

MINUTES

MONTANA SENATE 51st LEGISLATURE - REGULAR SESSION

COMMITTEE ON FINANCE AND CLAIMS

Call to Order: By Chairman Story, on March 28, 1989, at
8:00 a.m. in Room 108 at the state capitol.

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: Judy Ripplingale, Legislative Fiscal Analyst

Announcements/Discussion: None

HEARING ON HOUSE BILL 100

Presentation and Opening Statement by Sponsor:

Representative Bardanoue stated HB 100 was created by the joint efforts of the House Appropriations Committee and the Senate Finance and Claims Committee. He believes the agencies are sufficiently provided for, especially in this time of shortfalls in our general fund. Some agencies have seen a significant increase. In HB 100 there is a 6% pay increase for the university system. This bill is almost on target to what Governor Stephens has recommended.

Representative Joe Quilici, Chairman of the General Government and Highways Subcommittee, presented section A of HB 100 Narrative. He said the budget was close to the recommendations by Governor Stephens but did not include the Pay Plan or the Foundation Program and 6% pay increase for the University System. He pointed out some additions which include additional space for the Womens Prison at Warm Springs, additional money to meet

Medicaid requirements at Boulder and Warm Springs and some changes in the silicosis program.

Testimony:

Dave Lewis of the Office of Budget and Program Planning pointed out the technical differences in the budget. He said the budget office would need advance notice on the vacancy savings issue since all positions in this budget are fully funded. This budget is approximately \$4 Million over the Governor's recommendation. He pointed out concerns that the SRS program was underfunded in the area of AFDC and Medicaid.

LEGISLATIVE AUDITOR

Representative Quilici discussed the Legislative Auditor budget, vacancy savings differences, and program expansions, as noted in the book page A-2.

LEGISLATIVE FISCAL ANALYST

Representative Quilici discussed the LFA budget as providing for four program expansions. He pointed out that one of the problems was getting a handle on the number of employees in state government. An Intern Analyst would research personnel position information to get accurate data.

Senator Devlin asked Representative Quilici during the off year would the position have work. Senator Quilici stated that these people are kept busy all year long. This person would just concentrate on this PPP plan.

LEGISLATIVE COUNCIL

Representative Quilici read the Legislative Council program description (A-5).

Senator Nathe asked Representative Quilici if anyone has ever looked at moving the coal tax fund over to revenue oversight which would save about \$12,000? Representative Quilici stated that had not been done.

Senator Nathe asked Representative Quilici if it was really necessary to belong to the National Council of State Legislatures and do they provide much information? He stated that they do provide information and is one way for Montanans to keep abreast of things in Washington.

Bob Person, Executive Director of the Legislative Council, said that the Council reviewed the benefits from the two memberships. Mr. Person stated that CSG and NCSL provide a wide variety of services. The two organizations are somewhat different. National Conference of State Legislatures was formed about 15 years ago from a coalition of separate legislative membership groups. The NCSL provides a wide variety of information services in the state legislatures. They also produce a wide variety of publications which are provided for the legislatures. The Council of State Governments was formed for the purpose of serving state government and provide methods for people to get involved in all branches of state government to solve mutual problems.

Senator Jenkins asked Mr. Person which group was the most necessary. Mr. Person stated that the legislators who concentrate principally on the value they receive from interacting with other legislators have a tendency to prefer the CSG activities.

Representative Quilici stated he worked on the energy committee of the NCSL and Montana got quite a bit of money from the Exxon claim that was worked on. If Montana were not a member of NCSL, they would not have participated.

Senator Aklestad asked Representative Quilici about the salary for each one of the organizations. Representative Quilici said that when a legislator attends one of these hearings he gets legislative pay.

Senator Aklestad asked Bob Person if there is any duplication of effort between conferences. Bob Person stated that the five-state conference started in 1960 with a meeting in Billings and it has a different regional structure than the NCSL. The five-states conference concentrates on issues of interest to Montana, such as agriculture. He feels the five-states conference is more productive than the NCSL.

CONSUMER COUNCIL

Representative Quilici stated the office of Consumer Council was created by Article 13 of the Montana Constitution. The 1991 Biennium budget for the Montana Consumer Council consists of a base appropriations for normal operating costs and a contingency appropriation of \$100,000 for a fiscal year. Funding is through tax on regulated companies. See Book.

Senator Keating asked Representative Quilici if they do a lot of contract services. Representative Quilici stated it was mostly contract services. There is an increase and the reason for that is only 76% of that as appropriated in 1988. That was because of the rate increases for Montana Power, U.S. West and AP & L had big rate increases. (404)

ENVIRONMENTAL QUALITY COUNCIL

Representative Quilici stated this budget shows a 3.1% increase in 1988. See book.

Senator Keating asked Representative Quilici about the 4.5% increase in personal services regarding salary. Representative Quilici stated that was attributed to vacancy savings. Some agencies showed as high as 80% vacancy savings. When there are no vacancy savings there shows a big increase.

(Tape 1-B)

JUDICIARY

Representative Quilici read the Judiciary budget which contained the modified request for increases in Clerk of the Supreme Court, growth of usage of research databases, increase in Water Courts Program, and judicial training. See book.

Senator Nathe asked Clayton Schenck about the state special revenue on the water courts. He questioned whether the account grew so large that it has just been drawn off the top. He commented that over the years monies are drained off the accounts for various reasons. See page A-27 of book. Clayton Schenck clarified the funding sources.

Senator Keating asked Clayton about interest earned from the RIT that is divided into four or five categories. One is the Water Development Grant projects which generates about \$1.5 Million for water projects in water court. (204)

GOVERNOR'S OFFICE

Representative Quilici read the Governor's Office budget. The governor's office increases 26.7% from 1988 to 1990 due to increased personal services and equipment. See book.

Senator Story asked why the subcommittee thought purchasing

a plane was cheaper. Representative Quilici replied that one of the problems with leasing an aircraft is that it is not known how safe of an aircraft is being leased.

Senator Keating asked if the Centennial Program was included in the budget. It was answered that the funds were coming in everyday and being allocated to local centennial programs. Also a grant was received from Burlington Northern Railroad to do video taping and an FTE had been hired for this.

Senator Van Valkenburg asked about the airplane. Did the sub-committee authorize the purchase of a new airplane? Representative Quilici replied that it was a higher quality airplane than the governor had. The reason for recommending a higher grade airplane was because the efficiency of the airplane was better and it had a turbo engine.

Steve Yeakel, from the Governor's Office, stated that the Governor's office is working to reinstate the original request that came out of subcommittee unanimously. This aircraft was more cost-effective and a safer aircraft for the Governor to travel in than some of the other recommendations, he said. The movie promotions will be using this plane. By using this plane for movie promotion \$3 million will be brought in to the local economy.

SECRETARY OF STATE'S OFFICE

Representative Joe Quilici discussed the budget of the office of Secretary of State. See Book.

Senator Nathe asked Representative Quilici if the reduction of operation costs was a result of savings from a conversion of the agency to the main frame data system. Is this system going to be compatible and are they saving money now. Representative Quilici stated that the in house data processing will work.

Senator Jacobson asked Representative Quilici at what stage was the project. Doug Mitchell with the Secretary of State's office stated that the contract was supposed to be completed September 1, 1988. This is a contract entered into with WANG Laboratories in Seattle, WA. The contract is not complete, he stated. The terms of the contract states that it will work with the main frame. Those things have not been demonstrated yet. The savings on WANG will be about \$6,500 per month. The current charges of the main frame usage are about

\$13,000.

COMMISSIONER OF POLITICAL PRACTICES

Representative Joe Quilici pointed out the language that was included in HB 100 to require recovery of costs of the election booklet. See book.

STATE AUDITOR'S OFFICE

Representative Joe Quilici described the State Auditor's Office functions, budget and funding. See Book.

Senator Keating asked Representative Quilici about the payroll personnel system, if it was within budget and especially during the change-over. He replied that this was not finished yet and it is going over what was originally estimated.

Senator Keating stated that at one time the payroll personnel system was utilized at a 30% capacity and is wondering what the capacity is at this time. If it is not going to be utilized fully is it wasting money. It was answered that at one point in time it will have to be looked at.

DEPARTMENT OF JUSTICE

Representative Joe Quilici stated that the budget for the Department of Justice provides for a 6.6% increase from 1988 - 1990. See book.

Senator Manning wanted an explanation of a DUI scientist. Marc Racicot stated that a DUI scientist performs all kinds of toxicological examinations of blood samples on a daily basis. There are about 66,000 different forensic evaluations that take place in the laboratory, performed by 11 scientists. That is almost 2,000 per day. A large majority are performed by a DUI scientist.

Senator Nathe asked about the laboratory in Missoula. Marc Racicot stated that there is a substantial investment in that laboratory. He discussed a number of different problems with it such as a constant and ever increasing amount of evidence that needs to be stored. Some of the homicide cases in Montana will end up with 300 to 500 pieces of evidence that needs to be inventoried, cataloged, stored and examined. There are a number of DUI intoxicilizers, which will not be paid for by State funds, but by Federal, take a great deal of room to store and repair and then send back out to the field.

Senator Jenkins asked Marc Racicot if they have ever thought of centralizing it in Great Falls. Mr. Racicot stated that judging from the history of moving things like that from one location to another there has not been a great deal of success. Something like that would pose quite a difficulty. The laboratory has been in Missoula for 15 years. One of the reasons it is in Missoula is because they are associated with a number of scientists at the University of Montana. The result of that is many free services from the University, evaluations from anthropologists and entomologists. Also botanists look at plants and geologists look at soil samples. There is a great opportunity to take advantage of scientific knowledge located at the University of Montana.

Senator Jenkins asked Marc Racicot if local hospitals could run the DUI tests. Mr. Racicot stated that they are extremely expensive and the main part of the job of the DUI section is to maintain the 77 machines through out the state and testify in court. A hospital could not do that.

Senator Keating asked Marc Racicot if tightening up the DUI laws to get at the drunken drivers increased the number court cases and the number of innocent pleas which has added to the workload by having these experts testify and calibrate machinery? Mr. Racicot stated he did not believe so. But he stated there has been a striking decline in the number alcohol related accidents in the state of Montana. But there has been an increase in the number of arrests. There is no question that efforts have produced substantial results in making the highways safer and securing public safety, he stated.

Senator Keating asked Representative Joe Quilici if there has been an increase in the amount of alcohol tax money being used. Representative Quilici stated in fiscal 1990 cost \$725,000 and \$189,000 is the alcohol special revenue and it will be \$189,000 again in 1990 for special revenue. That level was at 18% in 1989 biennium. It stayed at 18% until the DUI specialist was added.

Senator Van Valkenburg asked Marc Racicot about for his opinion of how to make this laboratory in Missoula work for all citizens of the state. Mr. Racicot stated that originally the forensic sciences division was begun with a medical examiner being placed in charge of it. He has the responsibility of doing autopsies throughout the state of Montana, performing death investigations

and teaching the various facilities throughout the state, including the university system. As a consequence, because that person is a pathologist, they have tended to ignore the day-to-day business that is so critical in keeping things straight. There are 66,000 different pieces of evidence being analyzed per year by 11 different people. It is important to have someone who is directly responsible. The division administrator of the Department of Justice gets \$43,500 per year. This is necessary to attract the right kind of candidate with the proper laboratory background and understanding of the law enforcement investigative procedure and administrative abilities. Representative Quilici's bill provides the framework to make statutory changes needed, he said.

Representative Quilici discussed the Motor Vehicle Account. Senator Keating asked if the increased cost of vehicle fees that was being used to fund the department was now being used for other things. Representative Quilici referred to the summary on page A-63. He noted that the fees would not meet the expenditures. Marc Racicot responded that an increased cost of 2-3\$ would generate additional funds.

Senator Boylan asked what precipitated the workers comp fraud investigation. Senator Tveit replied that fraud had been discussed in subcommittee and because of a lot of problems with abuse, investigators were needed.
(643)

Representative Quilici discussed Highway Traffic Safety budget and the Board of Crime Control.

DEPARTMENT OF REVENUE

Representative Quilici read the Department of Revenue section in the book on page A-106.

Senator Aklestad asked if the reappraisal plan had been evaluated in the subcommittee. Jack Lory, Deputy Director (193), replied that the methodology for doing reappraisal was still being considered.

Senator Jenkins asked for information on funding for administrative costs of the child support enforcement program. Pam Joehler, LFA, clarified that some services were performed by the centralized services division to support the enforcement division in accounting personnel type services so a portion of the federal funds were used to support investigations.

(Tape 2-B)
DEPARTMENT OF ADMINISTRATION

Representative Quilici presented the Department of Administration budget.

Senator Nathe asked how tightly bound was the Purchasing Bureau to buy from Montana firms if they had the flexibility to shop for a good buy. Dave Ashley, Department of Administration, replied that the way the statutes read, the Montana vendor has a 3% preference. (248)

Senator Keating questioned the rationale for the merger between the accounting program and central services. Representative Quilici replied that the Division Administrator position was vacant and it was a cost savings to combine two divisions. Senator Keating mentioned that the Accounting Program Division had received a national award for fiscal ability.

Senator Aklestad asked what the dollar amount on Item #5, page A-133 was for. Representative Quilici replied that two FTE were added to the tort claims area to represent the state in law suits. He said that due to the number of cases before the agency, staff was needed to handle the claims. (408)

DEPARTMENT OF HIGHWAYS

Representative Quilici presented the Department of Highways budget. (446)

Senator Keating asked for an explanation for funding declines in the gas tax with no corresponding decline in diesel tax. Bill Salisbury from the department explained that the EPA increased the fleet mileage.

Senator Nathe asked about the necessity of areal surveys and whether the same information could be obtained from the local county ASCS office. Justman Moe answered that the engineering division was reorganized in January and they had been falling behind in surveying. Areal photography for surveying purposes was being upgraded with a photogrammetry unit so that next Session 20-30 less FTE would be able to do the job.

Senator Van Valkenburg said he was concerned because the Department of Highways was one of the biggest spending state programs. He said he wanted to know if the new director had plans to change directions of the agency. Justman Moe replied that a program to improve the

process and cut the time on projects was being implemented. (850)

Senator Jenkins asked why rest areas had no overnight camping. Justman Moe replied that the department had criticism from campgrounds who said the state was taking their business.

Senator Jenkins asked about storage tanks and why couldn't the department buy fuel in the local area. Bill Salisbury discussed the storage tanks and the requirement by the EPA and the ten year programs to be in compliance. He pointed out the necessity of replacing leaking tanks due to the \$25,000 per day per site fine for environmental damage. He also noted that these tanks serve a maintenance function, like snowplowing, going to town in the middle of the night is not practical.

(Tape 3-A)

Senator Aklestad asked for an explanation of the construction workplan and why another plan was needed. Representative Quilici replied that the interstate structure was nearly complete and the department wanted to concentrate on primary and secondary construction.

DEPARTMENT OF MILITARY AFFAIRS

Representative Quilici discussed the department and the program expansions (Page A-192).

Senator Van Valkenburg asked about expanded guard operations in the state due to the vast air space available and whether this subject was discussed in subcommittee. Representative Quilici replied that it was discussed lightly but that he talked with General Blair about the a program to train guardsman. Doug Booker from the department said the program in Eastern Montana was being looked at as a long range program. (300)

Senator Jergeson asked about the cost for Guard reorganization. Doug Booker replied that the Montana National Guard undertook a new federal mission to upgrade the Regiment status to a Platoon status. This would entail enlisting another 800 National Guardsman and means more jobs in the state. Senator Tveit pointed out the state requirement for matching funds and the necessity of a commitment from the state.

Closing by Sponsor: Representative Quilici closed.

DISPOSITION OF PART A OF HB 100

Discussion: Senator Himsl discussed the Department of Justice Highway Patrol communication technicians. He explained the necessity of the two technicians in order to maintain the electronic service at the communication sites.

Amendments: Senator Himsl moved the adoption of the amendment (Exhibit 1).

Discussion: Senator Aklestad pointed out that other agencies and law enforcement should have coordinated their people to provide help for the communications system. Senator Stimatz replied that the situation was ongoing for the past six years where everyone has their own radio bands and they have been trying to get the communication system in so now they can communicate statewide. He pointed out that full time maintenance is needed on the equipment.

Marc Racicot explained that this was expensive communication system on 50 mountain top sites with 4 communication centers (835). Senator Devlin asked why it was not taken care of in Appropriations Committee. Mr. Racicot replied that it was requested as a modified but that no affirmative action was taken.

The Question was called. The motion passed on a roll call vote 10-8.

Amendments: Senator Van Valkenburg proposed an amendment for an administration modification in the Forensic Science Division (Exhibit 2). He explained that the Crime Lab had some very serious problems in management of the evidence. He said the amendment would allow the hiring of a management person to be under the Attorney General. He moved the amendment.

Discussion: Senator Jacobson said she supported the amendment. She said an audit of the agency prior to the problems showed this type of situation just waiting to happen. She pointed out that the state was vulnerable when the lab was not functioning correctly.

Senator Aklestad asked if someone was supposed to be in charge of the Crime Lab. Mr. Racicot said that under statute the lab was placed under the supervision of the medical examiner. He pointed out that the position was an exempt position. He said that a forensics pathologist could be secured without all the

administrative experience that had been required if the two positions were open.

(Tape 3-B)

Senator Hims1 pointed out that such highly technical material needed a manager to control and supervise. Senator Tveit noted that on the subcommittee tour management problems could be seen. The agency needed more room and was not being run efficiently.

The Question was called. The motion passed on a roll call vote 15-3.

ADJOURNMENT

Adjournment At: 12:08 p.m.

A handwritten signature in cursive script, appearing to read "Pete Story", written over a horizontal line.

Senator PETE STORY, Chairman

FCS328

DAILY ROLL CALL

FINANCE AND CLAIMS

COMMITTEE - 1989

DATE 3-28-89

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			



PROPOSED AMENDMENT TO HB 100

Department of Justice - Highway Patrol: Communications Technicians

1. Page A-11, line 6

Strike: "9,381,360"

Insert: "9,464,124"

Page A-11, line 7

Strike: "9,439,818"

Insert: "9,542,582"

LFA will amend totals

Ex. # 1

3/28/87

HIGHWAY PATROL - COMMUNICATIONS TECHNICIANS

The Highway Patrol maintains a statewide communications system consisting of over 50 mountain-top, two-way radio sites with an additional 10-15 sites needed; equips and maintains 220 vehicles with radios, radars, sirens and top-lights. The communications system requires continuous maintenance; and installing and maintaining the communications and electronic equipment on the vehicles is a time consuming job. Currently, the Patrol dedicates two sergeants to these duties, the Engineering Bureau Chief and an engineering services supervisor. The addition of two communications technicians would enable the Engineering Chief to devote his time to engineering and planning concerns and allow the engineering and services supervisor to resume his duties as a road officer. One technician would be assigned to eastern Montana and the other assigned to Helena. This would enable the Patrol to service the communications system and the vehicles more efficiently.

Ex #1
3/28/89

DEPARTMENT OF JUSTICE
HIGHWAY PATROL DIVISION

	<u>FY90</u>	<u>FY91</u>
COMMUNICATION TECHNICIANS (2 FTE)		
Personal Services:		
Salaries - Grade 13	39936	
Taxes & Benefits	<u>15782</u>	
	55718	55718
Operating Expenses:		
Gasoline	2426	
Radio Supplies	1000	
Telephone Equipment Charge	2100	
Telephone Hook-up	200	
In-State Meals	1740	
In-State Lodging	2400	
Rent (Missoula & Billings)	15600	
Vehicle Maintenance	<u>1580</u>	
	27046	27046
Equipment:		
Electronic test equipment	<u>20000</u>	<u>-----</u>
Total	102764	82764

PROPOSED AMENDMENT TO HB 100

Department of Justice - Forensic Science Division:
Administrative Modification

1. Page A-12, line 24

Strike: "913,324" "862,049"

Insert: "965,924" "915,949"

3/28/89

HOUSE BILL - 782
DEPARTMENT OF JUSTICE
FISCAL NOTE

	FY90	FY91
1 FTE exempt position	44578	45692
Payroll Benefits @ 18%	<u>8022</u>	<u>8208</u>
	52600	53900

Payroll Benefits include:

FICA	7.51%
PERS	6.417%
Unemployment, Work Comp & Health	<u>4.073%</u>

18.000%

ROLL CALL VOTE

FINANCE AND CLAIMS

COMMITTEE

DATE 3-28-89
Hims1

BILL NO. HB 100

Amendment
NUMBER #1

NAME	AYE	NAY
Senator Gary Aklestad		✓
Senator Loren Jenkins		✓
Senator Esther Bengtson		✓
Senator Matt Hims1	✓	
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	✓	

TALLY

10 8

Debbie Thompson - 319
Secretary

Pete Story
Chairman

Motion: Hims1 Hwy Patrol #1

ROLL CALL VOTE

FINANCE AND CLAIMS

COMMITTEE

DATE 3-28 BILL NO. HB 100

Amendment
NUMBER # 2

Van Valkenburg Amendment - Crime Labs # 2

NAME	AYE	NAY
Senator Gary Aklestad	✓	
Senator Loren Jenkins	✓	
Senator Esther Bengtson		✓
Senator Matt Himsel	✓	
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		✓

TALLY

15 3

Debbie Thompson - 319
Secretary

Pete Story
Chairman

Motion: _____

