

MINUTES

MONTANA SENATE  
51st LEGISLATURE - REGULAR SESSION

COMMITTEE ON FINANCE AND CLAIMS

Call to Order: By CHAIRMAN PETE STORY, on MARCH 6, 1989, at  
8:00 A.M.

ROLL CALL

Members Present: Senator Gary Aklestad, Senator Loren  
Jenkins, Senator Esther Bengtson, Senator Matt Himsl,  
Senator Paul Boylan, Senator Tom Keating, Senator Judy  
Jacobson, Senator H.W. "Swede" Hammond, Senator Pat  
Regan, Senator Larry Tveit, Senator Fred Van  
Valkenburg, Senator Dennis Nathe, Senator Greg  
Jergeson, Senator Gerry Devlin, Senator Richard  
Manning, Senator Sam Hofman, Senator Lawrence Stimatz,  
Senator Ethel Harding, Senator Pete Story

Members Excused: None

Members Absent: None

Staff Present: Curt Nichols, LFA; Deb Thompson, Secretary

Announcements/Discussion: None

HEARING ON HOUSE BILL 554

Presentation and Opening Statement by Sponsor:  
Representative Kelly Addy, District 94, presented HB 554.  
He pointed out that the biennial appropriation in the bill  
had increased to \$2 million dollars of the biennium. It  
authorizes the Director of the Department of Emergency  
Services to hire part-time people on declaration of a  
disaster or emergency.

List of Testifying Proponents and What Group they Represent:

Cliff Christensen, Disaster and Emergency Services

List of Testifying Opponents and What Group They Represent:

None

Testimony:

Cliff Christensen, Deputy Administrator for Disaster and Emergency Services, testified in support of the bill. He said the bill was prompted by a federal rule change on presidential declarations of major disasters. He explained that prior to that time the department was able to borrow money for individual and family grants to help those people who couldn't get SBA loans or assistance from Red Cross. The rule change means the department has to have the money up front. He presented a brief explaining what happens with presidential disasters (Exhibit 1).

Mr. Christensen said that having the money in advance prompted the authorization for presidentially declared disaster in the amount of a half million dollars which would handle any disaster. The hiring of temporary help and extraordinary costs which are handled in a state role now, are on a 75/25 cost share basis. He pointed out that the bill would give local authorities more authority to carry on their responsibility which was a result of the recent fire season.

Questions From Committee Members:

None

Closing by Sponsor:

Rep. Addy closed.

HEARING ON HOUSE BILL 301

Presentation and Opening Statement by Sponsor:

Representative Bardanouve, District 16, presented HB 301. He said the bill was prepared by the budget office with some amendments which cover shortfalls by the agencies throughout the biennium. He pointed out on page 2, the fire season, that the federal government would be paying an additional 1 million dollars to the general fund. He discussed other agency shortfalls (See Exhibit 2).

List of Testifying Proponents and What Group they Represent:

List of Testifying Opponents and What Group They Represent:

Testimony:

Questions From Committee Members:

Chairman Story questioned the statewide totals on page 6. Curt Nichols, LFA, replied that the new number for general fund was \$17,045,841 the state special \$809,532, proprietary fund stays the same, and federal special revenue goes to \$223,692.

Senator Aklestad questioned the Commerce Department

Transportation Division concerning appeals of the McCarthy Farms case. David Desh from the department replied that when Mr. Bardanouve said that the state won the case he was partially correct. He went on to explain that the Interstate Commerce Commission determined that reparations were due and rate levels are too high. The Commission asked the two parties to submit additional evidence on rate levels and reparations.

Senator Aklestad asked Ray Hoffman from the Department of Health and Environmental Sciences referring to page 3, lines 21, 22 about taking out the federal special funds and the difference in the two funds. Ray Hoffman replied that funds had to be transferred into one fund to keep the program running. The transfer was additional federal revenue that was available within the department from a grant that did not materialize.

Senator Aklestad questioned Mark Racicot about the additional money for the law enforcement academy. Mark explained the additional money was used to pay rent at the law enforcement academy. The lease had run out and due to the filing of an action preventing the execution of the plan implemented by the legislature to purchase the building the department had to continue renting the facility.

Senator Jenkins questioned David Desh from the Commerce Department concerning the ICC rules. David Desh replied that they did not rule on the market dominance question but did rule on the issue of rate reasonableness and reparations.

Senator Van Valkenburg asked John North of Department of State Lands about their request to the Legislative Finance Committee relating to forest fires. He also questioned the one million dollars that was supposed to be reimbursed from the federal government. John North replied that additional spending authority was needed. He said additional bills were incurred even though the federal reimbursement would be greater. Chairman Story clarified that at some point in the future the federal government may reimburse the state a million dollars which would revert to the general fund. John North pointed out that there would be six million dollars worth of bills coming in April from the fire season.

Jim Williams from the Department of State Lands clarified that the \$1.7 million was pay-back on fires that would be deposited in the general fund. The cost of fighting the fires is over \$12 million. The \$1.7 million that comes back would be deposited in the general fund thereby reducing the cost.

Senator Stimatz asked Jim Williams who was waiting for the 6 million dollars that was owed to them. Jim Williams replied that federal agencies were waiting.

Senator Van Valkenburg asked John North about the federal government responsibility for a greater portion of the costs than the Department of State Lands because of its fire fighting policy. John North replied that the department is bound by agreements with the federal government for the past biennium. He said since they were bound by the agreement, the federal government would bill the state. With regards to coming bienniums there has been a process laid out with each of the fire fighting units to get right on the fires. This will be a part of the agreements when entering into them this Spring and this language was put in the bill.

Senator Hofman asked John Skufca, Department of Livestock, for the reasons for the supplementals. John Skufca replied that part of the increase needed in the diagnostic laboratory was for increased demand for services at the laboratory. The other portion of the supplemental was the diagnostic laboratory was asked to move out of the shared lab that belonged to MSU. The personnel was moved and now remodeling was needed. A good portion of the costs are safety equipment.

Senator Judy Jacobson offered an amendment for HB 301 (See Exhibit 3). She said the Board of Public Education met February 8 to discuss a matter over submitting their administrative rules to the Governor. The meeting was closed to the public and so they are being sued by the press. She explained that the board has a small staff and small budget and it would be hard for them to absorb legal costs into their present budget so are asking \$12,000 to be line itemed for that.

Senator Aklestad asked Claudette Morton about other legal costs in the past. Claudette Morton replied that in the past legal counsel has come from the Attorney Generals Office. Senator Aklestad asked how far the case has proceeded. Claudette Morton replied that a summons was received February 9 and a response was due in 40 days. Most of the cost of the suit will be incurred throughout the rest of the fiscal year, she noted.

Senator Jenkins asked for clarification about defending legislation. Claudette Morton said the piece of legislation they were using is MCA 2-3-203 Section 4, which allows for a group to close a meeting when discussing litigation strategy with a lawyer. The news media complaint believes that this is contrary to the open meeting section of the Constitution. She distributed a copy of the current Board of Public

Education budget (Exhibit 4 and 5). The money is not in the budget for defense, she explained.

Attorney General Racicot discussed the impact the case would have. Chairman Story asked whether the supplemental was passed or not what would occur. Racicot replied that other agencies were either supplied with a litigational budget or a litigational staff. He said that the Board of Public Education had little litigation experience and as a consequence had no built in expenditure within their budget. He pointed out that the Legislature mandated that the Attorney General provide legal services for agencies and charge for those services. Attorney General Racicot said this matter was a very significant constitutional question and the Attorney General should represent the State of Montana and the Board of Public Education.

Closing by Sponsor: Representative Bardanouve closed.

ADJOURNMENT

Adjournment At: 9:15 a.m.



---

PETE STORY, Chairman

PS/dt

FCS306

DAILY ROLL CALL

FINANCE AND CLAIMS

COMMITTEE - 1989

DATE 3-6-89

NAME	PRESENT	ABSENT	EXCUSED
Senator Gary Aklestad	✓		
Senator Loren Jenkins	✓		
Senator Esther Bengtson	✓		
Senator Matt Himsl	✓		
Senator Paul Boylan	✓		
Senator Tom Keating	✓		
Senator Judy Jacobson	✓		
Senator H.W. "Swede" Hammond	✓		
Senator Pat Regan	✓		
Senator Larry Tveit	✓		
Senator Fred Van Valkenburg	✓		
Senator Dennis Nathe	✓		
Senator Greg Jergeson	✓		
Senator Gerry Devlin	✓		
Senator Richard Manning	✓		
Senator Sam Hofman	✓		
Senator Lawrence Stimatz	✓		
Senator Ethel Harding	✓		
Senator Pete Story	✓		

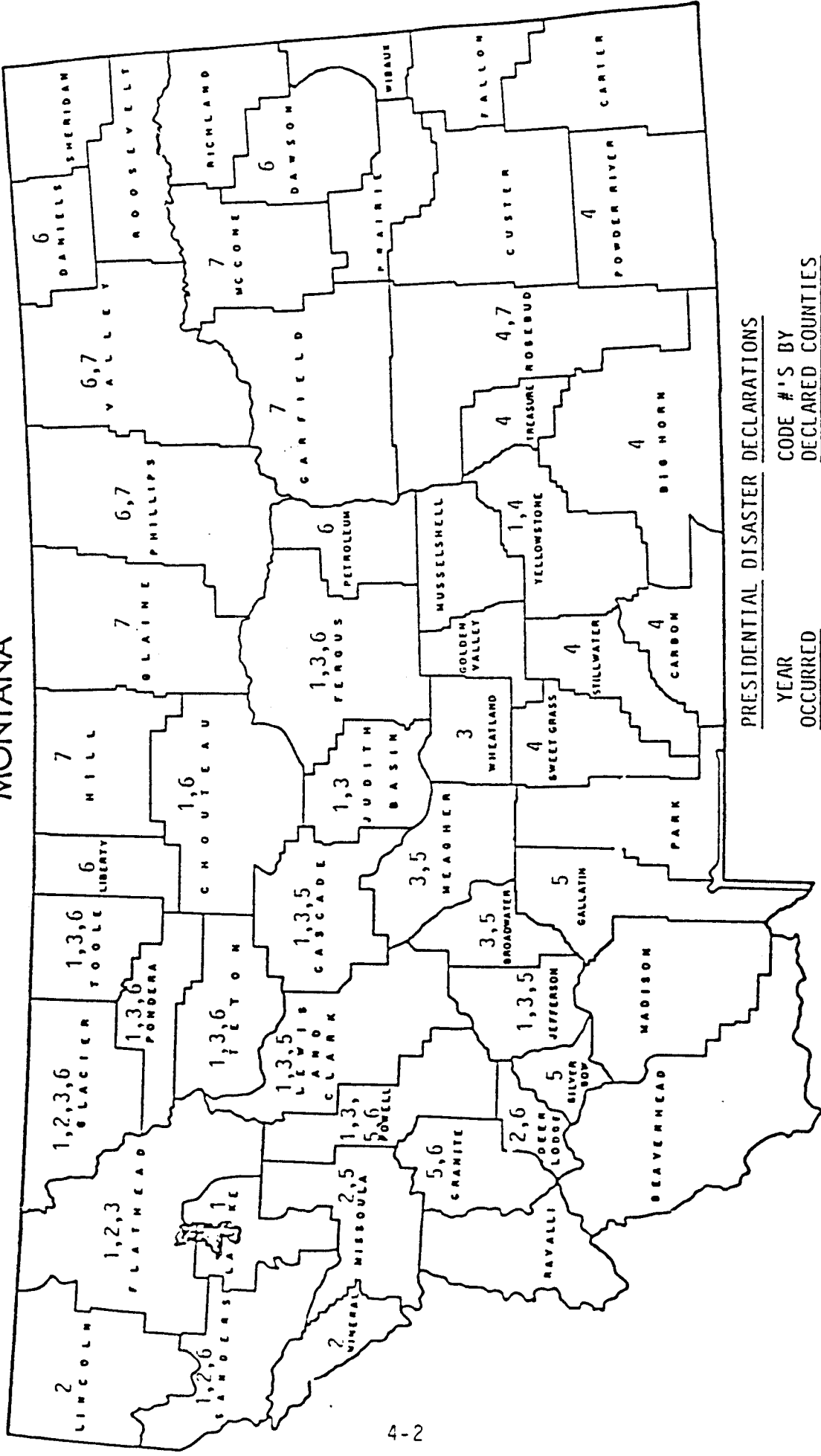
PRESIDENTIAL  
DISASTER DECLARATIONS

While past Presidential disaster declarations may not be a good indicator of where flood problems will occur in the future, they do show a general trend and dramatize the need for almost all counties and cities to be concerned about the potential of flooding occurring or re-occurring. Figure 4.1 shows that of the fifty-six counties only fourteen have not received a Presidential disaster declaration. Of the seven (7) Presidential declarations, the state has received between 1964 and 1986, two counties (Glacier and Powell) have been declared four times, eight counties declared three times (Toole, Pondera, Teton, Cascade, Fergus, Lewis and Clark, Sanders, Flathead and Jefferson); and nine were declared twice (Missoula, Deer Lodge, Meagher, Rosebud, Chouteau, Granite, Broadwater, Yellowstone, Phillips and Valley).

Presidential declarations are only made when the ability of state and local governments are clearly exceeded and federal assistance is needed to recover from the damage to private and public property. Figure 4.1 shows a summary of past Presidential Disaster Declarations by county. Figures 4.2 through 4.8 show the counties declared by declaration and the dollar expenditures in three of the major assistance programs. In some cases programs were not available (Individual and Family Grants in 1964 and 1974) or were not triggered because of the nature of the damage (Individual Assistance Programs in 1986).

Ex #1  
3/6/89

# MONTANA



## PRESIDENTIAL DISASTER DECLARATIONS

YEAR OCCURRED	CODE #'S BY DECLARED COUNTIES
1964	1
1974	2
1975	3
1978	4
1981	5
1986	6
1986	7

FIGURE 4.1

No. 1033 - County Outline Map  
STATE PUBLISHING COMPANY  
Helena



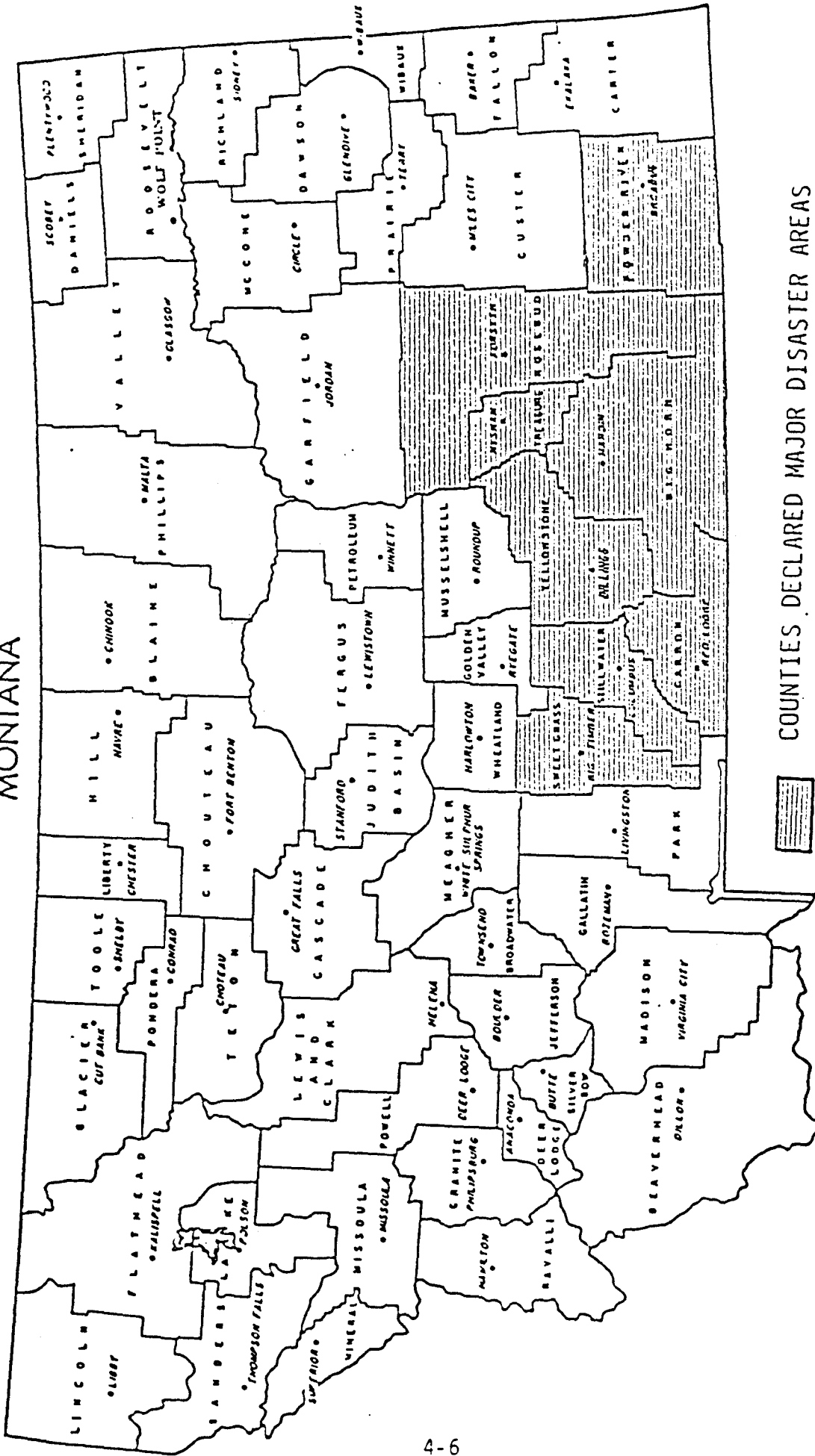






Ex #1  
3/6/89

# MONTANA



COUNTIES DECLARED MAJOR DISASTER AREAS

BY PRESIDENT - MAY 1978 FLOOD

FDAA-558-DR

FIGURE 4.5

Public Assistance Program  
 \$3,838,125.00 (100% Federal funds).  
 Individual and Family Grant Program  
 \$620,019.00 (75% Federal, 25% State funds).  
 Temporary Housing Program  
 \$275,000.00 (100% Federal funds).







Ex. #1  
3/6/79

## STATE DISASTER DECLARATIONS

State disaster declarations for floods occur when the damage is not great enough to justify a Presidential disaster declaration, but where damage exceeds local government's financial abilities. This assistance comes from the State General Fund with a local matching commitment. In past years, State declarations resulted in assistance for flooding to cities and counties of:

1976	Froid, Town of	\$31,268.07
1978	Winnett, Town of	16,441.90
1978	Petroleum County	102,837.00
1979	Denton, Town of	11,504.00
1979	Petroleum County	85,544.00
1980	Lake County	8,320.00

In 1981, the Public Assistance Program under Presidential Disaster Declarations was changed from 100 percent federal funding to 75 percent federal and 25 percent state/local funding. The following figures represent the State General Fund assistance under either a Presidential or State disaster declaration.

1981	Belt, Town of	\$ 32,835.17
	Broadwater county	125,060.80
	Cascade County	1,159.34
	Deer Lodge, City of	37,474.89
	Drummond, Town of	3,670.00
	East Helena, City of	99,894.82
	Jefferson County	49,423.82
	Lewis & Clark County	120,638.40
	Meagher County	26,635.21
	Neihart, Town of	18,808.15
	Powell County	148,979.50
	Helena Valley Irr.	43,140.95
	Ft. Shaw Irr. Dist.	4,256.88
	Clinton Irr. Dist.	3,543.76
	Dept. of Military Affairs (Nat'l Guard Activation)	49,990.00
	Dept. of Health (Test Water Samples)	1,006.00
	Dept. of Commerce (Audit of Disaster Claims)	46,258.00



1984	USP&FO - Sandbags	24,600.00
	Dept. of Military Affairs (Nat'l Guard Activation)	2,970.75
	Beaverhead County	388,784.48
	Madison County	191,244.67

In 1986, there were two Presidential disaster declarations. The amount of state financial commitment is yet to be determined. The following listing identifies eligible applicants:

March 1986	Pondera County
	Teton County
	Browning, City of
	Shelby, City of
	Nashua, City of
	Drummond, Town of
	Bynum Irr. Dist.
	Glasgow Irr. Dist.
	Pondera Co. Canal & Reservoir Co.
October 1986	Dept. of Military Affairs (Nat'l Guard Activation)
	Dodson, Town of
	Harlem, Town of
	Malta, City of
	Phillips County
	Saco, Town of
	Alfalfa Valley Irr. Dist.
	Carterville Irr. Dist.
	Ft. Belknap Irr. Dist.
	Glasgow Irr. Dist.
	Hammond Irr. Dist.
	Harlem Irr. Dist.
	Malta Irr. Dist.
	Paradise Valley Irr. Dist.
	Zurich Irr. Dist.

Since the first payment from the State's General Fund in 1976, the State has expended a total of \$1,676,290.56 for flooding. This does not include the two 1986 Presidential disaster declarations. This cost alone should be adequate reason to support hazard mitigation!

Department of State Lands

**Forestry Division** - The \$12,639,542 general fund supplemental represents the forest fire suppression costs incurred in fiscal 1988, incurred to date in fiscal 1989, and anticipated fire suppression costs for May and June of 1989. Table 1 summarizes the fire supplemental.

Table 1  
Fire Supplemental Cost Summary

Fiscal 1988 Costs	\$ 1,335,135
Fiscal 1989 Costs:	
SBAS Fire Expenses through December 1988	5,627,930
U.S. Forest Service outstanding bills:	
Dry Fork fire	2,662,369
Warm Springs Creek fire	1,667,819
Girard Gulch fire	183,939
Other FY88 fires	845,120
SBAS bills not posted	84,730
BLM Montana outstanding bills	132,500
Anticipated costs May and June 1989	<u>100,000</u>
<b>TOTAL FIRE SUPPLEMENTAL</b>	<b><u><u><u>\$12,639,542</u></u></u></b>

Department of Social and Rehabilitation Services

**Medical Assistance and General Assistance** - The Department of Social and Rehabilitation Services is appropriated \$2,516,385 in general fund to meet anticipated over expenditures during fiscal 1989. Current language in House Bill 2 prohibits the transfer of any funds from the general assistance, state medical, medicaid nursing home reimbursement, and medicaid primary care programs. This bill strikes the language contained in House Bill 2 thereby allowing the department flexibility in transferring funds between these programs to reduce the amount of the supplemental. The following table shows the department's supplemental by program area.

Ex. #2  
3/6/89

Table 2  
Supplemental Appropriations Estimate  
Fiscal 1989

<u>Assistance Payments</u>	<u>Appropriation General Fund</u>	<u>Projected Need General Fund</u>	<u>Surplus/Deficit General Fund</u>
AFDC & Emergency AFDC	\$11,113,301	\$10,630,169	\$ 483,132
Day Care	215,288	223,492	(8,204)
General Assistance	<u>3,447,576</u>	<u>5,079,784</u>	<u>(1,632,208)</u>
Subtotal Assistance Pmts.	\$14,776,165	\$15,933,445	\$(1,157,280)
 <u>Medical Assistance</u>			
Primary Care	\$20,395,249	\$20,665,019	\$ (269,762)
Nursing Homes	14,119,794	15,270,739	(1,150,945)
Medicaid Waiver - Elderly	448,432	474,099	(25,667)
Medicaid Waiver - Disabled	393,350	362,272	31,070
Medicare Buy-In	1,021,800	1,868,787	(846,987)
State Medical	<u>6,000,000</u>	<u>5,096,814</u>	<u>903,186</u>
Subtotal Medical Assistance	<u>\$42,378,625</u>	<u>\$43,737,730</u>	<u>\$(1,359,105)</u>
 TOTAL	 <u>\$57,154,790</u>	 <u>\$59,671,175</u>	 <u>\$(2,516,385)</u>

Surplus funds in the AFDC program result from a lower caseload than anticipated during the 1987 session; over expenditures for the general assistance program result from a combination of higher caseloads than projected and the loss of the court case that would have limited general assistance payments to able-bodied persons; over expenditures for nursing homes resulted from a higher medicaid bed day utilization than projected during the 1987 session; over expenditures for the medicare buy-in program resulted from a combination of higher caseloads and a higher federal premium paid by the state for participation in the buy-in program; surplus funds in the state medical program reflect lower utilization than anticipated during the 1987 session.

Montana University System

**Board of Regents Travel** - The Board of Regents exceeded its appropriation in fiscal 1988 by \$5,000 due to increased travel costs. These increases result from additional travel required after House Bill 39 transferred responsibility for the five Vocational-Technical Centers from the Office of Public Instruction to the Board of Regents and the new regent appointed during fiscal 1988 lives in Miles City, while the regent replaced lives in Helena where most of the meetings are held. The Regents expect a similar expenditure level in fiscal 1989, or \$5,000 more than appropriated. Therefore, the total supplemental is \$10,000.

3/6/89

**Out-of-State Tuition** - The 1987 legislature provided language in House Bill 2, the general appropriations act, that if the out-of-state tuition revenue was less than anticipated by the legislature, that the University of Montana and Montana State University could request a supplemental for the difference. The University of Montana is requesting \$258,429 for fiscal years 1988 and 1989 and Montana State University is requesting \$253,660 for a total of \$512,089. Revised estimates have reduced the total by \$71,673 from the original request of \$583,762.

**Millage Account** - The Montana University System has revised its estimates of the statewide six mill levy revenue. The system projects a positive fund balance by fiscal 1989 year end. Therefore, the system is withdrawing its request for a general fund supplemental of \$544,325.

**Montana College of Mineral Science and Technology** - Provides matching funds for a federal grant to replace surveying equipment.

**Vocational-Technical Centers** - The vo-techs are requesting \$15,675 in fiscal 1989 to purchase equipment and provide employer training to accommodate the conversion to central payroll. Also included here is \$19,213 in fiscal 1989 for the telephone system changes needed at the Great Falls Vo-Tech Center as the school district no longer will support the center's system.

#### State Auditor

**Warrant Writing System Equipment** - The State Auditor adds \$19,115 general fund as a supplemental to the Warrant Writing System Replacement Appropriation. The cost of the new system exceeded appropriated amounts (\$199,250) by \$19,115 due to a higher cost than estimated for equipment.

#### Montana State Library

**Grounds Maintenance** - The Department of Fish, Wildlife, and Parks charged the State Library \$7,100 for fiscal 1989 for maintenance of the library grounds. This amount was not included in the 1989 appropriation to the State Library.

**Payout and Recruitment** - Because of the resignation of its director and the recruitment of a new director, the State Library has incurred unanticipated costs for the payout to the former librarian and recruitment expenses for the new librarian. The general fund cost of \$10,100 has been included.

#### Office of Public Instruction

**Foundation Lawsuit** - House Bill 2, 1987 Legislature, authorized the Office of Public Instruction to seek supplemental funding as needed for the Foundation Program lawsuit. The supplemental is for this purpose for fiscal 1989 is \$82,120 in general fund.

**Transportation Aid** - Authority to spend \$162,000 for transportation aid to schools was transferred from fiscal 1989 to fiscal 1988. This supplemental for \$215,000 restores that appropriation and adds \$53,000 for an anticipated shortfall in fiscal 1989 in statutorily required distributions for transportation aid.

Ex. #2  
3/6/89

**Severance Pay-Personal Staff** - This supplemental provides severance pay for five personal staff of the Superintendent of Public Instruction who have terminated employment with the state.

#### Department of Revenue

**Child Support Enforcement Equipment** - The Department of Revenue is granted \$63,040 federal spending authority to match with available general fund to purchase computer equipment for its child support enforcement program. The general fund is needed because the federal participation rate remained at 68 percent rather than dropping to 66 percent as anticipated when the budget was set by the 1987 legislature. The general fund matching rate, therefore, was 32 percent rather than 34 percent. The computer equipment will be used to increase the productivity of the department staff to meet an increasing caseload and increased federal requirements. This request was included in House Bill 301 at \$92,315, but the subcommittee reduced the supplemental to \$63,040 as that is the only additional authority needed.

#### Department of Agriculture

**Environmental Management** - The \$17,060 general fund supplemental represents the part of the unanticipated costs incurred by the department to develop and complete an environmental impact statement (EIS) on the emergency grasshopper program. The total cost of the EIS was \$37,281 and the department was able to absorb \$20,221 of the EIS cost in its biennial appropriation.

#### Department of Health and Environmental Sciences

**Certification Requirement** - This supplemental is for the Licensing, Certification, and Construction Bureau for increased costs associated with licensure, and medicare and medicaid survey and certification activities. Prior to the 1987 legislative session the department determined that additional staffing was required to meet increasing workload resulting from expanding inspection requirements and increased demand for services. During the 1987 session the department requested and received additional staff to address this problem. Subsequent to July 1, 1987 an additional 34 providers have been added to the bureau's workload. The \$145,399 federal funds will be used to maintain the inspection, survey, licensing and certification schedule.

#### Department of Institutions

**Montana Developmental Center** - This supplemental continues funding of 15.00 FTE direct care staff added to the Montana Developmental Center in fiscal 1988 after medicaid surveyors cited deficiencies in meeting medicaid standards.

**Montana State Hospital** - This supplemental adds Proprietary Fund authority to the Montana State Hospital canteen due to higher than anticipated canteen purchases by residents. Residents purchase candy, pop, cigarettes, and other personal items in the canteen.

3/6/89

**Montana State Prison** - This supplemental adds Proprietary Fund authority to the Montana State Prison canteen due to higher than anticipated canteen purchases by inmates.

**Corrections Medical** - Costs of medical care for convicts at the state's correctional institutions will exceed the currently appropriated amounts by \$48,700.

#### Department of Justice

**County Attorney Payroll** - The Department of Justice requires \$25,000 general fund to fully fund the County Attorney Payroll program as required by statute. This results primarily from three counties electing to change from part-time to full-time status of their county attorney in accordance with authority provided by 7-4-2706, MCA. The fiscal 1989 appropriation did not anticipate these increases.

**Law Enforcement Academy Buildings** - The Department of Justice requires \$93,316 general fund for increased costs resulting from the purchase of the Law Enforcement Academy Buildings in Bozeman. The 1987 legislature directed the department to purchase the building in July 1987, but a nine month delay in the purchase caused by a lawsuit brought by the City of Lewistown resulted in the requirement to continue leasing the buildings for nine months. The unanticipated costs to the department as a result of the delay were \$93,316. The supplemental will enable the Academy to replenish its operating expenses. This request was included in House Bill 301 at \$118,000, but the subcommittee reduced the supplemental to \$93,316.

**Transportation and Extradition of Prisoners** - The Department of Justice requires \$60,000 general fund due to extraordinarily high costs of transporting prisoners in the first six months of fiscal 1989 and an expected continuation of high costs in the last half of the year. The department is mandated to reimburse counties for travel costs associated with transporting prisoners to a state correctional facility and Governor approved extraditions.

**Highway Patrol Prisoner Per Diem** - The Department of Justice requires \$100,000 state special revenue (Highways Special Revenue) to reimburse counties for expenses of incarcerating prisoners arrested by Highway Patrol Officers. The department pays counties \$20 per prisoner day. \$100,000 was budgeted for this expenditure in fiscal 1988, but costs in the first half of the year are significantly exceeding budget projections. The trend is expected to continue due to ambitious enforcement of DUI laws and larger jail facilities in some counties to properly incarcerate convictions.

**Highway Patrol Workers' Compensation Increase** - The Department of Justice requires \$102,000 state special revenue (Highways Special Revenue) due to a sharp increase (60%) in the workers' compensation rate for highway patrol officers. The increase is caused by recent experience in that classification.

**Severance Pay-Personal Staff** - This supplemental provides severance pay for five personal staff of the Attorney General who have terminated employment with the state.

Ex. #2  
3/6/89

### Montana Supreme Court

**Operations** - The Judiciary requires \$8,500 general fund to pay expenses related to character and fitness investigations for bar examination applicants. The fees for the investigations will be paid entirely by the bar exam applicant and will be deposited in the general fund. This request was included in House Bill 301 for \$11,025, but the subcommittee reduced the amount to \$8,500. The agency concurred with the reduction.

**Clerk of the Supreme Court** - The Judiciary requires \$8,450 for costs associated with operation of the Clerk of the Supreme Court's office. The funds will be used for reprints of stationery and forms and for programming costs to convert the Supreme Court docket system to a new computer system.

**Severance Pay-Personal Staff** - This supplemental provides severance pay for the deputy supreme court clerk who has terminated employment with the state.

### Department of Livestock

**Diagnostic Laboratory** - The \$28,449 general fund and \$35,196 state special funds supplementals represent two events. First, of the \$63,645 in the supplemental, \$43,524 represents the costs associated with a 24 percent increase in laboratory services. Second, the department had to move the histology section of the diagnostic laboratory from the Montana State University Veterinary Research Laboratory to an area with the department's laboratory. The move of the histology section represents \$20,121 of the \$63,645 requested.

**Meat Inspection Program** - The \$19,868 general fund and \$19,868 federal fund supplemental is recommended for two reasons. First, the Meat and Poultry Inspection Program was a new state program created by the 1987 legislature and the 1987 biennial appropriation was an estimate of the costs of the program. The actual costs of the program have been greater than projected. Second, the meat inspector positions were budgeted at a grade 10 level and have since been classified at a grade 11 level.

### Secretary of State

**Legal Costs** - The Secretary of State requires \$35,000 general fund for unanticipated costs related to a lawsuit regarding a ballot initiative in fiscal 1988. A supplemental for the same amount was obtained in fiscal 1988 from fiscal 1989 funds, and this supplemental will restore the funds in fiscal 1989 to replenish agency operating costs. The agency does not feel it can absorb the costs.

**Termination Pay for Classified Employees** - The Secretary of State requires \$14,702 due to unbudgeted costs of termination pay for two classified employees in fiscal 1989. The agency does not feel it can absorb this unanticipated cost.

**Severance Pay-Personal Staff** - This supplemental provides severance pay for two personal staff of the Secretary of State who have terminated employment with the state.

Ex. #2  
3/6/89

Governor's Office

**Severance Pay-Personal Staff** - This supplemental provides severance pay for 13 employees of the Governor's office, Lieutenant Governor's office, budget office, Northwest Power Planning Council, and Citizen's Advocate office who have terminated employment with state government.

Department of Military Affairs

**Disaster and Emergency Services Division Administrator Termination Pay** - The Department of Military Affairs requires \$10,980 general fund and federal funds (50/50) to pay a portion of the termination pay for the retiring administrator of the Disaster and Emergency Services Division.

**Firefighters' Lawsuit** - The Department of Military Affairs requires \$148,872 general fund and \$538,398 federal fund authority to settle a lawsuit brought by Air National Guard Firefighters in Great Falls. The general fund will be used to pay the plaintiffs' and defense's legal costs. The subcommittee line-itemed the defense costs. The federal funds will be used to pay the overtime pay, benefits, and interest included in the settlement.

Department of Commerce

**Transportation Division** - This supplemental provides an additional \$20,000 for support of the McCarty Farms litigation effort. This funding will be used for: 1) \$12,000 for an expert witness (consultant) to make technical adjustment directed by the ICC, and 2) \$8,000 for settlement negotiations.

**Coordinator of Indian Affairs Termination Pay** - The Department of Commerce requires \$5,200 general fund for the severance pay for the Coordinator of Indian Affairs. This position is appointed by the Governor.

Section 5

This deletes language contained in House Bill 2 of the 1987 legislature that restricts transfer of appropriations in the Department of Social and Rehabilitation Services.



SENATE FINANCE AND CLAIMS  
NO. 3  
DATE 3-6-89  
BILL NO. HB 301

Amendments to House Bill No. 301  
Third Reading Copy

For the Senate Finance and Claims Committee

March 4, 1989

1. Page 3.

Following line 3

Insert: "Board of Public Education  
Defense of open meeting litigation \$12,000"

BOARD OF PUBLIC EDUCATION  
1988-89 BUDGET RECAP  
ADMINISTRATION

SENATE FINANCE AND CLAIMS

EXHIBIT NO. 4

DATE 3-6-89

BILL NO. HB 301

As Of December 31, 1988

	<u>ALLOCATION</u>	<u>DISBURSED</u>	<u>ENCUMBERED</u>	<u>BALANCE</u>
<u>PERSONAL SERVICES</u>				
1100 Salaries	54749.00	27479.60	27269.84	- .44
1300 Other Comp (Per Diem)	8137.00	2875.00	4000.00	1262.00
1400 Employee Benefits	<u>11328.00</u>	<u>5656.16</u>	<u>5609.03</u>	<u>- 62.81</u>
TOTAL PERSONAL SERVICES	74214.00	36010.76	36878.87	1198.75
<u>OPERATIONS</u>				
2100 Contracted Services	13042.00	4938.64		8103.36
Audit	2578.00	2578.00		-0-
2200 Supplies/Materials	2306.00	1510.86		795.14
2300 Communications	4348.00	1845.02		2502.98
2400 Travel	9039.00	4012.63		5026.37
2500 Rent	621.00	57.00		564.00
2700 Repairs/Maintenance	876.00	478.01		397.99
2800 Other Expenses	<u>309.00</u>	<u>246.94</u>		<u>62.06</u>
TOTAL OPERATING EXPENSES	33119.00	15667.10		17451.90
TOTAL BOARD BUDGET	\$ 107333.00	\$ 51677.86	\$ 36878.87	\$ 18712.71

50% of the year is gone.  
48% of operations has been expended.

Budget

5  
CLAIMS

KNOWN COSTS FOR RC #1  
ADMINISTRATION  
TO COMPLETE FISCAL YEAR

NO. 5  
DATE 3-6-89  
BILL NO. 4B301

Per Diem		
1 Meeting - Great Falls @ \$1150	\$	1150
3 Meetings - Helena @ \$950		2850
	\$	<u>4000</u>
Travel		
1 Meeting - Great Falls @ \$1711	\$	1711
3 Meetings - Helena @ \$1279		3837
	\$	<u>5548</u>
Commissioner of Higher Education (deadhead mail, parking, Xerox - \$462.50 x 3)	\$	1388
MHESAC (supplies/maintenance on printers and computer system) 75.00/mo x 6	\$	450
Legal Services (\$300 x 6) average	\$	1800
Secretary of State Estimated 10 pages x \$35/page		350
Telecommunications \$186 x 6 (average)	\$	1116
General Services (mail) 295 x 6 (average)	\$	1770
Information Services (computer subscription) \$20 x 6	\$	120
Stationery/Envelopes (estimate)	\$	600
Legislative Intern	\$	<u>300</u>
TOTAL ESTIMATE	\$	17442

NOTE: Leaphart Law Services invoices are not included in the above estimates as we do not have any figures on further charges.

VISITORS' REGISTER

Finance & Claims COMMITTEE

BILL NO. HB 554

DATE 3-6-89

SPONSOR Rep. Addy

NAME (please print)	RESIDENCE	SUPPORT	OPPOSE
Chris Christensen	Helena	✓	

IF YOU CARE TO WRITE COMMENTS, ASK SECRETARY FOR WITNESS STATEMENT FORM.

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.