louis, Mo., and served on: the Nominating Committee for the Conference in English Education; the Standing Committee for Teacher Preparation and Certification; and the Committee to Study Teacher-Peer Evaluation Designs. She also represented the Montana Writing Project at the National Writing Project directors' meeting.

Foreign Languages and Literatures

Robert Acker read a paper on "The Use of Current Events as a Cultural Component in Beginning Foreign Language Instruction" at the conference of the American Association of University Supervisors and Coordinators of Foreign Language Programs held Sept. 29-Oct. 1 in Champaign, Ill. He was a moderator and commentator in a section on Weimar cinema at the International Conference on German History and Film held Oct. 26-30 in Chicago.

Robert Brock received the "Medal of the City of Beaune" Oct. 20. Brock started the UM study abroad program in Beaune, France, in 1973.

Gerald Fetz was one of six American professors of German the West German govern-

ment invited to Berlin and Bonn in October for a two-week study trip and seminar on "Forty Years of the Federal Republic of Germany." Fetz was organizer and program chair for the 1988 conference of the American Association of Teachers of German Nov. 18-20 in Monterey, Calif., and presented a paper on "Forty Years of Two German States." He also chaired a session on Martin Walser's novella *Ein fliehendes Pferd*.

Dennis McCormick also presented a paper and chaired a session at the AATG conference. The paper was "Mein Name sei Christa T: The Influence of Max Frisch on the Early Works of Christa Wolf; the session, Contemporary German Authors II. In Austria Sept. 28-Oct. 6, McCormick took part in a study tour that included meetings with Austrian writers, artists, academics, journalists and government officials. He was one of 20 American professors of German invited to participate.

Forestry

Joel Meier gave a speech titled "Making a Difference—The American Alliance" at the 58th Annual Convention of the Illinois Association for Health, Physical Education, Recreation and Dance Nov. 18 in Chicago.

Geography

Darshan Kang presented a paper on "Sikh Tradition and the Green Revolution: A Geographic Perspective" at the Fourth Annual Symposium on Sikh Studies held Dec. 3-4 at Michigan State University in East Lansing. He also served as a panelist in one of the seminars.

Pharmacy

Niranjan Rao gave a lecture Nov. 26 on "Current Concepts on Bio-Availability and Bio-Equivalence" at the Silver Jubilee Celebration of the Indian Pharmaceutical Association in Hyderabad, India.

Wellness Notes

by Gordon Opel

It's predictable. After the holiday season each year, inquiries about choosing the perfect diet besiege the Wellness Center.

Interestingly, most calls come from people who cannot be considered overweight. This isn't just a UM phenomenon. Research indicates that seven of 10 dieters are simply trying to maintain their weight or lose less than 10 pounds.

For many people, weight control through dieting has become an obsession that goes beyond the requirements for good health. Instead of being in control of their weight and eating, they let dieting control them. As a result, they spend a good bit of their adolescence and adulthood worrying about what they will, will not or did eat.

Many dieters serve as their own nutritionists and therapists. Others rely on assistance from formal weight-control programs. Although getting outside help is often desirable, choosing the right program can be confusing.

Sharon Dinkel Uhlig, a UM associate professor of health and physical education, will discuss weight-control programs at 12:10 p.m. Tuesday, Jan. 24, in Chemistry/Pharmacy 109.

The *Campus Newsletter* is published weekly during the academic year, excluding finals weeks and quarterly breaks. Submissions must be received at the News and Publications Office, 303 Main Hall, by 5 p.m. Monday for inclusion in the following week's newsletter. Items will be printed as space permits. For more information, call Terry Brenner, editor, at 243-4824.

Planning?" *Forest Products Journal* 38 (3):63-66.

Regel, Roy. 1988. "Personal Financial Planning and CPAs" (with Sandra Christian). *Montana CPA* August/September.

Stanley, G.D. Jr. 1988. "Evolution of Framework-building Organisms in Reefs of the Early Mesozoic." *Fifth International Symposium on Fossil Cnidaria, Programme and Handbook*. Brisbane, Australia: Queensland Museum.

_____. 1988. "The History of Early Mesozoic Reef Communities: A Three-step Process." *Palaios* 3 (Reefs Issue):170-183.

_____. 1988. "Reefal Triassic Fossils and Their Application to Analysis of Accreted Terranes." *Geological Society of America, Abstracts With Programs* 20 (7):A309.

Stanley, G.D. Jr. and S.D. Cairns. 1988. "Constructional Axoozanthellate Coral Communities: An Overview With Implications for the Fossil Record." *Palaios* 3 (Reefs Issue):233-242.

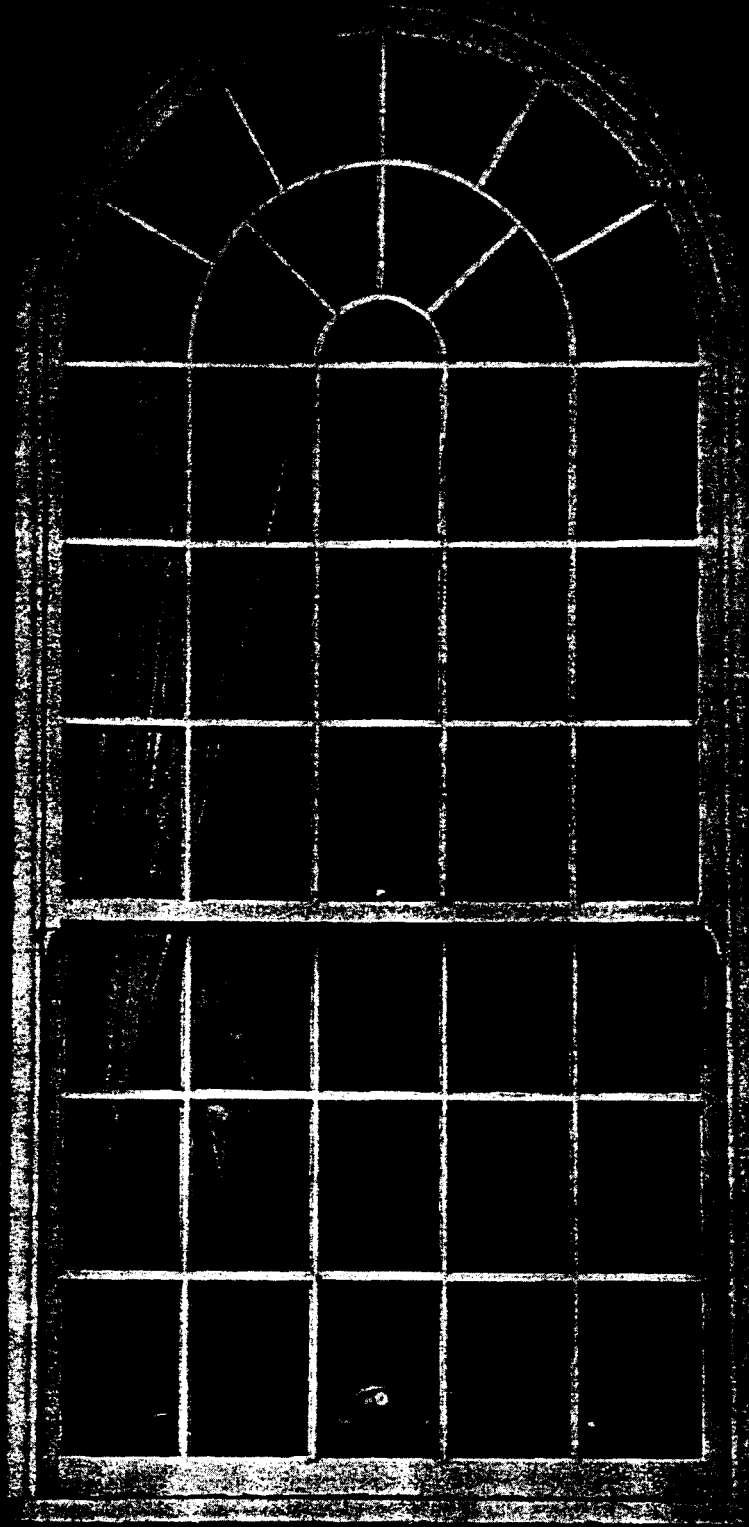
14th Annual

Economic

Outlook

Seminar

1989



Ex. #4
11/30/89 PS
SB 238 14

THE

FOREST PRODUCTS INDUSTRY IN MONTANA

SENATE STATE ADMIN.

EXHIBIT NO. 4

DATE 1/30/89

BILL NO. SB 239 p215

Forest resources are an integral part of Montana. The elegant Douglas-fir, the stately ponderosa pine, and the heavily timbered slopes of lodgepole pine form the pictures and playgrounds we associate with Montana. Trees are also vital to one of the largest and most important industries in Montana: the forest products industry.

One of Montana's major basic industries, the forest products industry produces a wide array of valuable products from paper to plywood, lumber to posts and poles, and particleboard to turpentine. This publication describes the operations of Montana's forest products industry in order to acquaint people with this vital industry and its products.

The forest products industry is Montana's largest manufacturing activity with \$900 million in sales in 1987. During the 1980s, labor income in the wood and paper products industry approximately equaled labor income in agriculture, which is the number one industry in the state. Montana's forest products industry supplies 4 percent of the softwood lumber produced in the United States, and 3 percent of the nation's softwood plywood.

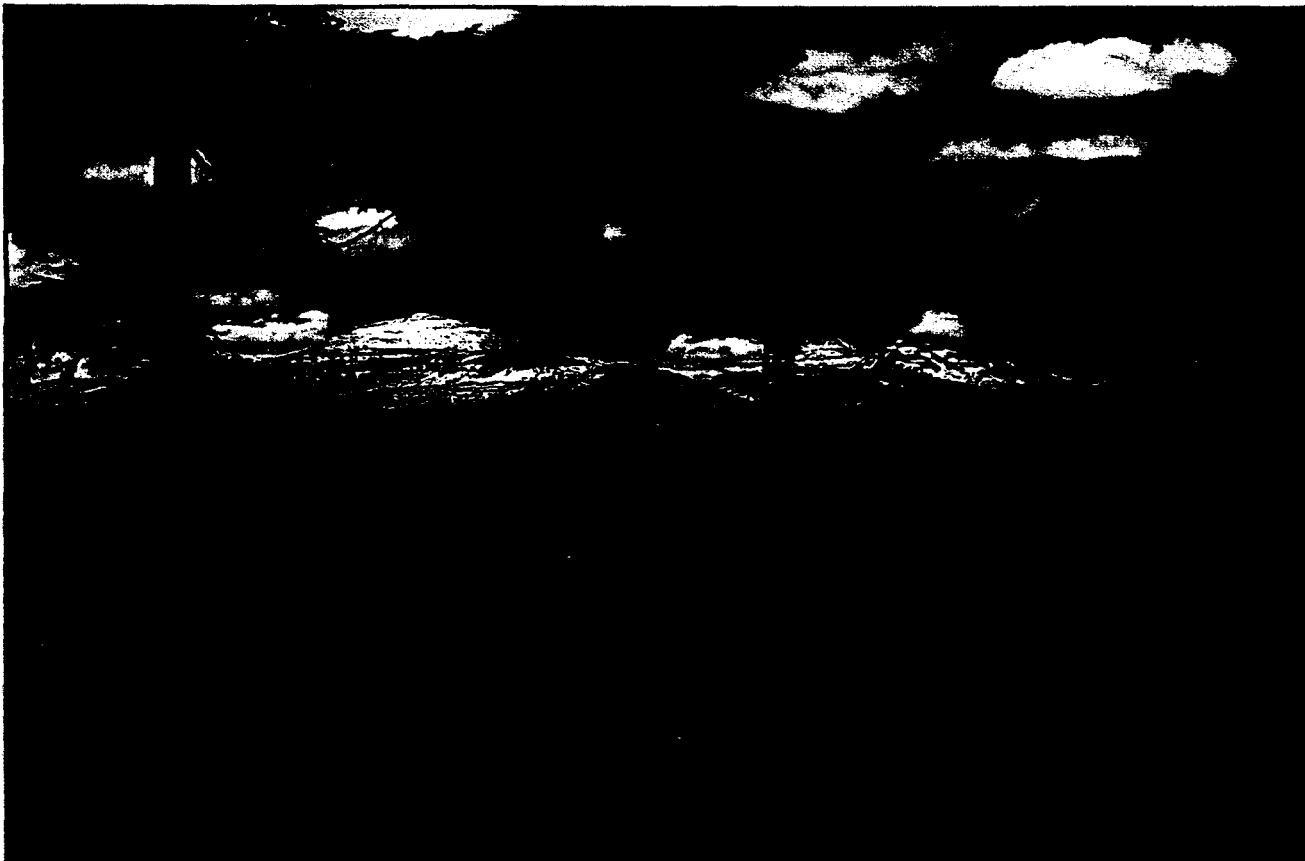


Photo by Roger Bergmeier

Testimony of Ken Dunham
Executive Secretary
Associated Printers & Publishers of Montana
January 30, 1989

SENATE STATE ADMIN.
EXHIBIT NO. 5
DATE 1/30/89
BILL NO. SB 239 p1

SENATE BILL 239

Senate Bill 239 is an attempt by the university system, and especially the University of Montana, to do an end-run around any other legislation this session that might curtail some of the in-house printing performed by state government.

This is certainly not a new area of disagreement between the private printing industry and UM. We faced much of this last session and we've spent the past two years studying the whole issue of state-owned print shops. But what is different this time is that we know a lot more about the actual costs of state-owned print shops and I think there are even some areas of agreement.

From discussions recently with UM president Koch, his concerns center about a belief that he will get a faster, less expensive job with greater convenience by using his on campus print shop for anything he wants.

I'd like to address those concerns briefly. One, a faster job. The university has no magic that allows them to print anything any faster than anyone else in the printing industry in Montana. The only way they might be able to get a job out faster is because they know they need to respond to the UM president to keep his good will, or they are not working to their full capacity and are sitting around waiting for work. The UM print shop has no special or exceptional equipment that allows them to do anything different from any number of other print shops all across Montana.

Less Expensive? The private printing industry has contended for several years now that state government really has no idea how much its printing is costing it.

I've received copies of some correspondence that Ken Stolz, director of campus services at UM, had with several Missoula legislators. He indicates that the UM prices beat the private printers. I would be surprised just about any time that the UM shop can't quote a price on paper that is lower. Why shouldn't they? They don't pay taxes, administration and rent is some internally derived figure, they can finance equipment purchases through internal loans, and they can generally quote any figure they want on a job because they don't really need to make a profit.

What I can show you from the UM shop is the information they provided the Printing Advisory Council on their income and employee levels. Those figures for 1987-88 show income of nearly \$830,000 with 14.75 full-time employees, five part time employees, and eight student employees. Not even counting the part time and student employees, that's about \$56,000 income produced per full time employee and that is simply not an efficient shop. Printing industry figures estimate that a shop needs \$80,000 per production employee to even break even and I might add that Montana print shops, from our survey data in 1988, back this up as well.

What is being missed in a lot of this discussion is that the private printing industry agrees that a lot of printing should be able to be produced in house by government - including the university system - when it is more cost effective to do so. We recognize that there are times and situations and types of limited printing that should and can be done in-house.

I might also add that the UM print shop no longer prints the student newspaper, the Kaimen. It is printed at the Missoulian, a few blocks away. And last year, a long time scientific journal published by Dr. Ammons and his wife at UM was pulled out of that shop. The Ammons family set up their own private print shop to produce their journal.

I would hope that this committee says that the university system is subject to the same rules and issues that face all of state government; that exemptions for the university system in their printing are just not appropriate.

This bill, as written, also has a little bit of a smoke-screen in it. The first section, calling for a prohibition of providing printing for any private entity, goes without saying. I would hope that no government printing operation is providing private services, but we have certainly seen that the UM print shop over the years has not always abided by that rule.

Section two is also open for some discussion, when you consider the whole issue of state printing this year.

Another bill will be introduced yet this session that proposes some reasonable compromises on what can be printed by a government print shop and what should be bid out.

At the very least, don't pass on anything like this bill until that bill is heard and debated fully.

Finally, I'd like to make one final point. The various objections of the university system notwithstanding, it is public money we're dealing with here. It is taxpayer money and part of that taxpayer money comes from people in Montana's private printing industry. Those people have the right to not face competition from the people they are financing through those taxes, and they have the right to have all the cost figures shown when you are making decisions on where and how printing is produced.

VISITORS' REGISTER

STATE ADMINISTRATION COMMITTEE

DATE: January 30, 1989

NAME	REPRESENTING	BILL #	Support	Oppose
Dick Johnson	Mt Fish Wildlife	227	✓	
Bob McTaggart	SELF	200		
Milo Hansen	SELF	200		✓
Shula M Stearns	Univ of Mt	239	✓	
Janet Bramlett	Commerce	200	✓	
Gary Royal	BOHR	200	✓	
Don Stoy	H of M	239	✓	
Al Madison	W y M	239	✓	
Hal James	Bur. Mines	239	✓	
KENDRICKHAM	ASSOC. PRINTERS PUBLISHERS			X
Andrew Barragan	MSU	239	✓	
Allen Stewart	MSU	239	✓	
Angie Grove	DLA	239		
Tom Schneider	MPEA	239	X	
Jim Jensen	MEIC	227	✓	
Stan Ballman	Treat Unlimited	227	✓	
Nitce Craig	ASUM	239	✓	

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY

ROLL CALL VOTE

STATE ADMINISTRATION COMMITTEE
51ST LEGISLATIVE SESSION

DATE: January 30, 1989 BILL NO. _____ TIME: 11:15 AM

NAME	YES	NO
HUBERT ABRAMS	✓	
JOHN ANDERSON, JR.	✓	
ESTHER BENGTON	✓	
WILLIAM E. FARRELL		✓
ETHEL HARDING		✓
SAM HOFMAN	✓	
PAUL RAPP-SVRCEK	✓	
TOM RASMUSSEN	✓	
ELEANOR VAUGHN		
	6	2

Secretary _____

Chairman _____

Motion: to adopt committee bill to revise the sunrise law
Passed (introduced as SB 427)