

MINUTES

MONTANA HOUSE OF REPRESENTATIVES 52nd LEGISLATURE - REGULAR SESSION

SUBCOMMITTEE ON NATURAL RESOURCES

Call to Order: By CHAIRMAN BERV KIMBERLEY, on February 18, 1991,
at 8:00 A.M.

ROLL CALL

Members Present:

Rep. Berv Kimberley, Chair (D)
Sen. Esther Bengtson, Vice Chair (D)
Sen. Gerry Devlin (R)
Rep. Ed Grady (R)
Rep. Jerry Nisbet (D)
Sen. Cecil Weeding (D)

Members Excused: None

Members Absent: None

Staff Present: Roger Lloyd, Associate Fiscal Analyst (LFA)
Carl Schweitzer, Budget Analyst (OBPP)
Bill Mandeville, Budget Analyst (OBPP)
Theda Rossberg, Secretary

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

Announcements/Discussion:

DEPARTMENT OF COMMERCE HEARING ON LOCAL GOVERNMENT ASSISTANCE DIVISION

**EXHIBIT 1 - Newell Anderson, Administrator of Local Government
Assistance Division, gave an overview of this division.**

Montana Community Development Block Grant Program:

This program exists to receive, award, administer and monitor Federal HUD funds intended to assist local governments with public housing for low income families. In the 1993 biennium our projection is; 1) hold 10 statewide application workshops, 2) 2 grantee workshops, 3) 2 administrative rule hearings, and 4) provide responses to 90 inquiries from prospective applicants.

Montana Community Technical Assistance Program:

This program provides technical assistance, analysis and other services to local government entities, private developers and general citizens in community planning, land development, local project and public works financing. The 1993 biennium projection

is; 1) respond to 500 public facilities funding data searches, 2) Provide assistance to local governments and developers, 3) expand the small town publication an EPA 1990 grant project on waste water treatment, 4) distribute the "Mini Capital Improvement Planning Guide" providing assistance for local governments, 5) sponsor and develop solutions to current local government issues, 6) distribute \$400,000 to counties for land planning.

Montana Coal Board:

The Montana Coal Board exists to financially assist local government to expand public services as a consequence of large-scale development of coal mines and coal-using energy complexes. 1993 biennium projection is; 1) provide and monitor 16 grants for approximately \$5.4 million to coal impact communities to financially assist their public facilities needs, 2) monitor 10 completed grants from previous fiscal years, 3) hold 8 board meetings, reviewing applications and awarding local impact grants, 4) sponsor a statewide Montana coal symposium featuring present and projected coal development information.

Montana Hard Rock Mining Impact Board:

This program was created by statute in 1981 to provide technical assistance, analysis and mediation services to local government entities and hard rock mining companies where impacts from large scale development are identified and require mitigation. Projections for 1993 biennium are; 1) approve amendments to existing impact plans and process impact payments, 2) Provide assistance to communities and developers concerning impact planning for hard rock mining, 3) hold 9 board meetings reviewing impact act administration, new mining developments and government impact progress, 4) present public information data concerning impact mitigation.

Montana Housing Assistance Program:

The Department of Commerce, as the State Housing Authority, administers Federal Housing Programs for the U.S. Department of Housing and Urban Development. This program provides rental assistance to the elderly and low income families. These are all federal funds and no state funds are used for this program. Because of the demand, the number of HUD units available are significantly lower. Projections for 1993 biennium are; 1) Develop and publish statewide rental housing affordability, availability and condition reports, 2) Provide fair market rent assistance to 3,500 Montana landlords to make available affordable, decent, safe and sanitary housing at a cost of approximately \$14 million per year, 3) provide \$300,000 rental rehab. funds to local community development agencies for loans or grants to housing developers for 50 units, 4) Manage 5,200 person revolving waiting list of housing assistance applicants.

Montana Local Government Audit Program:

This program performs post-audits of the financial statements of local government entities across Montana. It assists private Certified Public Accountants under contract with the Department

doing local audits. Projections for the 1993 biennium are, 1) Perform 200 audits of counties, cities, towns, school districts and other special taxing jurisdictions, 2) Expand by three units, the field automation equipment, 3) finish the required peer review in FY92, Provide technical audit assistance to private CPA's doing contract audits, 4) provide technical assistance to local governments concerning fiscal management. About 54% of our audits are done under contract with private CPA's.

Montana Local Government Accounting Systems Assistance Program:

This program develops, implements and maintains uniform budgetary accounting and reporting systems for all Montana cities, counties, school districts and other single purpose districts. It provides standards manuals and training for local finance personnel. 1993 projections for the biennium are; 1) provide one on one technical assistance to local governments, 2) provide accounting systems training seminars for local government staff, 3) reimburse counties approximately \$6 million for district court expenses, 4) develops and maintains a uniform chart of accounts for all local entities.

Conclusion:

The continuation of these programs that provide both direct services or fiscal assistance to all Montanans is accomplished by the Executive Budget that is now before you for your consideration.

SEN. BENGTON asked, do you do those audits annually?

Mr. Anderson replied, these audits are every 2 years and they report back to our office.

SEN. DEVLIN asked, is local government doing more or less of these audits?

Mr. Anderson said, before 1976 we were doing all the audits, but since that time the private sector was growing and we were shrinking. Since 1986 it has leveled off and the percentage of using private CPA's has not changed significantly.

We have located our auditors around the state to save travel expenses.

SEN. WEEDING asked, if there are 5,200 on the waiting list for housing assistance is there a certain amount of subsidy per person, how are these funds divided up?

Mr. Anderson said, the federal government defines who is eligible and for how much. The law states, you will pay no more than 30% of your gross income for housing rent. If you don't make enough, we will pay all of the rent. The federal government establishes what the fair market rent should be.

SEN. WEEDING asked, is HUD consistent with local rentals?

Mr. Anderson said, generally the HUD'S rentals are higher.

SEN. WEEDING asked, are these rental prices different in different areas?

Mr. Anderson replied, there are 16 definition regions in Montana, and the rentals are applied to the fair market of their area.

SEN. DEVLIN asked, if an individual's income increased, do they still qualify for HUD housing?

Mr. Anderson said, they have to report any increase in income, and if they go over the amount for eligibility we do not make them move, but they will not be eligible for assistance.

The waiting list is updated every month. If the present house you are living in is defined as unsuitable, your name goes to the top of the list. If you are disabled, your name goes to the top of the list. If you are paying more than 50% of your income for the house you are living in your name goes to the top of the list. Previously your name moved up the list numerically. All of these 5,200 people are not living in the street. They may be living in public housing now and want to move up to private, single dwelling housing. We are only doing about one fifth of the subsidized housing in Montana. The other organizations have their waiting lists also.

CHAIRMAN KIMBERLEY said, if you were number 5,200 on that list, how long would it take to get housing?

Mr. Anderson said, it depends upon the area you are in. A 3 bedroom house in Billings moves fairly fast. A lot of these people are transient and move from house to house. If you are in Billings looking for a 2 bedroom house it would take about 6 months to get to the top of the list.

EXHIBIT 2 - Local Government Assistance Administration (Budget)
Roger Lloyd, LFA reviewed the differences between the LFA and Executive Budget. He said, we will be reviewing 4 different budgets on the programs **Mr. Anderson** reviewed.

Current Level Issues:

These are non-action items (Inflations, Audit, Network fees).

Personal Services:

The transfer of .5 FTE from Community Development Division to Local Government Assistance Administration.

Indirect Charges:

This cost is associated with the increase of the .5 FTE.

Budget Base Differences:

This makes up the differences in this program of \$1,111 each year

of the biennium.

BUDGET REVIEW:

Personal Services - Mr. Anderson stated, the .5 FTE replaces the 1 FTE which has been transferred to the Montana Housing Assistance Program. This .5 FTE will come out of the Hard Rock Mining Board.

Indirect Charges - this cost is a direct result of the .5 FTE transfer.

Budget Base Differences - this budget is about 90% personal services. The \$1,111 differences is for communications and travel which cannot be billed to individual programs.

EXECUTIVE ACTION

LOCAL GOVERNMENT ASSISTANCE ADMINISTRATION

Motion/Vote: SEN. BENGTSON moved to accept the LFA budget.
Motion CARRIED unanimously.

Motion/Vote: SEN. WEEDING moved to accept the Executive Budget for \$12,040 for FY92 and \$12,012 for FY93 for the transfer of .5 FTE from the Community Development Division to Local Government Assistance Administration. Motion CARRIED unanimously.

Amended Motion/Vote: SEN. WEEDING amended the motion to include the Executive budget for indirect charges of \$1,053 FY92 and \$1,051 FY93 and budget base differences of \$1,111 each year of the biennium. Motion CARRIED unanimously.

COMMUNITY DEVELOPMENT BUREAU

EXHIBIT 3 - Community Development Bureau (Budget)

Mr. Lloyd reviewed the difference between the LFA and the Executive budget.

Coal Board:

Non Action Items - these have already been accounted for.

Personal Services - there is a .5 FTE moving from this program into the Board of Housing.

Per Diem - the LFA budgeted at actual FY90 expenditures and the Executive budgeted actual FY90 plus \$2,700 each year.

Coal Tax Grant Allocation - 6.65% of the coal severance tax is for the funding of the coal board. After deducting administrative and operating expenses the balance is available for grants. The LFA is a more accurate estimate than the Executive budget. The committee may wish to give Bill Mandeville, OBPP and myself direction that after you have set the expenditures excluding the grants, we go back and subtract the

expenditures from the revenue estimates and allocate the remaining the grants appropriations. The figures for FY92 are \$2,566,024 and FY93 \$2,554,868. This would be the total amount the coal board would be receiving less administrative expenses.

SEN. BENGTON asked, what are the expenses?

Mr. Lloyd replied, when the committee reviews the budget they will be setting the expenditure amount. After the committee has taken Executive action, the committee can direct me, as to the amount of expenditures to take from the budget, the remainder will be for grants.

Carolyn Doering, Management Services Division said, there is not a breakout of numbers for each separate bureau, they are all rolled together.

Mr. Lloyd said, the LFA budget for the coal board are the figures I quoted for you which was the total estimated revenue. For grants I took those figures and subtracted the LFA's expenses to get \$2,407,307 in FY92, in FY93 it was \$2,405,874 for grants.

Mr. Mandeville said, we don't have anything to do with the projected revenue. If the revenue is lower than estimated we could ask for a budget amendment. The revenue estimates are based upon economists projections. It probably would not be appropriate to try to match revenue estimates to appropriated levels. There is no problem with grants as they are the balance after expenditures.

SEN. BENGTON said, there doesn't seem to be a lot of difference.

Mr Lloyd said, there is a considerable amount of differences of the grants between the two budgets. In calculating the Executive I came up with only \$7,000 differences. Therefore, I don't know where the \$375,000 came from.

Mr. Anderson said, the LFA has \$11,279 less for a .5 FTE than the Executive does. That position was removed from the coal board and transferred to the housing division. You have to consider the amount under "Recharges" of \$6,533. This .5 FTE used to cost \$11,179 and now only cost \$6,533.

Mr. Anderson said, the Budget Base Differences is basically a coal symposium that's sponsored by the coal board for \$3,000 in FY92 and \$4,000 in FY93. Contracted Services differences between the LFA and the Executive designated for the counties is approximately \$2,000 to \$2,500 per year. There is approximately biennium difference of \$5,000 in the individual grants issued and the audits performed for those grants. The LFA used the 1990 expenditures as a base and there was no coal symposium that year and contracted services was paid by a different department.

SEN. BENGTON asked, how many coal symposiums do you have and are

you the sole host?

Mr. Anderson said, the coal board started the coal symposiums about 6 years ago. Generally they have one every third year. They are well attended by major coal companies, major transportation companies and nationally renowned economists to deal with energy policy. The last coal symposium in 1989 was attended by approximately 350 people. The symposium is not in conjunction with any other group. The symposium is for basic information for future and existing coal developments, especially in Montana. It is not just coal company and government people who attend but also the general public.

CHAIRMAN KIMBERLEY asked, do you pay the expenses for the speakers?

Mr. Anderson said, sometimes we have to pay their expenses, and sometimes we don't, it is on a case by case basis.

Per Diem - the LFA reflects actual 1990 expenditures. One meeting costs approximately \$1,400 for the 7 members, and includes a \$50 honorarium paid to each member. The LFA is projecting 4 meetings per year and we are projecting 6 meetings per year. Any remaining funds at the end of the year goes back into the educational trust fund.

SEN. DEVLIN said, you could probably meet 5 times a year if you wanted to cut your expenditures.

Ms. Doering said, we need to budget for the number of board meetings provided by law and have the flexibility to have a meeting when we need to. We have to budget assuming all board members will attend all meetings.

EXECUTIVE ACTION **COAL BOARD**

Motion/Vote: **SEN. BENGTON** moved to accept the Executive Budget on the transfer of .5 FTE from Community Assistance to Section 8 Housing for (\$11,179) FY92 and (\$11,258) FY93. Also, to accept the Executive budget for per diem of \$2,700 each year of the biennium. **Motion** CARRIED unanimously.

Motion/Vote: **SEN. BENGTON** moved to accept the Executive Budget for recharges of \$6,533 FY92 and \$6,528 FY93. **Motion** CARRIED unanimously.

Motion/Vote: **SEN. WEEDING** moved to accept the Executive Budget for budget base differences of \$11,417 FY92 and \$11,419 FY93
Motion CARRIED unanimously.

SEN. BENGTON asked, what was the cost of the last symposium?

Mr. Anderson replied, the last symposium cost approximately \$10,000.

Mr. Mandeville said, the funds received by the coal board comes from the coal severance tax which is dispersed among a variety of different agencies, some state and some local.

Coal Tax Grant Allocation - **Mr. Lloyd** said, we have a budget for administration expenses set at the Executive level. Upon direction from this committee we will take those figures and subtract them from the most accurate revenue we have and arrive at the difference for grants.

Motion/Vote: **REP. NISBET** moved to give authorization to **Mr. Lloyd** to calculate the amounts for grants. Motion **CARRIED** unanimously.

SEN. WEEDING requested, that if there is a difference between the LFA and Executive revenue estimates, the committee be informed of the amounts.

Mr. Doering said, all of the other programs are based upon revenue estimates.

Hard Rock Mining Board:

Personal Services - **Mr. Lloyd** said, there is another .5 FTE transferring from this program to administration. The LFA reflects actual FY90 expenditures for per diem and the Executive reflects an additional \$2,500 each year of the biennium.

Budget Base Differences - the differences is due to the different bases used by the LFA and the Executive.

Language - the 1989 legislature requested "The hard-rock mining board shall report to the 53rd legislature any expenditures from the hard-rock mitigation and arbitration account".

Mr. Anderson said, this is the .5 FTE that moved from the hard rock to administration for \$12,041.

Per Diem - the board has varying expenses for meetings from one year to the other. If we have a meeting in the Libby area the meetings can run from 2 days to 4 days. This is travel time of 2 days round-trip. A meeting in Miles City would also require the same amount of time. The year 1990 was not a typical year as there were some low expenses in some areas because of low attendance, etc. We believe the Executive is a more reasonable projection. Any funds not expended goes back into the local trust account.

Budget Base Differences - the differences of \$5,574 for FY92 and \$5,604 for FY93 is the difference of printing and producing a slide show. The board produces a Hard Rock Impact Manual for developers. It is scheduled for reprinting which costs about \$4,800. The slide show can be sent to different local meetings

rather than sending a staff person. Local people are always interested in what the impact will be of a hard rock mine.

Language - the hard rock doesn't have a mitigation and arbitration account any more. Last year the legislature dropped the revenue for that so we don't need this language.

EXECUTIVE ACTION
HARD ROCK MINING BOARD

Motion/Vote: SEN. DEVLIN moved to accept the Executive Budget for personal services; transfer of .5 FTE to local administration assistance for (\$12,041) for FY92 and (\$12,014) for FY93 and Per Diem of \$2,500 each year of the biennium. **Motion** CARRIED unanimously.

Community Assistance:

Personal Services - Mr. Lloyd explained the Executive contains a step increase in the bureau chief from grade 17 step 2 to grade 17 step 12 which is not reflected in the LFA.

Mr. Anderson stated, I hired a bureau chief who was at a grade 16 step 12. In hiring that person I had to upgrade him to a grade 17, step 12. This position was vacant in the beginning.

EXECUTIVE ACTION
COMMUNITY ASSISTANCE

Motion/Vote: SEN. BENGTSON moved to accept the Executive Budget for the bureau chief of \$3,864 for FY93 to \$3,855 for FY93 and budget base differences of (\$2,423) for FY92 and (\$2,423) for FY93. **Motion** CARRIED unanimously.

County Land Planning:

Mr. Lloyd said, we have the same situation as we had in the coal board where .38% of the coal tax collected is for grants to the counties. There are no differences between the LFA and the Executive budgets. Since that time, there are more accurate estimates and I would ask the committee for their approval of changing these figures to a more accurate revenue estimate.

EXECUTIVE ACTION
COUNTY LAND PLANNING

Motion/Vote: REP. NISBET moved to accept the most accurate estimated revenue by the LFA and OBPP. **Motion** CARRIED unanimously.

Housing Assistance:

Personal Services - Mr. Lloyd stated, here is the addition of .5 FTE moving in from the coal board and also a .5 FTE from the Community Development Block Grant Program for a total of 1.0 FTE for \$22,560 for FY92 and \$22,509 for FY93.

Indirect Charges - along with the increase of the FTE are some indirect charges associated with the management services department.

Budget Base Differences - the differences are from the different bases.

Mr. Anderson state, in regard to the transfer of the FTE, this is a net increase in this budget and a net increase from the departments from which they came. The FTE are federally funded.

The indirect charges are a result of that increased FTE.

Budget Base Differences - in FY90 we had no agency training for field agents. In 1992 and 1993 we project to have 2 agent training programs each year for approximately \$4,500 to \$5,000 for each training session. We will bring 12 field agents into Helena for training in new federal regulations and all other problems in the system.

Mr. Lloyd said, the budget modification is also included in the Housing Assistant program.

Motion/Vote: **SEN. BENGTON** moved to accept the Executive Budget for the total 1.0 FTE transfer to this program for \$22,560 for FY92 and \$22,509 for FY93, and indirect charges of \$1,958 for FY92 and \$1,954 for FY93, and budget base differences of \$9,449 each year of the biennium, and include the modification of \$1,000,390 each year of the biennium. **Motion CARRIED** unanimously.

Community Development Block Grant:

Personal Services - **Mr. Lloyd** stated, this is the .5 FTE which transferred to Section 8 Housing Assistant program. The Executive has a grade decrease from a grade 16 step 12 to a grade 16 step 3 which is not included in the LFA budget. The Executive has a budget increase for the bureau chief from a grade 17 step 2 to Grade 17 step 12 which is not reflected in the LFA budget.

Indirect Charges - this is associated with increase in FTE level.

Recharges - this is the other half of the recharges we reviewed previously.

Budget Base Differences - this is the result of the LFA and the Executive working from different bases.

Funding - the LFA has used less general fund for this program in FY92 and slightly more in FY93 than in the Executive budget.

Mr. Anderson explained, this is the transfer of the .5 FTE into the housing program discussed earlier and the bureau chief was for the increase in grade step. The position number 60002 is the position which is split between two programs.

The budget base differences is general fund which is a complex mix of money which is a match to federal funds. We have to match 50% of the federal funds with administrative funds, not the grant funds. If we go below the 50% this year, next year we would have to come up with 55% to make up the difference.

Motion/Vote: SEN. WEEDING moved to accept the Executive Budget for personal services, Item A,B,C; indirect charges, recharges, budget base differences and the funding issue. EXHIBIT 3.

Motion CARRIED unanimously.

LOCAL GOVERNMENT SERVICES AUDIT: EXHIBIT 4. Mr. Lloyd stated, there are no differences in FTE between the Executive and the LFA. The Executive is higher than the LFA in FY92 by \$31,827 and in FY93 by \$28,531. The program is funded with general fund and proprietary funds.

Personal Services: - the Executive contains less health insurance than the LFA. The agency concurs with the LFA, the \$600 should be added back into the budget.

Equipment - the LFA reflects a 3 year average and the Executive recommends approximately \$13,000 greater than the 3 year average.

Transfers - represents the general fund in the program. The general fund appropriation uses transfer authority to transfer the general funds into the proprietary fund where they are expended.

Budget Base Differences - differences are due to working with different bases.

Funding - in FY90 the balance in this account was approximately \$186,000 from \$122,000 in FY88. As of today, the cash balance in the account is \$126,000. From the LFA perspective, the amount deposited into that account is increasing that account.

Executive Budget Modification - the federal government requires peer review and this modification accomplishes that. There are no FTE and \$10,000 each year of the biennium.

Mr. Anderson said, all 92% of the \$1.2 million for costs is proprietary funds leaving an 8% general fund support for this program.

The LFA reflects a 3-year average of equipment which is about \$3,800 per year. We have 22 field staff in the state. Over the course of the last 4 years we have built that field staff up to the capacity to have automation. Previously we had auditors traveling around the state with folders full of working papers because the paper-work had to be done manually. We have acquired 6 field computers in the last 4 years. The Executive Budget represents a completion of that automation implementation. If we can transport a floppy disc through the mail instead of working

papers. The speed and accuracy of information is much more cost effective. We feel this budget is justified.

The budget base differences is about \$3,500 in contracted services with private CPA's to do special audits. Approximately \$6,100 per year is for travel. What the LFA represents for FY90 is less than full field staff. There is a \$1,600 difference for communications.

We need to have one months operating cash at all times and two months accounts receivables which amounts to about \$94,000. If our balance drops below that level, I have to decide if we have too many staff. I believe Mr. Lloyd's figures of cash-on-hand includes some equipment. In Transfers, about 20% of unbillable hours are being covered by proprietary funds.

The modification is because the federal government and the accounting profession has defined requirements this organization must do; 1) you can contract with a large accounting firm and for about \$40,000 they will spend 6 months auditing your program, or 2) you can join an accounting association of our state agencies. They trade professionals from one state to another. They get auditing teams from California, Colorado, Kansas, etc. to establish the definition of peer review. For \$10,000 each year of the biennium we can have an adequate peer review done, which is proprietary funding. The last peer review was done in 1986 and they haven't been required until now. We have to do these reviews every 4 years.

SEN. WEEDING asked, why is the federal government involved in this, we aren't using federal monies are we?

Mr. Anderson replied, the federal government requires minimal requirements for local audits because they have a government audit standard and we have to follow that.

EXECUTIVE ACTION **LOCAL GOVERNMENT SERVICES AUDIT**

Motion/Vote: **REP. NISBET** moved to accept the LFA current level.
Motion CARRIED unanimously.

Mr. Lloyd said, the LFA current level has been approved and would not need any action on Personal Services.

Motion/Vote: **SEN. WEEDING** moved to accept the Executive Budget for equipment for \$12,934 FY92 and \$12,723 FY93. **Motion** CARRIED 4 - 1 (**SEN. BENGTON** voting "no").

Motion/Vote: **SEN. DEVLIN** moved to accept the Executive Budget for the budget base differences of \$10,797 each year of the biennium.
Motion CARRIED unanimously.

Mr. Lloyd stated, with the funding issue we see a fund balance that has been increasing over the past 3 years. The fund balance had increase from \$121,000 in 1988 to \$222,000 in 1989 and \$186,000 in 1990. The LFA feels some of the increase could be used to fund this program in lieu of general fund.

Mr. Anderson stated, my figures show a net balance in 1990 of \$112,276. I don't think 8% is too high.

SEN. BENGTON asked, if we approve the transfers will that take care of the funding?

Mr. Mandeville said, the transfer is somewhat of a clean-up item. After you make all the adjustments, the amount of the transfer has to equal the general fund appropriation. The main difference between the LFA and the Executive positions on funding is centered on net assets. Net assets are working capital which is the money need to maintain your cash-flow. Mr. Anderson is saying, he needs available cash for cash-flow of about \$95,000 per month. Therefore, what he is asking for is about one and a half months of available cash for cash-flow. The Executive does not expect the agency to sell their equipment to maintain their cash-flow.

Motion/Vote: SEN. BENGTON moved to accept the Executive budget for transfer and funding of \$6,871 for FY92 and \$6,921 for FY93. Motion CARRIED 4 - 1 (SEN. DEVLIN voting "no").

Motion/Vote: SEN. BENGTON moved to accept the Executive Budget for the modification of \$10,000 each year of the biennium. Motion CARRIED unanimously.

LOCAL GOVERNMENT SERVICES-SYSTEMS: EXHIBIT 5.

Mr. Lloyd said, there are no differences in FTE between the LFA and Executive budget. This program has general funding with some proprietary funds.

Accounting and Management System:

There are three issues for the committee's consideration; Technical Adjustment - the LFA eliminated \$8,000 of secretarial services expenditures in 1990 and this amount should be added back.

Transfers - this is the same as was in the audit program where the agency receives the general funds and uses transfer authority to move the funds into the proprietary account where it is expended.

Budget Base Differences - the difference is also reflected in how the LFA and the Executive used general funds. The ending fund balance has been increasing over a number of years and we felt it reasonable to fund less general fund and more out of the proprietary account.

Mr. Anderson said, this is a program in transition. In 1986 this program had 7 FTE and the budget before you shows they will have 2.5 FTE. Local government is not able to put on workshops throughout the state and there is less capacity to contract on proprietary basis to deliver services on a one on one basis. The program as proposed by the Executive is 28% general fund and 72% proprietary funds. This program has accumulated over the last couple of years an abnormal asset balance because we had to contract auditors for two default cases, one in a large city in Montana and one in a large school district. These were not traditional internal activities within the agency and therefore, caused a large net asset balance. The general fund in FY90 was \$87,000 and the proposal by the Executive for FY92 is \$53,000. We have already reduced our budget by over \$30,000. Anything over that amount will cause the general fund and the proprietary fund to be disrupted.

The difference in the base differences, about \$500 is in rent and travel is about \$1,500. I would suggest the committee keep the funding at the proposed Executive level.

Mr. Lloyd said, the Executive has transferred \$35,000 out of the systems program and the reason it is less than what was expended in 1990. However, they expanded the general fund in 1990 in the audit program, and is the reason for the difference.

Mr. Mandeville said, the Executive did move general funds from this program over to audit. This was because **Mr. Anderson** and his staff were splitting the non-billable items between the two programs. This year we moved the funds to audit for those non-billable items to more accurately represent the costs.

Mr. Lloyd stated, the total overall effect between systems and audits was not a decrease in general fund.

SEN. DEVLIN asked, did you say the switch in general fund was from the systems program to the audit program?

Mr. Anderson said, the net effect is; there is the same amount of general fund proposed between these two programs. There is a transfer of \$35,000 from the systems program budget to the audit program budget. There is no increase in general fund.

SEN. WEEDING asked, what happens to the general fund if it is not expended?

Mr. Anderson said, in the beginning of the year all general funds are transferred into the proprietary fund and you wind up with cash and spending authority. Once it is transferred from the general fund, it does not revert back.

EXECUTIVE ACTION
ACCOUNTING & MANAGEMENT SYSTEM

Motion/Vote: SEN. BENGTON moved to accept the Executive Budget for technical adjustment for \$8,000 for each year of the biennium and budget base differences for \$22,492 for each year of the biennium. **Motion** CARRIED unanimously.

Motion/Vote: SEN. BENGTON moved to accept the Executive recommendation for funding of general and proprietary funds for \$2,565 for FY92 and \$2,682 for FY93. **Motion** CARRIED unanimously.

DISTRICT COURT REIMBURSEMENT:

Audits - Mr. Lloyd said, the LFA is \$1,150 over the amount actually expended and the Executive is overstated.

Grants - the district court reimbursement program is funded through a percentage of the tax collected on automobile registrations. They are deposited into the general fund and any funds not expended will be refunded to the counties.

Language - there was also some language dealing with the district court program which reads "If revenues deposited to the general fund through implementation of 61-3-509, MCA, are less than the appropriation for District Court reimbursement, the department shall reduce the reimbursement to equal the revenues generated".

For administrative costs the LFA has \$56,000 and the Executive has \$94,000. After these costs are taken out of the estimated revenues the amount remaining is allocated for grants. The difference for grants is \$201,000. An updated revenue estimate is \$2.7 million. If you fund operations at the LFA level with the \$2.7 million revenue estimate, there will be more available for grants by \$120,186. If you fund operations at the Executive level of \$2.7 million of revenue estimate, the amounts available for grants would decrease by \$118,000.

If the committee would direct the LFA and OBPP to set the grants by the most recent revenue estimate for net operating expenses, the remainder would be for grants.

Mr. Anderson said, the basic differences in the budget base differences besides the contracted services, is legislative audit expense of approximately \$1,800 and approximately \$1,500 for printing costs and an FTE recharge for contracted services for management and review.

In looking at the audit we need \$6,497 over the LFA for each year.

Mr. Anderson explained, as Mr. Lloyd said, whatever the revenue is, determines what the grants are. All of the revenue is reimbursed to the general fund by the license fee. The general fund will fund the district court reimbursement program.

SEN. BENGTON said, the difference of operating expenses in FY92 is \$46,807 and in FY93 the difference is \$44,211. Why is it

twice as expensive?

Ms. Doering said, that also deals with the accounting and management system budget. If you consider only district court reimbursement there is a difference in audit of \$22,000. The FY91 appropriation for the audit was inflated. We do not need that much for the audit. We need the LFA base which is approximately \$18,000 plus another \$6,497 to fund the audits.

EXECUTIVE ACTION
DISTRICT COURT REIMBURSEMENT

Motion/Vote: SEN. BENGTON moved to accept the LFA base for operating expenses. **Motion** CARRIED unanimously.

Motion/Vote: SEN. BENGTON moved to accept \$6,497 for each year of the biennium for audits. **Motion** CARRIED unanimously.

Motion/Vote: SEN. BENGTON moved to accept the Executive Budget for budget base differences of \$14,980 for FY92 and \$14,995 for FY93. **Motion** CARRIED unanimously.

Motion/Vote: SEN. BENGTON moved to have the LFA and OBPP figure out the revenue income and decide what the remainder should be for grants. **Motion** CARRIED unanimously.

Motion/Vote: SEN. BENGTON moved to accept the language as stated on the budget sheet. (EXHIBIT 5). **Motion** CARRIED unanimously.

MONTANA STATE LOTTERY: EXHIBIT 6

Zoan Attwood, Director Montana State Lottery reviewed a chart with the committee showing the differences between 1989 and 1993 projection. The revenue in 1989 was \$11.6 million and increased to \$21.5 million in FY90 and \$26.5 million in FY91. The retail incentive plan has also increased from \$2.8 million in FY89 to \$5.8 million in FY90 and \$6.8 million in FY91. The prize incentives have also increased. See EXHIBIT 6 for total revenues, prizes, operation expenses, schools and commissions.

CHAIRMAN KIMBERLEY asked, where does the money go from the lottery?

Ms. Attwood said, the money goes into Office of Public Instruction for the School Foundation Program.

CHAIRMAN KIMBERLEY stated, people thought this was going to Teacher's Retirement fund and they should be informed of exactly where it goes.

Ms. Attwood said, we are now involved in a multi-state lottery which is called "Lotto America."

SEN. WEEDING asked, do we have the Lotto and Lotto America both

under the State Lottery program?

Ms. Attwood answered, yes.

REP. NISBET asked, how much of that budget do you attribute to Lotto America.

Ms. Attwood replied, about 50%.

SEN. BENGTON said, people get the Lotto and Lottery mixed up with state gambling. The Lotto and Lottery is a state owned business whereas the gambling like the poker video machines, etc is completely separate.

SEN. WEEDING asked, are your overall odds less than 50%?

Ms. Attwood said, our instant games are running between 53% and 55%.

SEN. WEEDING asked, how much of the Lotto money comes back to Montana?

Mr. Lloyd said, profit is defined as total revenue less operation expenses and 100% of the profit goes to OPI.

SEN. WEEDING asked, do you take out taxes for any payouts?

Ms. Attwood answered, we take out federal taxes but not state taxes.

Mr. Lloyd reviewed a formula for Lotto American and the odds for winning.

MONTANA STATE LOTTERY EXHIBIT 6 (Budget)

Mr. Lloyd reviewed the differences between the LFA and the Executive budget.

The differences are accounted for in the non-action items. The biggest item is the audit.

Executive Budget Modifications:

They want spending authority for Lotto America proceeds of \$3,466,783 for FY92 and \$3,275,782 in FY93.

There is a request for vehicles in FY93 only, of \$55,500.

The language issues - we have discussed the net profit amount going exclusively to OPI, and spending authority may be increased upon review and approval by the budget office.

Budget Review:

Jerry LaChere, Director Operations said, the base differences as reviewed by the LFA are acceptable.

SEN. BENGTON asked, how many new vehicles do you want to purchase and how often do you purchase them?

Mr. LaChere replied, we purchase vehicles every 3 years with 100,000 miles on them. We have 10 individuals throughout the state and we would need 5 new vehicles in FY93 and 5 in FY94.

SEN. WEEDING said, I recall that there were 6 or 8 blazers purchased which were notorious for poor mileage. Why would you need 4 wheel drive vehicles for highway travel?

Ms. Attwood said, we are now using front wheel drive vehicles which are Chevrolet Corsica's which get better mileage. We are phasing out the bronco's.

SEN. DEVLIN asked, how many vehicles do you have now?

Mr. LaChere said, we currently have 10 and we traded in the blazers when we purchased the new vehicles.

Motion/Vote: SEN. BENGTON moved the Executive Budget for the Montana State Lottery program including the modifications.

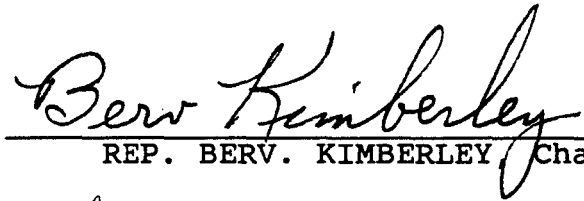
SEN. WEEDING asked, what are the base differences?

Mr. LaChere replied, some of the differences is in the cost of printing the tickets, telephone lines, training of retailers and computer maintenance. These are our expenditures in order to operate that game.

Motion CARRIED 4 - 1 (SEN. WEEDING voting "no").

ADJOURNMENT

Adjournment: 11:45 A.M.


REP. BERV. KIMBERLEY, Chair


THEDA ROSSBERG, Secretary

HOUSE OF REPRESENTATIVES
NATURAL RESOURCES SUBCOMMITTEE

ROLL CALL

DATE 2-18-91

NAME	PRESENT	ABSENT	EXCUSED
SEN. ESTHER BENGTON, VICE-CHAIR	✓		
REP. ED GRADY	✓		
REP. JERRY NISBET	✓		
SEN. GERRY DEVLIN	✓		
SEN. CECIL WEEDING	✓		
REP. "BERV" KIMBERLY, CHAIRMAN	✓		

2-18-71
Exhibit I.
Mr. Pres. Sen.

PRESENTATION BY NEWELL ANDERSON
on the

LOCAL GOVERNMENT ASSISTANCE DIVISION

PROPOSED '93 BIENNIUM BUDGET

MR. CHAIRMAN, MEMBERS OF THE COMMITTEE, FOR THE RECORD MY NAME IS NEWELL ANDERSON AND I AM THE ADMINISTRATOR OF THE LOCAL GOVERNMENT ASSISTANCE DIVISION. I WOULD LIKE TO TAKE THIS OPPORTUNITY TO HIGHLIGHT SOME OF THE FACTS AND ISSUES THAT THIS '93 BIENNIUM BUDGET PRESENTS.

THIS DIVISION OPERATES 12 DIRECT SERVICE AND FINANCIAL ASSISTANCE PROGRAMS. A TEAM OF 52 DEDICATED STAFF CREDIBLY OPERATE THESE VARIOUS PROGRAMS EACH YEAR WITH A TOTAL OPERATING BUDGET OF \$ 2.4 MILLION AND GRANT PAYMENTS OF \$ 23.7 MILLION. THE DIVISION IS PROPOSED TO OPERATE WITH 3 LESS FTE'S AND NEAR THE SAME REVENUE AS DURING FY '89. THE TOTAL ANNUAL DIVISION'S BUDGET OF \$26 MILLION IN THESE 12 PROGRAMS CONTAIN REVENUE BY SOURCE AS FOLLOWS: FEDERAL FUNDS = 72%; STATE SPECIAL REVENUE FUNDS = 12%; STATE GENERAL FUNDS = 11%; AND PROPRIETARY FUNDS = 5% .

THE '93 BIENNIUM EXECUTIVE BUDGET FOR THIS DIVISION WHICH YOU HAVE BEFORE YOU, IS REALISTIC AND FACTUALLY DEFENDABLE. THE FOLLOWING HIGHLIGHTS WILL QUANTIFY AND PROJECT JUST A FEW OF THE EXPECTED ACTIVITIES OF THIS DIVISION OVER THE '93 BIENNIUM.

MONTANA COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM:

Program Description: The program was established by the Federal Housing and Community Development Act of 1974. In, 1981 Congress made available to the States, the option of state administration of the nonentitlement portion of the CDBG program. The November 1981 Special Legislative Session authorized the Montana Department of Commerce to administer the program beginning in 1982. This program exists to receive, award, administer and monitor Federal HUD funds intended to assist local governments with their greatest public facility, housing and economic development needs by funding projects that will principally benefit low and moderate income families in their communities.

PROJECTED '93 BIENNIUM ACTIVITIES:

- * RECEIVE AND EVALUATE 44 CDBG APPLICATIONS
- * FUND 22 OF THOSE - 7 HOUSING REHAB PROJECTS = \$ 2,450,000 = 280 UNITS
15 PUBLIC FACILITIES PROJECTS = \$ 5,250,000
- * CLOSE OUT 40 PREVIOUS YEAR GRANTEE'S PROJECTS = \$ 14,000,000
15 HOUSING REHAB PROJECTS = \$ 4,200,000 = 448 UNITS
25 PUBLIC FACILITIES PROJECTS = \$ 9,800,000
- * HOLD 10 STATEWIDE APPLICATION WORKSHOPS, 2 GRANTEE WORKSHOPS, 2 ADMINISTRATIVE RULE HEARINGS, & PROVIDE RESPONSES TO 90 INQUIRIES FROM PROSPECTIVE APPLICANTS

MONTANA COMMUNITY TECHNICAL ASSISTANCE PROGRAM:

Since 1972

Program Description: This program, mandated by statute, exists to provide technical assistance, analysis and other services to local government entities, private developers and general citizens in the fields of community planning, land development, local project / public works financing. The program policy is directed by existing law, available funding and contemporary technology. (County Land Planning Program Funds included in this program)

12 full time - 1/2 hr - Repairable now.

PROJECTED 93 BIENNIUM ACTIVITIES:

- * RESPOND TO 500 PUBLIC FACILITIES FUNDING DATA SEARCHES
- * PROVIDE DIRECT TECHNICAL ASSISTANCE 335 TIMES TO LOCAL GOVERNMENTS & DEVELOPERS ON LAND USE ISSUES
- * EXPAND ON THE UTILITY OF THE "SMALL TOWN AFFORDABILITY PUBLICATION" AN EPA 1990 CHALLENGE GRANT PROJECT ON WASTE WATER TREATMENT.
- * CONTINUE TO DISTRIBUTE & INSTRUCT FROM OUR "MINI CAPITAL IMPROVEMENT PLANNING GUIDE" PROVIDING ASSISTANCE FOR MONTANA LOCAL GOVERNMENTS
- * SPONSOR AND LEAD THE DEVELOPMENT OF SOLUTIONS TO A CURRENT ISSUE OF CONCERN TO LOCAL GOVERNMENTS.
- * DISTRIBUTE \$ 400,000 TO COUNTIES FOR LAND PLANNING

MONTANA COAL BOARD:

Program Description: This program, an important element of the coal severance tax and created by statute, exists to financially assist local governments which have been required to expand the provision of public services as a consequence of large-scale development of coal mines and coal-using energy complexes.

76

PROJECTED 93 BIENNIUM ACTIVITIES:

- * PROVIDE & MONITOR 16 GRANTS TO COAL IMPACT COMMUNITIES TO FINANCIALLY ASSIST THEIR PUBLIC FACILITIES NEEDS. = \$ 5,400,000
- * MONITOR 10 COMPLETED GRANTS TO LOCAL GOVERNMENTS FROM PREVIOUS FY'S
- * HOLD 8 BOARD MEETINGS, REVIEWING APPLICATIONS AND AWARDED LOCAL IMPACT GRANTS & DEVELOPING POLICY ON IMPACT GRANT ADMINISTRATION
- * SPONSOR A STATEWIDE MONTANA COAL SYMPOSIUM FEATURING PRESENT AND PROJECTED COAL DEVELOPMENT INFORMATION

Ex. 1
2-18-91
Mar. Rev. Div

MONTANA HARD ROCK MINING IMPACT BOARD: *Started in 1981*

Program Description: This program, created by statute, exists to provide technical assistance, analysis and mediation services to local government entities and hard rock mining companies where adverse local fiscal impacts from large scale development are identified and require mitigation. The program policy is directed by the law and by a gubernatorial appointed board that administers the Impact Act, and acts when required, as a quasi-judicial adjudicator of disputes between the affected parties to a proposed or established Impact Plan.

PROJECTED 93 BIENNIUM ACTIVITIES:

- * APPROVE AMENDMENTS TO EXISTING IMPACT PLANS AND PROCESS IMPACT PAYMENTS.
- * PROVIDE 1 on 1 ASSISTANCE 45 TIMES TO COMMUNITIES AND DEVELOPERS CONCERNING IMPACT PLANNING FOR HARD ROCK MINING IMPACTS OR PROBLEM RESOLUTION.
- * HOLD 9 BOARD MEETINGS, REVIEWING IMPACT ACT ADMINISTRATION, NEW MINING PROJECT DEVELOPMENTS AND LOCAL GOVERNMENT IMPACT PROGRESS.
- * PRESENT PUBLIC INFORMATION DATA CONCERNING IMPACT MITIGATION CONDITIONS AND METHODS FOR DEVELOPERS AND COMMUNITIES.

MONTANA HOUSING ASSISTANCE PROGRAM: *Federal Org*

Program Description: The Department of Commerce, as the State Housing Authority, administers Federal Section 8 Housing Programs for the U.S. Department of Housing and Urban Development. These programs, operated by the Department since 1976, are intended to provide rental assistance or rehabilitation funds to facility owners on behalf of lower income families and the elderly. These rental units (housing stock) must be and will remain decent, safe and sanitary to have the landlords eligible for these subsidies. The Federal funds are allocated to the State and then the State allocates these certificates throughout Montana communities by need. Because the number of HUD authorized units for subsidy is significantly lower than the demand, there is an extensive waiting list. There are presently no state funds involved in this program. *Start with Data Base info from the Census*

PROJECTED 93 BIENNIUM ACTIVITIES:

- * DEVELOP AND PUBLISH STATEWIDE RENTAL HOUSING AFFORDABILITY, AVAILABILITY AND CONDITION REPORTS
- * PROVIDE FAIR MARKET RENT ASSISTANCE EACH MONTH TO 3,500 MONTANA LANDLORDS TO MAKE AVAILABLE THE AFFORDABLE, DECENT, SAFE AND SANITARY HOUSING FOR LOW INCOME MONTANA FAMILIES. = \$ 14,000,000/ YR.
- * PROVIDE \$300,000 RENTAL REHAB. FUNDS TO LOCAL COMMUNITY DEVELOPMENT AGENCIES FOR LOANS OR GRANTS TO HOUSING DEVELOPERS. = 50 UNITS
- * MANAGE A 5,200 PERSON REVOLVING WAITING LIST OF HOUSING ASSISTANCE APPLICANTS

MONTANA LOCAL GOVERNMENT AUDIT PROGRAM: *oldest Program*

Program Description: This program, mandated by the Constitution and created by statute, exists to perform post-audits of the financial statements of local government entities across Montana. The audit function is designed to protect the taxpayers' interests by verifying that the financial conditions and operations of local governments are responsibly accounted for, reported and all the appropriate statutes and regulations are complied with. Program staff also advise local officials of changing in State and Federal laws and assist private Certified Public Accountants under contract with the Department doing local audits.

PROJECTED ^93 BIENNIUM ACTIVITIES:

- * ACCOMPLISH SOME 200 LOCAL GOVERNMENT AUDITS OF COUNTIES, CITIES, TOWNS, SCHOOL DISTRICTS & OTHER SPECIAL TAXING JURISDICTIONS.
- * EXPAND BY THREE UNITS, THE FIELD AUTOMATION EQUIPMENT
- * FINISH THE REQUIRED PEER REVIEW IN FY ^92.
- * PROVIDE TECHNICAL AUDIT ASSISTANCE 100 TIMES TO PRIVATE CPA'S DOING CONTRACT AUDITS *Every 4 yrs.* *54%*
- * PROVIDE TECHNICAL ASSISTANCE 855 TIMES TO LOCAL GOVERNMENTS CONCERNING FISCAL MANAGEMENT. *1977 began transition due to Local Govt.*

MONTANA LOCAL GOVERNMENT ACCOUNTING / SYSTEMS ASSISTANCE PROGRAM:

Program Description: This program, created by statute, exists to develop, implement and maintain uniform budgetary, accounting and reporting systems for all Montana cities, counties, school districts and other single purpose districts. The staff provides regular and special accounting assistance to local officials, standards manuals and ongoing training for local finance personnel. (This program includes District Court Reimbursement Program)

PROJECTED ^93 BIENNIUM ACTIVITIES:

- * PROVIDE 1-ON-1 FISCAL TECHNICAL ASSISTANCE 425 TIMES TO LOCAL GOVERNMENTS
- * PROVIDE 48 ACCOUNTING/SYSTEMS TRAINING SEMINARS FOR LOCAL GOVERNMENT STAFFS ACROSS MONTANA
- * REIMBURSE COUNTIES SOME \$ 6,000,000 FOR DISTRICT COURT EXPENSES
- * DEVELOPS AND MAINTAINS A UNIFORM CHART OF ACCOUNTS FOR ALL LOCAL ENTITIES

6501 64 00000

LOCAL GOVERNMENT ASSISTANCE-ADMINISTRATION

Budget Item	Actual Fiscal 1990	Appropriated Fiscal 1991	- - Current Fiscal 1992	Level - - Fiscal 1993	Change 1991-93 Biennium
FTE	2.00	2.00	2.00	2.00	.00
Personal Services	90,883	93,742	94,420	94,798	2.49%
Operating Expenses	10,441	10,323	10,788	10,798	3.96%
Total Program	\$101,324	\$104,065	\$105,208	\$105,596	2.64%
<u>Fund Sources</u>					
Proprietary Fund	101,324	104,065	105,208	105,596	2.64%
Total Funds	\$101,324	\$104,065	\$105,208	\$105,596	2.64%

Program Description

The Local Government Services - Administration program provides professional and legal services to 12 service and financial assistance programs. This program supervises the functions of the Community and Housing Assistance Bureau (which includes the Coal Board and Hard-Rock Mining Board), and the Local Government Services Bureau (which includes the Audit, the Systems, and the District Court Reimbursement programs).

Current Level Budget

The 1993 biennium current level budget is 2.6 percent higher than the 1991 biennium. Personal services increase 2.5 percent, reflecting the fiscal 1991 pay plan increase. Operating expenses are based on fiscal 1990 actual expenditures, with the exception of the indirect cost assessment which is at the agency request level. No equipment was requested for the program. Funding comes from assessments to the Community Assistance and Local Government programs.

CURRENT LEVEL COMPARISONS

Budget Item	Actual Fiscal 1990	Executive Fiscal 1992	LFA Fiscal 1992	Difference Fiscal 1992	Executive Fiscal 1993	LFA Fiscal 1993	Difference Fiscal 1993
FTE	2.00	2.50	2.00	.50	2.50	2.00	.50
Personal Services	90,883	106,460	94,420	12,040	106,811	94,798	12,013
Operating Expenses	10,441	13,614	10,788	2,826	13,328	10,798	2,530
Total Expend.	\$101,324	\$120,074	\$105,208	\$14,866	\$120,139	\$105,596	\$14,543
Fund Sources							
Proprietary Fund	101,324	120,074	105,208	14,866	120,139	105,596	14,543
Total Funds	\$101,324	\$120,074	\$105,208	\$14,866	\$120,139	\$105,596	\$14,543

CURRENT LEVEL ISSUES:

- NON-ACTION ITEMS
 - A. Inflation
 - B. Audit
 - C. Network Fees

- PERSONAL SERVICES
 - A. The Executive Budget Transfers in .5 FTE (#60036) from the Community Development Division - Hard Rock Mining Board

- INDIRECT CHARGES - Associated with the increased FTE level is an increase in this item

- BUDGET BASE DIFFERENCES 90% plus. Service Waiving

TOTAL CURRENT LEVEL

--Executive Over (Under) FY 92	LFA-- FY93
\$32	\$40
\$302	\$0
\$328	\$328
\$12,040	\$12,013
\$1,053	\$1,051
\$1,111	\$1,111
\$14,866	\$14,543

2-18-91
Exhibit 2,
Net. Rs. Adv.
Non Action
Jama

Waiving 2.3 + 4

Budget Lfa - vlnm

Budget - vlnm is waiving

The Executive Budget Transfers in .5 FTE (#60036) from the Community Development Division - Hard Rock Mining Board

Associated with the increased FTE level is an increase in this item

90% plus. Service Waiving

6501 60 00000

COMMUNITY DEVELOPMENT BUREAU

Budget Item	Actual Fiscal 1990	Appropriated Fiscal 1991	- - Current Fiscal 1992	Level - - Fiscal 1993	Change 1991-93 Biennium
FTE	20.00	20.00	19.00	19.00	-1.00
Personal Services	506,007	624,611	586,663	586,679	3.78%
Operating Expenses	339,662	380,975	394,795	395,405	9.65%
Equipment	17,234	450	5,062	5,156	-42.22%
Grants	15,590,550	20,067,193	22,172,365	22,180,729	24.39%
Transfers	<u>1,032,929</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>-100.00%</u>
Total Program	\$17,486,382	\$21,073,229	\$23,158,885	\$23,167,969	20.14%
Fund Sources					
General Fund	183,562	223,866	220,592	223,012	8.88%
State Revenue Fund	2,663,611	3,058,590	2,844,151	2,842,918	-.61%
Federal Revenue Fund	<u>14,639,209</u>	<u>17,790,773</u>	<u>20,094,142</u>	<u>20,102,039</u>	<u>23.95%</u>
Total Funds	\$17,486,382	\$21,073,229	\$23,158,885	\$23,167,969	20.14%

Program Description

The Local Government Assistance - Community Development program provides assistance to local governments, private developers, and the public in public works planning and financing; land use, development, and financing; low income rent assistance; coal and hard rock mining impact mitigation; and general local government research and development. The program includes the following boards and programs. The Coal Board provides grants to local governments where adverse impacts have occurred as a result of large-scale coal development. The program is directed by a board appointed by the Governor. The Hard-Rock Mining Impact Board assists mineral developers and local governments in preparing and implementing impact plans for new, large-scale hard-rock mining developments. This board, which is also appointed by the Governor, arbitrates disputes, makes determinations on impact plan waivers, and generally implements the Hard Rock Mining Impact Act. The Housing Assistance program, a separate program during the 1991 biennium, provides financial assistance for rental housing to the needy. It provides financial assistance and guarantees to rental housing developers to improve the housing stock available to needy Montanans. The Community Technical

Assistance program provides technical assistance to local developers, local officials, and others on capital improvement planning and budgeting, land use and zoning regulation, and financing public works projects, in addition to researching special local policy issues and distributing the county land planning funds. The CDBG program receives, awards, and administers federal Housing and Urban Development funds to assist local governments with public facility and housing needs to benefit low to moderate income people.

Current Level Budget

The 1993 biennium budget increases 20.1 percent from the 1991 biennium, primarily due to increased grants. Personal services increase 3.8 percent even though 1.0 FTE program officer (\$28,500) was transferred from this program to the Business Development program. The program experienced significant vacancy savings during fiscal 1990. A planning manager position was vacant 11 months (saving \$38,741) and a program specialist position was vacant the entire fiscal year (saving \$23,263). These positions have now been filled.

Operating expenses increase 9.6 percent or approximately \$55,000 per fiscal year in the 1993 biennium compared to fiscal

COMMUNITY DEVELOPMENT BUREAU

1990 due to: 1) \$25,000 was added in contract services in the Housing Assistance program in response to the Department of Housing and Urban Development's (HUD) requirement that 5 percent of housing inspections be audited; 2) annual audit costs are \$8,013 over fiscal 1990; 3) printing costs increase approximately \$9,100 per fiscal year because fiscal 1990 had unusually low printing costs compared to previous years; 4) indirect cost and recharges (which are budgeted at the agency's requested level) increase \$13,400 per year; and 5) inflationary adjustments add \$4,300 per fiscal year in the 1993 biennium.

Two programs are expected to have higher levels of grant funds in the 1993 biennium. The Housing Assistance program grants increase approximately \$5.2 million each year of the 1993 biennium, based on fiscal 1991 federal authorizations. Grants in the Community Development Block Grant program increase \$139,300 each year based on information from HUD. Transfers in fiscal 1990 include the coal severance tax funds appropriated for improvements to Highway 314 between Decker and Busby. The Coal Board grants assume expenditures of 100 percent of the statutory coal severance

tax allocation less administration costs.

Besides general fund which provides 100 percent of the funding for the Community Assistance unit, program funding comes from five other sources. The Coal Board is funded by an allocation from the coal tax. The Hard Rock Mining Board receives its revenue from a portion of the metalliferous mines' license tax. Housing Assistance receives its funding from federal Section 8 Housing funds. The Community Development Block Grant program receives federal block grant funds, which require general fund match for grant administration. In addition, this program administers the County Land Planning program which is funded from coal tax revenues.

Executive Budget Modification

Section 8 Grant Increase

The department requests \$2,000,780 in federal fund authority for the biennium. The department has requested a federal grant for an increase of 125 rental units for the Certificates Program and an increase of 75 rental units for the Vouchers Program from HUD. If the application is denied, the department will withdraw this request for funding.

EXHIBIT 7-24
DATE 2-18-91
HB Mar. Rev. Au

Budget Item	Actual Fiscal 1990	Executive Fiscal 1992	LFA Fiscal 1992	Difference Fiscal 1992	Executive Fiscal 1993	LFA Fiscal 1993	Difference Fiscal 1993
FTE	20.00	18.50	19.00	.50	18.50	19.00	.50
Personal Services	506,007	581,081	586,663	5,582	581,114	586,679	5,565
Operating Expenses	339,662	446,402	394,795	51,607	430,436	395,405	35,031
Equipment	17,234	15,062	5,062	0	5,156	5,156	0
Grants	15,590,550	22,548,272	22,172,365	375,907	22,558,069	22,180,729	377,340
Transfers	1,032,929	0	0	0	0	0	0
Total Expend.	\$17,486,382	\$23,580,817	\$23,158,885	\$421,932	\$23,574,775	\$23,167,969	\$406,806
Fund Sources							
General Fund	183,562	225,751	220,592	5,159	223,649	223,012	637
State Revenue Fund	2,663,611	3,228,808	2,844,151	384,657	3,226,727	2,842,918	383,809
Federal Revenue Fund	14,639,209	20,126,258	20,094,142	32,116	20,124,399	20,102,039	22,360
Total Funds	\$17,486,382	\$23,580,817	\$23,158,885	\$421,932	\$23,574,775	\$23,167,969	\$406,806

DATE 2-18-91
HB

--Executive Over (Under) LFA--
FY 92

DOC - Community Development

RENT LEVEL ISSUES:
L BOARD

NON-ACTION ITEMS		
A. Inflation	(3341)	(16)
B. Audit - Legislative Auditor and coal grant audits	\$3,609	\$1,130
C. Network Fees	(18)	(18)

PERSONAL SERVICES *Dempton - Union Ex*
A. The Executive Budget transfers out 0.5 FTE (#60034) to Community Assistance Division - Section 8 Housing
B. Per Diem - The LFA reflects actual fiscal 1990 expenditures

COAL TAX GRANT ALLOCATION - The LFA reflects more accurate revenue estimates. The *Fager memo report* Executive Budget estimates are overstated. Statute directs 6.65% of total coal tax collections are to be credited to the local impact account. The board makes grants *off*, *in acc. rev.* to counties after deducting administration and operation expenses.

RECHARGES *Dempton - Union Ex*
BUDGET BASE DIFFERENCES *Woolley - Union Ex*

D ROCK MINING BOARD

NON-ACTION ITEMS		
A. Inflation	(76)	\$47
B. Audit	\$170	(\$145)
C. Network Fees	\$2	\$2

PERSONAL SERVICES *Dempton - Union Ex*
A. The Executive Budget transfers out 0.5 FTE (#60036) to the Local Government
B. Per Diem - The LFA reflects actual fiscal 1990 expenditures

BUDGET BASE DIFFERENCES

LANGUAGE: Included by the 1989 legislature. "The hard-rock mining board shall report to the legislature any expenditures from the hard-rock mitigation and arbitration account". *Don't Need.*

MUNITY ASSISTANCE

NON-ACTION ITEMS		
A. Inflation	(25)	\$21
B. Audit	\$221	(\$190)
C. Network Fees	(23)	(23)

PERSONAL SERVICES - The Executive Budget increases the grade of the Bureau Chief (#60002) from grade 17 step 2 to grade 17 step 12

BUDGET BASE DIFFERENCES

	\$3,864	\$3,855
	(\$2,423)	(\$2,423)

DATE 2-18-91
 HB CPW
 HB CPW

NTY LAND PLANNING
 Meeting 1/18/91
 David L. & OPP acc'n, estimate

both the Executive Budget and the LFA have overstated the amount of coal tax allocated to county land planning grants. More accurate estimates are \$146,630 for fiscal 1992 and \$145,992 for fiscal 1993. The LFA and Executive Budget should be reduced by \$36,538 in fiscal 1992 and \$37,176 in fiscal 1993. The grants are funded by .38 percent of total coal tax collections.

USING ASSISTANCE

- NON-ACTION ITEMS
- A. Inflation
- B. Audit
- C. Network Fees

PERSONAL SERVICES - The Executive Budget transfers in .5 FTE (#60034) from the Coal Board and .5 FTE (#60034) from the Community Development Block Grant program

INDIRECT CHARGES - Associated with the increased FTE level is an increase in this item

BUDGET BASE DIFFERENCES

COMMUNITY DEVELOPMENT BLOCK GRANT

- NON-ACTION ITEMS
- A. Inflation
- B. Audit
- C. Network Fees

PERSONAL SERVICES

- A. The Executive Budget transfers out .5 FTE (#60034) to the Housing Assistance Bureau - Section 8 Housing a grade 16 step 3
- B. The Executive Budget decreases position #60004 from a grade 16 step 12 to a grade 16 step 3
- C. The Executive Budget increases the bureau chief (#60002) from grade 17 step 2 to grade 17 step 12

INDIRECT CHARGES - Associated with the increased FTE level is an increase in this item

RECHARGES

BUDGET BASE DIFFERENCES

ENDING - The LFA has \$3,545 less general fund in fiscal 1992 and \$603 more in fiscal 1993 than the Executive Budget. The agency states that this amount of general fund is needed to assure the federal match.

TOTAL CURRENT LEVEL

EXECUTIVE BUDGET MODIFICATION:

Housing Assistance
 SECTION 8 GRANT INCREASE (Federal Funds)

(527)	(346)
\$5,333	(\$4,562)
\$0	\$0
\$22,560	\$22,509
\$1,958	\$1,954
\$9,449	\$9,449
(550)	(355)
\$2,330	(\$1,993)
\$0	\$0
(\$11,279)	(\$11,258)
(\$6,471)	(\$6,454)
\$3,864	\$3,855
(\$1,554)	(\$1,549)
\$6,533	\$6,518
\$4,015	\$3,989
\$421,932	\$406,806
=====	=====
\$1,000,390	\$1,000,390
=====	=====

FTE	1992	1993
	0.00	0.00
	=====	=====

6501 DEPARTMENT OF COMMERCE
62 LOCAL GOV'T SERVICES-AUDIT
00000

DATE : 01/08/91
TIME : 21/29/24
CURRENT LEVEL COMPARISONS

2-18-91
EXHIBIT with 44

DATE 2-18-91
HB DNR Doc No

Budget Item	Actual Fiscal 1990	Executive Fiscal 1992	LFA Fiscal 1992	Difference Fiscal 1992	Executive Fiscal 1993	LFA Fiscal 1993	Difference Fiscal 1993
FTE	28.20	28.75	28.75	.00	28.75	28.75	.00
Personal Services	717,293	855,156	855,756	600-	854,376	854,976	600-
Operating Expenses	252,567	263,898	251,277	12,621	261,106	251,619	9,487
Equipment	9,340	16,828	3,893	12,935	16,828	4,105	12,723
Transfers	51,210	92,343	85,472	6,871	92,314	85,393	6,921
Total Expend.	\$1,030,410	\$1,228,225	\$1,196,398	\$31,827	\$1,224,624	\$1,196,093	\$28,531
Fund Sources							
General Fund	51,210	92,343	85,472	6,871	92,314	85,393	6,921
Proprietary Fund	979,200	1,135,882	1,110,926	24,956	1,132,310	1,110,700	21,610
Total Funds	\$1,030,410	\$1,228,225	\$1,196,398	\$31,827	\$1,224,624	\$1,196,093	\$28,531

CURRENT LEVEL ISSUES: *2/18/91*
DOC - LOS Audit

NON-ACTION ITEMS
A. Inflation
B. Audit
C. Network Fees

PERSONAL SERVICES

A. The Executive Budget contains less health insurance than the LFA for position #63004.
The agency concurs with the LFA.

EQUIPMENT - The LFA reflects a 3-year average. 3800 in Weeding & *4-1-Berger No!*

TRANSFERS *4-1-Berger No!*

BUDGET BASE DIFFERENCES - *Devin - Ex Union.*

TOTAL CURRENT LEVEL

NOTING: THE LFA HAS \$6,871 LESS GENERAL FUND IN FISCAL 1992 AND \$6,921 LESS IN FISCAL 1993 BECAUSE OF EXCESS FUND BALANCE IN THE LOCAL GOVERNMENT AUDIT SERVICE ACCOUNT *186,000*

EXECUTIVE BUDGET MODIFICATION: *Bergeron Union*

LOCAL GOVERNMENT SERVICES PEER REVIEW (Proprietary)

--Executive Over (Under) LFA--
FY 92

\$171
\$1,748
(\$95)

(\$600)

\$12,935

\$6,871

\$10,797

\$31,827

\$28,531

\$10,000

\$10,000

FTE 1992 1993

0.00 0.00

6501 62 00000

LOCAL GOVERNMENT SERVICES-AUDIT

Budget Item	Actual Fiscal 1990	Appropriated Fiscal 1991	- - Current Fiscal 1992	Level - - Fiscal 1993	Change 1991-93 Biennium
FTE	28.20	28.20	28.75	28.75	.55
Personal Services	717,293	843,301	855,756	854,976	9.62%
Operating Expenses	252,567	256,228	251,277	251,619	-1.16%
Equipment	9,340	16,828	3,893	4,105	-69.44%
Transfers	51,210	0	85,472	85,393	233.66%
Total Program	\$1,030,410	\$1,116,357	\$1,196,398	\$1,196,093	11.45%
Fund Sources					
General Fund	51,210	56,440	85,472	85,393	58.72%
Proprietary Fund	979,200	1,059,917	1,110,926	1,110,700	8.95%
Total Funds	\$1,030,410	\$1,116,357	\$1,196,398	\$1,196,093	11.45%

Program Description

The Local Government Services - Audit program provides for the financial and compliance post auditing of the financial statements of local taxing jurisdictions in Montana, as required by law. These audits are conducted by staff and through contracts with private accounting firms. The program also performs special audits in cases of suspected fraud or misappropriation of funds. This program sets audit program standards and provides technical assistance to local, state and federal governments as well as private individuals. The audit function is designed to protect the taxpayers' interests by verifying that the financial conditions and operations are responsibly accounted and reported for and that local officials are complying with appropriate statutes and regulations.

Current Level Budget

The current level budget increases 11.5 percent from the 1991 biennium to the 1993 biennium primarily in personal services costs. In fiscal 1990, the program experienced a 12 percent (\$97,400) vacancy savings. In addition, the 1993 biennium personal services include a 0.55 FTE increase resulting from three FTE changes: 1) the administrator's position was reduced

from 0.7 FTE to 0.5 FTE because the incumbent also supervises the Local Government Systems program, and one-half of his salary is charged to that program; 2) a 0.5 FTE accounting position was transferred from the Local Government Systems program to the Audit program; and 3) a word processor position was increased by a 0.25 FTE. Operating costs are based on fiscal 1990 actual expenditures. The 1.2 percent decrease is due to: 1) audit costs for each year of the 1993 biennium are \$2,900 less than 1990 actual; 2) indirect costs increase \$7,350 in each of the fiscal years in the 1993 biennium; 3) rent decreases \$3,850 per fiscal year as a result of the program moving into the Commerce office building; 5) utilities costs of \$2,700 in fiscal 1990 are dropped from the budget because of the move; and 6) budgeted fiscal 1991 operating costs are \$4,950 more than annual budgeted costs in the 1993 biennium. The equipment budget will allow the program to purchase one portable computer and nine calculators.

The transfer authority is requested because Generally Accepted Accounting Principles (GAAP) require that any general fund in a program with a proprietary fund operation be transferred to and spent from the proprietary fund. This transfer authority was not appropriated in the 1991 biennium so the program was given an administrative appropriation for this

LOCAL GOVERNMENT SERVICES-AUDIT

transfer in fiscal 1990. The funding for this program is from two sources. Proprietary revenues come from the fees assessed local government for audit services. The general fund provides funding for the costs of the program which cannot be billed to local governments.

Executive Budget Modification

Local Government Services Peer Review

The department requests \$10,000 in fiscal 1992 funded from the program's

proprietary account to fund a peer review. Under auditing standards established by the Comptroller General, all organizations conducting government audits are required to have an external quality control review (peer review) at least once every three years beginning January 1, 1989. The costs would include travel by the review teams and an administrative fee of \$2,500. In addition, the department would be required to provide members of its staff to review other state audit organizations. This cost of this review would be incurred every three years.

Exhibit 5
 DATE 2-18-91
 HB Car Red Am

LOCAL GOVERNMENT SERVICES-SYSTEMS

Budget Item	Actual Fiscal 1990	Appropriated Fiscal 1991	- - Current Fiscal 1992	Level - - Fiscal 1993	Change 1991-93 Biennium
FTE	5.30	5.30	3.75	3.75	-1.55
Personal Services	127,720	181,356	141,878	141,547	-8.30%
Operating Expenses	101,721	139,952	95,604	95,663	-20.86%
Equipment	0	424	0	0	-100.00%
Grants	2,533,236	2,923,949	2,533,236	2,533,236	-7.16%
Transfers	88,340	0	31,276	31,015	-29.49%
Total Program	\$2,851,017	\$3,245,681	\$2,801,994	\$2,801,461	-8.09%
Fund Sources					
General Fund	2,686,410	2,916,638	2,621,090	2,620,818	-6.45%
State Revenue Fund	0	183,168	0	0	-100.00%
Proprietary Fund	164,607	145,875	180,904	180,643	16.45%
Total Funds	\$2,851,017	\$3,245,681	\$2,801,994	\$2,801,461	-8.09%

Program Description

The Local Government Services - Systems program develops, implements, and maintains the uniform budgetary, accounting, and reporting systems for Montana cities, towns, counties, school districts, and other special purpose taxing jurisdictions. It provides regular and special technical assistance on accounting and reporting standards to local financial personnel, coordinates technical and procedural advice and assistance between state agencies and local governments, and is the central state repository of annual budget documents and annual financial reports from counties, cities, and towns. The program also administers the District Court Reimbursement program, which assists counties in paying for on-going and extraordinary criminal case court costs.

\$203,270 (and are budgeted at \$183,168 each fiscal year of the 1993 biennium).

The appropriation for this program is still reflected in the fiscal 1991 column. The state special revenue funding shows the fiscal 1991 budgeted cost in this program.

Personal services decrease 8.3 percent because there is a net 1.55 FTE decrease in the 1993 biennium: 1) the administrator's position, whose costs are evenly shared between this program and the Local Government Audit program, was increased by 0.2 FTE to 0.5 FTE; 2) a 0.75 FTE accounting position was transferred to the Audit program; and 3) a 1.0 FTE accounting position was deleted. The net cost reduction of these FTE changes was approximately \$40,200 per year.

Current Level Budget

The current level budget decreases 8.1 percent from the 1991 biennium to the 1993 biennium primarily because the County Land Planning program was transferred from this program to the Community Assistance program in fiscal 1990. Fiscal 1990 actual expenditures for County Land Planning program were

Operating expenses for the 1993 biennium are based on fiscal 1990 expenditures except for the following: 1) supplies were reduced by \$1,880 for one-time expenditures; 2) rent was reduced by approximately \$3,600 because the program was moved to the Commerce building, where rent is less expensive in state-owned buildings; 3) utilities cost of \$1,184 were eliminated because of the move; and 4) indirect costs were increased \$819 to the agency request level. Grant expenditures reflect the

LOCAL GOVERNMENT SERVICES-SYSTEMS

district court reimbursement, which are continued at the fiscal 1990 level.

General fund is appropriated to the Local Government Systems to fund costs which cannot be charged to local government units. Since this program has a proprietary fund, it needs transfer authority to move the general

fund to the proprietary fund to comply with GAAP. The general fund also provides district court reimbursement payments. Language in House Bill 100 limits the district court reimbursement to the revenues deposited to the general fund from the district court fee on motor vehicles provided for in Section 61-3-509, MCA.

DOC - LGS Systems

CURRENT LEVEL ISSUES:

ACCOUNTING & MANAGEMENT SYSTEM

- NON-ACTION ITEMS
- A. Inflation
- B. Audit
- C. Network Fees

TECHNICAL ADJUSTMENT - Agency coding of secretarial service expenditures in recharges - Bangston Ex - Union resulted in the elimination of them from the LFA fiscal 1990 actual expenditures

TRANSFERS - Transfers consist of moving general fund to the proprietary account. To spend it. The difference is the same as the general fund financing of this program.

BUDGET BASE DIFFERENCES

UNDOING: THE LFA HAS \$22,492 LESS GENERAL FUND IN FISCAL 1992 AND \$22,620 LESS IN FISCAL 1993 BECAUSE OF EXCESS FUND BALANCE IN THE ACCOUNTING & MANAGEMENT SYSTEM ACCOUNT. THE ENDING FUND BALANCE PROPRIETARY HAS GROWN FROM \$78,282 IN FISCAL 1988 TO \$97,398 IN FISCAL 1990.

DISTRICT COURT REIMBURSEMENT

- NON-ACTION ITEMS
- A. Inflation
- B. Network Fees

Sp - operating - Bangston - Union.

AUDIT - The LFA reflects \$1,150 each year above actual fiscal 1990 expenditures. The Executive Budget is overstated. (General Fund)

GRANTS - Depends on revenue collected and program expenditures (See language below). Revised revenue estimates indicate total program expenditures should be set at not more than \$2,710,00 in fiscal 1992 and \$2,781,000 in fiscal 1993. The amounts for grants would be these amounts less program operation expenditures set by the legislature. If the LFA base is accepted, the LFA grant amounts would increase by \$120,186 in fiscal 1992 and \$191,197 in fiscal 1993. If the Executive Budget operation expenditures are accepted, grants would decrease by \$118,421 in fiscal 1992 and \$45,608 in fiscal 1993.

BUDGET BASE DIFFERENCES (General Fund) *Sp - Bangston - Union - Ex*

UNDOING: Funding for this program is from a 7 percent district court fee of the 2 percent tax collected on an automobile or truck with a capacity of 3/4 ton or less. These funds are deposited into the general fund to be used for purposes of state funding of the district court expenses. Any amount not used is to be refunded to the counties.

TOTAL CURRENT LEVEL

LANGUAGE:

The 1989 legislature approved the following language to be included in the general appropriations act concerning the District Court Reimbursement program, "If revenues deposited to the general fund through implementation of 61-3-509, MCA, are less than the appropriation for District Court reimbursement, the department shall reduce the reimbursement to equal the revenues generated".

(\$248)
 (\$411)
 \$10
 \$8,000
 \$22,492
 \$2,682

need to get 012
 \$22,492
 \$2,682

Bangston - Union
 Ex revenue & LFA
 Bangston - Union
 Ex revenue & LFA

(\$44)
 \$33
 \$22,348
 \$201,290
 \$14,980

(\$13)
 \$33
 6447
 \$201,290
 \$14,995

\$271,015
 \$268,545

EXHIBIT
DATE 12/18/91
HB x h. h. g.

Budget Item	Actual Fiscal 1990	Executive Fiscal 1992	LFA Fiscal 1992	Difference Fiscal 1992	Executive Fiscal 1993	LFA Fiscal 1993	Difference Fiscal 1993
FTE	5.30	3.75	3.75	.00	3.75	3.75	.00
Personal Services	127,720	141,878	141,878	0	141,547	141,547	0
Operating Expenses	101,721	142,411	95,604	46,807	139,874	95,663	44,211
Equipment	0	424	0	424	424	0	424
Grants	2,533,236	2,734,526	2,533,236	201,290	2,734,526	2,533,236	201,290
Transfers	88,340	53,770	31,276	22,494	53,635	31,015	22,620
Total Expend.	\$2,851,017	\$3,073,009	\$2,801,994	\$271,015	\$3,070,006	\$2,801,461	\$268,545
Fund Sources							
General Fund	2,686,410	2,882,191	2,621,090	261,101	2,880,243	2,620,818	259,425
Proprietary Fund	164,607	190,818	180,904	9,914	189,763	180,643	9,120
Total Funds	\$2,851,017	\$3,073,009	\$2,801,994	\$271,015	\$3,070,006	\$2,801,461	\$268,545

6501 DEPARTMENT OF COMMERCE
77 MONTANA STATE LOTTERY

00000

DATE : 01/08/91
TIME : 21/29/24
CURRENT LEVEL COMPARISONSDATE 1-22-88-91
HB 6
Mar. Do. Sw.

Budget Item	Actual Fiscal 1990	Executive Fiscal 1992	LFA Fiscal 1992	Difference Fiscal 1992	Executive Fiscal 1993	LFA Fiscal 1993	Difference Fiscal 1993
FTE	35.00	36.00	36.00	.00	36.00	36.00	.00
Personal Services	899,888	1,038,856	1,038,933	77-	1,039,083	1,039,160	77-
Operating Expenses	9,532,421	2,140,220	2,064,314	75,906	2,010,276	2,065,485	55,209-
Equipment	66,033	0	0	0	0	0	0
Debt Service	189,993	0	0	0	0	0	0
Total Expend.	\$10,688,335	\$3,179,076	\$3,103,247	\$75,829	\$3,049,359	\$3,104,645	\$55,286-
Fund Sources							
Proprietary Fund	10,688,335	3,179,076	3,103,247	75,829	3,049,359	3,104,645	55,286-
Total Funds	\$10,688,335	\$3,179,076	\$3,103,247	\$75,829	\$3,049,359	\$3,104,645	\$55,286-

CURRENT LEVEL ISSUES:

DOC - Lottery

--Executive Over (Under) LFA--
FY 92 FY93

- NON-ACTION ITEMS
- A. Inflation
- B. Audit
- C. Network Fees

\$1,308
\$71,688
\$2,921
(\$67)
(\$55,286)
=====

BUDGET BASE DIFFERENCES

TOTAL CURRENT LEVEL

EXECUTIVE BUDGET MODIFICATIONS FOR PROGRAM EXPANSION:

- ON-LINE LOTTERY (Proprietary)
- LOTTERY VEHICLES (Proprietary)

TOTAL MODIFICATIONS:

FTE 1992 1993

0.00 0.00

0.00 0.00

0.00 0.00

0.00 0.00

=====

\$3,275,782
\$55,500
\$3,331,282
=====

Compton Ex on all items
4-1-Weeding No!

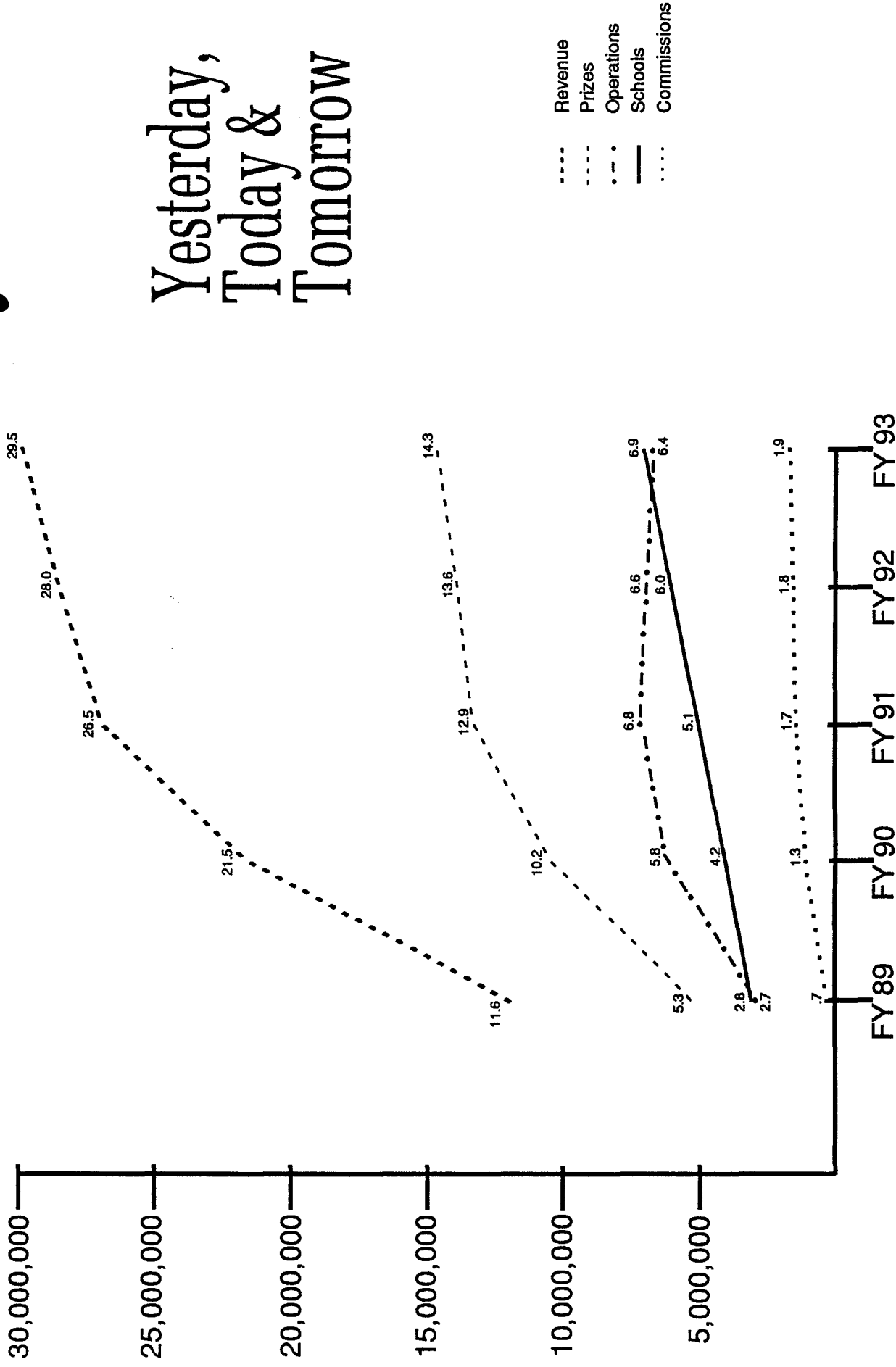
THE EXECUTIVE BUDGET CONTAINS \$21,415,150 IN FISCAL 1992 AND \$23,176,944 IN FISCAL 1993 FOR STATUTORILY APPROPRIATING PRIZES AND NET REVENUE. NET REVENUE IS RECEIPTS NOT USED FOR PRIZES, COMMISSIONS AND OPERATING EXPENSES AND IS STATUTORILY APPROPRIATED TO THE SUPERINTENDENT OF PUBLIC INSTRUCTION.

THE SPENDING AUTHORITY OF THE LOTTERY MAY BE INCREASED UPON REVIEW AND APPROVAL OF A REVISED OPERATION PLAN BY THE BUDGET OFFICE (23-5-1023, MCA)

Montana Lottery

1989 6
 2-18-91
 Nat. Pr. Ave.

Yesterday, Today & Tomorrow



HOUSE OF REPRESENTATIVES

VISITOR'S REGISTER

DATE 2-18-91 COMMITTEE BILL NO.
 SPONSOR(S) Nat. Resources

PLEASE PRINT

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NAME AND ADDRESS	REPRESENTING	BILL	OPPOSE	SUPPORT
Mark Bruno	Commerce			
Chuck Brooke	Commerce			
Newell Anderson	Commerce			
Zoann Attwood	Lottery Director			
Jerry LaChere	" Director			
MIKE FERGUSON	AERONAUTICS			

PLEASE LEAVE PREPARED TESTIMONY WITH SECRETARY. WITNESS STATEMENT FORMS ARE AVAILABLE IF YOU CARE TO SUBMIT WRITTEN TESTIMONY.