

MINUTES

MONTANA HOUSE OF REPRESENTATIVES 52nd LEGISLATURE - REGULAR SESSION

COMMITTEE ON APPROPRIATIONS

Call to Order: By Vice Chairman Ray Peck, on February 12, 1991,
at 3 p.m.

ROLL CALL

Members Present:

Francis Bardanouve, Chairman (D)
Ray Peck, Vice-Chairman (D)
Dorothy Bradley (D)
John Cobb (R)
Dorothy Cody (D)
Mary Ellen Connelly (D)
Ed Grady (R)
Larry Grinde (R)
Mike Kadas (D)
Berv Kimberley (D)
Wm. "Red" Menahan (D)
Jerry Nisbet (D)
Mary Lou Peterson (R)
Joe Quilici (D)
Chuck Swysgood (R)
Bob Thoft (R)
Tom Zook (R)

Members Excused: Rep. John Johnson

Staff Present: Terry Cohea, Legislative Fiscal Analyst
Sylvia Kinsey, Committee Secretary

Please Note: These are summary minutes. Testimony and
discussion are paraphrased and condensed.

HEARING ON HOUSE BILL 648

Presentation and Opening Statement by Sponsor:

REP. DAVE WANZENRIED, House District 7 and Chief Sponsor of House Bill 648 explained the bill. This is a request for the Legislature to reauthorize funds that were authorized last session for the Evergreen Sewer District and is to take care of a major ground water problem in the Kalispell area. He explained there were some problems and there should be one change in the funding package since it was initially the Water District that was to issue the bonds and they will now be issued by the Sewer District and should be reauthorized to Flathead County.

Proponents' Testimony: Dennis Carver, Evergreen Water and Sewer District said he would be available for questions. One of the first things to be done to complete this project is to reauthorize funds to the county.

Questions From Committee Members: REP. QUILICI asked where the district is and REP. WANZENRIED answered the Evergreen District is on the northeast border of Kalispell.

REP. THOFT said the reauthorization was in the Long Range Planning Committee but they needed this done quickly.

EXECUTIVE ACTION ON HOUSE BILL 648

Motion/VOTE: REP. QUILICI MOVED HB 648 DO PASS. Motion carried unanimously.

HEARING ON HOUSE BILL 3

Presentation and Opening Statement by Sponsor:

REP. BARDANOUVE, House District 16 and Chief Sponsor of House Bill 3 explained the bill as the annual supplemental bill for the agencies. He went through EXHIBIT 3 which lists the Departments and Agencies requesting the supplementals.

JUDICIARY: REP. CODY asked how much the fines bring in and Mr. Oppedahl, Supreme Court Administrator said through September it was \$11,000, last year \$4,000 and the year before around \$11,000.

STATE AUDITOR: REP. SWYSGOOD asked about the warrant writing system since he could not understand how they had underestimated the cost by half. Mr. Dennis Sheehy, Deputy Stater Auditor said the original estimates were made by ISD and this was a combination of the unknown and a 14% increase in the numbers of warrants this year alone. The purpose of this originally was to get all the warrants housed under one entity and last year the Worker's Comp transferred to the Auditor's office.

REP. QUILICI said the costs nearly doubled and asked if this money would be paid to ISD.

(Tape 1, side 2) Mr. Sheehy said they owe ISD over \$170,000 now. He told of the increase in postage of \$51,000 and other costs.

REP. QUILICI said if you pay out \$283,000 and \$65,000 goes to ISD will the result be a decrease in charges on the computer system and Mr. Sheehy did not know.

REP. BARDANOUVE asked if they bill Worker's Comp for writing warrants and Mr. Sheehy said they did not. REP. BARDANOUVE said then they were billing the Legislature for work done for an agency that says they are independent and the Legislature has no

say over them anymore. **Mr. Sheehy** said this is being discussed by the budget committee in subcommittee now and working with the LFA. They did 275,000 warrants for the Worker's Comp Division in the past 2 years. They have also been writing more warrants for federal and special revenue programs. They are looking at setting this up on a fee system next biennium so there will be a charge for the service.

REP. BARDANOUVE asked if they were charging other agencies and was told no. **REP. BARDANOUVE** said all non-general fund agencies pay for their services, and at the present time they are being charged to the general fund. He told **Mr. Sheehy** they know how many warrants they have written for Worker's Comp and should know the cost of writing them. He did not feel it was too late to bill them for the cost if it were done before the end of the biennium.

CHAIRMAN PECK said the question is, are you billing any of these agencies? **Mr. Sheehy** said they are not specifically billing the agencies, there are some that pay a fee for the warrants. Public Employees Retirement and Teacher's Retirement pay a fee but none of the state agencies are charged a fee.

JUSTICE DEPARTMENT:

CHAIRMAN PECK said **REP. BARDANOUVE** had raised the question under the litigation costs of the Indian Affairs that has been transferred over to general funds and thought perhaps it should be a Fish Wildlife and Parks item. **Judy Browning, Deputy Attorney General** said they did not have a preference as to where the money came from. There was some discussion between FWP and the Budget Office and they decided the general fund would be the proper fund.

REP. BARDANOUVE asked how this was funded before it was transferred to the Justice Department. It was his understanding the suit initiated in the FWP. **Ms. Browning** said it included a lot of charges they have paid for out of their Indian Jurisdiction. **REP. BARDANOUVE** asked if they had given them anything at all and **Ms. Browning** said they had given them some in-kind services.

Rick Bartos, Legal Counsel, Governor's Office said this issue deals more with hunting and fishing. It dealt with the issue of jurisdiction and who had jurisdiction of non-tribal members on the Indian Reservation. He told the committee this litigation had a far reaching effect on future litigation with the Indian Tribes and information from this suit was kept available for future use.

(Tape 2.)

REP. CODY said in the last session there was a bill that had an agreement on this issue. She asked how much difference the

settlement was now. **Mr. Bartos** said he could get the figures for the committee.

REP. KADAS said he had not heard the rationale for changing this to general fund and **Mr. Bartos** said because it would affect so many areas besides FWP and would be of real value to the state of Montana.

DEPARTMENT OF HIGHWAYS:

REP. SWYSGOOD said at the time the supplementals were put to together the price of gasoline was higher and now it has dropped 10 cents per gallon. Was this reflected here? **Mr. Salisbury** said when they put the supplementals together it was \$1.34 and the present price is \$1.13 per gallon. This supplemental includes the cost at \$1.13.

REP. ZOOK asked how long the contract is for and **Mr. Salisbury** answered it is for one year, but it does have an escalator clause in it.

DEPARTMENT OF HEALTH: Preliminary Natural Resource Damage Assessment.

REP. BARDANOUVE said there will be an amendment to change the source of funding from general fund to the Resource Indemnity Trust (RIT) account.

Mr. Hoffman said this was money used for federal match and by taking the \$270,000 out of general fund it would diminish the Dept. of Health's ability to use the funds for matching federal funds. They would prefer general fund money within the program.

REP. KADAS asked if there was \$1.3 million in the fund now and **Mr. Hoffman** said they anticipate a fund balance of about \$1 million for the Hazardous Waste Account. **REP. KADAS** asked what would happen if the committee did not transfer the money, would you use the entire \$1 million to match federal funds for super fund and other federal funds, and **Mr. Hoffman** answered yes. The legislation dealing with the Hazardous Waste Balance specifically tells the department what it can and can not use the funds for, and we cannot use those funds for anything except federal matching dollars.

In answer to **Chairman Peck's** request, **Mrs. Cohea** answered that the Executive budget projects a beginning fund balance of \$1.07 million and recommends \$1.5 million be spent from that amount. Anticipated revenue is over \$2 million and the Executive projects a budget in excess of \$1 million in '93 and the statute reads that the money can be used for this purpose. The statute governing how the funds can be used says it can be used for state expenses for investigation and remedial action for hazardous substances. The 1989 Legislature appropriated \$400,000 from this source for the current preparation for the Natural Resource damages and the Department is requesting a supplemental to continue that effort in '91. In the executive budget the

Governor's office has recommended this distribution be moved to the Governor's office and has requested \$2 million of general fund for the biennium to continue the effort and \$8 million of spending authority for private and federal funds received. Currently it is funded from the Hazardous Waste Account.

REP. KADAS asked, in the statutes is a federal match required or can the funds be expended without a federal match? Mrs. Cohea said yes, you can expend the funds without a federal match. The point Mr. Hoffman was trying to make was that it can also be used to match federal funds. REP. KADAS asked if Mr. Hoffman disagreed in any way and Mr. Hoffman said he did not disagree with anything she said, but she may have forgotten to mention that the section she just read stated that "state expenses related to investigation or remedial action is not more than 1/2 of the interest income received for any one biennium from the RIT, may be appropriated on a biennial basis".

CHAIRMAN PECK suggested if there is over \$2 million appropriated and you can appropriate 1/2 of it you should be okay.

DEPARTMENT OF FAMILY SERVICES:

REP. COBB referred to the language under Community Services and asked if the therapeutic or treatment programs referred to the appropriate treatment and was told that was correct.

REP. BARDANOUVE asked if there were any federal dollars available for the 64 new cases of Native Americans shown under Community Services and the money they are requesting from general fund is to match federal 4E dollars, so there is federal spending.

CHAIRMAN PECK asked if all of this money is a match for federal funds and Mr. Olson said no and the Federal Special is listed underneath.

NATURAL RESOURCES:

CHAIRMAN PECK said that REP. BARDANOUVE had raised the issue in his presentation that there is over a million dollars added for "possible" use for fires between now and July 1. REP. BARDANOUVE said it may not all be for this, there may be some of it for costs they have picked up since the bill was drafted. Some could be for late bills, and Mr. Bob Kuchenbrod, Administrator, Central Management Division, Dept. of State Lands said the amount of money that was in the Executive Budget book in the original bill was \$2.5 million and represented the amount of money that they had been billed for fires through the month of October. The additional \$1 million represents the amount of money that was spent on the late fires. The total request of \$3.6 million is a combination of the two figures. For future costs it is \$120,000.

DEPARTMENT OF INSTITUTIONS:

REP. MENAHAN said there was some question about the drug Clozaril. This is a drug that is used for schizophrenics, they will deal with 40 people and the cost is \$96,000. Most of the money is spent for blood tests because the medication can react adversely on some people. They will use this on some of the sickest people in the institutions that have been there a long time and they have hopes of getting 3 more out in the near future. These were people that were locked in the forensic unit because they were harmful to themselves and others. They feel 30% of the people they work will have positive results. This drug helps them to function as a normal person, but the blood tests are necessary because of side effects such as heart attacks, blood cells, platelet, etc.

EDUCATION:

REP. QUILICI said, under the University System, seeking a supplemental general fund appropriation for liability insurance premium increases, only 3 units out of the 6 are asking for this. **Mr. Jack Noble, Deputy Commissioner of Finances** said these are the only 3 institutions that incurred increased liability costs and tort claims. It is because of the method of assessment of premiums from tort claims. These campuses have experienced claims in recent years and part of the liability costs are reassessed to the particular campuses or agencies that have incurred them.

CHAIRMAN PECK said the U of M has received a budget amendment for about \$1.3 million and there is another pending for about \$778,000 putting them over \$2 million if they are approved. That is unanticipated revenue and it seems that could possibly cover the increased insurance costs. **Mr. Noble** said when they made the request before the subcommittee he had made the point relative to the NMC incurred liability cost and materiality. The \$133,000 incurred at NMC exceeded the entire increase that the Legislature appropriated for their support costs. It was an uncontrollable cost and we felt there was no recourse but a supplemental. At Eastern it was the same principle in terms of being an uncontrollable cost. The question there is one of equity versus materiality. The judgement question left for the subcommittee was whether Eastern could more easily afford a cost like this versus Northern.

CHAIRMAN PECK asked if Eastern got a budget amendment for increased enrollment and **Mr. Ken Heikes, EMC** said Eastern has a budget amendment pending of \$158,000.

REP. KIMBERLEY said he could not understand why Northern's expenses are so much higher than the rest. **Mr. Noble** said the question was raised by the subcommittee. It is the manner in which tort claims state liability insurance impacts the agencies that incur claims.

REP. KIMBERLEY asked if it wasn't the result of a laboratory

explosion they had where someone got killed and someone else got hurt. **Mr. Bret Dahl, Administrator, Tort Claims Division, Dept. of Administration** said they are responsible for administering the Comprehensive State Insurance Program, and one of the major ones they administer is the General Liability Insurance. They don't go out and commercially purchase this insurance because the cost is prohibitive and it is much less expensive to self insure. The insurance for the agencies is based on a formula based on variables, the first of which is paid losses for the previous 5 years which accounts for 50% of the formula distribution. They look at the paid losses for the previous 5 years and then at the agencies total loss experience in claims since the inception of the formula which accounts for 12.5% of the formula weight. The third factor is the number of FTE, 12.5%. 15% is distributed based on agencies appropriations in comparison to total state appropriations which helps the smaller agencies with smaller budgets. The fifth formula is the agencies prior premium billing accounts for 10% of the distribution formula. They do review this on an ongoing basis and they have a self insurance fund they use to pay out claims.

There was more discussion on the necessary balance, the type of suits and settlements made, that the agencies are obligated to be in the self insurance program, and the cost of outside insurance.

REP. SWYSGOOD said in HB 3 it is listed as \$106,011 current unrestricted and on the orange sheet it is general fund. **Mr. Noble** said this was an inadvertent error and the white bill is in error. They sought general fund supplement for these costs. In the original bill it was incorrect, and the orange sheets are correct. The bill should be tort claims liability \$106,011.

In answer to a question from **REP. COBB** if all the money was for tort claims **Mr. Noble** answered that it all goes to tort claims liability, and there are no other insurance premiums involved.

REP. COBB asked if the Universities don't have some buildings etc. insured separately and **Mr. Noble** said that would be a different risk of claims pool. There is self insurance in the University System for a group health plan, for instance and they outside insure for single instances of illness that exceed a million dollars. If this claim for NMC would have happened in our office it would have exceeded our own budget by 1/3, and it might be feasible to self insure through the state for claims up to \$2 million or \$2.5 million and then seek an outside premium writer for claims that might exceed \$3 million or \$4 million, combine through a Lloyds of London risk policy and possibly avoid some of those that occur here.

Dennis Sheehy, State Auditor's Office said they will take a look at it.

REP. BARDANOUVE said he thought they used to insure over a certain amount and asked if that had been changed. **Mr. Sheehy**

said the limits of general liability are set by statute at \$750,000 per claim and \$1.5 per occurrence. REP. BARDANOUVE said he thought the state used to carry a policy for large claims and Mr. Sheehy said before we self insured, they may have, prior to '86. We have no excess coverage at this time.

REP. BRADLEY said she had amendments for section 5 on page 6.

Closing by Sponsor: REP. BARDANOUVE said there is no real question about any of the bill, and he would like to submit the amendment for using the RIT.

CHAIRMAN PECK said REP. SWYSGOOD has some questions he would like to resolve. REP. BARDANOUVE said the Highway Department would like the committee to expedite the bill so we will meet on adjournment one day this week.

CHAIRMAN PECK said REP. SWYSGOOD had indicated he would like the committee to look at House Bill 142, the committee creation for the University System. SEN. JACOBSON had also discussed this bill with him, and REP. BARDANOUVE said he would have this bill posted.

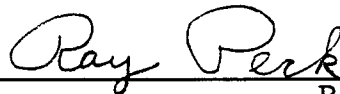
REP. BRADLEY said she would like to present her amendment EXHIBIT 2 and it could be acted on later. This language needs to go in because the amounts we have budgeted in the supplemental for SRS have been adjusted downward and the use of these dollars has already been put in those budgets.

REP. CODY asked if the transfer had already taken place and REP. BRADLEY answered yes, the committee has already adjusted this.

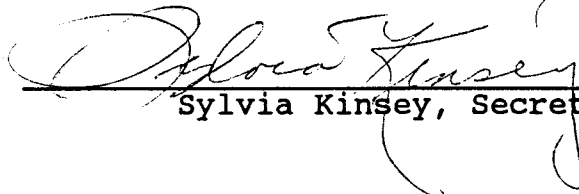
REP. BARDANOUVE said we will try to have a meeting Thursday on adjournment with executive action on House Bill 3 and a hearing on House Bill 142.

ADJOURNMENT

Adjournment: 5:32 p.m.



RAY PECK, Chair



Sylvia Kinsey, Secretary

RP/sk

HOUSE OF REPRESENTATIVES

APPROPRIATIONS COMMITTEE

ROLL CALL

DATE

2-12-91

NAME	PRESENT	ABSENT	EXCUSED
REP. FRANCIS BARDANOUVE, CHAIRMAN	✓		
REP. RAY PECK, VICE-CHAIRMAN	✓		
REP. DOROTHY BRADLEY	✓		
REP. JOHN COBB	✓		
REP. DOROTHY CODY	✓		
REP. MARY ELLEN CONNELLY	✓		
REP. ED GRADY	✓		
REP. LARRY GRINDE	✓		
REP. JOHN JOHNSON			✓
REP. MIKE KADAS	✓		
REP. BERV KIMBERLEY	✓		
REP. WM. "RED" MENAHAN	✓		
REP. JERRY NISBET	✓		
REP. MARY LOU PETERSON	✓		
REP. JOE QUILICI	✓		
REP. CHUCK SWYSGOOD	✓		
REP. BOB THOFT	✓		
REP. TOM ZOOK	✓		

7:40
2-13-91
JDB

HOUSE STANDING COMMITTEE REPORT

February 13, 1991

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Mr. Speaker: We, the committee on Appropriations report that
House Bill 648 (first reading copy -- white) do pass.

Signed: Francis Bardanoue
Francis Bardanoue, Chairman

DATE 2/12/91
HB 3

SUPPLEMENTAL RECOMMENDATIONS BY SUBCOMMITTEE
1991 Session

Agency	General Fund		Total Funds	
	House Bill 3	Subcommittee	House Bill 3	Subcommittee
GENERAL GOVERNMENT & HIGHWAYS				
Judiciary	\$ 23,500	\$ 27,000	\$ 45,500	\$49,000
State Auditor	314,477	334,661	314,477	334,661
Justice	250,200	455,700	747,300	952,800
Crime Control Division	0	0	0	80,000
Governor's Office	12,000	12,000	12,000	12,000
Highways	0	0	35,964,620	30,567,100
Revenue	220,984	270,320	220,984	270,320
Administration	0	0	26,866	26,866
Public Employees Retirement	0	0	0	73,818
Military Affairs	30,000	30,000	30,000	30,000
Health & Environmental Sciences	0	270,000	0	270,000
Total General Government & Highways	\$ 851,161	\$ 1,399,681	\$37,361,747	\$32,666,565
HUMAN SERVICES				
Social & Rehabilitation Services	\$ 9,079,374	\$12,250,568	\$36,395,124	\$46,574,642
Family Services	828,338	849,038	1,072,507	1,073,207
Total Human Services	\$ 9,907,712	\$13,099,606	\$37,467,631	\$47,647,849
NATURAL RESOURCES				
State Lands	\$ 2,517,108	\$ 3,599,161	\$ 2,517,108	\$ 3,599,161
Commerce	0	13,527	0	13,527
Total Natural Resources	\$ 2,517,108	\$ 3,612,688	\$ 2,517,108	\$ 3,612,688
INSTITUTIONS				
Institutions	\$ 1,279,855	\$ 1,571,331	\$ 1,279,855	\$ 1,571,331
EDUCATION				
Board of Public Education	\$ 6,000	\$ 6,000	\$ 6,000	\$ 6,000
Office of Public Instruction	605,589	605,589	605,589	605,589
School for Deaf & Blind	246,897	206,514	246,897	206,514
Montana University System	227,080	333,091	333,091	333,091
Total Education	\$ 1,085,566	\$ 1,151,194	\$ 1,191,577	\$ 1,151,194
TOTAL SUPPLEMENTAL RECOMMENDATIONS	\$15,641,402	\$20,834,500	\$79,817,918	\$86,649,627

GENERAL GOVERNMENT AND HIGHWAYS SUBCOMMITTEE

AGENCY SUPPLEMENTAL REQUESTS

DESCRIPTION

	HB3	Subcomm. Recommend.	Fund
Judiciary			
Commission on Practice - The Supreme Court is requesting a supplemental appropriation for the Commission on Practice to investigate and prosecute complaints against attorneys. The number of complaints was higher than anticipated in fiscal 1990 requiring an appropriation transfer of \$11,500 from fiscal 1991. The number of complaints to be investigated in fiscal 1991 is continuing at the same level as 1990. Fines resulting from disciplinary actions are deposited to the general fund.	\$23,500	\$23,500	General Fund
Water Court - The Supreme Court is requesting a supplemental appropriation to fund the water court judge salary. The salary was budgeted at a level below the statutorily established amount. Section 3-5-211, MCA, establishes the water court judge salary at the same level as provided for district judges. The budgeted amount of the salary is \$35,248; the statutorily established amount is \$55,178. The previous water court judge's salary was supplemented by judicial retirement pay.	22,000	22,000	State Special Revenue
Judicial Standards Commission - The Judicial Standards Commission investigates complaints against judges. Current year activity is projected to be greater than the amount budgeted.	0	3,500	General Fund
State Auditor			
State Payroll Operating Costs - The State Auditor is requesting a supplemental for increased operating costs of the state payroll system, including printing, computer processing, and system development costs of the state payroll system.	51,054	51,054	General Fund
Warrant Writing System Operating Costs - The State Auditor is requesting a supplemental for increased operating costs of the state warrant writing system, including computer processing, system development, printing, and postage costs. The warrant writing system processes state agency warrant payments including the state payroll. The agency installed a new warrant writing system in July 1989, and operating costs in the 1991 biennium have been nearly double the estimates used for the legislative appropriation. In addition to low estimates for computer processing costs, volume of warrant processing due to the addition of State Fund warrant processing and other unanticipated volume increases have contributed to the higher costs. There was a fiscal 1991 appropriation transfer of \$85,967 to cover increased costs in fiscal 1990.	263,423	283,607	General Fund
Department of Justice			
Motor Vehicle Division - The Department of Justice is requesting a supplemental for motor vehicle decals and gasoline. New license plates were approved by the 1989 legislature, but the cost of decals for the new plates were omitted from the cost estimates used for the new plates appropriation. The agency estimates the increased cost to be \$40,000. In addition, the agency requests \$23,700 due to increased gasoline costs for Driver Services Bureau travel to smaller cities to administer driver's license tests. The agency used an estimate of a 62.7 percent increase over fiscal 1990 costs.	63,700	63,700	General Fund
Highway Patrol-Prisoner Per Diem - The Department of Justice is requesting a supplemental from the highways special revenue fund for increased prisoner per diem reimbursed to local detention centers for boarding prisoners arrested by the Highway Patrol. The department attributes significantly increased costs to: 1) an increase in the allowed reimbursement rate from a fixed \$20 per day to an average \$35 per day, as amended in statute by the 1989 legislature; and 2) an increase in the number of prisoners due to stronger enforcement of DUI laws and the availability of more jail space. There was a fiscal 1991 appropriation transfer of \$130,000 to cover increased costs in fiscal 1990.	280,000	280,000	State Special Revenue
Highway Patrol-Gasoline - The Department of Justice is requesting a supplemental from the highways special revenue fund due to increased gasoline costs for vehicle patrols by the Highway Patrol. The agency used an estimate of a 62.7 percent increase over fiscal 1990 costs. The Department states that without the increased funds, vehicle patrols for traffic control, to investigate accidents, and provide motorist assistance would have to be sharply curtailed.	217,100	217,100	State Special Revenue
Law Enforcement Services-Gasoline - The Department of Justice is requesting a supplemental for increased gasoline costs in the Fire Marshal Bureau (to travel for building inspections and fire investigations) and in the Criminal Investigation Bureau (for criminal investigations). The agency used an estimate of a 62.7 percent increase over fiscal 1990 costs.	9,500	9,500	General Fund

	HB3	Subcomm. Recommend.	Fund
County Attorney Payroll - The Department of Justice is requesting a supplemental for increased county attorney payroll costs. The program pays one-half the salaries and benefits of county attorneys. Appropriated funds are insufficient because three counties changed from part-time to full-time county attorneys and because salary increases for county attorneys were 3.3 percent in fiscal 1991, as compared to an appropriation for a 2.7 percent increase. There was a fiscal 1991 appropriation transfer of \$35,000 to cover increased costs in fiscal 1990.	77,000	77,000	General Fund
Transportation of Prisoners - The Department of Justice is requesting a supplemental to pay for increased prisoner extradition costs and costs of transporting prisoners to a state detention facility. The department attributes the increased costs to rate increases for airline travel and lodging, along with a greater volume of prisoner transfers. There was a fiscal 1991 appropriation transfer of \$45,000 to cover increased costs in fiscal 1990.	100,000	100,000	General Fund
Litigation Costs-Indian Affairs - The Department of Justice is requesting a supplemental on behalf of the Department of Fish, Wildlife, and Parks for litigation costs already incurred and anticipated in connection with the <u>Confederated Salish and Kootenai Tribes v. Montana</u> court case. This action, filed in April 1990, sought a determination that the tribes have exclusive jurisdiction over all hunting and fishing by nonmembers on the Flathead Indian Reservation. The Department of Justice utilized existing legal staff, hired an additional attorney, utilized a private attorney for consultation, and retained experts in conducting the litigation effort. A cooperative agreement was reached between parties in November 1990.	0	196,000	General Fund
Fire Marshal Bureau Computer - The Department of Justice is requesting a supplemental to replace a computer in the Fire Marshal Bureau that is inoperable. The computer is used to maintain a five-year history of all fire incident reports statewide. The information is distributed nationally and locally and is used in fire incident planning and analysis.	0	9,500	General Fund
Crime Control Division Crime Victims' Compensation - The Board of Crime Control is requesting a supplemental to increase payments to innocent victims of crime from the crime victims' compensation fund. Benefits paid in the first 6 months of fiscal 1991 have used 65 percent of the original appropriation. Sufficient funds are in the state special revenue account, but additional spending authority is required.	0	80,000	State Special Revenue
Governor's Office Citizens' Advocate - The Governor is requesting a supplemental to fund toll-free telephone costs that have increased 71 percent over the number of calls budgeted by the 1989 legislature. The toll-free lines exist to provide accessibility to state government for Montana citizens. There was a fiscal 1991 appropriation transfer of \$5,700 to cover increased costs in fiscal 1990.	12,000	12,000	General Fund
Department of Highways Construction - The Department of Highways is requesting a supplemental for additional spending authority to let to contract an additional \$5.0 million highway construction projects in fiscal 1991. The department states that it has fully obligated all available fiscal 1991 construction contract funds, and would be unable to let any additional projects for the remainder of fiscal 1991 without additional authority. The increased federal authority requested is not due to the availability of additional federal funds, but is to restore original federal authority as appropriated by the legislature. The department, utilizing language in the 1991 biennium appropriations bill, reduced federal authority and increased spending authority for state special revenue to fund over \$20 million of increases in the 1991 biennium to date for Reconstruction Trust Fund (RTF) projects above the legislative appropriation.	3,960,000	1,825,260	State Special Revenue
	14,040,000	3,174,740	Federal
Maintenance-Road Oil - The Department of Highways is requesting a supplemental for anticipated increases in the cost of road oil for maintenance projects. The department used an estimate of a 30 percent increase in road oil costs. Road oil is bid on a calendar year basis.	234,716	234,716	State Special Revenue
Equipment Program-Gasoline/Supplies - The Department of Highways is requesting a supplemental for gasoline, shop supplies, and tires. Over 80 percent of the request is for gasoline, due to anticipated increases in the cost over fiscal 1991 appropriated levels. The agency used an estimate of a 62.7 increase in gasoline costs over fiscal 1990 costs. The amount requested for shop supplies and tires is also in anticipation of increased costs for petroleum based products.	735,059	735,059	Proprietary Fund

	HB3	Subcomm. Recommend.	Fund
Stores Program-Gasoline/Supplies - The Department of Highways is requesting a supplemental for gasoline, road oil, and rock salt. Nearly \$1.0 million of the request is for gasoline, due to anticipated increases in the cost over fiscal 1991 appropriated levels. The agency used an estimate of a 62.7 percent increase in gasoline costs over fiscal 1990 costs. The request for road oil is also due to petroleum product increases. The request for road salt is due to local governments requiring salt substitutes in place of basic road salt as a result of environmental issues. The Stores Program exists to purchase supplies for distribution to other operating programs in the department.	1,313,673	1,313,673	State Special Revenue
Interfund Transfers-RTF Construction - The Department of Highways is requesting a supplemental for additional appropriation authority to transfer funds from the highways special revenue account to the Reconstruction Trust Fund (RTF) account to account for increased RTF construction payments over the original legislative appropriation. This request does not provide for increased spending authority, but provides authority for an accounting transfer for expenditures that are already obligated. The department increased RTF construction by a projected \$24 million over the original legislative appropriation, utilizing language in the 1991 biennium appropriations bill to reduce federal fund appropriation authority and increase state special revenue authority for RTF construction	15,681,172	23,133,652	State Special Revenue
Preconstruction-Operating Costs - The Department of Highways is requesting a supplemental for increased operating expenses, including contract services, travel, supplies, communications costs, computer costs, and training costs.	0	150,000	State Special
Department of Revenue			
Property Assessment - The Department of Revenue is requesting a general fund supplemental appropriation to fund contracted services and equipment upgrades and repair for the computer assisted mass appraisal system (CAMAS). The department has retained the firm that designed the system software and hired a system expert to facilitate timely completion of reappraisal. The mid-range computer purchased to operate the CAMAS does not have sufficient processing capacity or disk storage to efficiently operate the system, necessitating an upgrade. The upgrade and additional equipment, including high speed printers for six county appraisal offices, are debt financed through fiscal 1996. Authority to continue debt finance and system contracts is included as a modified budget request in the Executive Budget.	220,984	270,320	General Fund
Department of Administration			
Teachers' Retirement System - The Department of Administration is requesting a supplemental appropriation to continue current level services, such as mailing warrants, general correspondence, and providing estimates of retirement benefits and the cost to purchase service credit. The supplemental is necessary as an appropriation transfer transferred funds from fiscal 1991 to 1990 to meet higher than anticipated costs for data processing, printing the teachers' retirement handbook, and implementation of House Bill 421 (post retirement adjustment for certain members of the teachers', game wardens', sheriffs', and public employees' retirement systems).	26,866	26,866	Trust Funds
Public Employees' Retirement Division - The Public Employees' Retirement Division is requesting a supplemental appropriation for several activities including: contracted services for a physician to advise the board on disability retirements; postage; supplies; and computer systems development. The bulk of the request (\$55,293) will be expended in computer systems development to continue the update of the retirement system. If the supplemental is approved by the legislature, then the modified budget request to continue this activity in the 1993 biennium may be reduced by the supplemental amount for systems development.	0	73,818	Trust Funds
Department of Military Affairs			
Firefighters' Lawsuit - The Department of Military Affairs is requesting a general fund supplemental appropriation to fund legal fees and expert witness costs for a lawsuit brought by firefighters in the Air National Guard Program. The lawsuit contends that the department did not properly credit earned leave time or correctly classify the positions.	30,000	30,000	General Fund
Department of Health			
Preliminary Natural Resource Damage Assessment - The Department of Health is requesting a supplemental to complete a preliminary assessment, prepare a detailed assessment plan, and begin fishery studies necessary for a natural resource damage assessment to support the State of Montana's natural resource damage litigation against the Atlantic Richfield Company (ARCO) concerning four "Superfund" sites in the Clark Fork River basin. The state must prepare for trial on the case by May 1993, and will request additional funding in excess of \$2 million in the 1993 biennium to continue the damage assessment.	0	270,000	General Fund

DEPARTMENT OF SOCIAL AND REHABILITATION SERVICES

Fiscal 1991 Supplemental Requests

Human Services Subcommittee Recommendation

Expenditure Type	General Fund	Other Funds	Total Funds
1) AFDC: AFDC caseloads are significantly above the levels anticipated by the 1989 legislature. The fiscal 1991 appropriation was based on an average monthly caseload of 9,000, while the projected caseload is 9,850.	\$1,339,886	\$4,166,454	\$5,506,340
2) DAY CARE: Day care costs are above the appropriated levels due to unbudgeted day care rate increases and increased numbers of children receiving day care services.	209,870	433,610	643,480
3) STATE MEDICAL: Costs in this program have exceeded the appropriation in both fiscal years 1990 and 1991.	1,558,034	-0-	1,558,034
4) MEDICAID PRIMARY CARE: Costs for this program are projected to be \$132.34 million in fiscal 1991, far in excess of the amount appropriated by the 1989 legislature. Increased caseloads and utilization are primarily responsible for the significant cost increases.	7,502,699	26,045,092	33,547,791
5) DEVELOPMENTAL DISABILITIES: Unbudgeted costs were incurred as a result of implementing Phase I & II of the Montana Developmental Disabilities Services System. Approximately 24 residents will be moved to the community from the Montana Developmental Center during this biennium.	728,115	701,091	1,429,206
6) JOBS: The 1989 legislature appropriated \$2.25 million in federal funds to be transferred to the state Department of Labor for the federally required Job Training Program. General fund match was not appropriated to SRS.	450,000	-0-	450,000
7) TEAMS: Funds appropriated for this project (computerization of welfare offices) during the 1989 Biennium were reverted in fiscal 1990. Appropriation of the reverted funds is requested to continue the project.	461,964	2,977,827	3,439,791
Total Supplemental Request	\$12,250,568	\$34,324,074	\$46,574,642

The amounts requested above are reduced by the transfer of \$3.0 million in unspent general fund for General Assistance to cover part of the supplemental costs. House Bill 100 prohibits transfer of funds from the General Assistance appropriation. Language is requested in House Bill 3 (Section 5) to remove this House Bill 100 restriction to permit the transfer.

**SERVICES
FUND**

	Subcomm. Recommend.	Fund
4,604	\$744,604	General Fund
4,169	224,169	Federal Special
2,251	32,251	General Fund
17,883	48,583	General Fund
23,600	23,600	General Fund

**RESOURCES SUBCOMMITTEE
SUPPLEMENTAL REQUESTS
1991 SESSION**

	HB3	Subcomm. Recommend.	Fund
Requesting \$3,599,161 general costs incurred in fiscal the request includes 1991. Appropriations in the agency's through the costs are \$966,989 for 1991. Estimated suppression activity, are in House Bill 3 at estimated \$1,082,053 government reimburses	\$2,517,108	\$3,599,161	General Fund
Requesting \$13,527 "costs" in the Weights & states that there needs to cover the agency vehicle repairs; and 3) a vehicle projected amount. use Bill 3.	\$ 0	\$ 13,527	General Fund

DEPARTMENT OF INSTITUTIONS SUPPLEMENTAL REQUESTS 1991 SESSION

	HB3	Subcomm. Recommend.	Fund
<u>Montana State Prison</u>			
Cost Increases Related to Overcrowding-The department requests \$719,417 general fund for variable costs and security for an increased inmate population. The department projects an actual average daily population (ADP) of 1,156 for fiscal 1991, compared to the fiscal 1991 budgeted level of 1,087 ADP. This supplemental request includes \$355,114 in personal services and \$364,303 in operating expenses.	\$719,417	\$719,417	General Fund
<u>Swan River Forest Camp</u>			
Increases for Personal Services and Operating Expenses-The department requests \$48,775 general fund for personal services and operating expenses. The personal services increase is primarily for increased pay needed: 1) to recruit registered nurses; and 2) for correctional officers to pay for upgrades from a grade 9 to a grade 10. Increases in operating expenses are primarily the result of an increase from 55 to 60 beds for expanding correctional populations.	13,500	48,775	General Fund
<u>Community Corrections</u>			
Increases for Board and Room and Miscellaneous Costs - The department requests \$25,742 general fund for 15 additional beds at three privately operated pre-release centers. Contracts for these beds were initiated to help alleviate the over-crowding at the prison.	25,742	25,742	General Fund
<u>Women's Corrections</u>			
Increases for Personal Services and Operating Expenses - The department requests \$78,040 general fund for personal services and operating expenses. The personal services increase is primarily for increased pay needed: 1) to recruit registered nurses; 2) to pay for correctional officer upgrades from a grade 9 to a grade 10; and 3) for overtime and holiday pay for additional staff in the old forensics unit. Increases in operating expenses are due to increases in costs of counseling, treatment, medical services, and other costs related to population increases.	78,040	78,040	General Fund
<u>Corrections Medical</u>			
Increases for Operating Expenses - The department requests \$565,357 general fund for increased medical expenses resulting from increases inmate populations and extraordinary costs associated with heart surgery for one inmate.	336,932	565,357	General Fund
<u>Board of Pardons</u>			
Increases for Personal Services and Operating Expenses - The department requests \$38,000 general fund primarily for: 1) a large termination payoff for the Executive Secretary; 2) increases in communications and travel related to increases in caseload; 3) increases in repair and maintenance for a vehicle and computer equipment.	35,651	38,000	General Fund
<u>Montana State Hospital</u>			
Increases for Operating Expenses - The department requests \$96,000 general fund for unanticipated expenditures for the drug, Clozaril, and projected expenditures for repairs. The department anticipates that Clozaril will be used for seven to ten patients per week for the remainder of the fiscal year.	70,573	96,000	General Fund

JOINT APPROPRIATIONS EDUCATION SUBCOMMITTEE

SUPPLEMENTAL APPROPRIATION REQUESTS

1991 SESSION

Exhibit # 1
2/12/91 HB 3

	HB3	Subcomm. Recommend.	Fund
<u>Board of Public Education</u>			
In fiscal year 1990, the Board of Public Education received a supplemental appropriation in the amount of \$6,000 to pay for accrued sick and annual leave of a departing staff member. Those funds were deducted from the fiscal year 1991 appropriation. The Board is requesting this supplemental to replace the funds moved from fiscal year 1991 to fiscal year 1990. The fiscal year 1991 general fund appropriation for the Board is \$115,311.	\$ 6,000	\$ 6,000	General Fund
<u>Office of Public Instruction</u>	\$605,589	\$605,589	General Fund
The Office of Public Instruction is requesting a general fund supplemental appropriation to transportation aid to school districts. The supplemental will allow state reimbursement of school district transportation costs in accordance with the payment schedules set forth in Section 20-10-140 and Section 20-10-142, MCA. The fiscal year 1991 appropriation for transportation aid is \$5,852,894. OPI is requesting an additional \$605,589.			
<u>School for the Deaf & Blind</u>	\$161,285	\$161,285	General Fund
1) \$161,285 to cover a settlement with the American Federation of Teachers, Local 4027 on annual leave and holiday pay for fiscal years 1988 and 1989;			
2) \$21,829 to cover a settlement for fiscal years 1988 and 1989 with employees who were previously covered by the union agreement but who were not part of the settlement with the union. (They had either terminated employment with the school or were promoted to a position not covered by the bargaining agreement);	\$ 21,829	\$ 21,829	General Fund
3) The original request in House Bill 3 combined the shortfall in federal Chapter -1 funds in fiscal year 1991 and teacher upgrades in the same request. The subcommittee does not recommend approval of the request to replace federal funds but does recommend approval of a supplemental appropriation for the teacher upgrades; and	\$ 53,783	\$ 13,400	General Fund
4) \$10,000 for fiscal year 1991 to pay for an increase in the costs of large print and braille textbooks, which are distributed through the schools itinerant consultant program.	\$ 10,000	\$ 10,000	General Fund
<u>Montana University System</u>			
Three of the six university units are seeking a supplemental general fund appropriation for liability insurance premium increases in fiscal 1990 and 1991 from the fiscal 1988 premium level. The requested amounts listed below by university unit represent the net two year increase from fiscal year 1988 to fiscal years 1990 and 1991.			
University of Montana	\$ 93,843	\$ 93,843	General Fund
Eastern Montana College	\$106,011	\$106,011	General Fund*
Northern Montana College	\$133,237	\$133,237	General Fund

*Current unrestricted in House Bill 3

Amendments to House Bill 3
(Re: Appropriations for fiscal year 1991)
Introduced Copy

EXHIBIT 2
DATE 2/12/91
HB 3

1. Page 6
Following: line 8
Insert: ~~"No funds may be transferred from these items to any other portion of the SRS budget."~~

[This is to be a deletion from p. 2060 of HB 100, paragraph 1.] *

Insert: ~~"No funds may be transferred from these items to any other portion of the SRS budget."~~

[This is to be a deletion from p. 2060 of HB 100, paragraph 3.] *

* Appropriate pages from House Bill 100 are attached.

Prepared on February 11, 1991

Montana Department of Social
& Rehabilitation Services

BY: Russ Carter

VISITOR'S REGISTER

COMMITTEE

BILL NO.

DATE 2/22-7/91 SPONSOR(S)

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